

HEADQUARTERS

POLICY FLASH

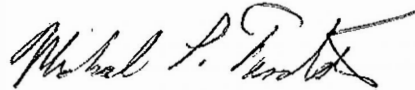
POLICY FLASH 2005-11

DATE: December 8, 2004
TO: Procurement Directors
FROM: Office of Procurement and Assistance Policy, ME-61
Office of Procurement and Assistance Management

SUBJECT: **Purchase Card Policy and Procedures**
--Merchant Category Codes
--Convenience Checks
--Section 508 of the Rehabilitation Act

SUMMARY: This Policy Flash advises you of four changes being made in Chapter 13 of the Department of Energy (DOE) Acquisition Guide entitled Policy and Procedures for Use of the General Services Administration (GSA) SmartPay Purchase Card. The first change is in the title of our document. We have changed "Guidelines and Procedures" to "Policy and Procedures" to reflect the more mandatory nature

of the guidance contained in the procedures. The second concerns a general prohibition on purchases from certain merchants through an automated block on merchants identified by their Bank assigned Merchant Category Codes. This will prevent the use of the card in certain types of businesses. The third change concerns the use of convenience checks. Convenience checks are not to be issued in amounts greater than \$2,500. The fourth change makes cardholders aware of their responsibilities under Section 508 of the Rehabilitation Act when they use the card to acquire electronic and information technology.



Michael P. Fischetti, Acting Director
Office of Procurement and
Assistance Policy, OMBE

November 2004 Update

Contracting activities and authorized contractor SMARTPAY participants may revise the content to reflect their specific circumstances, e.g., identify your local coordinator, identify your central receiving office, etc. Revisions may not delete prohibitions or reduce the level of controls required by the GSA Purchase Card Guide or these DOE Guidelines. The GSA Master Contract and the Contract Guide, listed as Attachment 1, are available on the GSA Home Page at

http://www.gsa.gov/Portals/1/gsa/ep/content/view.do?contentType=GSA_BASIC&contentId=11989&noC-T

DEPARTMENT OF ENERGY

POLICY AND OPERATING PROCEDURES FOR USE OF THE GSA SMARTPAY PURCHASE CARD BY DOE AND AUTHORIZED CONTRACTOR PERSONNEL

**ISSUED BY THE DIRECTOR
OFFICE OF PROCUREMENT AND ASSISTANCE MANAGEMENT**

November 2004 REVISION

DEPARTMENT OF ENERGY
POLICY AND OPERATING PROCEDURES
FOR USE OF THE
GSA SMARTPAY PURCHASE CARD
BY DOE AND AUTHORIZED CONTRACTOR EMPLOYEES

TABLE OF CONTENTS

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
1.	PURPOSE	1
2.	DEFINITIONS.....	1
3.	RESPONSIBILITIES	2
4.	PROGRAM FEATURES	4
5.	PURCHASING AUTHORITY	5
6.	CONDITIONS FOR USING THE DOE PURCHASE CARD.....	5
7.	PERSONAL PROPERTY MANAGEMENT AND ACCOUNTABILITY.....	5
8.	PROHIBITIONS AND RESTRICTIONS	6
9.	PURCHASES	7
10.	RESERVED	7
11.	RESERVED	7
12.	TELEPHONE ORDERING	7
13.	ORAL PURCHASES (INCLUDING TELEPHONE ORDERS) AND MAIL ORDER PURCHASES	8
14.	RECORD KEEPING	8
15.	RESERVATION/OBLIGATION OF FUNDS	8
16.	CARD ABUSE.....	9
17.	REPORTING.....	9
18.	REVIEW PROCESS.....	9
19.	BILLING ERRORS AND DISPUTES.....	10
20.	DEPARTURE OF EMPLOYEES	10
21.	UTILIZATION OF SMALL BUSINESS	10

22.	COMPETITION	11
23.	MICRO-PURCHASES UNDER THE DOE PURCHASE CARD PROGRAM.....	11
24.	PROCUREMENT INTEGRITY REQUIREMENTS FOR FEDERAL EMPLOYEE PURCHASE CARDHOLDERS	11
25.	ACQUISITION REGULATION.....	12
26.	PROGRAM SUPPORT	12
27.	HEAD OF THE CONTRACTING ACTIVITY REVIEWS	12
28.	U.S. GOVERNMENT TAX EXEMPT PURCHASES	12
29.	MANDATORY SOURCES	13
30.	OFFICE SUPPLIES AND JAVOD	13
31.	BLANKET PURCHASE AGREEMENTS FOR INFORMATION TECHNOLOGY PRODUCTS.....	14
32.	QUALIFICATIONS AND TRAINING REQUIREMENTS FOR PURCHASE CARDHOLDERS.....	15
33.	APPROVING OFFICIAL TRAINING	15
34.	DOCUMENTATION FOR EACH PURCHASE	16
35.	LOST OR STOLEN CARDS	16
36.	AFFIRMATIVE PROCUREMENT PROGRAM	17
37.	ENERGY EFFICIENCY	20
38.	CONVENIENCE CHECKS	21
39.	ELECTRONIC AND INFORMATION TECHNOLOGY.....	22

ATTACHMENTS

1. GOVERNMENT-WIDE COMMERCIAL CREDIT CARD SERVICE; CONTRACT GUIDE GS,23-98004

FAR REFERENCES

2. FAR SUBPART 3.104, PROCUREMENT INTEGRITY
3. FAR SUBPART 8.4, FEDERAL SUPPLY SCHEDULES; FAR SUBPART 8.6, ACQUISITION FROM FEDERAL PRISON INDUSTRIES; AND FAR SUBPART 8.7, ACQUISITION FROM NONPROFIT AGENCIES EMPLOYING PEOPLE WHO ARE BLIND OR VISUALLY DISABLED

4. FAR PART 12, ACQUISITION OF COMMERCIAL ITEMS
5. FAR PART 13, SIMPLIFIED ACQUISITION PROCEDURES
6. FAR PART 23, ENVIRONMENTAL CONSIDERATIONS

PURCHASE CARD FORMS AND THE SELF ASSESSMENT QUESTIONNAIRE ARE AT THE DOE PROCUREMENT HOME PAGE AT CHAPTER 13 OF THE DOE ACQUISITION GUIDE

7. DISPUTE (STATEMENT OF QUESTIONED ITEM) FORM
8. DOE PURCHASE CARD DESTRUCT NOTICE FORM
9. PURCHASE CARD TELEPHONE QUOTATION WORKSHEET
10. PURCHASE CARD TELEPHONE ORDER LOG
11. U.S. TAX EXEMPT CERTIFICATE
12. SELF ASSESSMENT QUESTIONNAIRE
13. APPLICATION/RECORD FORM PURCHASE CARDHOLDER

**DEPARTMENT OF ENERGY GUIDELINES FOR
THE USE OF THE GOVERNMENT SMARTPAY PURCHASE CARD**

1. PURPOSE

The purpose of this document is to establish DOE policy for the use of the Government purchase card. These procedures supplement and implement procedural aspects of the "U.S. General Services Administration Federal Supply Service Government-wide Commercial Credit Card Service, Contract Guide GS-23F-98004". In the event of any inconsistencies between these Guidelines and the terms and conditions of the Contract Guide or Federal Acquisition Regulation (FAR) Parts 3, 8, 13 and 23, the inconsistency will be resolved in favor of (1) the FAR, (2) the terms and conditions of the Contract Guide, and (3) these procedures.

Commercial purchase card services provide DOE with a means to simplify its small purchase procedures and improve its cash management by:

- a. offering an alternative to the use of purchase orders, blanket purchase agreements (BPAs), and imprest funds;
- b. streamlining the acquisition process by reducing paperwork, improving lead times, and expediting Contractor payments;
- c. reducing the administrative costs associated with small purchases, BPAs, and imprest fund transactions; and
- d. providing greater and more detailed statistical data and an audit trail as an aid in managing purchasing activities.

2. DEFINITIONS

The following definitions supplement the definitions contained in the Federal Supply Schedule.

- a. DOE Purchase Card is a distinctly designed VISA purchase card issued by the Bank of America under the General Services Administration SMARTPAY Program. The plastic purchase card is embossed with the employee's name and can only be used by the employee. "U. S. Govt Tax Exempt" is also embossed on the card. The card is uniquely designed so that it will not be easily confused with personal credit cards. Unlike most personal credit card programs, the SMARTPAY Program is not a revolving credit program.
- b. Cardholder is a DOE, or authorized contractor, employee with purchasing authority who:
 - (1) Is issued the DOE Purchase Card;
 - (2) Has his or her name embossed on the card;
 - (3) Is the sole user of the card; and
 - (4) Is the custodian of the card.
- c. Approving Official is the individual delegated approving authority by the Head of the Contracting Activity (HCA) or designee who is responsible for reviewing the monthly Statement of Account for each cardholder under his or her cognizance to ensure that purchases are made in accordance with all regulatory and procedural guidance contained or referenced herein.
- d. Administrative Office is the office with oversight responsibility for the DOE Purchase Card Program.
- e. Contractor is Bank of America.
- f. Statement of Account is a monthly listing of all payments authorized for purchases and credits by a cardholder and billed by the merchant during a designated billing period.
- g. Consolidated Statement is a monthly statement sent by Bank of America to the Finance Office which shows purchases by and credits issued to all the Card Holders under their purview.
- h. Agency Purchase Card Coordinator, or Agency Program Coordinator, is the individual having overall responsibility for the SMARTPAY Program at DOE. Serves as the lead DOE representative in discussions with the Bank at the Agency level.
- i. Contracting Activity or Contractor Purchase Card Coordinator, or Contracting Activity Program Coordinator, is responsible for managing the purchase card program at the contracting activity or contractor organization.

- j. Limits
 - (1) Single Purchase Limit is the maximum dollar limit for an individual purchase card transaction.
 - (2) Monthly Spending Limit is the maximum dollar amount authorized to be spent by the cardholder within a 30-day period.
- k. 30-Day Cycle is a monthly reporting/billing cycle which begins on the 28th of one month and ends on the 27th of the following month.
- l. Certificate of Appointment (SF-1402) is a formal written Contracting Officer warrant that is issued by the HCA to a cardholder, stating any limitations on the scope of authority to be exercised. The SF-1402 shall be used to evidence the contracting officer appointment for delegation of purchase cardholders exceeding micro-purchase authority.
- m. Delegation of Authority is a formal written delegation of DOE Purchase Card purchasing authority that is issued by the HCA or designee, to a cardholder with single purchase limit authority up to \$2,500. This purchasing authority is not evidenced by a Certificate of Appointment. This delegation specifies the dollar limitations and any other conditions applicable to DOE Purchase Card purchases made by that individual.
- n. Oral Purchase Procedure, as used herein, is a procedure where an order is placed or a purchase is made through an oral agreement which is made in person or by telephone by the cardholder. No written purchase order or contract is issued by the Government. The supplies or services are provided by the merchant and payment is made using the DOE Purchase Card.
- o. Head of the Contracting Activity (HCA), means the official in charge of the purchasing function for a contracting activity.

3. RESPONSIBILITIES

- a. The Head of the Contracting Activity or designee, will:
 - (1) Designate an individual to serve as the contracting activity purchase card coordinator.
 - (2) Determine who the approving officials and cardholders will be and ensure that purchasing authority is delegated to cardholders and approving officials are designated.
 - (3) Establish a single purchase limit as part of the Delegation of Purchasing Authority or Certificate of Appointment (SF-1402) for each cardholder.
 - (4) Establish a monthly spending limit by the Certificate of Appointment or Delegation of Purchasing Authority for each cardholder.
 - (5) Establish the monthly office limit consistent with budget restrictions.
 - (6) Establish and maintain written local procedures for use of the DOE Purchase Card consistent with the procurement regulations, the GSA Contract Guide terms and conditions, and this document. This will include the establishment of procedures to ensure the physical security and proper use of the DOE Purchase Card Program and the conduct of an annual review addressing at least the considerations in the Self Assessment Questionnaire at Attachment 12.
 - (7) Ensure that training on the DOE Purchase Card Program and related responsibilities are developed and provided to approving officials, cardholders, and other appropriate personnel. The training should address acquiring the minimum needs of the Government. Conduct refresher training based upon these procedures, lessons learned over time, and feedback from annual reviews. The refresher training should be provided to cardholders and approving officials at least every two years.

- (8) Authorize no more than one purchase card to an individual cardholder unless the Head of the Contracting Activity or designee determines that a card holder has a need for more than one card.
 - (9) Ensure that personnel procedures include return of the card in the departing employees checklist. The procedures should ensure that the card is returned to the Contracting Activity Purchase Card Coordinator who will deactivate the cardholder account.
 - (10) Ensure that departing employees leave their log and records with the approving official or another designated employee for appropriate retention.
 - (11) Consider suspending or terminating cardholder accounts if the cardholder does not submit monthly account reconciliations in a timely manner,
 - (12) Authorize purchase cards to the minimum extent necessary to carry out the contracting activities mission.
 - (13) Authorize cards only for employees of the contracting activity or contractor organization.
 - (14) Counsel and, if necessary, replace Approving Officials, who do not submit monthly account reconciliations in a timely manner.
- (b) Contracting Activity/Contractor: Purchase Card Coordinators will:
- (1) Review and coordinate the approval of Delegations of Purchasing Authority or Certificates of Appointments.
 - (2) Process applications for new cardholders through Bank of America.
 - (3) Arrange for or provide training, including biennial refresher training, for cardholders and approving officials as needed.
 - (4) Maintain and process changes for cardholders.
 - (5) Maintain records of cardholder training and purchase limits.
 - (6) Handle problems or issues related to the purchase card program with the cardholders and/or Bank of America.
 - (7) Arrange for or conduct reviews and assessments of cardholders' purchases to ensure compliance with the regulations, policies, and agency procedures.
 - (8) Refer cardholders to the Head of the Contracting activity or designee for suspension or termination if monthly account reconciliations are not submitted in a timely manner.
 - (9) Maintain an up-to-date inventory of purchase cardholders.
 - (10) Deactivate purchase card accounts of past employees.
 - (11) Refer Approving Officials to the Head of the Contracting Activity or designee if monthly account reconciliations are not submitted in a timely manner.
- (c) Cardholders will:
- (1) Certify that the quantity and quality of the items/services furnished are in accordance with the agreement (verbal or written) with the vendor.
 - (2) Ensure that funds are reserved prior to the items being purchased,
 - (3) Comply with the requirements of FAR Part 8 entitled, Required Sources of Supplies and Services, and Part 13 entitled, Simplified Acquisition Procedures, when making purchases using the DOE Purchase Card as well as these procedures,
 - (4) Maintain physical custody of the DOE Purchase Card at all times. The cardholder must not allow anyone to use the purchase card or account number. A violation of this trust may require that the card be withdrawn from the cardholder with the possibility of subsequent disciplinary action. The cardholder will take care to separate the Government card from personal cards in order to prevent its accidental use for personal transactions.
 - (5) Not "split" purchases in order to fall within the single purchase limit. If a purchase would exceed a cardholder's single purchase limit, the purchase must be accomplished using other acquisition procedures, as appropriate. These purchases will be accomplished by the local purchasing staff.
 - (6) Make purchases only in accordance with the requirements of these Guidelines and its references.
 - (7) Save all customer receipts.
 - (8) Review, complete and sign Statement of Account.
 - (9) Submit completed Statement of Account and customer receipts to approving official.
 - (10) Comply with monetary and activity limits.
 - (11) Immediately report lost or stolen cards to Bank of America, to the approving official, and to the local Purchase Card Coordinator.

- (12) Inform the merchant that the purchase is tax exempt, to prevent being charged with taxes.
- (13) Perform follow-up on purchases to ensure items are received prior to signing Statement of Account.
- (14) Ensure compliance with property requirements.
- (15) Ensure that supplies and services that are purchased with the card are consistent with appropriation guidelines.
- (16) Complete training prescribed at section 32.
- (17) Federal cardholders will complete Annual Financial Disclosure Report (OGE-450) or Executive Branch Public Financial Disclosure Report (SF-278) and complete the annual online Ethics Training.

(d) Approving Officials will:

- (1) Nominate employees to serve as cardholders by submitting a form such as that illustrated at Attachment 13.
- (2) Ensure that each cardholder has access to the Policy and Operating Procedures and understands the requirements for use of the DOE Purchase Card.
- (3) Review and approve, in a timely manner, DOE Purchase Card purchases, except those having **prior authorizations**.
- (4) Review and approve, in a timely manner, cardholders' monthly Statements of Account ensuring that the statements have supporting documentation and are complete, accurate, and reflect only authorized purchases.
- (5) Promptly sign and forward all cardholders' Statements of Account and all supporting documentation to the Finance Office so that the statements are received by the Finance Office not later than the date required by the Finance Office.
- (6) Complete the training prescribed at section 33.

(e) Finance Offices will:

- (1) Review and reconcile all Statements of Account to the invoice submitted from the Contractor.
- (2) Ensure that payments to the Contractor are made in accordance with the Prompt Payment Act and the provisions of Office of Management and Budget (OMB) Circular A-125.
- (3) Distribute DOE Purchase Card charges and credits to the appropriate accounts.
- (4) Assure all payments meet the requirements of applicable law and regulations, including determining the availability of appropriations as to purpose for items purchased.
- (5) Establish procedures for receiving and verifying the amount of rebates received from Bank of America and depositing rebate checks received from Bank of America.
- (6) Notify purchase card program coordinator of any problems with individual cardholder accounts.
- (7) Ensure that:
 - (a) proper approvals are present on all statements before charging program office accounts;
 - (b) instances in which cardholders statements are not received in a timely manner are referred to the Contracting Activity Program Coordinator; and,
 - (c) program accounts are only charged in accordance with the funding direction provided on approved cardholder statements.

4. PROGRAM FEATURES

- a. The DOE Purchase Card is a VISA commercial purchase card that has a unique numbering system which identifies the Agency/Bureau, subunit, single purchase limit, and the cardholder number. The DOE Purchase Card is not to be used by anyone other than the employee whose name appears on it and shall not be used for personal purchases.
- b. Bank of America will be paid the actual cost of transactions for which the DOE Purchase Card was used.
- c. Purchases that have been made using the DOE Purchase Card will be paid in accordance with the Prompt Payment Act and OMB Circular A-125.
- d. Bank of America provides program services support, full reporting, purchase authorization, customer **service, and account setup services**.
- e. Purchases can be returned within 120 days following purchase to the merchant for credit.
- f. Purchases are tax exempt in those states which honor the tax exempt status of the U.S. Government.

- g. DOE Purchase Cards are mailed to the cardholders' offices. Banc of America will have no record of the cardholder's home address, personal credit history, or social security number.

5. **PURCHASING AUTHORITY**

Each cardholder must have purchasing authority evidenced by either a Delegation of Authority or a Contracting Officer's Certificate of Appointment. This authority allows the cardholders to use the DOE Purchase Card to purchase goods and services within established single purchase and monthly spending limits. The single purchase dollar limitation delegated to the purchase card holder shall accurately reflect the dollar levels of purchases that the cardholder will be making as part of their official duties.

6. **CONDITIONS FOR USING THE DOE PURCHASE CARD**

The DOE Purchase Card will be used for purchases that meet the dollar and activity limits authorized on the DOE Purchase Card. Purchases accomplished using the DOE Purchase Card must meet the following conditions:

- (a) The total of a single purchase may comprise multiple items and cannot exceed the authorized single purchase limit stated in the delegation of authority or the notice of limitations and conditions.
- (b) All purchases accomplished using the DOE Purchase Card will be in accordance with Part 8, "Required Sources of Supplies and Services" and Part 13, "Simplified Acquisition Procedures" of the Federal Acquisition Regulation (FAR) and the Guidelines and Operating Procedures attached to each Delegation of Purchasing Authority or furnished in conjunction with the Certificate of Appointment.
- (c) The supplies or services must be available and received prior to the end of the billing period wherever practicable. Items or services not received prior to the end of the billing cycle may not be approved for payment by the cardholder and approving official on the monthly Statement of Account.

7. **PERSONAL PROPERTY MANAGEMENT AND ACCOUNTABILITY**

(a) **Personal Property Management**

- (1) DOE maintains a personal property management program to maintain adequate inventory controls and accountability systems for all property under its control. A critical element of the personal property management program involves the acquisition and receipt of needed items and the recording of the transaction on the formal accountable records of the Department. The acquisition of personal property can be accomplished by a number of methods, including credit card purchases.
- (2) In all acquisitions of personal property, after receiving the item, the physical property must be issued for use or placed into service and the documentation of receipt must be forwarded to the property management office. Generally, this responsibility lies with other than the end user of the property. However, when the end user has acquired the personal property with a credit card and the property is delivered directly to the cardholder, the cardholder becomes accountable for the property and assumes responsibility for ensuring that the property items are recorded in the property management system.

(b) **Property Accountability**

- (1) Purchases Shipped or Delivered by the Vendor. All personal property acquired by using the purchase card should generally be delivered to and *processed by the receiving office*. This will ensure *inventory control identification, as appropriate and recording in the personal property management records*.
- (2) Purchases Hand Carried by the Cardholder. Personal property purchased and hand carried by the cardholder or delivered directly to the cardholder requires inventory control identification and recording in the personal property management records, as appropriate. As soon as practicable following the purchase of the personal property, the cardholder will advise the property management office in writing (i.e., via E-mail or facsimile) requesting that the equipment/property be identified and recorded, as appropriate. Written confirmation should include the following information:

- (a) Cardholder name, office symbol, telephone number, building and room number;
- (b) Brief description of the personal property;
- (c) Model No. and Serial No. of the personal property; and
- (d) Receipt verification witness name, office symbol, telephone number, building and room number.

8. **PROHIBITIONS AND RESTRICTIONS**

- (a) DOE Purchase Card purchases are subject to the following restrictions and prohibitions:
The following are prohibited uses of the DOE Purchase Card:
 - (a) Cash advances;
 - (b) Rental or lease of land or buildings;
 - (c) Purchase of ADP software requiring a negotiated license agreement between DOE and the contractor (excludes "shrink wrap" license affixed to commercially available software);
 - (d) Reserved.
 - (e) Purchases of food, beverages and entertainment except under very limited circumstances generally associated with away from work place training; and
 - (f) The DOE Purchase Card will not be used in lieu of the Government authorized travel charge card.

(b) **Generally, the following items are centrally managed and procured. Check for local guidance before using the purchase card to obtain the following.**

- (a) Messenger services and package delivery services;
- (b) Office supplies and paper;
- (c) **Lease or purchase of Government vehicles;**
- (d) Building alterations;
- (e) **Office moves;**
- (f) Carpet installation and repair;
- (g) Shuttle bus service;
- (h) Printing jobs;
- (i) Photocopier equipment;
- (j) **Books, publications, subscriptions, etc.**

- (c) The Bank groups vendors within merchant categories based on their type of business. Purchases from the following merchant category codes have been blocked. Should a cardholder need to make a valid purchase from a vendor in one of these category codes, their Purchase Card Coordinator will need to clear the purchase with the Bank.

3000 - 3441 Airlines & Rental Cars	5932 Antique Shops
4111 Commuter Transp, Ferries	5933 Pawn Shops
4112 Passenger Railways	5937 Antique Reproductions
4119 Ambulance Services	5944 Jewelry Stores
4411 Cruise Lines	5945 Hobby, Toys and Game shops
4511 Airlines, Air Carriers	5960 Direct Marketing - Insurance
4722 Travel Agencies, Tour Oper	5962 Direct Marketing - Travel
4723 TUI Travel - Germany	5972 Stamp and Coin Stores
4761 Transportation Travel	5973 Religious Goods Stores
4829 Wires, Money Orders	5977 Cosmetic Stores
5309 Duty Free Stores	5993 Cigar Stores and Stands
5681 Fur Stores	5996 Swimming Pools Sales/Serv
5698 Wig and Toupee Stores	6010 Manual Cash Disburse
5718 Fireplace Accessory Stores	6011 Automated Cash Disburse
5735 Record Shops	6051 Non FI, Money Order

5814 Fast food Restaurants	6211 Security Brokers/Dealers
5921 Package Liquor Stores	6300 Insurance Underwriting, Pre
6760 Savings Bonds	7992 Golf Courses-- Public
7012 Timeshares	7993 Video Game Supplies
7032 Sporting/Recreation Camps	7994 Video Game Arcades
7033 Trailer Parks, Campgrounds	7995 Betting/Casino Gambling
7273 Dating/Escort Services	7996 Amusement Parks/Carnivals
7276 Tax Preparation Service	7998 Aquariums
7297 Massage Parlors	8661 Religious Organizations
7832 Motion Picture Theaters	8675 Automobile Associations
7841 Video Tape Rental Stores	9223 Bail Bonds Payments
7932 Billiard/Pool Establishments	9311 Tax Payments
7933 Bowling Alleys	9700 Automated Reform Services
7941 Sports Clubs/Fields	

9. PURCHASES

Purchases of goods and services should be made based upon a properly approved requisition signed by an authorized employee, independent of the purchase card holder, describing the good or service to be purchased, the delivery requirements, potential sources, and documentation that funds are available for the purchase. In limited circumstances, as provided by the Head of the Contracting Activity or designee, purchases may be authorized without prior review. The goods or services to be purchased shall be those necessary to meet the Government's minimum needs, given cost, schedule, and performance requirements.

Purchases of support services may be made with the purchase card, however, if the nature of the service is subject to the Service Contract Act, refer the matter to the contracting officer. Such purchases should be fixed price or fixed hourly rate with a maximum ceiling. If the support services are purchased on a recurring basis, consideration should be given to consolidation under a contract.

Purchases of construction may be made with the purchase card only if local procedures provide for such use. Purchase card purchases of construction may not exceed \$2,000.

If the cardholder purchases goods or services directly from a merchant, the merchant then gives the cardholder a copy of the charge slip and, if applicable, any other customer receipt. The cardholder must ensure that the charge slip contains full documentation of items purchased. The cardholder is required to save the charge slip and any other receipt for forwarding to the cognate approving official along with the monthly Statement of Account. In addition, if an item is returned to the merchant and a credit is given, the credit slip should also be saved and attached to the Statement of Account which shows the credit.

10. RESERVED

11. RESERVED

12. TELEPHONE ORDERING

Care must be taken to ensure that the items are received prior to the end of the billing cycle. Since the Statement of Account will be issued to the cardholders immediately after the end of each billing cycle, the following instructions will apply:

- (1) Telephone ordering should allow enough time for purchases to be delivered within the same cycle;
- (2) Subscriptions may be telephonically ordered and payment authorized even though the subscription has not been received by the end of the billing cycle;

- (3) Merchants must agree to not charge the DOE Purchase Card account number until the shipment is made;
- (4) Cardholders must instruct the merchant to include the following information on the shipping document or packing slip:
 - X Cardholder name;
 - X Cardholder telephone number;
 - X Building number, room address, street address, city, and state of delivery point.

13. **ORAL PURCHASES (INCLUDING TELEPHONE ORDERS) AND MAIL ORDER PURCHASES**

- (1) Oral Purchases and mail order purchases to acquire supplies or services may be accomplished using the DOE Purchase Card provided that (1) the supplies or services can be described in sufficient detail so that the parties have a clear understanding of what is required; (2) the amount of the purchase is \$25,000 or less; and (3) a purchase order or contract is not required by either the merchant or DOE. These types of purchases must be documented. Documentation will address such things as extent of competition (see Section 34).
- (2) As used in these Guidelines, oral purchasing procedures mean a procedure whereby an order is placed using the purchase card through a verbal agreement which is made in person or via telephone. The cardholder verbally places the order, the vendor supplies the items or services requested by the card holder, and payment is made to the vendor using the purchase card.
- (3) When an order is placed via telephone using the purchase card, the cardholder will:
 - (a) Notify the vendor that the purchase is tax exempt. Should a vendor refuse to acknowledge the tax exempt status of the purchase, the ultimate recourse for the card holder is to inform the vendor that the Government's purchase will be taken elsewhere.
 - (b) Ensure that the items or services acquired will be received prior to the end of the billing cycle. Items or services not received prior to the end of the billing cycle may not be approved for payment by the cardholder and approving official on the monthly Statement of Account. Therefore, the cardholder should confirm that the vendor agrees not to charge the purchase card until shipment is made so that the receipt of supplies may be certified on the monthly Statement of Account.
 - (c) Ensure that the price quoted represents the full obligation of the Government for the item or service acquired. Cardholders will ensure that the prices quoted represent the total price to the Government, including shipping charges, packaging, etc., to avoid future billing and payment problems.
 - (d) Instruct the vendor to include the following information on the shipping document or packing slip, if required. This information will alert the receiving officer and the requisitioner that the supplies have been purchased with the purchase card:
 - (i) Cardholder's name and routing symbol;
 - (ii) Building number, room number, street address, city and state of delivery point; and
 - (iii) Cardholder's telephone number.
- (4) The cardholder will execute and maintain appropriate records of each transaction.

14. **RECORD KEEPING**

All cardholders must keep complete and accurate records of their purchases in accordance with Attachments 9 and 10 and the instructions for their use included in Section 18 of these Guidelines. This shall include evidence of receipt of any property or supplies purchased using The Purchase Card, Central filing of such documentation is acceptable. Automated systems are acceptable provided they provide equivalent documentation. Records of departing employees should be maintained by the approving official or another employee for the appropriate retention period.

15. **RESERVATION/OBLIGATION OF FUNDS**

Local procedures shall be established to certify and obligate funds.

16. CARD ABUSE

Intentional use of this card for other than Official Government business may be considered as an attempt to commit fraud against the U.S. Government and may result in immediate cancellation of the card and disciplinary action against the cardholder under applicable Departmental or Government-wide administrative procedures. Suspected fraudulent misuse should be reported to the Office of the Inspector General and the Contracting Activity Purchase Card Coordinator. The cardholder will be personally liable to the Government for the amount of any non-approved purchases and possible subsection to a fine of not more than \$10,000 or imprisonment for not more than five (5) years or both under 18 U.S.C. 287.

17. REPORTING

At the end of the billing cycle, Bank of America will issue detailed statements as follows:

- a. Cardholders will receive an individual Statement of Account showing all purchases and credits processed by Bank of America during the billing cycle.
- b. The Finance Office will receive a consolidated statement of all purchases and credits applicable to all cardholders.

18. RECONCILIATION PROCESS

The manual reconciliation process is currently used by DOE offices. Each monthly statement must be reviewed and approved, in a timely manner, by both the cardholder and an approving official, who is either in the cardholder's supervisory chain of command, or a person independent of the purchase card holder at a level equivalent to a supervisor. An approving official should normally be responsible for no more than five card holders, except with the approval of the HCA or designee. For NNSA contracting activities, an approving official should be responsible for no more than a reasonable number of cardholders consistent with the activities normal span of supervisory control except with the approval of the HCA or designee.

Upon receipt of the statements from Bank of America, the following actions will be performed:

- a. Cardholders will:
 - (1) Reconcile the Statement of Account with their Bankcard Telephone Ordering Log, copies of charge/credit slips and any other customer receipts, and certify that the supplies and services are in accordance with the orders that were placed.
 - (2) Retain any charge/credit slips and customer receipts for purchases not listed on the Statement of Account for the next billing cycle.
 - (3) Document statement errors with an explanation using the Bank of America cardholder dispute form and forward a copy to Bank of America.
 - (4) Certify the receipt and accuracy of all purchases by signing and dating each page of the Statement of Account.
 - (5) Forward the reconciled Statement of Account, charge/credit slips, other customer receipts and, if applicable, the completed dispute form to the approving Official within five working days of receipt of the Statement of Account.
 - (6) If Cardholder does not have a customer copy of the charge/credit slip, the cardholder will mark the word "lost" over in the date of purchase column on the Statement of Account and attach an explanation. If the cardholder is planning to be on travel or on leave and will not be available to review the Statement of Account at the time it is received, the cardholder should provide the approving official with the charge/credit slips.
- b. Approving Officials will:
 - (1) Review the individual cardholder's Statement of Account for accurate reconciliations, supporting documents, authorized purchases, credits, budget and cost classifications, and other related information.

- (2) Obtain any other necessary information in a timely manner from the cardholders within their jurisdiction.
 - (3) Approve by signing and dating the reconciled Statements of Account and forward them to the Finance Office by the 15th day of each month. Return receipts and other supporting documentation to the cardholder for record maintenance unless local procedures provide for Finance Office maintenance of records.
- c. Finance Offices will:
- (1) Review original cardholder Statements of Account and any dispute forms for accurate **reconciliations**.
 - (2) Account for all DOE Purchase Card transactions.
 - (3) Reconcile Finance Offices consolidated statement with cardholders' Statements of Account.
 - (4) Reconcile the Contractor's invoice with the consolidated report.
 - (5) Make payment to Bank of America in accordance with the Prompt Payment Act and OMB Circular A-125.
 - (6) Forward any dispute forms to Bank of America.
 - (7) Assure **all** payments meet the requirements of applicable law and regulations, including determining the availability of appropriations as to purpose for items purchased.

19. **BILLING ERRORS AND DISPUTES**

a. Dispute Form

If a cardholder receives a statement that lists a transaction for an item or service that has not been received, or represents an unauthorized charge, the cardholder or approving official will complete the cardholder dispute form and forward a copy of the form to Bank of America and the original to the Finance Office with the cardholder's reconciled monthly Statement of Account and supporting documentation. Bank of America will credit the transaction until the dispute is resolved. Bank of America will assist in reconciling the questioned item only if it is evidenced by the dispute form within 60 days from the date of the Statement of Account that first contained the questioned item. However, it is the responsibility of the cardholder to make every effort to resolve errors, discrepancies and disputes.

b. Defective Items

If items purchased with the purchase card are found to be defective, the cardholder has the responsibility to obtain replacement or correction of the item as soon as possible. If the merchant refuses to replace or correct a faulty item, then the purchase of the item will be considered in dispute. Items in dispute are handled in the same manner as billing errors in that disputed items are reported using the dispute form by forwarding a copy to Bank of America and a copy to the Finance Office with the monthly Statement of Account. The 60 day period applies to defective items as well as questioned items.

20. **DEPARTURE OF EMPLOYEES**

a. Employees Leaving the Agency

If a cardholder's employment is ending (e.g., transfer, resignation, retirement), the DOE Purchase Card should be destroyed 30 days prior to the release date or as soon as the event is known if within 30 days. The cardholder must complete the form entitled "DOE Purchase Card Destruction Notice Form" (copy attached). This completed form should be forwarded through the approving official to the contracting officer's representative for submission to Bank of America.

b. Transferring Employees

If a cardholder is transferring to another position, which will also require use of the purchase card, the cardholder will notify the contracting officer's representative. The contracting officer's representative, in consultation with the losing and gaining Approving Officials and Bank of America will arrange for transfer of the account to the new position. If it is determined that the purchase card should not be retained by the cardholder, the purchase card should be destroyed and the notification procedures outlined above should be followed by the cardholder.

21. **UTILIZATION OF SMALL BUSINESS**

Federal Acquisition Regulation (FAR) Part 13 (copy attached) prescribes that acquisition of supplies and services of an anticipated dollar value of \$11,111 through \$100,000 will be reserved exclusively for small business concerns. Only when there is no reasonable expectation of obtaining the goods or services from two or more responsible small business concerns that will be competitive in terms of market price, quality, and delivery, may the purchase be made from a large business. Each such purchase will be appropriately documented.

22. COMPETITION

Purchases not exceeding \$2,500 are called "micro-purchases" and may be made without securing competitive quotations if the cardholder considers the prices obtained from a single source to be reasonable. Purchases made without securing competition will be distributed among qualified suppliers by means of rotating recurring purchases among vendors. If a purchase recurs frequently, consideration should be given to consolidating the requirements to obtain quantity discounts. Refer such matters to your purchase card coordinator.

23. MICRO-PURCHASES UNDER THE DOE PURCHASE CARD PROGRAM

The Federal Acquisition Streamlining Act (FASA) of 1994 was signed into law by President Clinton on October 13, 1994. FASA established "micro-purchase" procedures for acquiring products and services valued at \$2,500 and below.

The primary objective of micro-purchase procedures is to dramatically simplify the method in which Government officials can acquire low-dollar value products and services in the performance of their mission duties and responsibilities.

Key streamlining features of the micro-purchase program are that (1) purchases may be made without securing competitive quotations if it is determined that the price for the purchase is reasonable, and (2) purchases are exempt from the provisions of the Buy American Act and the small business set-aside provisions of the Small Business Act.

The following requirements apply to micro-purchases:

- (1) Micro-purchases do not need to be competed. However, noncompetitive micro-purchases should be equitably distributed among qualified vendors, i.e., if there are multiple vendors and a recurring requirement, rotate the award among the vendors.
- (2) The mandatory sources described in Section 29 of the Guidelines and Operating Procedures apply to micro-purchases. In addition, all other requirements contained in the Guidelines and Operating Procedures apply to micro-purchases.

24. PROCUREMENT INTEGRITY REQUIREMENTS FOR FEDERAL EMPLOYEE PURCHASE CARDHOLDERS

FAR Subpart 3.104 implements the Federal Government's policy related to conduct and procurement activities of Federal employee procurement officials. For the purposes of these procedures, purchase cardholders are considered procurement officials. This applies to the cardholder's approving officials to the extent that the approving official had personal and substantial participation in a purchase card transaction,

For cardholders, whose purchases do not exceed the Simplified Acquisition Threshold or are delegated with a single purchase limit of \$25,000, the requirements of FAR 3.104-4(c) do not apply. Namely, if a cardholder or approving official is contacted by a person who is a bidder or offeror for a purchase transaction regarding non-Federal employment, the cardholder or approving official need not:

- X Promptly report the contact in writing to his/her supervisor and to the designated agency ethics official; and
- X Reject the possibility of non-Federal employment; or
- X Disqualify himself/herself from further personal and substantial participation in that purchase.

Prohibited Conduct of Federal Procurement Officials - During the conduct of any Federal agency procurement, including purchase card transactions, of property or services, no procurement official will knowingly:

- (1) Solicit or accept, directly or indirectly, any promise of future employment or business opportunity from, or engage, directly or indirectly, in any discussion of future employment or business opportunity with, any officer, employee, representative, agent, or consultant of a competing contractor;
- (2) Ask for, demand, exact, solicit, seek, accept, receive, or agree to receive, directly or indirectly, any money, gratuity, or other thing of value from any officer, employee, representative, agent, or consultant of any competing contractor for such procurement; or,
- (3) Disclose any proprietary or source selection information regarding such procurement directly or indirectly to any person other than a person authorized by the head of such agency or the contracting officer to receive such information.

25. **ACQUISITION REGULATION**

The Federal Acquisition Regulation applies to card purchases. See especially, FAR Subpart 3.104, FAR Part 8, FAR Part 12 and FAR Part 13. Copies of these parts are attached.

26. **PROGRAM SUPPORT**

The purchasing and finance offices will provide full program support and assistance to cardholders and approving officials. Each of these offices will identify staff members who can assist cardholders and resolve problems which may be encountered.

27. **HEAD OF THE CONTRACTING ACTIVITY REVIEWS**

The HCA is responsible for the conduct of an effective and efficient acquisition program. Accordingly, purchase cardholders and approving officials are responsible for the card purchases in accordance with the Policy and Operating Procedures and Guidelines and the references attached. The HCA should conduct annual reviews of cardholder records to determine the extent of adherence to prescribed procedures, guidelines, policies, regulations, and good management practices, and to identify any needs for improvement, guidance and/or training. Annual reviews should include an assessment of the appropriateness of transaction dollar limitations as well as a validation of the need for the account based upon usage, e.g. no transactions within the past 6 months. If purchases are at significantly lower levels, lower limitations should be considered. Attachment 12 to this Guideline provides a review checklist that should be used in conducting this annual review.

Additionally, the Contracting Activity Purchase Card Coordinator should conduct monthly oversight reviews to identify any seemingly abnormal purchases so that they may be promptly reviewed and any problems resolved.

28. **U.S. GOVERNMENT TAX EXEMPT PURCHASES**

Each DOE Purchase Card is embossed with the notice: "U.S. GOVT TAX EXEMPT." The cardholder must inform the merchant prior to placing the telephone order or making an over the counter purchase, that the purchase is exempt from all state or local taxes, including sales taxes.

To the extent that the merchant does not initially acknowledge that DOE Purchase Card purchases are exempt from state and local taxes, the cardholder will specifically instruct the merchant that the Government wide card provides that all DOE Purchase Card purchases will be exempt from state and local taxes. In addition, FAR Subpart 29.302, "Application of state and local taxes to the Government," states that purchases and leases made by the Federal Government are immune from state and local taxation. FAR Subpart 29.305, "State and local tax exemptions," states that evidence of exemption from state and local taxes includes copies

of purchase orders, shipping documents, purchase card imprinted sales slips, paid or acknowledged invoices, or similar documents that identify an agency of the U.S. as the buyer.

Another method of evidencing the purchase as tax exempt from state and local taxes is by furnishing a copy of the U.S. Tax Exemption Certificate (SF-1094) to the merchant. This Certificate may be executed by the cardholder. A copy of the SF-1094 (U.S. Tax Exemption Certificate) is made a part of these Guidelines and Operating Procedures as Attachment 12.

To the extent the merchant will not agree to excluding taxes from the purchase price, the purchase should not be executed with that merchant.

29. **MANDATORY SOURCES**

- a. Cardholders are subject to the regulatory requirements contained in FAR Part 8, "Required Sources of Supply," a copy of which is hereby attached.
- b. By law, the Javits-Wagner-O'Day Act Program (JWOD) is a mandatory source program for the Federal Government. The program was established as a result of the passage of the Wagner-O'Day Act of 1938. That Act, and subsequent amendments are designed to promote the socioeconomic goal of generating employment and training opportunities for persons who are blind or are otherwise severely disabled. The JWOD program carries the highest socioeconomic priority involving Federal acquisitions in that no other provision of the FAR permits exception to the mandatory nature of JWOD products and services provided by the National Industries for the Blind and NISH nonprofit agencies and only the Federal Prison Industries can override JWOD's priority for products. In addition, the provisions of the Federal Acquisition Streamlining Act of 1994 do not amend the mandate to procure JWOD products and services set forth in the JWOD Act. Purchase cardholders are prohibited from acquiring supplies equivalent to JWOD items from other sources, including discount office supply stores and firms supplying Federal agencies under consolidated office supply contracts except as provided for at Section 30 below. The JWOD program uses the General Services Administration (GSA) as the prime distributor of its office supplies and other conllilon-use items. Therefore, all such mandatory source items must be purchased directly from GSA. Further detailed guidance for the purchase of office supplies follows in Section 30 below, entitled OFFICE SUPPLIES AND JWOD.
- c. Federal Prison Industries (FPI) provides training and employment for prisoners confined in Federal prison and correctional institutions through the sale of its supplies and services to Federal agencies. Cardholders are required to purchase those supplies listed in the FPI schedule only from FPI to the extent the supplies are otherwise not prohibited under Section 8 of these Procedures.

30. **OFFICE SUPPLIES AND JWOD**

Under the provisions of the Javits-Wagner-O'Day Act, GSA, JWOD, and those GSA Multiple Award Office Supply Schedule contractors are the exclusive distributors of JWOD office supplies with the following ordering options:

WWW.JWOD.COM. This is JWOD's on-line system for ordering next-day delivery of thousands of Skilcraft and other JWOD products. This is the recommended ordering option for purchase cardholders using the purchase card as the most convenient and efficient method of purchasing office supplies.

■ GSA Advantage On-Line Shopping Service. This Internet site (<http://www.gsa.advantage.gov>) allows customers to browse, search and review prices and delivery options before placing an order on the Internet. GSA's National Help Line at 800-488-3111 will answer questions and refer you to local JWOD Program assistance through Customer Service Directors in each state.

■ GSA Multiple Award Schedule Program. In addition to acquiring office supplies directly from GSA using one of the options described above, as of August 30, 1996, high quality office supplies under the JWOD Program are available nationwide from commercial vendors under GSA's Multiple Award Office

Products Next Day Delivery Program (Desktop Schedule 75 III A). There is no maximum order quantity under the GSA Multiple Award Schedule Program. Discounts and JWOD supplies are only available for catalog orders placed using the Government toll-free numbers below - walk-in stores are not included. The authorized Office Supply vendors accept the Government Purchase Card. Blanket Purchase Agreements (BPAs) between DOE buying activities and the vendors are permitted. The following vendors are included in the GSA Desktop Schedule:

- ? Boise Cascade Office Products
Telephone No. 800-505-3337
- ? BT Office Products International
Telephone No. 888-862-8674
- ? Corporate Express
Telephone No. 800-706-9267
- ? Innovative Sales Brokers
Telephone No. 800-283-1903
- ? Office Depot
Telephone No. 888-263-9586
- ? Staples National Advantage
Telephone No. 800-538-2728

These GSA multiple award vendors accept the Government purchase card. Product schedules are available to cardholders by phoning the telephone numbers listed above. It is recommended that cardholders obtain product schedules from each of the GSA multiple award vendors and utilize either the GSA Advantage On-Line Shopping Service or the GSA Multiple Award Schedule Program to acquire office supplies. GSA Multiple Award Schedule Program vendors are prohibited from selling commercial products which are essentially the same as JWOD products.

31. **BLANKET PURCHASE AGREEMENTS FOR INFORMATION TECHNOLOGY PRODUCTS**

The Office of Headquarters Procurement Services has awarded four Blanket Purchase Agreements (BPAs) for Information Technology (IT) products as of March 1, 1999, superceding BPAs previously awarded. These BPAs are for computer products and application software using the GSA Multiple Award Federal Supply Schedule. These are DOE-wide instruments available to all DOE Federal buyers, Management and Operating contractors and other authorized contractors. DOE has obtained discounts below GSA Schedule pricing. Manufactured products from Gateway, Dell, Micron, IBM, Hewlett Packard, Compaq, Macintosh, Canon, Epson, Lexmark, Philipps/Magnavox, Panasonic, and Sun Microsystems are included, among others. In addition, application software from Microsoft and Lotus, among others, are included.

A listing of the four BPA awards are listed below:

Dell Marketing, L.P.
BPA Number: DE-AB01-99AD38160
Address: 1 Dell Way, Round Rock, TX 78682
Telephone Number: 1-800-727-1100

Gateway2000
BPA Number: DE-AB01-00AD38189
Address: 610 Gateway Drive, P.O. Box 2000
North Sioux City, SD 57049-2000

Telephone Number: 1-800-846-2000

Micron Government Computer Systems, Inc.
BPA Number: DE-AB01-OOAD38190
Address: 625 Stratford, Meridian, ID 83642
Telephone Number: 1-800-249-1179, X31006

Comteq Federal
BPA Number: DE-AB01-00AD38192
Address: 7503 Standish Place
Telephone Number: 301-340-3430

32. QUALIFICATIONS AND TRAINING REQUIREMENTS FOR PURCHASE CARDHOLDERS

Federal Acquisition Regulation (FAR) Subpart 1.603-3 Appointment, states that contracting officers shall be appointed in writing on a Standard Form (SF) 1402, Certificate of Appointment, stating any limitations on the scope of authority to be exercised. The SF 1402 shall be used to evidence the contracting officer appointment for delegation of purchase cardholders exceeding micro-purchase authority (i.e. above \$2,500). A Certificate of Appointment is not required for cardholders exercising only micro-purchase authority. A Delegation of Purchasing Authority will evidence this appointment.

Minimum Training Requirement for Micropurchase Cardholders

- All cardholders should receive a seminar on the Purchase Card Program arranged for or presented by the local Purchase Card Coordinator.
- GSA SMARTPAY Purchase Card Program, a 1 hour online training course addressing responsible use of **the purchase card** at <http://www.cnrgyolc.com>
- and 112 hour training entitled *Online Affirmative Procurement Training for Purchase Card Users* available at <http://tis.ch.doc.gov/p2/ap/default.htm>

Recommended Training for Micropurchase Cardholders

1-day Government-wide Purchase Card courses available from the GSA Interagency Training Center; USDA Graduate School, Management Concepts, Inc., and other training centers,

Minimum Experience and Training Requirement for Cardholders with Authority Exceeding Micropurchase

X Experience: At least 6 months of experience as a cardholder at the micropurchase threshold; and,

Minimum Training:

Training course of at least 16 hours on simplified acquisition techniques, including market research, **competition, commercial item purchasing, best value source selection, and socioeconomic procurement** programs. This training may be waived by the HCA for experienced cardholders who have acquired experience equivalent to this training.

Other Training Requirements

In addition to this formal training, the Purchase Card Coordinator will conduct, biennially, a refresher training seminar for all card holders, using this Guideline, lessons learned throughout the year, and feedback **from the annual review source material,**

APPROVING OFFICIAL TRAINING

/3,

a. Training

The Purchase Card Program Coordinator shall arrange for or provide approving official training. This training should be at least four hours in length and encompass the roles and responsibilities of an approving official as well as an understanding of the responsibilities of the card holder. Biennial refresher training will be provided.

b. Available Online Training

Online training is available and may count toward the 4 hour requirement.

X Course Title: GSA SMARIPAY Purchase Card Program. This online training tool addresses responsible use of the purchase card by your cardholders.

<http://www.c11crgyOle.com>

X Online Affirmative Procurement Training for Purchase Card Users at

<http://tis.ch.doc.gov/p2/ap/dcfault.htm>

34. **DOCUMENTATION FOR EACH PURCHASE**

Each card purchase will be documented by completion of the following forms:

X Purchase Card Telephone Quotation Worksheet

X Bankcard Telephone Ordering Log

Similar local forms which capture the necessary information are acceptable. A copy of each of these forms will be submitted with the monthly Cardholder Statement of Account to the approving official. The original of each of these forms will be maintained by each cardholder for record keeping purposes.

35. **LOST OR STOLEN CARDS**

a. Telephone Notification

If the purchase card is lost or stolen, it is the responsibility of the cardholder to notify Bank of America as soon as practicable at the following telephone numbers 24 hours/day:

Inside the continental United States - 1-800-472-1424

Outside the continental United States - call collect I (757) 441-4124

b. Written Notification

The cardholder will also notify the approving official and the contracting activity program coordinator of the lost or stolen card within 1 work day after discovering the card missing, or as soon as practicable. The approving official will submit a written report to the local program coordinator within 5 work days. The report will include the following information:

- (1) Card number;
- (2) Cardholder's complete name;
- (3) Date and location of the loss;
- (4) Date and time Bank of America was notified;
- (5) Any purchases made on the day the card was lost/stolen, or the last known purchase before the card was lost/stolen;
- (6) Any other pertinent information.

c. Card Replacement

A new card will be mailed within 2 business days of the loss or theft. A card that is subsequently found should be cut in half and given to the approving official. The approving official will be responsible for notifying Bank of America that the card has been destroyed.

d Unauthorized Use

The Government will not be liable for any unauthorized use of the card, "Unauthorized use" means the use of the purchase card by a person other than the card holder, who does not have the actual, implied, or apparent authority for such use, and from which the cardholder receives no benefit. A cardholder who makes unauthorized purchases or carelessly uses the card may be liable to the Government for the total dollar amount of unauthorized purchases made in connection with the intentional or negligent use of the card. In addition, the cardholder may be subject to disciplinary action for unauthorized or negligent use of the card, including a fine not to exceed \$10,000 or imprisonment for not more than 5 years, or both pursuant to Title 18 United States Code 287.

36. **AFFIRMATIVE PROCUREMENT PROGRAM**

This section discusses Government practices for maximizing the purchase of recycled products. These requirements have been incorporated into the Department of Energy facility management contracts so purchase cardholders, Federal or contractor, need to be aware of these requirements. Section 6002 of the Resource Conservation and Recovery Act and Executive Order 13101, Greening the Government Through Waste Reduction, Recycling and Federal Acquisition, require Federal agencies to develop Affirmative Procurement Programs for Environmental Protection Agency (EPA)-designated items when purchases of these items exceed \$10,000 in a fiscal year.

The EPA is responsible for designating items that are or can be made with recovered materials, EPA-designated items are listed at 40 CFR Part 247, "Comprehensive Guideline for Procurement of Products Containing Recovered Materials" (CPG), Current items are identified in the attached list. In addition, EPA's Recovered Materials Advisory Notice (RMAN) provides recovered material content ranges for designated items. EPA's Home Page for this topic is <http://www.epa.gov/epaoswer/non-hw/procure/index.htm>

One hundred percent of an agency's purchases of EPA-designated items are to contain recovered materials unless written justification is provided that the recycled item does not meet performance, availability, **competition, or price criteria.**

DOE's Affirmative Procurement Program

In a May 3, 1996 memorandum, the Secretary of Energy set a Departmental goal to increase procurement of EPA-designated, recycled products to 100 percent.

The Department's Environmental Executive has issued the U.S. Department of Energy Affirmative Procurement Program for Recovered Materials. This guidance outlines the Department's affirmative procurement program for purchasing EPA-designated items. Extensive information on this program is available on the Internet at <http://www.eh.doe.gov/p2>

The Department of Energy Acquisition Regulation (DEAR), Parts 923 and 970, provide for the acquisition and use of environmentally preferable products and services, including recycled products. It includes a clause for incorporating environmentally preferable purchasing into the Department's facility management **contracts.**

EPA's Availability Lists

EPA has compiled availability lists for all designated items. These lists do not represent an endorsement by EPA, but rather serve as potential sources of vendors for procurement initiators and contracting officers to

consider. EPA's availability lists may be obtained by calling the EPA Hotline at (800) 424-9346, or, for customers in the Washington, DC area, at (703) 412-9810.

Best Practices

Affirmative Procurement Program purchases must be reported. Procedures vary from site to site. If cardholders purchase these items they should consult their Site Recycling Coordinator. In the case of purchases through the GSA Advantage system, if your order from GSA stores stock with your GSA Account (Activity Address Code) GSA will report the purchase. If you order direct from the vendor or create your own order in GSA Advantage, you need to report the purchase. You should also report purchases from Federal Supply Schedule vendors.

Procurement initiators should consider Federal supply sources such as the GSA, the Government Printing Office, and the Defense Supply Center as sources for recycled products. These sources offer products that have been competitively bid, and meet or exceed recycled content and performance standards. EPA-designated items purchased through GSA do not have to be tracked and reported by individual agencies as GSA performs this function.

Procurement initiators should include recycled content requirements in their statements of work/specifications. Contracting officers do not process procurement requests for EPA-designated items without the requisite recycled content unless a justification accompanies the request.

Affirmative Procurement Program purchases must be reported. Procedures vary from site to site. If Cardholders purchase these products they should consult their Site Recycling Coordinator.

ITEMS LISTED IN EPA'S COMPREHENSIVE PROCUREMENT GUIDELINES

Construction Products

- Building insulation products
- Carpet
- Carpet cushion
- Cement and concrete containing
 - fly ash
 - ground granulated blast furnace slag
- Consolidated and reprocessed latex paint
- Floor tiles
- Flowable fill
- Laminated paperboard
- Patio blocks
- Railroad grade crossing surfaces
- Shower and restroom dividers/partitions
- Structural fiberboard

Landscaping Products

- Compost made from yard trimmings or food waste
- Garden and soaker hoses
- Hydraulic mulch
- Plastic lumber and landscaping timbers
- Lawn and garden edging
- Yard trimmings compost

Miscellaneous Products

- Awards and plaques
- Industrial drums
- Mats
- Pallets
- Signage
- Sorbents
- Manual-grade strapping

Non-Paper Office Products

- Binders, clipboards, file folders, clip portfolios, and presentation folders
- Office recycling containers
- Office waste receptacles
- Plastic desktop accessories
- Plastic envelopes
- Plastic trash bags
- Printer ribbons
- Toner cartridges

Paper and Paper Products

- Commercial/Industrial sanitary tissue
- Miscellaneous papers
- Newsprint
- Paperboard and packaging products
- Printing and writing paper

Park and Recreation Products

- Park benches and picnic tables
- Plastic fencing
- Playground surfaces
- Playground equipment
- Running tracks

Transportation Products

- Channelizers
- Delineators,
- Flexible delineators
- Parking stops
- Traffic barricades
- Traffic cones

Vehicular Products

- Engine coolants
- Re-refined lubricating oils
- Retread tires

37. **ENERGY EFFICIENCY**

Reference: FAR 10.002(e), FAR 23.203 and Executive Order 13123

Overview

This section discusses the procurement of energy efficient and water-saving products.

Background

Executive Order 13123, Greening the Government Through Efficient Energy Management directs Federal agencies to increase, to the extent life cycle cost-effective, purchases of energy efficient and water-saving products. Energy-efficient products are defined as those identified through the Energy Star Program or those that are in the upper 25 percent of energy efficiency as designated by the Federal Energy Management Program.

Among other things, the Order requires goals and reporting for energy and water efficiency in Federal facilities.

In addition, each agency's implementation program is to be designed to speed the introduction of cost-effective, energy-efficient technologies into Federal facilities. The Order assigns the Department of Energy, through its Federal Energy Management Program, the lead in implementing the Order. While it is unlikely that cardholders will be making acquisitions of this type, seek further information if you are purchasing such things as electrical appliances, office equipment, construction products, etc.

Further Information

For more information on the Product Recommendation program or to request that an efficiency recommendation be developed for a specific product, contact the Federal Energy Management Program at (202)586-4858. The Home Page for this effort is at <http://www.cerc.cncrgy.gov/fcmp>. For Energy Star Program information see <http://www1.v.cncrgystar.gov>.

38. **CONVENIENCE CHECKS**

Bank of America will furnish convenience checks upon request. These may be used for purchases from merchants who do not accept the purchase card. When a purchase is made with a convenience check, the check value will be treated as a charge against the cardholders account. There is a charge of 1.75% of the face value of each check processed. Cardholders are to manage such checks in the same manner as they do card purchases, i.e. reservation of funds, approving **official coordination, documentation, maintenance of receipts, and reconciliation.** Cardholders individual purchase limits are the same for convenience checks as for card transactions except for the convenience check ceiling.

The purchase card is the preferred method for completion of simplified acquisitions. When considering the use of convenience checks, the total cost to the Government, including the 1.75% fee, should be included in determining which method is the best value for the Government. If there is another merchant from whom the transaction could reasonably be completed then that method might offer a better value than utilizing the convenience check.

Convenience checks shall not be issued in amounts greater than \$2,500 except by a Contracting Officer. Convenience checks shall not be written to cash, to the account holder or to other employees. Cardholders must maintain a Convenience Check Log which must include the check number, merchant name, merchant Tax Identification Number (only needed when issuing checks for services in amounts greater than \$600), the items purchased, the dollar amount of the purchase, the dollar amount of the check fee, and the total cost.

The following description is extracted from the GSA contract guide description.

Convenience Checks

Convenience checks shall be issued and accepted domestically and internationally by merchant establishments and financial institutions. Convenience checks are an integrated part of the purchase card program. The checks shall be guaranteed by the Contractor against theft or loss, thus affording the agency protection against financial loss when using the Contractor's product. The Contractor shall:

- Assist agencies in the implementation of their convenience check program;
- Provide a supply of checks to a designated cardholder drawn on the cardholder's purchase card account;
- Process the checks as they are presented for payment;
- Provide a listing of the checks cleared on the cardholder's statement of account and official invoice as a separate line item;
- Provide convenience checks that vary in maximum payment amounts as designated by the agency;
- Ensure that convenience checks are multi-copied (one copy for the cardholder's records, the original for the merchant);
- Store cleared convenience checks in accordance with Record Retention and Retrieval;
- Provide copies of cleared convenience checks within 14 calendar days of the **agency's request**;
- Have the ability to stop payment on the convenience check within 24 hours, as requested by the **NOPC**;
- Provide electronic access or Contractor-provided software to enable agencies to automate their convenience check system. The system shall, at a minimum, provide the ability to track, add, tally, report and reorder convenience checks;
- Provide an audit trail which permits tracing of all transactions; and
- Establish payment procedures for agency-issued convenience checks. Payment for these checks shall not occur prior to use by the agency.

Convenience Check Account Establishment: Within 10 calendar days after receipt of a task order issued in accordance with the terms and conditions of this contract, the Contractor shall contact the A/OPC to discuss implementation procedures and, if requested by the agency, meet with agency representatives to review specific requirements. All Contractor travel costs associated with this meeting shall be borne by the Contractor.

Convenience Check Inventory Replenishment: The Contractor shall provide the following inventory replenishment options:

- Automatic replenishment; and
- Toll free or collect telephone line reorder capability; and
- 24 hour replenishment when requested by the **NOPC**.

39. ELECTRONIC AND INFORMATION TECHNOLOGY (EIT)

(a) This section implements section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d), and the Architectural and Transportation Barriers Compliance Board Electronic and Information Technology (EIT) Accessibility Standards (36 CFR part 1194).

(b) Further information on section 508 is available via the Internet at <http://www.section508.gov>.

(c) When acquiring EIT, Cardholders should be aware that agencies must ensure that-

(1) Federal employees with disabilities have access to and use of information and data that is comparable to the access and use by Federal employees who are not individuals with disabilities; and

(2) Members of the public with disabilities seeking information or services from an agency have access to and use of information and data that is comparable to the access to and use of information and data by members of the public who are not individuals with disabilities.

(d) When cardholders acquire EIT, they should ask whether the equipment users may have disabilities such that special features may be required and ask the vendor if the equipment they plan to provide will afford equal access for those with disabilities,