



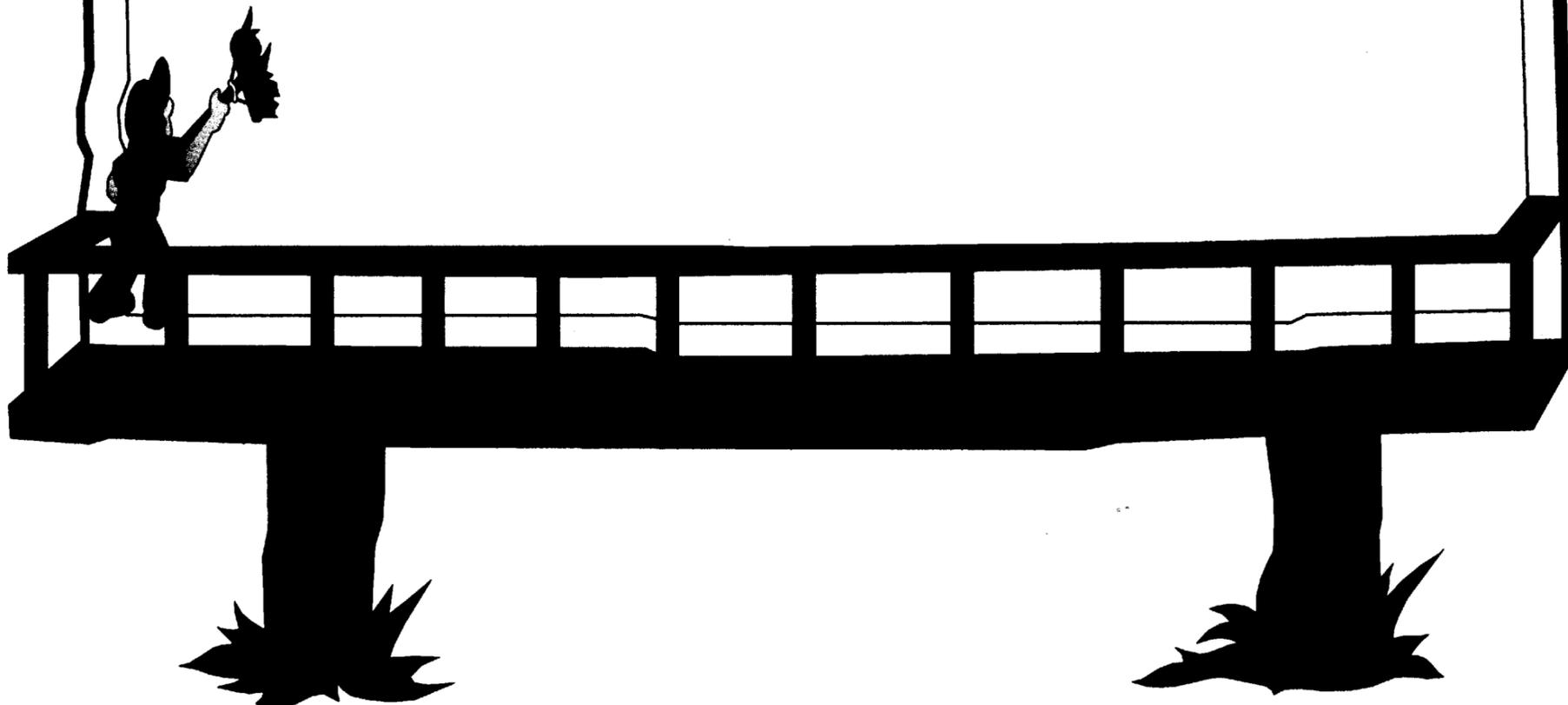
Headquarters Policy Flash

FLASH 2002-32

DATE: October 2, 2002
TO: Procurement Directors
FROM: Office of Procurement and Assistance Policy, ME-61
Office of Procurement and Assistance Management

SUBJECT: **Acquisition Letter (AL) 2002-07, Review of Management
Contractor Purchasing Systems - Purchase Card Considerations**

SUMMARY: This Acquisition Letter is being issued to provide contracting officers guidance regarding their review of purchase card considerations when evaluating contractors purchasing systems.



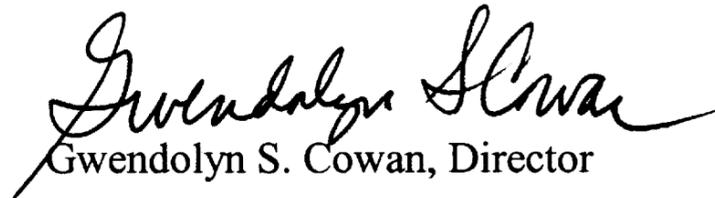
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It provides that contracting officers should:

- √ ensure that contractor systems, which authorize the use of purchase cards, provide adequate policies, procedures, and management controls to guard against fraud, waste, and abuse;
- √ ensure the incurrence of allowable cost; the absence of such may result in the disapproval of the contractor's purchasing system and, disallowance of associated costs;
- √ ensure that contractor purchase card policies, procedures and management controls are implemented by major facility management contracts; and
- √ ensure that they have access to their major facility management contractors list of authorized cardholders and their card use restrictions or limitations.

The AL also discusses DOE's expectations regarding an acceptable purchase card program and it describes the controls which should be in place and identifies program elements which are indicative of an effective management system. Among these elements are written delegations with limits for cardholders, maintenance of up to date lists of cardholders and their purchase limits, training of cardholders and approving officials, and limits on the number of cardholders an approving official must monitor.

This AL will be available online at www.pr.doe.gov. For questions related to this AL contact Richard Langston at (202) 586-8247, or via e-mail richard.langston@hq.doe.gov.


Gwendolyn S. Cowan, Director

cc:
PPAG Members