United States Department of the Interior

FISH AND WILDLIFE SERVICE
Washington, D.C. 20240

In Reply Refer To:
FWS/CFM

DEC 20 2005

Memorandum

To: Regional Chief Financial Officers

From: Assistant Director - Business Management and Operations

Subject: Efforts to Evaluate and Adjust Purchase Card Authority - Phase 3

On November 7, 2005, we notified you of our Phase 3 implementation plan to reduce overall spending limits for Level I warranted contracting officers who are also cardholders (memorandum attached). As a result, we have identified 243 accounts targeted for spending limit reductions. The attached list identifies each cardholder by Region, Hierarchy, Current Overall Cycle Limit, and Proposed Overall Cycle Limit. The changes in billing cycle limits are shown below:

Warrant Level	Current Overall Limit	Proposed Overall Limit
Level IA	$2 million	$300,000
Level IB	$2 million	$500,000

Please notify the attached list of cardholders, their immediate supervisors, and the Regional charge card coordinator of the proposed changes. Supervisors of cardholders may submit a written justification to keep the current spending limit at $2 million per billing cycle. To retain the higher limit, please provide a clear and convincing justification, approved by you, to Bob Ashworth, Chief, Division of Contracting and Facilities Management by January 31, 2006. After review, we will forward a list of cardholder accounts to the Bank of America to document their reduced spending limits.

Please call Bob Ashworth, 703.358.1901 or Ramona Polk, 703.358.1783 if you have any questions on the spending limit reductions.

Attachments

cc: Chief, Division of Financial Management

TAKE PRIDE IN AMERICA

In Reply Refer To:
FWS/CFM

NOV 0 7 2005

Memorandum

To: Regional Chief Financial Officers

From: Assistant Director - Business Management and Operations /s/ Paul W. Henne

Subject: Ongoing Efforts to Evaluate and Adjust Purchase Card Authority – Phase 3

We are now ready to implement the 3rd and final phase of our management control plan to reduce the number of purchase cards and to lower spending limits throughout the Service. Under Phases 1 and 2, we deactivated dormant accounts and infrequently used cards, and lowered overall credit limits from $50,000 per billing cycle to $20,000 without adverse impact on program operations. Under Phase 3, we conducted an evaluation of the credit limits for Level I Contracting Officers (COs).

As a result of our review, we will reduce the credit limit for Levels 1A and 1B CO's from $2 million per billing cycle to $300,000 and $500,000 respectively effective January 1, 2006. Although these thresholds are higher than current spending, we decided to create a cushion for possible procurements with established sources. We will notify Level I COs whose warrants are affected, their supervisors, Regional CGS Chiefs, and the RCCC for planning purposes. A summary of our evaluation follows.

The Service has 424 Level I COs located in field stations where it may be difficult to purchase goods and services through their servicing CGS office. To evaluate the procurement histories of the COs with purchase cards, we used the Bank of America's transaction data to determine the amount expended during Fiscal Years 2004 and 2005. We reviewed the high cycle amount, the average cycle amount, and the total transactions for each year (including convenience checks). The data covers October, November, and December 2004, and January through August 2005. Our findings show the average card activity for Level I COs is less than $100,000 per billing cycle factoring in the use of established sources such as, Blanket Purchase Agreements, inter-intra-agency agreements, Federal Supply Schedules, etc.

Another significant factor to support reduced spending limits for Level I COs is the proficiency standard for Level IA and IB warrant authority. The existing Contracting Officers Warrant System authorizes the Bureau Procurement Chief to delegate warrants to the minimal levels needed for effective and efficient acquisition support. Level I authority is suitable for individuals performing simplified acquisitions as a collateral or part-time duty, and only requires basic simplified acquisitions and refresher training every 4 years. Level IA requires no procurement experience, while Level IB only requires 3 months procurement experience. Lower

spending authority is appropriate for Level I procurement knowledge, experience, and warrant authority.

You may obtain additional information on the Division of Contracting and Facilities Management (CFM) purchase card website at http://sii.fws.gov/r9cgs/purchase_cards.htm.

We appreciate the cooperation from both the Regional Contracting and Finance staffs as we collectively worked to improve our purchase card policy through our phased review. If you have questions, please contact Randy Van Pelt, our Lead Charge Card Coordinator, Division of Financial Management, 303-984-6806, or Ramona Polk, Purchase Card Coordinator, Division of Contracting and Facilities Management-WO, 703-358-1783.

cc: Reduce Purchase Cards 103105 Phase 3-Rev (revised 11/3/05:ps)
CFM
Ramona Polk