



Module Two

Department of the Navy

Purchasing

Government Commercial
Purchase Card (GCPC)

This is the second module of the DON Government Commercial Purchase Card Training.

In this module, we will discuss the purchasing rules, the purchase process, and Purchase Card security.



Module Objectives



1. Understand Purchase Card ethical and legal requirements
2. Define authorized card use and thresholds
3. Review procurement requirements and DON directed procurement policy
4. Understand financial management and administrative requirements

The first objective of Module 2 is to provide the rules and guidelines for making ethical and legal purchases.

Second, we will define authorized use and various thresholds

Third is the review of proper GCPC use and the procurement requirements that you must use when making purchases.

Fourth - understand financial management and the importance of meeting and maintaining administrative requirements



Module Objectives



5. Identify prohibited purchasing actions and improper use
6. Review internal controls for purchasing
7. Explain Purchase Card security

Number 5 – Identify prohibited and improper purchases

Six – Review the purchase process which includes internal controls

And finally, explain the importance of Purchase Card security.

There is a lot to cover so let's get started.

Module Two Part One – Purchasing
GCPC Program Oversight



Ethical Conduct

Ethics and Empowerment

Purchase Card program participants are entrusted to perform the roles and responsibilities of their assigned role in an ethical manner.

This empowerment brings with it a responsibility to act ethically and within the bounds of regulations, policies, and laws.

It is the responsibility of each program participant to know and follow all ethics regulations.



Ethical Conduct



Ethics and Empowerment

- Perform ethically within legal & regulatory requirements

Ethics regulations establish guidelines for general standards of conduct.

No Government GCPC program participant may solicit or accept any gratuity, gift, favor, entertainment or anything of monetary value from any party doing business with or seeking to obtain business with the employee's agency.

Conflict of interest in Government to Contractor relationships is forbidden.

Executive Orders 12674 and 12731 establish Ethical Conduct and are the foundation for policy.

The broad principles of these Executive Orders illustrate why poor judgment could cause an employee to inadvertently do something unethical.

These Executive Orders specify that program participants are to avoid any action that might result in or create an appearance of unethical conduct.



Ethical Conduct



Ethics and Empowerment

- Perform ethically within legal & regulatory requirements
 - ❑ Do not use for private gain
 - ❑ Do not give organizations or individuals preferential treatment
 - ❑ Do not adversely affect public confidence in the Government's integrity
 - ❑ Do not make unauthorized commitments
 - ❑ Do not defraud the Government or fail to report fraud

The Purchase Card cannot be used for private gain.

It cannot be used to give preferential treatment to an individual or private organization.

Its use should not adversely affect public confidence in the Government's integrity.

Do not make unauthorized commitments.

Do not defraud the Government or fail to report fraud.



Ethical Conduct



Ethics and Empowerment

- Perform ethically within legal & regulatory requirements
 - ❑ Do not use for private gain
 - ❑ Do not give organizations or individuals preferential treatment
 - ❑ Do not adversely affect public confidence in the Government's integrity
 - ❑ Do not make unauthorized commitments
 - ❑ Do not defraud the Government or fail to report fraud
- Report suspected ethics violations to the A/OPC or supervisory chain of command

Your local legal office is available to resolve questions or concerns about standards of conduct and ethical behavior.

Under the Joint Ethics Regulation, there is an obligation to report suspected ethics violations. This includes reporting all program participants suspected of unethical behavior.

Suspected unethical behavior should be reported to the A/OPC or through the supervisory chain of command.



Authorized Use



- Use the Purchase Card to purchase and pay for supplies, services or construction for official government business valued **below the micro-purchase threshold**
- Use as a **method of payment** in conjunction with other contracting vehicles for amounts above the micro-purchase threshold
- The Purchase Card **can only be used** by the person to whom card was issued

Both DOD and DON policy state that the GCPC should be used to purchase and pay for supplies, services, or construction for official government business valued below the micro-purchase threshold.

The GCPC is also authorized to make contract payments when a contractor agrees to accept payment by card.

Policy for using the GCPC as a method of payment for a task or delivery order over the micro-purchase threshold is governed by NAVSUPINST 4200.85 series.

A Government Commercial Purchase Card may only be used by the person to whom the card was issued within the limits of their delegated authority.

The Purchase Card can only be used by the person to whom it is issued; use by anyone else is considered unauthorized.



Micro-Purchase Threshold



Micro-Purchase Threshold is \$3,500 **except:**

- \$2,500 for acquisition of Services subject to the **Service Contract Labor Standards**
- \$2,000 for acquisition of Construction subject to the **Construction Wage Rate Requirements** (formerly known as Davis-Bacon Act)

What is the micro-purchase threshold?

It's currently defined in the Federal Acquisition Regulation (FAR) as \$3,500.

There are exceptions to this:

One of the exceptions is for services applicable to the Service Contract Labor Standards Statute, that threshold is \$2,500

For construction purchases applicable to the Construction Wage Rate Requirements Statute, the threshold is \$2,000.



Micro-Purchase Threshold

Micro-Purchase Threshold is \$3,500 **except:**

- \$2,500 for acquisition of Services subject to the Service Contract Labor Standards
- \$2,000 for acquisition of Construction subject to the **Construction Wage Rate Requirements**
- When authorized by the Secretary of Defense for acquisition in support of contingency operations OR to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack:
 - ✓ \$20,000 CONUS
 - ✓ \$30,000 OCONUS

When authorized by the Secretary of Defense for acquisition in support of contingency operations OR to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack, the micro-purchase threshold may be up to \$20,000 inside CONUS and up to \$30,000 for OCONUS.

Commands will be notified of any Secretary of Defense authorized increase in the micro-purchase threshold from the DON CCPMD office.

Be sure to refer to the DON GCPC Desk Guide on the CCPMD website for additional guidance.



Special Thresholds

- Training authorized using SF 182 - Up to \$ 25,000 (for commercial, off the shelf training available to the general public at the same cost and the same location)
- Printing using DLA Document Services (formally DAPS) – Below \$25,000

If authorized in Letter of Delegation

The Purchase Card can be used above the micro-purchase threshold for certain requirements.

Miscellaneous Payment of SF 182 Training Authorizations for individuals up to \$25,000.

The training must be commercial, off the shelf and available to the general public at the same cost and at the same location.

If these conditions are not met, use of the Purchase Card is limited to the micro-purchase threshold of \$3,500.

Printing using DLA Document Services may be purchased below \$25,000.

Authority for both of these special situations must be granted in a Letter of Delegation.



Special Thresholds



- Overseas Cardholders may purchase commercial supplies and services – Up to \$25,000
 - ❑ Must be purchased overseas
 - ❑ To be used overseas
 - ❑ Some restrictions apply – see DFAR 213.301 and NAVSUPINST 4200.99

Certificate of Appointment – SF 1402

OCONUS Cardholders may use the Purchase Card for acquisitions up to \$25,000 provided the purchases are made overseas and to be used overseas.

Refer to DFAR 213.301 and NAVSUPINST 4200.99 for restrictions.

The Cardholder must be authorized in a Certificate of Appointment.



Proper Use

- Statutory Requirements
- Procurement Requirements
- DON Directed Procurement Policy
- Financial Management Requirements
- Administrative Requirements

There are many different requirements and regulations to ensure the use of the Purchase Card is correct and legal.

Any authorized purchase that is made in a correct amount under specific requirements is considered a proper purchase. There are five requirements to meet proper use.

- Statutory Requirements
- DOD Procurement Requirements (referred to in FAR and DFARS)
- DON Directed Procurement Policy - implements statutory and procurement requirements as well as DON strategic sourcing initiatives
- Financial Management Requirements - includes funding availability and payment specifications
- Administrative Requirements - includes maintaining proper documentation of purchases

Let's discuss how each affect proper use in more detail.



Statutory Requirements



- Approved legitimate/valid government need
- Minimum requirement to meet the approved government need
- Legal funding available **prior** to purchase
- Cannot split requirement to circumvent acquisition thresholds

First we will cover Statutory Requirements.

As a GCPC participant you must have an understanding of the laws that support federal programs.

The GCPC is a government purchase and payment vehicle and cannot be used for personal use. Use requires an approved legitimate/valid government need.

The requirement should be defined as a minimum to meet the government approved need and there must be legal funding available for what is being purchased prior to making the purchase.

The Cardholder should check with the Resource Manager prior to making a purchase to verify funding is available. Requirements cannot be intentionally split to circumvent the micro-purchase threshold or other single purchase limit.



Procurement Requirements

- Use Government sources first
 - ❑ AbilityOne Procurement List
 - ❑ Federal Supply Schedule contract

Procurement Requirements

A Government source of supply is the first priority for meeting requirements.

The GCPC should not be used for requirements that can be met using the supply system (DLA, navy or local supply).

Supplies or services included on the AbilityOne Procurement List must be purchased from an AbilityOne participating nonprofit agency if available within the timeframe required.

Purchase supplies or services at, or below, the micro-purchase threshold from any Federal Supply Schedule contract when a requirement can be met for a lower cost or faster delivery.

You should attempt to rotate orders among qualified contractors to the maximum extent practicable.



Procurement Requirements



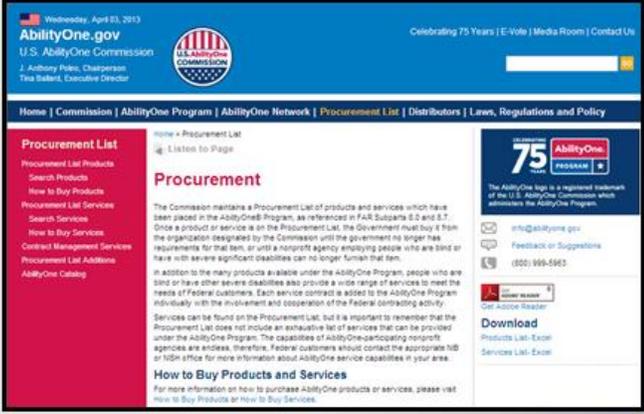
- Use Government sources first
 - ❑ AbilityOne Procurement List
 - ❑ Federal Supply Schedule contract
- Support Government programs
 - ❑ Section 508 Electronic and Information Technology (EIT) compliant
 - ❑ Green Products
 - ❑ Small Business

Using the GCPC must also support Government programs.

Purchase of electronic and information technology (EIT) items must be compliant with Section 508 of the Rehabilitation Act of 1973, which states that Federal agencies must make their electronic and information technology accessible to people with disabilities.

Purchase 'green' products and services and consider small businesses to the maximum extent practicable when making micro-purchases.

Module Two Part One – Purchasing GCPC Program Oversight



Regardless of price,
Cardholders must
purchase from the
“**AbilityOne
Procurement List**” if
the item is available.

The AbilityOne Program creates employment and
training opportunities for people who have severe
disabilities.

The screenshot shows the AbilityOne.gov website interface. At the top, there is a navigation bar with the text 'Home | Commission | AbilityOne Program | AbilityOne Network | Procurement List | Distributors | Laws, Regulations and Policy'. Below this, the main content area is titled 'Procurement List' and includes a search bar and a list of links: 'Procurement List Products', 'Search Products', 'How to Buy Products', 'Procurement List Services', 'Search Services', 'How to Buy Services', 'Contract Management Services', 'Procurement List Additions', and 'AbilityOne Catalog'. The main text on the page discusses the Commission's role in maintaining the Procurement List and provides information on how to purchase products and services. A sidebar on the right contains contact information, including an email address (info@abilityone.gov), a feedback link, and a phone number (800-969-5963). There is also a 'Download' section with links for 'Products List-Excel' and 'Services List-Excel'.

The AbilityOne Program

Your purchases are not only being bought to meet your requirement but also to support government programs.

If available, it is the law to meet requirements from the AbilityOne Procurement List regardless of price.

The AbilityOne Program creates employment and training opportunities for people who are blind or who have other severe disabilities, empowering them to lead more productive and independent lives.

Module Two Part One – Purchasing GCPC Program Oversight

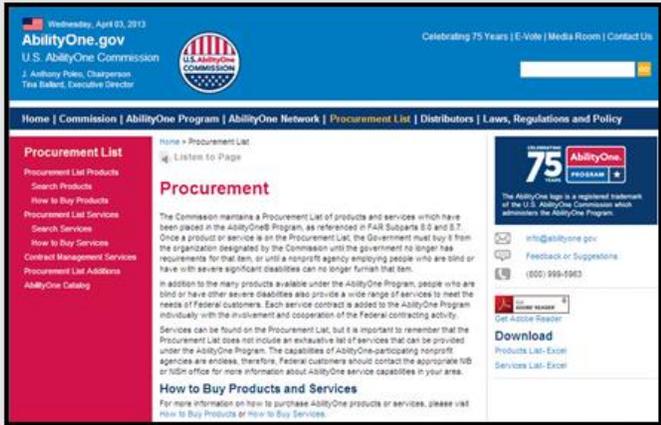


AbilityOne Program



Go to AbilityOne.gov for
the procurement list.





Preferred AbilityOne sources:

- DOD EMALL
- Local Base Servmart

Regardless of price, Cardholders must purchase from the
“AbilityOne Procurement List” if the item is available.

The AbilityOne Program creates employment and training
opportunities for people who have severe disabilities.

It is mandatory to check your requirements for inclusion on the AbilityOne Procurement List located on the AbilityOne website.

You must purchase products from an AbilityOne source when they are available.

AbilityOne sources include the DOD EMALL, ServMart, or your local base supply store.

Module Two Part One – Purchasing GCPC Program Oversight



Section 508 & Electronic Information Technology



Requires Federal Agency Electronic Information Technology (EIT) products be accessible to employees with disabilities

Exceptions:

- ❑ Part of a **weapon system**
- ❑ Located in spaces **frequented by maintenance personnel**
- ❑ Imposes an **undue burden** on the agency



Another law Cardholders must comply with is the Rehabilitation Act of 1973.

This law requires the purchase of Electronic and Information Technology items be accessible for use by individuals with disabilities.

There are exceptions to this requirement:

- If EIT items are part of a weapon system
- If EIT items are located in spaces frequented only by service personnel for maintenance, repair or occasional monitoring of equipment
- If it would impose an undue burden causing significant difficulty or expense on the agency

Module Two Part One – Purchasing GCPC Program Oversight



The banner features a dark blue header with the following elements:

- On the left: A circular logo for "Consolidated Card Department of the Navy Program Management" with a globe icon.
- In the center: The text "Green Procurement Program" in large, bold, green and yellow font.
- On the right: The official seal of the Department of the Navy, United States of America.

Below the header, on a light gray background, are three bullet points:

- **Green Procurement** means favoring more environmentally-sound or energy-efficient products and services than other competing products and services, where price and other factors are equal
- **Green Procurement** should be used to the maximum extent possible
- DOD EMALL identifies **Green Items**

To the right of the bullet points is a graphic of a recycling symbol. The symbol is composed of three arrows forming a triangle. The top arrow is blue with a sky background, the bottom-left arrow is green with a forest background, and the bottom-right arrow is green with a forest background. Overlaid on the symbol is the text:

THINK//GREEN
BUY//GREEN
BE//GREEN

The Green Procurement Program favors more environmentally-sound or energy-efficient products and services over other competing products and services, where price and other factors are equal.

Purchases should be made using Green products and services to the maximum extent possible.

DOD EMALL identifies Green Items.

You can also reference the Purchase Card page of the CCPMD website for additional guidance for when procuring Green Items.



Small Business

- It is Government policy to provide opportunities to the maximum extent possible to small business
- **DOD EMALL** and **GSA Advantage** include capability to search for small business



Small Business

To promote the growth of the economy, it is the policy of the Government to provide opportunities in its acquisitions to small businesses to the maximum extent possible.

Both DOD EMALL and GSA Advantage electronic shopping sites include capabilities to search for small business.



Knowledge Check

If authorized in the Letter of Delegation, you may use the Purchase Card for Miscellaneous Payments of SF 182 Training Authorizations for individuals up to _____.

- \$15,000
- \$100,000
- \$25,000
- \$50,000



It's time for a Module 2 knowledge check.

Here's your first question.

If authorized in the Letter of Delegation, you may use the SF 182 to purchase commercial, off the shelf training available to the general public at the same cost and the same location up to what amount?



Knowledge Check

If authorized in the Letter of Delegation, you may use the Purchase Card for Miscellaneous Payments of SF 182 Training Authorizations for individuals up to _____.

- \$15,000
- \$100,000
- \$25,000
- \$50,000

The correct answer is \$25,000



The answer is \$25,000.



Knowledge Check



Contract orders that exceed the micro-purchase threshold must be placed by a properly appointed ordering officer or contracting officer.

True

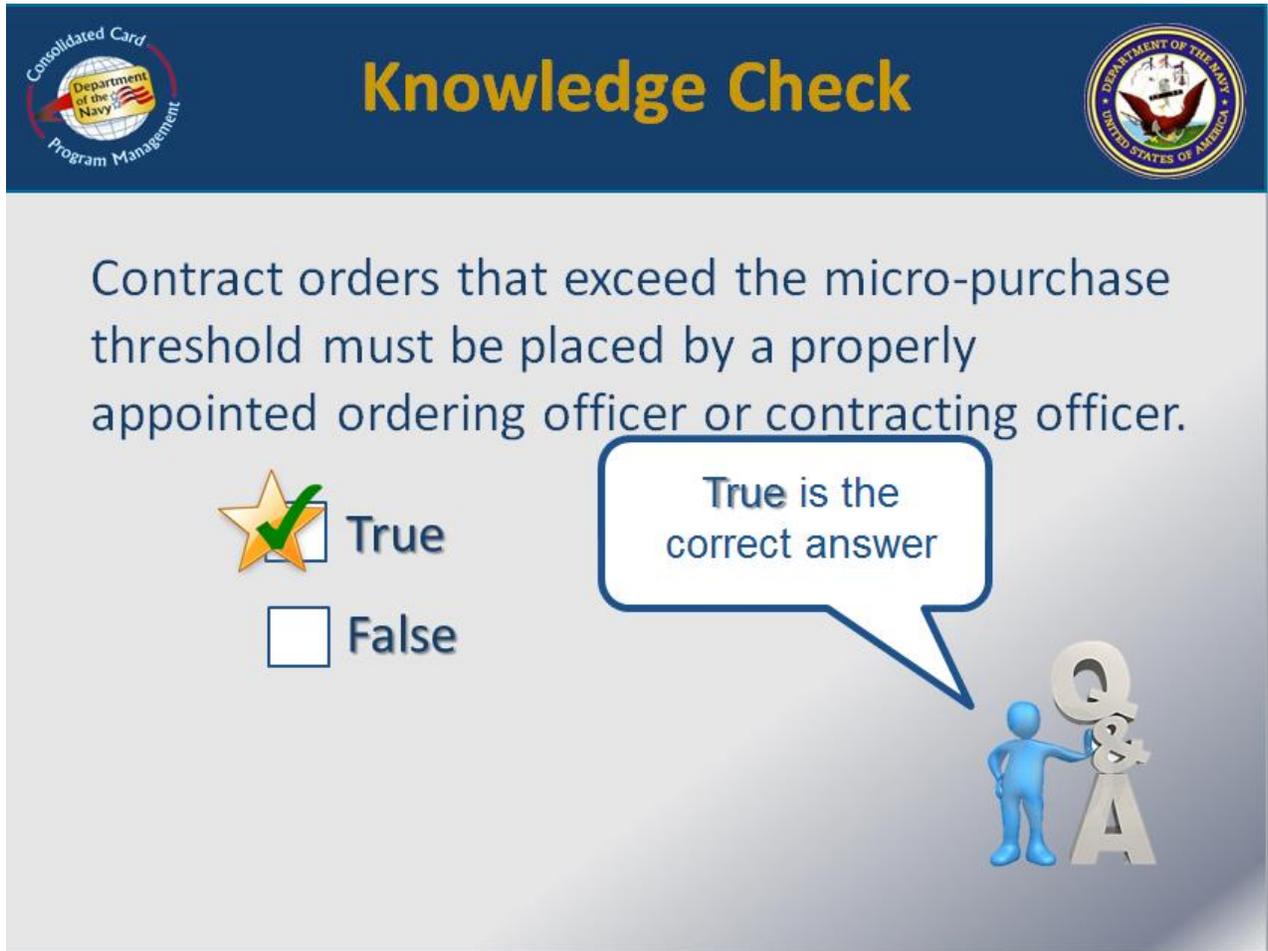
False



True or False?

Contract orders that exceed the micro-purchase threshold must be placed by a properly appointed ordering officer or contracting officer.

Module Two Part One – Purchasing
GCPC Program Oversight



The slide features a dark blue header with the text "Knowledge Check" in large yellow font. On the left is the "Consolidated Card Department of the Navy Program Management" logo, and on the right is the "DEPARTMENT OF THE NAVY UNITED STATES OF AMERICA" seal. The main content area is light gray and contains the text: "Contract orders that exceed the micro-purchase threshold must be placed by a properly appointed ordering officer or contracting officer." Below this text are two radio button options: "True" (with a checked box and a star icon) and "False" (with an unchecked box). A blue speech bubble points to the "True" option, containing the text "True is the correct answer". To the right of the speech bubble is a 3D illustration of a blue figure standing next to large letters "Q" and "A".

True is the correct answer.

Contract orders that exceed the micro-purchase threshold must be placed by a properly appointed ordering or contracting official not a Cardholder.



The slide features a dark blue header with two circular logos: on the left, 'Consolidated Card Department of the Navy Program Management' and on the right, the 'DEPARTMENT OF THE NAVY UNITED STATES OF AMERICA' seal. The title 'DON Directed Procurement Policy' is centered in large yellow font. The main text, in blue, explains the policy's goal of using automated systems for compliance. A dark blue box at the bottom contains the text 'strategic sourcing = lower cost' in yellow.

DON Directed Procurement Policy

DON Directed Procurement Policy is to use automated purchasing systems (DOD EMALL, GSA Advantage, VA.gov) to ensure compliance with federal and DOD procurement and strategic sourcing requirements.

strategic sourcing = lower cost

DON Directed Procurement Policy is to use automated purchasing systems like DOD EMALL, GSA Advantage, or VA.gov to ensure compliance with federal and DOD procurement and strategic sourcing requirements.

Contracts have been negotiated with these purchasing systems for strategic sourcing.

Use of strategic sourcing contracts provides lower total cost to the Government.

Strategic sourcing is a process by which the Government leverages their buying power for high volume items to achieve a lower price.



DON Directed Strategically Source Items



- The following are commonly used items that must be purchased in compliance with DON directed strategic sourcing policy
 - ❑ Office and Incidental Janitorial Sanitation (JANSAN) Supplies
 - ❑ Wireless Services
 - ❑ Furniture
 - ❑ Printing and Duplication Services

The following slides expand on DON strategic sourcing policy for buying commonly used items like:

- Office supplies and janitorial supplies
- Wireless services
- Furniture
- Printing and Duplication Services



Office & Incidental Janitorial & Sanitation (JANSAN) Supplies



CONUS requirements should be met by purchasing AbilityOne office supplies and incidental janitorial and sanitation supplies from either DOD EMALL or local ServMart



Small Business and **Green products** should be purchased to the maximum extent possible

The most commonly purchased items are office and incidental janitorial and sanitation supplies.

CONUS requirements should be met by purchasing AbilityOne office supplies and incidental janitorial and sanitation supplies from either DOD EMALL or local ServMart.

When using DOD EMALL, purchases should first be made using the “Navy Contract Corridor”.

Only if the product cannot be located from merchants on this corridor should your search be expanded to all of the DOD EMALL.

An alternative to the DOD EMALL is the local base ServMart if available.

Small Business and Green products should be purchased to the maximum extent when practical.



Office & Incidental Janitorial & Sanitation (JANSAN) Supplies



Exceptions to using DOD EMALL or Local ServMart

- **CONUS** requirements in which DOD EMALL or ServMart are not practical, the AO/CO must pre-approve and document justification in the DON approved audit tool
- **OCONUS** Cardholders are **NOT** required to use DOD EMALL or local ServMart for office or janitorial supplies

Also, occasionally it may not be practical for CONUS Cardholders to meet office and JANSAN supply requirements from DOD EMALL or the local ServMart.

In this case, the AO/CO will pre-approve the exception in the approved DON data mining tool prior to making the purchase and will justify the rationale for not using the DON directed source.

OCONUS Cardholders are not required to use DOD EMALL or local ServMart when purchasing office or incidental janitorial and sanitation supplies.

Module Two Part One – Purchasing GCPC Program Oversight



Wireless Services



- CONUS requirements for wireless services and devices should be procured using the DON wireless contract awarded by NAVSUP Fleet Logistics Center San Diego (NAVSUP FLCSD) and the GCPC used as a method of payment
- Seek help from the local Contracting office for assistance with these contracts



CONUS requirements for wireless services and devices should be procured from the nationwide DON wireless contract awarded by NAVSUP Fleet Logistics Center San Diego (NAVSUP FLCSD) and the GCPC used as a method of payment.

Seek help from the local Contracting office for assistance with these contracts.

Consolidated Card
Department of the Navy
Program Management

Furniture

DEPARTMENT OF THE NAVY
UNITED STATES OF AMERICA

- Requirements for furniture should be procured using the Fleet Logistic Center (FLC) Norfolk suite of Blanket Purchase Agreements (BPAs)
 - ❑ Applies to Office, Dorm and Quarters, Child Development, Industrial and institutional furniture
 - ❑ Exceptions to this policy must be made on a case by case basis at a level no lower than the Chief of the Contracting Office.
 - ❑ Shipboard furniture is exempt
- Seek help from the local Contracting office for assistance with these BPAs



DON Acquisition Policy for furniture mandates all furniture requirements must be met using the Fleet Logistic Center (FLC) Norfolk suite of Blanket Purchase Agreements (BPAs).

The policy applies to Office, Dorm and Quarters, Child Development, Industrial and Institutional furniture.

Exceptions to this policy must be made on a case by case basis at a level no lower than the Chief of the Contracting Office.

The Chief of the Contracting Office is the warranted Contracting Officer who has responsibility for managing all technical contracting aspects of that office.

Shipboard furniture is exempt from this policy.

Seek help from the local Contracting office for assistance with these contracts.



Printing & Duplication Services

Requirements for printing and duplication services should be procured from **DLA Document Services**



- Products include: paper copies, brochures, transparencies
- Purchase must be **below** \$25,000

Use DLA Document Services for paper, copies, brochures and transparencies.

Requirements for printing and duplication services below \$25,000 should be from DLA Document Services.

DLA Document Services is also a preferred provider for web based solutions, Electronic Document Management, CD/DVD ROM, and scanning from hardcopy to digital.



Other Supplies & Services



Requirements for supplies and services, other than those directed by DON procurement policy on the preceding slides, may be purchased from **local open market** sources

- If **lower cost** or **faster delivery** than purchased from a Federal Supply Schedule (FSS)
- **Rotate purchases** among qualified merchants to the maximum extent practicable



Requirements for supplies and services, other than those directed by DON procurement policy on the preceding slides, may be purchased from local open market sources if the requirement can be met for a lower cost or faster delivery than available from a Federal Supply Schedule (FSS).

Attempt to rotate open market purchases among qualified merchants to the maximum extent practicable.

Consolidated Card
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Transaction Types

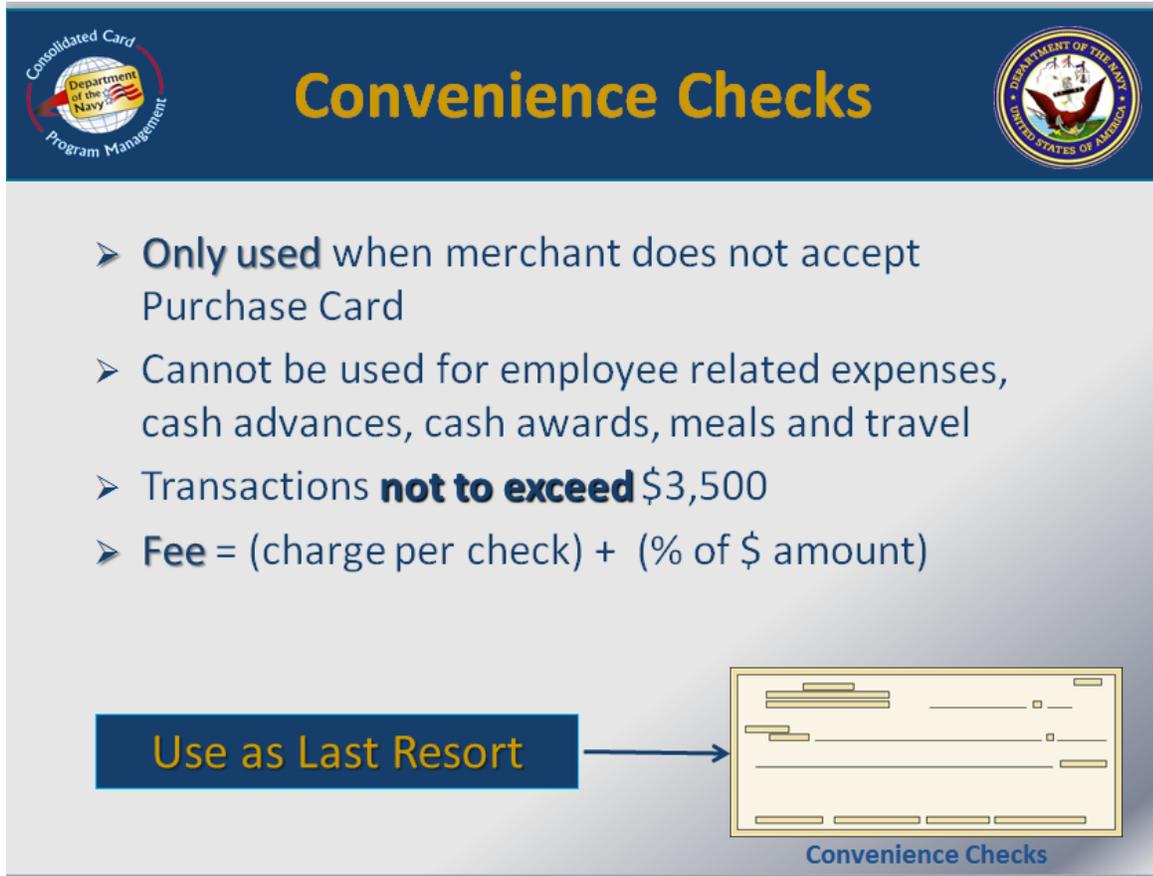


- Over the **Counter** 
- Over the **Phone** 
- Over the **Internet** 

Transaction types may be **limited** based on authority in the **letter of delegation**

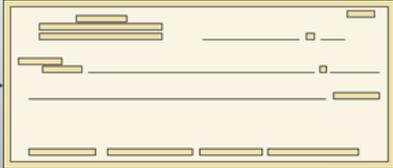
Requirements approved for purchase using the GCPC can be met over the counter, over the phone, or over the internet.

Keep in mind that transaction types may be limited based on authority in a letter of delegation.



The slide features a dark blue header with the title "Convenience Checks" in yellow. On the left is a circular logo for "Consolidated Card Department of the Navy Program Management". On the right is the official seal of the Department of the Navy, United States of America. Below the header, a list of four bullet points provides usage rules. At the bottom, a blue box with the text "Use as Last Resort" has an arrow pointing to a yellow check stub labeled "Convenience Checks".

- **Only used** when merchant does not accept Purchase Card
- Cannot be used for employee related expenses, cash advances, cash awards, meals and travel
- Transactions **not to exceed** \$3,500
- **Fee** = (charge per check) + (% of \$ amount)

Use as Last Resort → 
Convenience Checks

What if a merchant does not accept the Purchase Card?

Convenience checks can be used as a last resort when no other merchants can meet the requirement.

Convenience checks cannot be used for employee related expenses, cash advances, cash awards, meals, and travel.

The transactions cannot exceed \$3,500.

The bank charges a fee for each check plus a percentage of the transaction amount.

Module Two Part One – Purchasing GCPC Program Oversight



Rotation of Merchants



- The “Rotation of Merchants” policy is an attempt to distribute government spending among available merchants
- Rotate your micro-purchases among qualified suppliers to the maximum extent practicable



Rotate Your Merchants

It is federal acquisition policy to distribute government spending among available merchants.

It is reasonable to expect that a requirement can be met from several qualified suppliers.

You must rotate your micro-purchases among qualified suppliers to the maximum extent practicable.

The Purchase Log can be used to document the rotation of merchants.

This concludes Module 2 Part 1.

Close this module and return to the main menu and choose Module 2 Part 2 to continue.