



**U.S. Department
of Transportation**

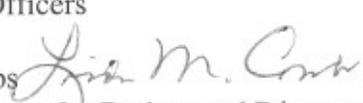
Office of the Secretary
of Transportation

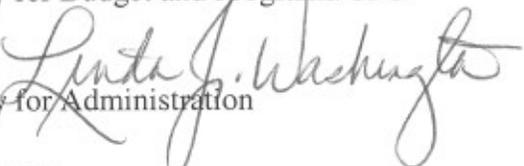
400 Seventh St., S.W.
Washington, D.C. 20590

JUL 30 2004

ACTION MEMORANDUM TO: Heads of Operating Administrations
Departmental Officers

FROM:

Linda M. Combs 
Assistant Secretary for Budget and Programs/CFO

 Vincent T. Taylor 
Assistant Secretary for Administration

SUBJECT:

Purchase Card Program

We are pleased to announce that US Bank has been selected as the U.S. Department of Transportation's (DOT) new provider for purchase card services. US Bank will begin performance under this task order on December 1, 2004, and will be working with DOT staff throughout the next few months to transition the program.

The purchase card has proven to be an effective tool for streamlining the procurement process. Every time a DOT employee uses the card, DOT saves upwards of \$100 in transaction costs. Additionally, US Bank has offered a generous rebate of 1.5 percent for same day electronic payment which goes straight back to your organization and can be reinvested in management and oversight of the program.

The primary reason US Bank was selected is their powerful Electronic Access System (EAS). This EAS will provide new tools, including a robust reporting capability, which will help DOT manage the purchase card program more effectively. The capabilities available in US Bank's EAS address most of the concerns raised in recent reports by the Government Accountability Office and the Office of the Inspector General.

This transition to a new provider is an opportunity for DOT to reevaluate its purchase card program and establish several new policies to strengthen management and oversight of the program. These include:

- Use of US Bank's EAS for card holder and approving official functions will be mandatory;
- Purchase cards will be limited to one per employee;
- To take advantage of generous rebates, same day payment of purchase card invoices will be mandatory;

- Card holder accounts will be suspended if they have gone forty-five (45) days past cycle date without card holder and approving official certification within the EAS system; and,
- Before setting up new purchase card accounts with US Bank, OAs shall review card holders spending patterns and ensure that they are commensurate with card holder limits (single purchase and monthly).

DOT encourages use of the purchase card for its many benefits. This new policy framework and the new management and oversight tools available from US Bank will help us ensure that purchase cards are used wisely and responsibly.

Please ensure that all involved with the purchase card program are made aware of the selection of US Bank and the policy changes contained in this memorandum.

If you have any questions, please contact David Litman on (202) 366-4263.