



GPC Program

Agenda

- Who is this training for?
- What is GPC?
- Requirements (Purchase Requests)
- Mandatory Sources
- Existing Contracts
- Items most frequently purchased open market
- GPC shipping/payment term requirements



Who would benefit?

- This training is geared towards small businesses that want to sell to the government but do not have the resources/desire to compete for contracts
- The government can still purchase from these businesses via the government purchase card (GPC), aka the government's credit card.



What you will learn

- This training explains how the GPC program streamlines small purchases, improves efficiency, and ensures compliance with federal acquisition regulations.
- Gain a clear understanding of how the GPC process works from start to finish
- Address common issues businesses encounter when interacting with the GPC program



What is GPC?

- GPC is the Governmentwide purchase card (credit card) program used to purchase mission-essential requirements that fall under the micro-purchase thresholds
- The Micro-Purchase Thresholds:
 - \$15,000 supplies
 - \$2,500 for services subject to the Service Contract Labor Standards Act (SCLS)
 - Services NOT subject to the SCLS Act are primarily professional services (aka architect, engineer). A limited exemption also applies to vehicle damage repair.
 - \$2,000 for construction work subject to the Davis-Beacon Act

Benefit of GPC?

- GPC significantly streamlines the buying process for commercial items. Instead of taking 30+ days to award a contract, cardholders can make a quick credit card purchase to fulfill mission needs.
- Less administrative burden on businesses. No need to be registered on SAM.gov and search for/ compete for contract award. No need to understand complex terms and conditions.
- Under the micro-purchase threshold there are less complex laws governing acquisition.
 - Market competition is enough to determine a reasonable price.
 - No prohibition on buying from large business under \$15k (although small business is preferred)

Purchases Start with a Requirement

- Requirements are requests for purchase that arise from a Government need.
- Government purchasing is driven by mission needs. The Government does not “Go shopping” without a valid requirement.
- Requirements are limited to what is required to achieve the squadron’s mission, and the purpose that Congress has given the Government funding for (Appropriated Funding).
- How that works: An airman submits a request for items/services they require to complete their mission. These requests can either be purchased through the supply system, on contract, or via the government purchase card (GPC).

What does this mean?

- Any requirement under the micro-purchase thresholds does not have to be purchased on contract. Cardholders can go directly to the community to fulfill their needs.
- Cardholders are encouraged to purchase from local community small businesses.

UNLESS

- A separate mandatory procurement source exists (more on next slide)

Required Sources of Supply & Services

- The Government must purchase from select sources according to the Federal Acquisition Regulation (FAR)

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- Purchasing is further restricted by any policy letters issued by the DoD or Air Force. These policies restrict purchasing to specific contracts for the purpose of efficiency, effectiveness, cost-savings and security.

Required Sources in The FAR

- FAR Part 8.103 Mandatory source of supplies (New as of 1 Feb 26)
- Agencies must procure supplies, in the following order:
 1. Excess Inventory
 2. Excess Inventory from other agencies
 3. Federal Prison Industries (FPI)
 4. AbilityOne Procurement List
 5. GSA Advantage contracts (FAR 8.104) (**NEW)

Services (FAR part 8.102):

1. AbilityOne Procurement List

Takeaway: There are many sources government cardholders must survey before turning to the local community.

Items with a mandatory source

The following items are commonly procured items that cardholders routinely purchase from mandatory sources. This means the Government does not seek to buy these products/services from the local community

- Any IT related items ex: computers, monitors, printers, all peripherals (mice, keyboards), etc.
- Any weapons/ammunition related items (mandatory through supply system)
- Office supplies (paper, pens, etc.)
- Chairs and most furniture
- Printing services (flyers, posters, manuals, signs)

Items with an awarded contract



The following service requirements are combined for all agencies on base and are purchased on 1 large contract. (Individual squadrons will not make micro-purchases from the local community):

- Grounds maintenance (base-wide contract) – Includes tree trimming, tree removal, mowing, leaf removal.
- Power Washing
- Custodial services
- Majority of Construction-related work

** Please note that subcontractor work can be pursued through the awarded contractor or subcontractors ex: cleaning, painting, electrical, plumbing, drywall finishing, general laborers, etc.)

Items that ARE purchased from local community

The following items do not have a mandatory source and are purchased in small enough quantities that they can be purchased on the GPC card/not on contract:

- Performance awards. Units are always looking for local woodworking or other crafting businesses for annual and quarterly awards.
- Sewing and alterations. Reserve units and units with special uniforms (aka honor guard) are authorized to pay alternations on GPC.
- Equipment items such as golf carts, ATVs, and trailers
- Compressed gasses.
- Automotive repair from accident damage (If on-base automotive shop is unable to service).
- Standard hardware store items: parts, tools.

GPC Purchase & Payment Terms

Cardholders are only able to purchase from businesses that :

- Sign a section 889 Representation Form. This is a signed statement saying your business does not provide and does not use covered telecommunications that are connected to our adversaries (several Chinese companies are listed under FAR 52.204-25).
- Agree to remove sales tax (Gov is not required to fill out a tax exemption certificate per NCDOR SUTB 5 5-2).
- Do not use a 3rd party payment system (ex PayPal) – Gov't can only purchase if the vendor offers no other payment method AND no other vendor can satisfy the requirement.
- Do not include terms and conditions (cardholders are not authorized to sign T&Cs).
- A firm fixed price is agreed upon prior to transaction authorization (price will not change)

GPC Payment & Shipping Terms

Cardholders are also looking for the following shipping terms:

- Card is not charged until the item ships or is picked up. This is a mandatory requirement. Cardholders are prohibited from pre-payment.
- Items should be delivered within 30 days of card being charged.
- Ships FOB destination (Not mandatory but is highly preferred)
 - **Real Life Example: A small local business was selling trailers that the Government wanted. However, they required a deposit up front before the trailer could be ordered. This forced the government to purchase elsewhere.**

Documents for Purchase

Cardholders are required to obtain the following documentation prior to purchase:

- Funds and purchase approval (internal document)
- Signed 889 form (from vendor)
- Itemized invoice with tax removed and shipping/payment terms outlined (from vendor)

Cardholders are responsible for ensuring all government requirements are met prior to purchase and have the authority to spend the Government's funds under the micro-purchase threshold. Other individuals, even those that outrank the CH, may appear to have authority from the vendor's perspective. In reality, these individuals are not authorized to place purchases.

Ways Business can streamline GPC purchasing

There are several actions businesses can take to streamline GPC purchasing:

- Retain a signed 889 form for handout when requested. Manual forms are valid for 1 year from the date signed by the vendor.
- Remove tax when requested, recognize GPC cards as tax exempt
- Provide final price upfront. Specify the total price upfront inclusive of all shipping and fees (including cc usage fees). If shipping is estimated, cardholders may look elsewhere to ensure they are not exceeding the micro-purchase threshold and their authorized spend amounts.
- Do not use a 3rd party payment system
- Wait to charge credit cards when items ship, ship FOB destination
- Clearly state military affiliation on website. That you (the vendor) are not employed by the government (active duty or civilian). **Dual compensation is expressly prohibited by law.**

Summary

- There are many regulations to follow, even when making micro-purchases.
- Understanding the Government's limitations is the best way to determine whether you are a candidate for GPC card requirements.





Questions?
