HQ, JOINT MUNITIONS COMMAND
PURCHASE CARD INFORMATION
APRIL 4, 2003

BLANKET PURCHASE AGREEMENTS

FOR PURCHASE CARDS

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BLANKET PURCHASE AGREEMENT FOR PURCHASE CARDS

1. References:

FAR Part, 13.303
DFARS Part, 213.303
AFARS Parts,1.602-2-91, Manual 2, Appendix E, and 13.2

2. General:

a. Blanket Purchase Agreements (BPAs) are simplified methods of filling anticipated repetitive needs for supplies and services. The use of BPAs can be a useful tool in the purchase of items valued above the micro-purchase threshold ($2500) and up to $100,000 using the Government Purchase Card.

b. Individuals other than the Contracting Officer and outside the contracting area may be authorized to place calls under BPAs after they have been appointed in writing in accordance with AFARS 1.602-2-91. The BPA can be used as a "charge account" for qualified sources of supply. See also AFARS Manual 2, Appendix E.

c. The Office of Secretary of Defense encourages the use of the Government Purchase Card as an acquisition tool above the micro-purchase threshold up to the simplified acquisition threshold ($100,000). This OSD memo is provided at **Enclosure 1**.

d. The purchase card website provides additional information on purchases above the micro-purchase threshold. An excerpt of the question and answers is provided at **Enclosure 2.** The website is http://www.purchasecard.sarda.army.mil.

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3. When to Establish BPAs:

Contracting Officers may establish BPAs when it is advantageous. The following criteria are listed at FAR 13.303-2:

a. A variety of supplies or services are generally purchased, but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably.

b. To meet a need to provide commercial sources of supply for a location or office that does not have a need to purchase otherwise.

c. Having BPAs would limit the need to write purchase orders.

d. There is no existing mandatory requirements contract.

4. Establishing Limitations (FAR 13.303-2(b) Contracting Officers Shall:

a. Set parameters to limit purchases to individual items or commodity groups or classes, or permit suppliers to furnish unlimited supplies and services and

b. Consider suppliers whose past performance has shown them to be dependable, who offer quality supplies or services at consistently lower prices, and who have provided numerous purchases at or below the simplified acquisition threshold.

5. Quantity of BPAs (FAR 13.303-2(c):

a. In order to maximize competition BPAs may be established with more than one supplier, or

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b. A single firm from which numerous individual purchases at or below the simplified acquisition threshold will likely be made in a given period, or

c. Federal Supply Schedule contractors when consistent with the terms of the applicable schedule contract.

6. Contracting Officers Preparation of BPAs (FAR 13.303-3) and DFARS 231.307

a. Use DD Form 1155, for purchases made using simplified acquisition procedures.

b. BPAs are prepared without a purchase requisition.

c. Contact the suppliers to get the maximum discounts.

d. Incorporate all necessary documentation.

e. BPAs should be prepriced by negotiating firm unit prices for specific periods of time or by incorporating supplier's price lists or catalogs. (AFAR 13.203-1(j)(1)

7. Mandatory Terms and Conditions (FAR 13.303-3):

a. Description of agreement - A general statement that the vendor shall furnish supplies or services if and when requested by the Contracting Officer or authorized representative within a specified period and within a stipulated aggregate amount, if any.

b. Extent of Obligation - Government is obligated only to the extent of authorized purchases actually made under the BPA.

c. Purchase Limitation - Dollar limitation for each individual purchase shall be stated. In no case shall the dollar limitation exceed $100,000 per order.

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d. Authorized Purchasers - BPA will state that the Contracting Officer will provide to the vendor those persons authorized to purchase under the BPA. They will be identified by name/title or by name of individual or organization and the dollar limitation per purchase transaction.

e. Delivery Ticket - must contain the following minimum information: (i) name of supplier (ii) BPA Number (iii) Date of Purchase (iv) Purchase Number (v) Itemized list of supplies or services furnished (vi) Quantity, Unit Price, and extension of each unit price less the discounts. THE IMPAC CARD NUMBER MUST NOT APPEAR ON THE DELIVERY TICKET.

f. Invoices - BPA's shall be billed individually for each delivery. OR INSERT ONE OF THE PROVISIONS AT 13.303-3(6).

g. Clauses and Certifications - Include all appropriate clauses applicable to the dollar limitation. The clause at 52.213-4 may be required for non-commercial items.

8. BASIC PURCHASING WITH BPAs

a. $100,000 Threshold - Each individual purchase cannot exceed the $100,000 threshold for the Purchase card. Purchases must not be split in order to stay under the $100,000 threshold.

b. Authorized Purchasers - Persons authorized as ordering officers to make calls must: (i) receive training in accordance with the requirements of AFARS 13.204-90(b) (ii) have a copy of the BPA (iii) have access to price lists or catalogs incorporated into the BPA (iv) understand that the authority may **not** be redelegated to others. Additional information on appointment of ordering officers is provided at AFARS Manual 2, Appendix E.

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c. Use of a BPA does not justify purchasing from one source or avoiding the small business set-aside rules.

d. Competition - If there is an insufficient number of BPAs to get maximum practicable competition, the contracting officer shall solicit quotations from other sources and make the purchase as appropriate; and establish additional BPAs for future purchases if (i) there are recurring requirements (ii) it is practicable to do so and (iii) qualified sources are willing to accept BPAs.

e. File Documentation must be maintained. A sample format is provided at **Enclosure 3**. Reporting requirements for purchases over $2500.00 up to $25,000 must be in place for DD Form 1057 reporting. Also, actions above $25,000 must be reported on the DD Form 350.

f. Delivery and acceptance can be verified by receipt of the supplier's sales document or invoice.

g. Additional information on this section is available at FAR 13.303-5

9. File Reviews

a. As a minimum annually (FAR 13.303-6).

b. Contracting Officers who authorizes others to place calls under BPAs shall (i) Ensure that individuals equitably distribute calls among suppliers with BPAs; (ii) ensure that individuals do not split requirements (iii) refer questionable prices to the Contracting Officer (iv) maintain continuing surveillance over individuals to ensure compliance with acquisition regulations.

10. Completion of BPAs (FAR 13.303-7).

a. "An individual BPA is considered complete when the purchases under it equal its total dollar limitation, if any, or when its stated time period expires."

11. Sample Cover Letter for BPA (Enclosure 4)

CHECKLIST FOR BLANKET PURCHASE AGREEMENTS AND THE PURCHASE CARDS

KEY POINTS:

1. Issue BPA for recurring demand when exact items, quantity, and delivery are not known.

2. Delegate or decentralize purchasing authority.

3. Avoid writing numerous purchase orders.

4. Appoint ordering officers if needed.

5. Arrange discounts and maintain clear documentation.

6. Placing calls- Record date, quotes, vendor info, commodity ordered, price, and delivery date. Utilize standardized call sheet to all orders to accurately record calls.

7. Invoicing - Specify format for vendor, Review invoices at least monthly,

8. Schedule reviews of purchases and the BPA.

9. BPA Expiration - When the value of purchases under it reaches a pre-set limit; The date specified in the agreement or upon Contracting Officer notification.

10. Every order must promote competition to the maximum extent practicable.

CHECKLIST FOR BLANKET PURCHASE AGREEMENTS AND THE PURCHASE CARDS

Prepare BPA on DD 1155

Include:

1. Name/Phone Number/Fax Number/Address of Vendor and POC.

2. Address/Phone Number/Fax Number/Address of Contracting Activity and POC.

3. DFAS address/Phone Number/Fax Number/ Address and POC.

4. Contract Number

5. Effective Date of Contract

6. Type of supplies or services to be purchased.

7. Specific Requirements

8. Appropriate Clauses

9. Individuals authorized to place calls against BPA and dollar threshold.

DO NOT INCLUDE:

1. Accounting fund cite or data

2. Quantity

3. Units of issue or price.

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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ACQUISITION AND TECHNOLOGY

DECEMBER 4, 2000

MEMORANDUM FOR SERVICE ACQUISITION EXECUTIVES
DIRECTORS, DEFENSE AGENCIES

SUBJECT: Use of the Governmentwide Commercial Purchase Card

The purpose of this memorandum is to highlight one application currently available for use of the Governmentwide commercial purchase card. The card continues to be one of the most popular simplified acquisition tools, and we encourage its use as part of our continuing efforts to reduce administrative lead times and costs through acquisition reform.

The Federal Acquisition Regulation (FAR), at 13.301, authorizes several uses of the Governmentwide commercial purchase card including placement of a task or delivery order if authorized in the basic contract, basic ordering agreement, or blanket purchase agreement. Thus, appropriately designated individuals may use the card to place orders for supplies and services covered by Indefinite-Delivery Indefinite-Quantity contracts, Federal Supply Schedule contracts, Blanket Purchase Agreements, and other ordering instruments that may be accessible via electronic malls, such as the DoD EMall and GSA Advantage, when the contractor has agreed to accept the card.

I urge you to take advantage of this simplified acquisition process when you deem it to be consistent with good business practices. As you do so, I encourage you to consider the many small businesses that are accessible via the electronic malls. Remember, as well, to comply with the FAR Part 4, and Defense FAR Supplement Part 204, reporting requirements for purchases that exceed $25,000 in value.

Deidre A. Lee
Director, Defense Procurement

Enclosure 1

FEDERAL SUPPLY SCHEDULE CONTRACTS & INDEFINITE DELIVERY – INDEFINITE QUANTITY (IDIQ) CONTRACTS

QUESTIONS AND ANSWERS

1. Q – Are Government Purchase Card users authorized to make purchases that exceed the micropurchase threshold of $2,500?

   A – Cardholders may be authorized to utilize the Government Purchase Card as a **payment instrument** for orders exceeding $2,500 made against Federal Supply Schedule contracts, calls written against a Blanket Purchase Agreement (BPA) or orders placed against Indefinite Delivery/Indefinite Quantity (IDIQ) contracts that contain a provision authorizing payment by credit card.

2. Q – How do "non-procurement" cardholders receive authorization to place orders against Federal Supply Schedule contracts, BPA's, or IDIQ contracts?

   A – Non-procurement cardholders who do not posses a contracting warrant must be designated as "ordering officers" by the cognizant contracting office. This designation must be in writing. Limitations on the authority of the ordering officer will be stated in their letter of appointment. In addition, ordering officers will also be required to comply with any DoD reporting requirements.

3. Q – Where is the authority derived from for appointing a non-procurement individual as an ordering officer?

   A – The term "ordering officer" is used primarily in Army acquisition however, each DOD component has their own equivalent that serves the same function. The specific authority for appointing non-procurement individuals as ordering officers can be found in the individual service/agency supplements to the FAR and in local procurement guidance. Army FAR Supplement (AFARS) 1.602-2-91 addresses the appointment of ordering officers for the Army. Additional guidance can also be found in AFARS Manual No. 2, Appendix E. Air Force FAR Supplement (AFFARS) 5301.603-2-90 addresses the issue of "limited contracting officer authority." In this supplement, non-contracting personnel are identified as individuals that may be granted authorization under certain specified circumstances such as orders placed against Federal Supply Service contracts. Defense Logistics Agency Directive (DLAD) 1.603-90 also addresses appointment of ordering officers. It is recommended that you contact your local procurement office in order to determine if any further guidance is available.

   http://www.purchasecard.sarda.army.mil

Enclosure 2

CREDIT CARD PURCHASE WORKSHEET
FILE DOCUMENTATION FOR PURCHASES OVER $2500.

1. Cardholder's Name _____ Phone # _____

2. Solicitation Method: Phone ( ) Shopped Store(s) ( )
   Government Pickup ( ) Delivered ( ).

3. Is this GSA Advantage Multiple Award Schedule? Yes___ No____

4. Is this a BPA Purchase? Yes_____ No_____

5. Price Reasonableness Based On: Price Competition_____

   GSA Schedule Prices Yes_____ No_____

   Established Market Prices Yes_____ No_____

   If Yes, Means of Verification _____

   Other _____

   Solicitation Date: _____ Delivery Date _____

6. Estimated Dollar Value: _____

7. Merchant Information:
   a. Company: _____
   b. Address: _____
   c. Phone: _____
   d. Small Business: _____
   e. Small Woman Owned Business: Yes_____ No_____
   f. Required Source: National Industries for Blind_____
      Federal Prison Industries _____.

8. Description of Item:

Description	Qty	U/I	Price	Total

Encl 3

Comments/Remarks: _____

_____

_____

_____

_____

Cardholder Signature _____

Approving Official Signature _____

Sample Cover Letter for BPA 15 Mar 2001

Address Line 1
Address Line 2
Address Line 3

Dear Mr. Contractor:

This Blanket Purchase Agreement (BPA) is written to purchase _____items using the Government Purchase Card as a method of payment. The prices reflected in your _____catalog will be used to price items ordered against this BPA less the ___% Government Discount. Each single transaction under this BPA may not exceed $100,000.

Upon acceptance of this BPA by the Contracting Officer you will be required to furnish items when requested by the following authorized individuals:

_____, Contracting Officer
_____, Authorized To Call
_____, Authorized To Call

The Government is obligated only to the extent of authorized purchases identified in paragraph one by authorized individuals listed above.

The total dollar limitation for orders placed against this BPA shall not exceed $5,000,000. This BPA will remain in effect until _____unless revoked in writing by the Contracting Officer.

Delivery and invoicing information for all orders placed against this BPA are provided (TAB A).

The POC is _____.

Sincerely yours,

Ms.ABC
Contracting Officer

Enclosure 4

DELIVERY INFORMATION:

Each delivery/packing ticket must contain the following information:

(1) Vendor Name
(2) Purchase Number
(3) Date of Purchase
(4) BPA Number (Located Upper __Corner of Signed Agreement)
(5) Itemized List of Supplies or Services
(6) Quantity
(7) Unit Price and Extension of Unit Price Less Discounts

DO NO PUT THE IMPAC CARD NUMBER ON THE DELIVERY TICKET

INVOICE INFORMATION:

Each BPA call order will be billed individually.