

## XI. BLANKET PURCHASE AGREEMENTS

### A. Definition

Blanket Purchase Agreements, also known as “BPAs,” are arrangements between the Government and responsible sources that allow us to order supplies or nonpersonal services by telephone, facsimile, in person, electronically, or in writing. BPAs are useful for quick acquisition of items that cannot reasonably be anticipated in advance and are not available from a required source. BPAs are useful when we have repetitive, but unpredictable, needs in a general class of supplies or services.

A BPA is **not** a contract or purchase order. A BPA is like a charge account that sets forth terms and conditions prior to an actual purchase, significantly reducing paperwork and the administrative cost per order. Once the BPA is issued, the Government can place orders and the contractor can make delivery **without a separate purchase order** for each order. BPAs must follow all procurement laws and regulations, such as FAR 13.303-3 and 13.303-4, respectively. Also, it should be noted for overseas, the dollar amount of any BPA should not exceed the SAT threshold of \$150K.

Exhibit 2-22 shows the differences between a BPA and a purchase order.

## Exhibit 2-22 – Blanket Purchase Agreements vs. Purchase Orders

**Blanket Purchase Agreements vs. Purchase Orders**

Purchase Order	Blanket Purchase Agreement
<p>Prepare a Purchase Order <b>when</b>:</p> <p>The exact supplies and services are known, the quantities are known and the delivery requirements are defined.</p>	<p>Establish a BPA <b>when</b>:</p> <p>There are a wide variety of items in a broad class of supplies or services that are generally purchased, but the exact items, quantities and delivery requirements are NOT known in advance and may vary considerably.</p> <p>Examples: Office supplies, hardware..</p>
<p>Purchase Order becomes a binding contract when the contractor accepts the order.</p>	<p>BPA is not a binding contract. It is an account set up with a specific company defining the terms and conditions of your relationship. BPA orders become binding contracts when the vendor delivers.</p>
<p>Funds are obligated when the order is issued.</p>	<p>No funds are placed on the BPA. Two possibilities for funding: bulk funding and per-call funding.</p> <p>Bulk funding - the Financial Management Officer will make bulk reservations of funds based on estimates of purchase patterns. Authorized callers draw against the total, and the obligation of funds occurs when the call is made.</p> <p>(NOTE: Do not record an obligation in FPDS at the agreement level. Obligations may only be recorded at the order or call level.)</p> <p>OR</p> <p>Per-Call Funding - separate funds are established for each order under the BPA.</p>

## B. Terms and Conditions

FAR 13.303-3 specifies the minimum terms and conditions for BPAs. Just as with purchase orders, you must attach the supplemental clauses from the FAR and DOSAR that A/OPE issues.

Each BPA must provide the name of the BPA Administrator. See DOSAR 613.303-2 for BPA Administrator duties.

Each BPA must list the authorized ordering officials and the per order dollar limitation for each ordering official. Authorized ordering officials need not be members of the GSO staff. For this reason, control over funds is crucial for BPAs, so that accurate records are kept of orders or calls placed.

The FAR requires that a random sample of BPAs be reviewed annually to ensure that proper procedures are being followed. The review should include the below Annual BPA Review Checklist.

## ANNUAL BPA REVIEW CHECKLIST

BPA Number:

Vendor:

Goods or services:

Date of Award:

1): Does the volume justify continuing the BPA? Yes/No

2) Has the vendor performed well enough to continue the agreement? Yes/No

3) Has the market place changed enough to require new vendors or new products or services? Yes/No

4) Have the requirements changed enough to require new vendors or new products or services? Yes/No

5) Do we need to change the ordering officers? Yes/No

6) Have ordering officials issued orders within their limits? Yes/No

7. Are cumulative orders still within BPA ceiling? Yes/No

8) Are terms and conditions still current? Yes/No

9) Is adequate competition being achieved where required? Yes/No

10) Account for receipt, inspection, and acceptance of supplies or services ordered as well as invoice payment following post and Departmental procedures.

Exhibit 2-23 provides sample instructions to authorized BPA ordering officials.

## Exhibit 2-23 - BPA Instructions to Authorized Ordering Officials

**Blanket Purchase Agreement (BPA) Instructions****Placing Orders**

BPA orders are generally placed orally or in person. When authorized by the BPA to place an order against a BPA, you should provide the vendor with the following information:

1. Title, name and office of the ordering official. This must be an authorized ordering official cited in the BPA.
2. BPA number.
3. Date order is placed.
4. Itemized listing of supplies or services desired and quantities. The unit prices and extension of prices less discounts must be agreed upon at this point.
5. Required delivery date.
6. Marking instructions for any shipment of supplies. At a minimum include the BPA number and the ordering office.

**Documenting Orders Placed Against BPAs**

Like all other purchases, BPA orders must be backed by a commitment of funds. To ensure adequate funding, it is essential to maintain records of all orders placed against a BPA. Attached is a copy of the log that must be maintained. **Send the log to the Financial Management Office by the fifth work day** of each month and a **copy to the GSO** office for filing with the official BPA file and reporting transactions to the Federal Procurement Data System (FPDS). If post used ILMS/Ariba this can all be accomplished within the system in lieu of a separate excel document.

The use of BPAs does not exempt us from the responsibility for keeping obligations and expenditures within committed funds. If the BPA was backed by a commitment of bulk funds, **it is your responsibility to ensure that funding levels are not exceeded, to avoid an Anti-Deficiency Act violation.** Contact the Financial Management Office well in advance, if additional funding will be required.

### **Invoices**

Invoices will be submitted directly to the Financial Management Office for payment. Upon receipt of the supplies or services, you must sign the contractor's delivery ticket receipt. The contractor must attach a copy of these receipts with its invoice.

### **Authorized Ordering Officials**

Only authorized ordering officials named in the BPA may place orders against this BPA. The Contracting Officer must make deletions or additions of authorized ordering officials through a modification to the BPA. Notify the Contracting Officer of any proposed changes. Ordering officials who are not warranted should not be provided ordering authority over \$3,000 (micropurchase threshold). An ordering official, with a warrant, may have ordering limits over \$3,000.

### **Review**

We are required to review BPAs annually. Please notify the Contracting Officer of any problems concerning the BPA. Contact the Contracting Officer if the BPA is no longer needed or if additional vendors for the same supplies or services need to be issued a BPA.

Questions regarding this BPA should be referred to **[NAME]**.

Attachment:

BPA Log



<b>BLANKET PURCHASE AGREEMENT (BPA) PURCHASE LOG</b>			
<b>CONTRACTING OFFICER COMPLETES</b>			
BPA NO. <b>S</b> _____	CONTRACTOR NAME AND ADDRESS		
\$ LIMITATION PER PURCHASE* _____ \$ LIMITATION FOR THIS BPA _____ BPA EFFECTIVE DATE _____ BPA EXPIRATION DATE _____ BPA ADMINISTRATOR _____  <small>* Individual purchases exceeding \$3,000 must comply with FAR 13.106</small>	TELEPHONE NO. _____  TYPE OF BUSINESS ( <i>Check one</i> ) <input type="checkbox"/> Small U.S. <input type="checkbox"/> Large U.S. <input type="checkbox"/> Small Disadvantaged U.S. <input type="checkbox"/> Other U.S. <input type="checkbox"/> Small Woman-Owned U.S. <input type="checkbox"/> Non U.S./Outside U.S. <input type="checkbox"/> Small Service Disabled Veterans U.S. <input type="checkbox"/> Small Veteran-Owned U.S. <input type="checkbox"/> HBCU <input type="checkbox"/> HubZone		
<b>AUTHORIZED PURCHASER COMPLETES</b>			
ORDER NUMBER			
DESCRIPTION OF ITEMS OR SERVICES <small>(Attach additional sheet, if necessary)</small>			
DELIVERY LOCATION			
DATE FUNDS AVAILABILITY CERTIFIED			
COMPETITION  1 = Order under \$3,000  2 – Order over \$3,000; 3 suppliers solicited  3 – Order over \$3,000; 3 suppliers not solicited			
ORDER PLACED BY (FULL NAME)			
DATE ORDER PLACED			
CONTRACTOR'S REPRESENTATIVE (FULL NAME)			
TYPE OF ORDER (O= oral, W = written, IP = In Person)			

QUANTITY			
UNIT COST			
TOTAL PRICE			
DELIVERY DATE			
DATE RECEIVING OFFICE NOTIFIED			
ORDER RECEIVED BY (FULL NAME)			
DATE ORDER RECEIVED			
DELIVERY TICKET/SALES SLIP W/ORDER?			
INVOICE RECEIVED BY (FULL NAME)			
DATE INVOICE RECEIVED			
INVOICE NO.			
INVOICE DATE			
INVOICE AMOUNT			

COPY OF CURRENT LOG TO FINANCE/CERTIFYING OFFICE AND CONTRACTING OFFICE BY 5TH WORKDAY OF EACH MONTH

### C. Funding BPAs

The BPA document must **not** cite accounting and appropriation data (see FAR 13.303-3). Establish the obligation for each order placed against the BPA, either by:

1. Establishing a bulk commitment of funds for a BPA, or
2. Obtaining individual funds certification for each order placed.

The main idea to keep in mind is that funds are obligated when orders/calls are placed. This is why it is important that there be close coordination between procurement and finance on BPAs. Duration of the BPA may be longer than one year because no money is obligated on the BPA. However only current fiscal year funds can be used. Funds do not roll over from one fiscal year to the next on a BPA even if a bulk commitment of funds is made.

### D. Format

BPAs can take several formats. Most posts use the same form as the purchase order form (OF-347).

Exhibit 2-24 is a sample BPA.

Exhibit 2-24 – Sample Blanket Purchase Agreement

ORDER FOR SUPPLIES OR SERVICES						PAGE	OF	PAGES
IMPORTANT: Mark all packages and papers with contract and/or order numbers.						1		#
1. DATE OF ORDER 11/15/XX		2. CONTRACT NO. (If any)		6. SHIP TO:				
3. ORDER NO. SZE200-XX-A-0005		4. REQUISITION/REFERENCE NO.		a. NAME OF CONSIGNEE U.S. Embassy Rosslyn				
5. ISSUING OFFICE (Address correspondence to) U.S. Embassy Rosslyn, Rosslyn, Republic of Zee				b. STREET ADDRESS 475 Power Dr.				
				c. CITY Rosslyn, Republic of Zee		d. STATE	e. ZIP CODE	
7. TO:				f. SHIP VIA				
a. NAME OF CONTRACTOR Mr. John Doe				8. TYPE OF ORDER				
b. COMPANY NAME Joes's Hardware				<input type="checkbox"/> a. PURCHASE		<input type="checkbox"/> b. DELIVERY -- Except for billing instructions on the reverse, this delivery order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above-numbered contract.		
c. STREET ADDRESS 763 Plum Avenue				REFERENCE YOUR: _____ Please furnish the following on the terms and conditions specified on both sides of this order and on the attached sheet, if any, including delivery as indicated.				
d. CITY Rosslyn, Republic of Zee		e. STATE	f. ZIP CODE					
9. ACCOUNTING AND APPROPRIATION DATA Funds will be obligated at the time an order is placed.				10. REQUISITIONING OFFICE GSO Services Office				
11. BUSINESS CLASSIFICATION (Check appropriate box(es))						12. F.O.B. POINT		
<input type="checkbox"/> a. SMALL <input type="checkbox"/> b. OTHER THAN SMALL <input type="checkbox"/> c. DISADVANTAGED <input type="checkbox"/> d. WOMEN-OWNED <input type="checkbox"/> e. HUBZone <input type="checkbox"/> f. SERVICE-DISABLED VETERAN-OWNED <input type="checkbox"/> g. WOMEN-OWNED SMALL BUSINESS (WOSB) ELIGIBLE UNDER THE WOSB PROGRAM <input type="checkbox"/> h. EDWOSB						Destination		
13. PLACE OF		14. GOVERNMENT B/L NO.		15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date)		16. DISCOUNT TERMS		
a. INSPECTION See Block 6		b. ACCEPTANCE See Block 6		N/A		indefinite Net 30 calendar days		
17. SCHEDULE (See reverse for Rejections)								
ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)		
	Blanket Purchase Agreement for Assorted hardware supplies. See attached terms and conditions and FAR/DOSAR clauses.							
18. SHIPPING POINT		19. GROSS SHIPPING WEIGHT		20. INVOICE NO.				
SEE BILLING INSTRUCTIONS ON REVERSE		21. MAIL INVOICE TO:						
		a. NAME Financial Management Officer						
		b. STREET ADDRESS (or P.O. Box) 475 Power Dr.						
		c. CITY Rosslyn, Republic of Zee		d. STATE	e. ZIP CODE	\$	17(h) TOT. (Cont. pages)	
22. UNITED STATES OF AMERICA BY (Signature)				23. NAME (Typed) John Coltrane				
				TITLE: CONTRACTING/ORDERING OFFICER				

AUTHORIZED FOR LOCAL REPRODUCTION  
PREVIOUS EDITION NOT USABLE

**OPTIONAL FORM 347** (REV. 2/2012)  
Prescribed by GSA/FAR 48 CFR 53.213(f)

**1. BPA Number SZE200-XX-A-0005**

The American Embassy Rosslyn invites you to enter into this BPA that establishes the terms and conditions applicable to future purchases of:

Hardware Supplies

**2. Expiration Date:**

BPA expires on *mm-dd-yyyy*.

**3. Embassy Estimate:**

The Embassy estimates that the volume of purchases through this BPA will be \$5,000.

**4. Terms and Conditions:**

1. The Embassy is **not** obligated to purchase any definite amount under this BPA.
2. The amount of any one purchase will not exceed USD \$3,000 or the equivalent in local currency.
3. The total amount ordered under this BPA will not exceed USD \$150,000 or the equivalent in local currency.

**5. BPA Administrator**

Jake Handy, Maintenance Chief

## 6. Authorized Employees

Authorized Employees to place orders under this BPA are:

<b>Name</b>	<b>Job Title</b>	<b>Dollar Limitation</b>
Jake Handy	Maintenance Chief	\$3,000
Tim Taylor	Chief Electrician	\$3,000

## 7. Delivery Tickets

All shipments/deliveries shall be accompanied by a delivery ticket or sales slip that must contain the following minimum information:

1. Name of supplier
2. BPA number
3. Date of purchase
4. Purchase number
5. Itemized list of supplies or services furnished
6. Quantity, unit price, and extension of each item, less applicable discounts
7. Date of delivery or shipment
8. Name of the authorized employee who placed the order



Please indicate the remittance or check mailing address in the space provided below if different from the address to which this BPA was addressed.

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#### **FAR 52.252-2 Clauses Incorporated By Reference (FEB 1998)**

This purchase order or BPA incorporates the following clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

<http://acquisition.gov/far/index.html>

DOSAR clauses may be accessed at: <http://www.statebuy.state.gov>

**[NOTE TO CONTRACTING OFFICER: ADD THE LATEST VERSION THE PURCHASE ORDER AND BLANKET PURCHASE AGREEMENT CLAUSES FROM OUR INTRANET SITE: <http://aope.a.state.gov> ]**



### E. Competition Requirements

Do not use BPAs to establish “Exclusive Suppliers” or “Preferred Source” type of relationships with contractors. Rotate orders among BPA holders whenever possible, when there are multiple sources at post for supplies or services, or when quick shipment from a distant site can be assured. Otherwise, your BPA could be considered a de facto sole source, which is a problem.

A BPA is not an excuse to avoid competition for actions over \$3,000. Only a Contracting Officer can place BPA orders exceeding \$3,000 and competition must be obtained or document why it wasn't.

### F. DS-1920, Blanket Purchase Agreement (BPA) File

Use Form DS-1920 to document BPAs and calls/orders placed under them. You may reproduce the back page of the form (the ordering log) and provide it to authorized ordering officials to document purchases made. There is also an Excel log on the A/OPE website at <http://aope.a.state.gov> that ordering officials may use. By putting this log on a “shared” directory, both the finance and procurement offices can have “read access” to review the logs at any time.

Exhibit 2-25 provides detailed instructions on completing the DS-1920 folder.

Exhibit 2-25 – Blanket Purchase Agreement File, DS-1920

**Instructions for Blanket Purchase  
Agreement (BPA) File - DS-1920 (11/2009 version)**

The file tells the story of how the supplies or services were obtained. Any one reviewing the folder should immediately know the status.

**A. Front Cover**

**TABLE OF CONTENTS**

- 1. Inside Left            2. Inside Right   3. Back**

There is nothing to enter in the first three boxes on the cover of the DS-1920 file folder. These are intended only as a table of contents for the folder.

**4. Hard Copy of (fastened):**

Check the boxes to indicate which items are inside the folder. This is a continuation of the table of contents of the folder.

**Signed BPA (with notice of individuals authorized to purchase under the BPA, dollar limitations by title of position or name, and supplemental clauses).** Check this box when the BPA has been completed and signed and place the BPA in the folder.

**Sole Source Justification (FAR 13.501(a) (commercial item acquisitions exceeding the simplified acquisition threshold but not exceeding \$6.5 million).** Check this box when a formal sole source

justification is required for sole source commercial item acquisitions above the simplified acquisition threshold (\$150,000) but not exceeding 6.5 million.

**FPDS Report (ICAR) (orders over \$3,000).** Check this box when the ICAR report has been generated and place inside the folder.

\* Since ILMS/Ariba has connection directly to FPDS, we no longer utilize S/FPDs.

**Copies of BPA Order Logs.** Check this block when you receive the BPA logs from the authorized ordering officials and place inside the folder.

**Copies of Instructions to Ordering Office.** Check this block to indicate that the ordering instructions have been provided to the authorized ordering officials and place a copy inside the folder.

**Other Correspondence/Documentation.** Check this box when there are letters or documentation with the contractor and place inside the folder.

**Contracting Officer Checks Here  To Indicate Required Sources of Supplies and Services (FAR Part 8) Have Been Reviewed.**

This is an unnumbered box at the bottom of the page. The **Contracting Officer** checks here to indicate that required sources of supply were considered before preparing this order. The sources to consider overseas before preparing a BPA are:

1. Post's own inventory;
2. The excess property of other U.S. Government agencies;
3. Federal Prison Industries/UNICOR;
4. Committee for Purchase from People who are Blind/Severely Disabled (NIB/NISH);
5. Mandatory Department of State contracts; and
6. Federal Wholesale Supply Sources (such as, GSA, DLA).

**Contracting Officer Checks Here  To Indicate BPA is Established with a Federal Supply Schedule Contractor (FAR 13.302-2(c)(3)).**

Check here if the BPA was established with a GSA schedule contractor. Although not required, the typical BPA is established with a local vendor with orders placed by phone or in person. Since the majority of GSA schedule contractors are located in the US, it is unlikely that post would be establishing a BPA with a GSA schedule contractor. If a BPA is established with a GSA schedule contractor, negotiate additional price discounts beyond those specified in the GSA contract. Consider using small U.S. business sources if using a GSA schedule contractor.

**B. Inside Front Cover****1. Competition:****BPAs for Single Purchase Limits not Exceeding \$3,000**

**All orders under this BPA will not exceed the micropurchase threshold of \$3,000; no competition is required.** Check this block if the individual orders under a BPA will be limited to the micropurchase threshold or less. Remember, however, that purchases under the micropurchase threshold must be rotated among vendors.

**BPAs for Single Purchase Limits Exceeding \$3,000**

**Orders under this BPA may exceed \$3,000. Multiple BPAs have been established with the following suppliers; a minimum of three suppliers (consisting of BPA holders or other suppliers if there are less than three BPA holders) will be solicited for each order exceeding \$3,000.** Check this block if the individual orders under the BPA may exceed the micropurchase threshold. List the other BPAs that you have established for the same supplies/services.

**Orders under this BPA may exceed \$3,000. A minimum of three suppliers will not be solicited because (describe):** Check this block when you cannot establish a minimum of three BPAs for the same

supplies/services. List your rationale, for example, only one source supplies this item locally.

## 2. Prospective Contractor Responsibility (FAR Part 9):

This determination is made for all BPAs.

**Prospective contractor is not listed in the System for Award Management (at <http://www.sam.gov>) as being excluded from U.S. Federal Government procurement. Date list checked (mm/dd/yyyy)**  
\_\_\_\_\_.

Check this box when SAM is reviewed and the contractor's name is not listed as being excluded from procurement. SAM may be accessed through A/OPE's web site. Indicate the date SAM was reviewed. You cannot issue a BPA to a company if they are listed in SAM as having been excluded from procurement.

**Prospective contractor considered responsible (FAR 9.104-1) based on:**

Check this block and indicate which of the following three boxes was the basis for the determination of responsibility.

**Previous acceptable work.** Check this box if there was previous acceptable work on another purchase order or BPA.

**Contact with other agencies (list):** Check this box if other agencies or embassies had previous acceptable work on a purchase order/contract/BPA.

**Other (describe):** Check this box if:

*Examples:*

1. Check the better business bureau, if your country has one.
1. The business is an established business and has a good reputation.

### **3. BPA Review (FAR 13.1303-6) conducted**

1. FAR 13.303-6 states that the Contracting Officer should review random BPA files once per year to ensure that proper policies and procedures are being followed. This review is also important to establish whether the amount of usage justifies continuing the BPA. The Contracting Officer uses this box to indicate review of the BPA and the review checklist to document the review.

### **4. Small Business Set-Aside**

This box is for use by Contracting Officers in the United States. Overseas posts leave this section blank or cross through it.

#### **Purchasing Agent/Procurement Assistant Name:**

The procurement assistant signs and dates in the lower left-hand corner of the inside front cover when the BPA and the file folder are ready for the Contracting Officer's review.

#### **Contracting Officer Name.**

The Contracting Officer signs and dates in the lower right hand corner to indicate that this BPA was established according to the rules and regulations.

### **C. Inside Back Cover**

## BPA and Modification Distribution

In the top half of the back cover, complete the name of the person and the date you sent a copy of the BPA to. Note that the Contracting Officer (Contract File) maintains the **original copy** of the BPA.

**Note:** Enter the title and office instead of the name of the person because of the high turnover rate of officers. For Contracting Officer, enter “BPA File.” The Contracting Officer will not be taking these files when leaving post.

### Modification No.

#### Distributed as Shown Above

Modifications (SF-30) must be sent to the same distribution list as the original. When a copy of the modification has been issued, check the modification number and enter the date. **For example**, when the first modification is issued, you would do the following:

**Modification No.**  **1** to indicate the first modification and enter the date the modification was distributed.

### BPA Additional Information

#### Remarks/Comments

Use this space for any additional comments/remarks.

#### Performance Evaluation

Check the appropriate box to indicate whether the contractor’s performance was acceptable or unacceptable. If unacceptable, briefly describe why. **Note:** You should have documentation in the file if

the contractor's performance was unacceptable, so you may simply note "See enclosed information" if you choose.

### Side Tab

**BPA Number.** Enter the BPA number following the Standardized Acquisition Instrument Identification Numbering System. See Cookbook Chapter 1.

**Contractor.** Enter the name of the contractor that was awarded the BPA.

**Schedule Contract Number (if applicable).** Leave blank. This is used only for BPAs established against FSS contracts.

**Closeout Date.** A BPA is considered complete when the purchases under it equal its total dollar limitation or when the time period expires, whichever occurs first. A BPA can be for more than one year.

**Destroy Date.** Enter the destroy date. This date for BPAs is three years after final payment (FAR 4.805).

### D. Back Cover

#### Blanket Purchase Agreement (BPA) Purchase Log

The back cover of the DS-1920 is to be used as a purchase log. Purchase logs are for use by the ordering offices. The procurement unit completes only the top section labeled "Contracting Office Completes." A photocopy of the back cover of the DS-1920 can be given to the ordering offices, or use the BPA log form in this chapter. This log is only good for three purchases per page, so make extra copies if needed.



On the 5<sup>th</sup> workday of each month, ordering offices **send copies** of their purchase logs to the financial management office so the FMO can compare them to the vendor's invoice and delivery tickets. The procurement unit must have copies of the completed purchase logs in its files. Alternately, posts may wish to have the BPA logs on a “shared” drive so that the finance and procurement offices can review them at any time. Post may also utilize ILMS/Ariba for tracking orders, etc in lieu of the purchase log and excel spreadsheets.