

**BLANKET PURCHASE AGREEMENT (BPA)**

**CUSTOMER TRAINING HANDBOOK**

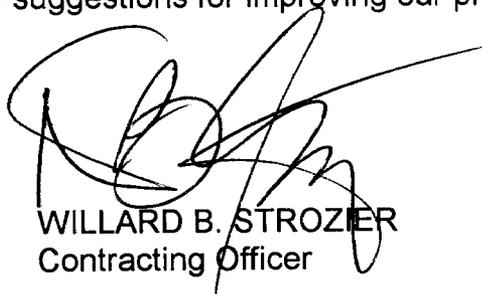
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## FORWARD

You have just been informed that you are responsible for managing a Blanket Purchase Agreement (BPA) or delivery order for your organization. You may be asking yourself, "What's a BPA?" or "What do I do now?" Not to worry, these are typical reactions. We know that our regulations are hard to understand and that we have what probably seems like a lot of confusing and burdensome paperwork. We know that you need to devote most of your time to doing your primary mission and so we are trying to make compliance with our regulations as simple as possible. Hopefully, this guide will explain your responsibilities and help you maintain your contracting paperwork so that you can devote most of your time to your main job.

If you are still unsure of what to do after reading this guide, please give me a call at (310) 363-5115. Also, if you have any suggestions for improving our procedures please let me know.

A handwritten signature in black ink, appearing to read 'W. Strozier', is written over the typed name and title.

WILLARD B. STROZIER  
Contracting Officer

## CHAPTER 1

### INTRODUCING THE CONTRACT

1. We have many ways of contracting for the goods and services our customers require. Blanket Purchase Agreements (BPAs) are commonly used when our customer knows the basic requirement for frequently purchased items, but cannot say for certain when you need the items or how many you will need.
2. A BPA is an agreement between the Government and a contractor, which sets the stage for us to buy something quickly. All of the conditions of sale are negotiated when the BPA is first established.
3. A BPA is often "decentralized" and this is when you come into the picture. You figure out exactly what your organization's requirement is and then you call the contractor and request a delivery in accordance with the terms of the BPA. How you place that call and what paperwork you complete will be covered later in this guide. A BPA is good when we know we are going to buy certain types of items but do not know exactly what or when we want to buy. Medical supplies, office supplies, quarters and vehicle rentals are good examples.

## CHAPTER 2

### YOUR RESPONSIBILITIES

1. There is no getting around it, contracting has a lot of paperwork and a lot of regulations. Contracting attracts a lot of visibility; therefore, it is important that you learn your responsibilities well. Let's look at the following:
  - a. Know the BPA. Read the document. Know what goods or services the contractor can provide. Know how deliveries work.
  - b. Authorized Callers. Usually, more than one person can place calls. Every authorized caller must be identified to the contracting office so we can tell the contractor. If a person is not on the "Authorized Caller List", the person **CANNOT** place calls.
  - c. Maintain Records. It is vitally important to maintain accurate records. Auditors, inspectors and sometimes-even Congress will carefully review contractual documents.
  - d. Maintain Funding. Never allow a call to be placed if there are not enough funds to pay for the call. Just like a checkbook, you would not write a check for something if you didn't have the money in your account.

- e. **Review Price Lists.** Contractors will send us price lists, which we must review and approve. We send you a copy of the approved price list. Make sure you review them too. Know what prices you will be charged. Never use an expired price list or one that has not been approved by a contracting officer.
  - f. **Competition.** We often try to establish multiple BPAs for the same items. You then must compare prices before placing your call and order from the contractor offering the lowest prices.
  - g. **Receipt for Deliveries.** Two things to remember here. First, the person who placed the call should not take receipt of the item ordered. This helps avoid any potential for collusion. Second, always check the delivered items before signing for them. Once they are signed for, they are ours, so be careful.
2. Without the proper attention being paid to each of the above items, we would not be able to prove we are protecting the rights of the Government.

### **CHAPTER 3**

#### **THE DUTIES OF AN AUTHORIZED CALLER**

1. The right to purchase goods and services for the United States Government is closely controlled and monitored. The "right" to purchase comes directly from the Constitution and is only given to selected individuals. Being selected as an authorized caller gives you additional responsibilities. Let's look at them:
- a. **Safeguard Funds.** You are charged with ensuring that funds are spent wisely. Make sure you buy from the source that gives the most for the money. Do not buy what is not needed. Challenge anything that may not seem right.
  - b. **Compete Your Buys.** Often times you will have multiple BPAs for the same items. Check the "approved" price lists of each BPA and ensure you are placing the call against the BPA with the lowest price for the particular item you are ordering. Reasons for awarding to other than the low price are the low price contractor cannot meet required delivery time, required quantity, or will not accept the call. Your reasons must be documented in the file.
  - c. **Avoid Impropriety.** Do not accept gratuities. Do not discuss future requirements with contractors. If you have placed the call, make sure someone else signs for it.
  - d. **Be a Watchdog.** Report any suspicious activity to the contracting office immediately.

e. **Know Your Limitations.** Know what you can and cannot purchase under the BPA. Know what your dollar limitations are for each call and each BPA you may have. Dollar limitations can vary among BPAs.

f. **Know What The BPA Says.** Know what the BPA includes, who can place calls, for how much, and who to call if something goes wrong.

2. The bottom line is to **KNOW** what you are doing. Obligating Government funds is touchy business. If you are unsure of anything at all, **ASK**. It is easier to receive training now than to try and unravel a long, sad story later.

## **CHAPTER 4**

### **SETTING UP YOUR FILES**

1. For every BPA you are using, you need to build a separate file. The file is important because it is the only way you have of accurately keeping a record of your actions. Follow these recommended instructions and files maintenance will be quick and easy.

a. Use a six part contract folder, available in your base supply store.

b. Label the folder with the following information:

(1) BPA Number, i.e., F04693-01-A0001;

(2) Contractor's name (found in Block 9 of DD Form 1449); and

(3) Expiration date of BPA.

c. Set-up the six parts of the folder as follows:

(1) PART 1 - A copy of the BPA

(2) PART 2 - Current list of Authorized Callers letter, signed by the Contracting Officer.

(3) PART 3 - Copy of the most current price list approved by the Contracting Officer

(4) PART 4 - Purchase Request Documentation

a) Individual purchase request or other paperwork authorizing the call with the corresponding call number placed on the request.

- b) Delivery documents with the call number of the call.
  - c) Receiving reports for each call placed. Should be signed by other than the person who placed the call. The individual receiving the commodities/services does not have to be on the Authorized Callers List.
- (5) PART 5 - A monthly call register that lists all calls made against the BPA during that month.
- (6) PART 6 - Miscellaneous correspondence.

## CHAPTER 5

### MAINTAINING YOUR FOLDER

1. Setting up your folder is only half the battle. Now you need to maintain it and ensure everything stays current. Let's look at each part of your folder.

- a. PART 1 - The BPA. You probably won't have to do anything here. However, if we write a modification, we will send you a copy that should be filed on top of the basic document.
- b. PART 2 - Personnel authorized to place calls. When you have a changeover of personnel or new people assigned the job of placing calls to the contractor, you need to make sure we know about it. Send us a short letter, signed by your Commander, stating who should be added or deleted. We will then send a letter to the contractor, with an information copy to you, making the change an official part of the BPA. Your copy of our letter should also be filed in this part. You should never allow someone to place a call that has not been appointed, in writing, by the contracting officer.
- c. PART 3 - Price List. Every time we get a new price list, we review it, approve it, and send a copy to you. Every price list should have an expiration date. Make sure yours is current. If not, please call us immediately.
- d. PART 4 - This is the most confusing part of your folder. Every call you place should have a purchase request, a delivery ticket and a receiving report. Keep these three documents together and make sure you have all three documents for each call.
- e. PART 5 - The Call Register. This must be maintained on a continuous basis. Every time you place a call, enter the appropriate data on the register. **Each month**

**you need to send us the original and one copy of your register.** See chapters six through nine to see how your register should be accomplished.

## **CHAPTER 6**

### **THE CALL REGISTER FOR A BPA**

1. If you are placing calls against a BPA, you must record them on a permanent register. This helps you keep track of what you have ordered. It helps us to monitor the use of the BPA. And finally, it serves as a tool for Commercial Accounts to pay the contractor's monthly invoice.
  
2. The register has several important uses so it is imperative that you keep it current and accurate. Use an AF Form 3126, or something similar, and provide the following information:
  - a. Organization - Enter your location, organization, and office symbol.
  
  - b. BPA Number - Example F04693-95-A0001
  
  - c. Advice Number - From AF Form 616, Example HS95-071
  
  - d. Name of the Contractor.
  
  - e. Reporting Month. The month for which you are reporting the supplies/services you ordered. Although this is a continuous register you must start a new sheet each month.
  
  - f. Appropriation Data. Enter the appropriation data for the funds used to pay for the goods/services received. This information can be received from the AF Form 616, Obligation Authority Document.
  
  - g. Type of Supplies/Services. This is the type of item you are ordering under the BPA.
  
  - h. Date of Call. Use the date when you actually placed the call.
  
  - i. Call Number. Call numbers should begin with 0001 and increase by one to 9999. The numbers will continuously increase until the BPA expires or is canceled. **DO NOT START OVER RENUMBERING EACH MONTH.** A call number is used each time a service or delivery is requested.

j. Quantity. The quantity you ordered at the time of the call. If multiple items, an attachment listing the items and quantities may be used.

k. Amount of the Call. Use the price list in Part 3 of your folder to determine the total amount of the call. The total amount should be reflected on your AF Form 3126, Call Register, at the time of the call. **DO NOT OBTAIN THE PRICES FROM THE CONTRACTOR'S INVOICE.**

l. Balance of Funds. You must keep some type of declining balance sheet so you will know how much money is available at any time. If you anticipate running out of funds, it is your responsibility to obligate additional funds to cover future calls. If additional funds are obtained you must provide us with a copy of the funding document. **DO NOT MAKE ANY CALLS IF YOU DO NOT HAVE ENOUGH MONEY.**

m. Prepared By. The Preparer must sign the call register. This signature certifies that the information on the call register is correct and that all goods/services ordered have been satisfactorily received.

3. The call register must be completed in triplicate. Ensure all three copies are signed with an "ORIGINAL" signature. Send the original and one copy to the Contracting Office. Keep the third copy for your file. **CONTRACTING MUST RECEIVE YOUR CALL REGISTERS NO LATER THAN THE 5TH WORKDAY OF THE FOLLOWING MONTH FOR WHICH THE CALLS WERE PLACED.**

## CHAPTER 7

### CALL REGISTER FOR A NON-APPROPRIATED FUND INSTRUMENTALITY (NAFI) BPA

1. If you are placing calls against a Non-Appropriated Fund (NAF) BPA, you must record them on a permanent register. This helps you keep track of what you have ordered. It helps us to monitor the use of the BPA. And finally, it serves as a tool for the Non-Appropriated Fund Financial Management Office (NAFFMO) to pay the contractor's monthly invoice.

2. The register has several important uses so it is imperative that you keep it current and accurate. Use an AF Form 1408, or something similar, and provide the following information:

- a. BPA Number - Example, F04693-95-A0001.
- b. Name of the Contractor.

- c. NAF Identification code. - Identify both your location and your organization.
- d. Month and Year. The month for which you are reporting the supplies/services you ordered. Although this is a continuous register you must start a new sheet each month.
- e. Date. Use the date you actually placed the call.
- f. Call Number. Call numbers should begin with 0001 and increase by one to 9999. The numbers will continuously increase until the BPA expires or is canceled. **DO NOT START OVER RENUMBERING EACH MONTH.** A call number is used each time a service or delivery is requested.
- g. Delivery Date. The actual date the items were delivered.
- h. Buyer Code. The person that placed the call.
- i. Number of Line Items. How many separate items were ordered as a part of one call?
- j. Amount of the Call. Using the price list in Part 3 of your folder determine the total amount of the call. The total amount should be reflected on your AF Form 1408, Call Register, at the time of the call. **DO NOT OBTAIN THE PRICES FROM THE CONTRACTOR'S INVOICE.**
- k. Balance of Funds. You must keep some type of declining balance sheet so you will know how much money is available. If you run out of funds, let us know. **DO NOT MAKE CALLS IF YOU DO NOT HAVE ENOUGH MONEY.**
- l. Number of Calls. Total number of calls on the register.
- m. From and Through. The numbers of the first and last calls recorded on the call register.
- n. Total. The monetary total of all calls recorded on the register.
- o. Typed Name of NAFI Official. The person who prepared the report and certifies that the information on the register is correct. Do not forget to sign and date the register.

3. The call register must be completed in triplicate. Ensure all three copies are signed with an "ORIGINAL" signature. Send the original to your NAFFMO and one copy to the Contracting Office. Keep the third copy for your file. **NAFFMO AND CONTRACTING MUST RECEIVE YOUR CALL REGISTERS NO LATER THAN THE 5TH WORKDAY OF THE FOLLOWING MONTH FOR WHICH THE CALLS WERE PLACED.**

