

**PART 2  
CONTRACTING AUTHORITY AND RESPONSIBILITIES**

**Table of Contents**

2.1 HEAD OF THE CONTRACTING ACTIVITY (HCA) ..... 1  
2.2 CONTRACTING OFFICERS (CO)..... 1  
    2.2.1 Appointment..... 1  
    2.2.2 Authority..... 1  
    2.2.3 Goals and Responsibilities..... 2  
    2.2.4 Contracting Officer's Signature..... 2  
2.3 BPA EMPLOYEES WITHOUT CONTRACTING AUTHORITY..... 2  
    2.3.1 Policy..... 2  
    2.3.2 Purchases not Requiring Certificates of Appointment..... 3  
    2.3.3 Purchases Requiring Redefinition..... 3  
2.4 RATIFICATION OF UNAUTHORIZED CONTRACT COMMITMENTS..... 3  
    2.4.1 Policy..... 3  
    2.4.2 Procedures to Ratify Unauthorized Commitments..... 3

**2.1 HEAD OF THE CONTRACTING ACTIVITY (HCA).**

**INFORMATION:** The Chief Executive Officer delegates contracting authority to the HCA for contracts other than land, power and power-savings, and transmission sales. The HCA performs the following major functions:

- (a) Establishes and maintains purchasing policy and BPA-wide procedures through the Bonneville Purchasing Instructions (BPI).
- (b) Delegates authority to execute and modify contracts and settle claims in connection therewith.
- (c) Reviews purchasing operations to assure compliance with applicable policies and procedures, and provides advice on ways to improve the quality of business decisions.
- (d) Any other authorities that have not been further re delegated.

**2.2 CONTRACTING OFFICERS (CO).**

**2.2.1 Appointment.**

**POLICY:** The HCA delegates authority to Contracting Officers by written Certificate of Appointment. These certificates are issued in accordance with BPI Appendix 2-A, Certification and Appointment as a BPA Contracting Officer. This is BPA's execution of its exemption from DOE Order 541.1, Appointment of Contracting Officers and Contracting Officer's Representatives, and DOE Order 361.1, Acquisition Career Development Program.

**2.2.2 Authority.**

**POLICY:** Except as provided in 2.3, only persons who are certified as having obtained specific training and experience may be delegated contracting authority by the HCA, and may enter into, administer and modify contracts, issue task or delivery orders, settle contract claims, and terminate contracts. The Certification program and procedures are described Appendix 2-A. Such persons are referred to as Contracting Officers (COs), and may enter into the following types of contractual commitments:

## **BONNEVILLE PURCHASING INSTRUCTIONS**

### **Part 2 -- Contracting Authority and Responsibilities**

---

- (a) New awards. These must be within the limits of the CO's delegated authority. The amount of any options, or ceiling amounts in indefinite delivery contracts, shall be considered a part of the original contract price for the purposes of CO authority.
- (b) Modifications. The monetary value of the modification must be within the limits of the CO's delegated authority.
- (c) Delivery Orders/Task Orders. COs are authorized to execute delivery orders against indefinite delivery contracts (including Federal Supply Schedule contracts), without regard to dollar value of their delegated contracting authority, so long as the items or services ordered are specifically identified and priced in the contract. Orders for unpriced items must be within their delegated authority.
- (d) Concession contracts. COs with unlimited service contracting authority may execute concession-type contracts.
- (e) Furnish and Install Supply Authority. COs with other than construction authority are authorized to purchase requirements for installation of equipment which require no substantial structural changes to a facility.
- (f) Design-Supply-Construct (Turnkey) Authority. COs with unlimited authority on other than construction purchases are authorized to purchase requirements that place the responsibility for total system performance on the equipment manufacturer.
- (g) Commercial Utility Services. Except for written bi-lateral contracts, either COs with at least a Commercial service warrant or those issued a limited, written delegation by the HCA are authorized to order and administer commercial utility services, both regulated and unregulated, in an amount not to exceed the dollar limit of their delegation. Such commercial utility services may be ordered and administered in the same manner commonly used by the utility in the normal course of its business dealings with similar customers, except that whenever a written bi-lateral contract is used, such utility services shall be acquired only by COs with a Non-Commercial service warrant. (See 11.2)

#### **2.2.3 Goals and Responsibilities.**

**POLICY:** COs are responsible for awarding contracts in a cost-effective manner, and for safeguarding the interests of BPA in its contractual relationships. In order to perform these responsibilities, COs are allowed wide latitude to exercise business judgment. When the contract requires a decision by the CO, advice and assistance from specialists or superiors may be considered; however, the final decision shall be based on the CO's own independent judgment.

#### **2.2.4 Contracting Officer's Signature.**

**POLICY:** In the absence of the principal CO responsible for a particular contract, other COs with equal or high level of authority may sign "for" the CO. The signing CO is considered to be an agent of the principal CO, and is responsible for compliance with all requirements. The principal CO's name remains on the contract for purposes of continuity of contact with the contractor.

### **2.3 BPA EMPLOYEES WITHOUT CONTRACTING AUTHORITY.**

#### **2.3.1 Policy.**

Except as provided in 2.3.2 and 2.3.3, persons other than COs shall not contract on behalf of BPA.

## **BONNEVILLE PURCHASING INSTRUCTIONS**

### **Part 2 -- Contracting Authority and Responsibilities**

---

#### **2.3.2 Purchases not Requiring Certificates of Appointment.**

***POLICY:***

(a) Credit Cards. Employees who have been assigned credit cards may make purchases within the limits prescribed in connection with such cards. Details are found in BPA's Purchase Card Manual published by the HCA. Also, see Appendix 6-A, Section 4.4.6.

(b) Cash Purchases. Employees may make cash purchases when authorized. See Appendix 6-A, Section 4.4.5.

(c) Field Purchases. Employees in certain duty positions may make purchases according to the circumstances and at the dollar thresholds defined in the BPA Manual Chapter 21, Section 24.

#### **2.3.3 Purchases Requiring Redelegation.**

***POLICY:*** COs may redelegate authority for the following types of transactions:

(a) Orders placed under Master Agreements or Master Contracts. See 7.2.5.2(e).

(b) Construction Field Modifications. COs with Non-Commercial construction contracting authority may redelegate construction field modification contracting authority. See 24.5.3.22.

## **2.4 RATIFICATION OF UNAUTHORIZED CONTRACT COMMITMENTS.**

### **2.4.1 Policy.**

Except as described in BPI 2.2 or 2.3, no BPA employee shall commit BPA funds or enter into a contract without a written delegation of authority (warrant) from the HCA. This policy includes both new commitments as well as modifications to existing contracts.

An unauthorized commitment is defined as follows: An agreement that is not binding solely because the BPA representative who made it lacked the authority to enter into that agreement on behalf of the BPA.

### **2.4.2 Procedures to Ratify Unauthorized Commitments.**

(a) Requisitioner responsibilities. Actions to be taken upon discovery of an unauthorized commitment are described in Appendix 6-A, Requisitioners' Guide to Preaward Activities.

(b) Notification to CO. Any employee discovering an unauthorized commitment shall immediately advise the responsible CO, or the Sourcing Services office if the CO cannot be identified. The Supply Chain Services management will appoint a CO if this unauthorized obligation is a new action that is not associated with an existing award. The employee must also contact the appropriate staff in the affected program office to determine whether funds are available.

(c) Review of Unauthorized Commitment: The CO will review the circumstances of the unauthorized commitment and assess the risk to BPA, and shall consult with Risk Management or legal counsel to determine whether work should be stopped or the commitment suspended or terminated. If the value of the unauthorized commitment exceeds \$50,000, the CO shall contact the HCA immediately to advise of pending action. The CO may require the Contractor to halt delivery or stop work if funds are not available for the unauthorized purchase, if the program office determines that the good or service is not required to accomplish BPA mission and goals,

## **BONNEVILLE PURCHASING INSTRUCTIONS**

### **Part 2 -- Contracting Authority and Responsibilities**

---

or if it appears that BPA may be at risk if the Contractor continues work. If necessary, the CO shall direct the disposition of all products and deliverables as a result of the unauthorized commitment.

(d) Ratification Information. The employee who made the unauthorized commitment shall assist the CO, to include providing essential information concerning the transaction within 5 days of the commitment or discovery of the unauthorized commitment. The employee shall provide to the CO a written explanation of the actions that led to the unauthorized commitment. The individual's performance manager must concur via signature on the written explanation that the item(s) or service(s) were necessary and appropriate to meet BPA's mission and goals.

(e) Approvals.

(1) The CO may ratify the unauthorized commitment, based on the documentation as required in paragraph (d) above and in BPI Appendix 6-A, without further approvals where the purchase was for commercial goods and services, funds are available, and the unauthorized commitment does not exceed \$50,000. All other transactions, including construction and other all non-commercial purchases, must be approved by the HCA prior to ratification. The CO shall prepare and present the information to the HCA for actions that exceed \$50,000.

(2) If a pattern of unauthorized commitments by either the responsible employee or the organization is observed by COs or Supply Chain Services management, they may contact the HCA, Risk Management Officer or legal counsel who can provide advice and assistance. Any of the offices involved in review and approval of the ratification may suggest to the program office appropriate management actions to avoid future unauthorized commitments.

(f) Monitoring of Ratifications. The HCA and Supply Chain Services management shall monitor all unauthorized commitments regardless of dollar amount. After a CO or the HCA ratifies an unauthorized commitment, the CO who prepares the award document(s) shall send a copy of the award face page of the ratified award and a copy of the documentation required in paragraph (d) above, to the performance manager of the person who made the unauthorized commitment, the Vice President of that organization, the CO's immediate supervisor and, the Chief Supply Chain Officer, and the HCA. This information will be used to monitor compliance with this policy.