



## **PPD ALERT**

### **Appropriate Form for Establishing A Blanket Purchase Agreement**

This Alert establishes Form AD-838, Type 45 Purchase Order (PO), when preparing Blanket Purchase Agreements (BPAs) in REE.

#### **Background**

The Procurement and Property Division was queried as to the appropriate form for establishing a BPA. The current version of the Field Acquisition Manual (FAM) states that Form AD-838 (Type 45 PO) may be used. Numerous Consolidated Assistance, Review, and Evaluation reviews reveal that procurement offices are using Type 45 POs and Form ARS-73's. However, the majority of the procurement offices are using Type 45 POs. Both forms were acceptable as long as the terms and conditions stated in the FAM and Federal Acquisition Regulations (FAR) were incorporated. Preparation and annual review requirements are the same for either form.

For reporting purposes, it is more advantageous for the procurement offices to use the Type 45 PO. The Type 45 PO easily allows the National Finance Center (NFC) to capture the information for the SF-281 report (i.e., business size, number of transactions, and dollars) and information for 1099 reporting. Errors are eliminated when NFC electronically captures this information. The Form ARS-73 requires the Purchasing Agent to manually capture the information for SF-281 reporting. Therefore, the possibility of error exists.

#### **What does this mean?**

Based on the above rationale, Procurement Offices are required to discontinue use of the ARS-73 for establishing BPAs. Effective immediately, Type 45 POs are the only approved forms for establishing BPAs in REE.

#### **What do I do now?**

As BPAs are established in REE, use Type 45 POs to set up with merchants/vendors. For existing BPAs that have been established using ARS-73, prepare these BPAs using Type 45 POs during the annual review process in accordance with FAR Part 13.303-6.

The Type 45 POs will be listed as the appropriate form for establishing BPAs in the next revision of the FAM. All necessary guidance can be found in Chapter 8, Simplified Acquisition Methods.