

**PART 13**  
**SIMPLIFIED ACQUISITION PROCEDURES**

**13.000 Scope of part.**

This part prescribes policies and procedures for the acquisition of supplies and services, including construction and research and development, the aggregate amount of which does not exceed the simplified acquisition threshold (see 13.103(b)). See 36.602-5 for simplified procedures to be used when acquiring architect-engineering services.

**SUBPART 13.1—GENERAL**

**13.101 Definitions.**

"Bulk funding" means a system whereby a contracting officer receives authorization from a fiscal and accounting officer to obligate funds on purchase documents against a specified lump sum of funds reserved for the purpose for a specified period of time rather than obtaining individual obligational authority on each purchase document.

"Delivery order" means an order for supplies or services placed against an established contract or with Government sources of supply.

"Governmentwide commercial purchase card" means a purchase card, similar in nature to a commercial credit card, issued to authorized agency officials for their use in acquiring supplies and services.

"Imprest fund" means a cash fund of a fixed amount established by an advance of funds, without charge to an appropriation, from an agency finance or disbursing officer to a duly appointed cashier, for disbursement as needed from time to time in making payment in cash for relatively small amounts.

"Micro-purchase" means an acquisition of supplies or services (except construction), the aggregate amount of which does not exceed \$2,500. Micro-purchases for construction are limited to \$2,000.

"Micro-purchase threshold" means \$2,500.

"Purchase order" means an offer by the Government to buy supplies or services, including construction and research and development, upon specified terms and conditions, using simplified acquisition procedures.

"Simplified acquisition procedures" means the methods prescribed in this part for making purchases of supplies or

services using imprest funds, purchase orders, blanket purchase agreements, Governmentwide commercial purchase cards, or any other appropriate authorized method.

"Simplified acquisition threshold" means \$100,000 (but see 13.103(b)). In the case of any contract to be awarded and performed, or purchase to be made, outside the United States in support of a contingency operation, the term means \$200,000.

**13.102 Purpose.**

The purpose of this part is to prescribe simplified acquisition procedures in order to—

- (a) Reduce administrative costs;
- (b) Improve opportunities for small business and small disadvantaged business concerns to obtain a fair proportion of Government contracts;
- (c) Promote efficiency and economy in contracting; and,
- (d) Avoid unnecessary burdens for agencies and contractors.

**13.103 Policy.**

(a) Simplified acquisition procedures shall be used to the maximum extent practicable for all purchases of supplies or services not exceeding the simplified acquisition threshold unless requirements can be met by using required sources of supply under Part 8 (e.g., Federal Prison Industries, Committee for Purchase from People who are Blind or Severely Disabled, and Federal Supply Schedule contracts) or orders under Federal Information Processing multiple award schedule contracts.

(b) Simplified acquisition procedures may not be used for contract actions exceeding \$50,000, and not exceeding the simplified acquisition threshold, unless the contracting office making the purchase has been certified as having interim FACNET in accordance with 4.505-1. The contracting office shall not use simplified acquisition procedures for contract actions exceeding \$50,000 after December 31, 1999, unless the office's cognizant agency has certified full FACNET capability in accordance with 4.505-2.

(c) Simplified acquisition procedures shall not be used in the acquisition of supplies and services initially estimated to exceed the simplified acquisition threshold even though resulting awards do not exceed that threshold. Requirements aggregating more than the simplified acquisition threshold shall not be broken down into several purchases that are less than the threshold merely to permit use of simplified acquisition procedures.

- (d) Simplified acquisition procedures may be used to

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acquire personal services if the agency has specific statutory authority to acquire personal services (see 37.104).

(e) FACNET is the preferred means for acquiring supplies and services, including construction and research and development, in amounts exceeding the micro-purchase threshold but not exceeding the simplified acquisition threshold.

(f) Contracting officers shall establish deadlines for the submission of responses to solicitations which afford contractors a reasonable opportunity to respond.

(g) Contracting officers are encouraged to use innovative approaches in awarding contracts using the simplified acquisition procedures under the authority of this part. For example, the procedures of other FAR parts may, as appropriate, be adapted for use in awarding contracts under this part. Other FAR parts that may be adapted include, but are not limited to—

- (1) Part 14, Sealed Bidding;
- (2) Part 15, Contracting by Negotiation;
- (3) Part 11, Acquisition and Distribution of Commercial Products; and
- (4) Part 36, Construction and Architect-Engineer Contracts, including the use of Standard Form 1442, Solicitation, Offer and Award (Construction, Alteration, or Repair), for construction contracts (see 36.701(b)).

**13.104 Procedures.**

(a) Contracting officers shall make awards under this part in the simplified manner that is most suitable, efficient, and economical in the circumstances of each acquisition. Contracting officers may use the procedures in this part in acquisitions from Government supply sources (see Part 8), if their use is authorized by the basic contract or concurred in by the source.

(b) Related items (such as small hardware items or spare parts for vehicles) may be included in one solicitation and the award made on an "all-or-none" basis if suppliers are so advised when quotations are requested.

(c) Agencies shall use bulk funding to the maximum extent practicable to reduce processing time, handling, and documentation. Bulk funding is particularly appropriate if numerous purchases using the same type of funds are to be made during a given period.

(d) Agencies shall inspect items or services acquired under simplified acquisition procedures as prescribed in 46.404.

(e) Agencies shall use United States-owned foreign currency, if appropriate, in making payments when using simplified acquisition procedures (see Subpart 25.3).

(f) For proposed purchases covered by this part, see 5.101 for public display and synopsis requirements.

(g) When a quotation, oral or written, is to be rejected because a small business firm is determined to be non-responsible (see Subpart 9.1), see Subpart 19.6 with respect to certificates of competency.

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## FEDERAL ACQUISITION REGULATION (FAR)

**13.105 Small business set-asides.**

(a) Except as provided in paragraphs (b) and (c) of this section, each acquisition (non-FACNET and FACNET) of supplies or services that has an anticipated dollar value exceeding \$2,500 and not exceeding \$100,000, is reserved exclusively for small business concerns and shall be set aside (see Subpart 19.5).

(b) The requirements of this section apply only to purchases in the United States, its territories and possessions, Puerto Rico, and the Trust Territory of the Pacific Islands (see 19.000). Foreign concerns shall not be solicited for acquisitions set aside for small business concerns.

(c)(1) Each written solicitation under a set-aside shall contain the appropriate provisions or clauses prescribed by Part 19. If the solicitation is oral, however, information substantially identical to that which is in the provision or clause shall be given to potential quoters.

(2) If the contracting officer determines there is no reasonable expectation of obtaining quotations from two or more responsible small business concerns that will be competitive in terms of market price, quality, and delivery, the contracting officer need not proceed with the small business set-aside and may purchase on an unrestricted basis. If the SBA procurement center representative disagrees with a contracting officer's decision not to proceed with the small business set-aside, the SBA procurement center representative may appeal the decision in accordance with the procedures set forth in 19.505.

(3) If the contracting officer proceeds with the set-aside and receives a quotation from only one responsible small business concern at a reasonable price (see 13.106-2(a)), the contracting officer shall make an award to that concern. However, if the contracting officer does not receive a reasonable quotation from a responsible small business concern, the contracting officer may cancel the set-aside and complete the purchase on an unrestricted basis.

(4) If the purchase is on an unrestricted basis under 13.105(c)(2), the contracting officer shall document in the file the reason for the unrestricted purchase.

(5) See Part 19 for policy concerning—

- (i) Contracting with the Small Business Administration under the 8(a) Program (Subpart 19.8);
- (ii) Emerging small business set-aside (19.1006(c)); and
- (iii) The Small Business Competitiveness Demonstration Program (Subpart 19.10).

**13.106 Purchases exceeding the micro-purchase threshold.****13.106-1 Soliciting competition, evaluation of quotes, and award.**

(a) *Soliciting competition.* (1) Contracting officers

shall solicit a reasonable number of sources to promote competition to the maximum extent practicable, and to ensure that the purchase is advantageous to the Government, based, as appropriate, on either price alone or price and other factors (e.g., past performance and quality) including the administrative cost of the purchase. Requests for quotations or solicitations shall notify suppliers of the basis upon which award is to be made.

(2) FACNET is the preferred method of soliciting simplified acquisitions. However, if FACNET is not available, or if the contracting officer has made a determination that it is not practicable or cost-effective to process a specific purchase via FACNET, or if the head of the contracting activity has made a determination that it is not practicable or cost-effective to process a class of purchases via FACNET (see 4.506), quotations may be solicited through other appropriate means. Requests for quotations should be solicited orally to the maximum extent practicable for contract actions not expected to exceed \$25,000, when FACNET is not available or a determination has been made that it is not practicable or cost-effective to purchase via FACNET. Oral solicitations may not be practicable for most contract actions exceeding \$25,000 because of the synopsis requirement in 5.101. A synopsis may incorporate enough information for the contracting officer to receive oral quotes. The contracting officer is not required to issue a separate written solicitation. Paper solicitations for contract actions not expected to exceed \$25,000 should only be issued when obtaining electronic or oral quotations is not considered economical or practical. Solicitations for construction contracts over \$2,000 shall only be issued electronically or by paper solicitation.

(3) When not soliciting quotations electronically, maximum practicable competition ordinarily can be obtained without soliciting quotations or offers from sources outside the local trade area. Generally, solicitation of at least three sources may be considered to promote competition to the maximum extent practicable if the contract action does not exceed \$25,000. If practicable, two sources not included in the previous solicitation should be requested to furnish quotations. The following factors influence the number of quotations required in connection with any particular purchase:

- (i) The nature of the article or service to be purchased and whether it is highly competitive and readily available in several makes or brands, or is relatively noncompetitive.
- (ii) Information obtained in making recent purchases of the same or similar item.
- (iii) The urgency of the proposed purchase.
- (iv) The dollar value of the proposed purchase.
- (v) Past experience concerning specific dealers' prices.

(4) Contracting officers may solicit from one source if the contracting officer determines that the circumstances of the contract action deem only one source reasonably available (e.g., urgency).

(5) Contracting officers shall not limit solicitations to suppliers of well known and widely distributed makes or brands, or solicit quotations on a personal preference basis. If it is necessary to maintain a list of sources, new supply sources disclosed through trade journals or other media shall be continuously reviewed and, if appropriate, added to the list.

(6) In accordance with 14.408-3, contracting officers shall make every effort to obtain trade and prompt payment discounts. However, prompt payment discounts shall not be considered in the evaluation of quotations.

(7)(i) Unless exempted from this requirement by the head of the contracting activity, or unless purchases are made through FACNET, each contracting office should maintain a source list (or lists, if more convenient) and should record on the list the status of each source (when the status is made known to the contracting office) in the following categories:

- (A) Small business.
- (B) Small disadvantaged business.
- (C) Women-owned small business.

(ii) The status information should be used to ensure that small business concerns are given opportunities to respond to solicitations issued using simplified acquisition procedures.

(b) *Evaluation of quotes or offers.* (1) Contracting officers may evaluate quotations or offers based on price alone or price and other factors (e.g., past performance, or quality). Formal evaluation plans, conduct of discussions, and scoring of quotes or offers are not required. Evaluation of other factors does not require the creation or existence of a formal data base, but may be based on such information as the contracting officer's knowledge, previous experience, or customer surveys.

(2) Standing price quotations may be used in lieu of obtaining individual quotations each time a purchase is contemplated. In such cases, the buyer shall ensure that the price information is current and that the Government obtains the benefit of maximum discounts before award is made.

(3) Contracting officers shall evaluate quotations inclusive of transportation charges from the shipping point of the supplier to the delivery destination.

(4) Contracting officers shall comply with the policy in 7.202 relating to economic purchase quantities, when practicable.

(c) Award. (1) Occasionally an item can be obtained only from a supplier who quotes a minimum order price or quantity that either unreasonably exceeds stated quantity requirements or results in an unreasonable price for the quantities required. In these instances, the contracting offi-

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cer should inform the requiring activity of all facts regarding the quotation and ask it to confirm or alter its requirement. The file shall be documented to support the final action taken.

(2) Notification to unsuccessful suppliers shall be given only if requested. When a supplier requests information on an award which was based on factors other than price alone, the notification shall include a brief explanation of the basis for the contract award decision. (See 15.1001(c)(3).)

**13.106-2 Data to support purchases.**

(a) The determination that a proposed price is reasonable should be based on competitive quotations. If only one response is received, or the price variance between multiple responses reflects lack of adequate competition, a statement shall be included in the contract file giving the basis of the determination of fair and reasonable price. The determination may be based on a comparison of the proposed price with prices found reasonable on previous purchases, current price lists, catalogs, advertisements, similar items in a related industry, value analysis, the contracting officer's personal knowledge of the item being purchased or any other reasonable basis.

(b) When other than price related factors are considered in selecting the supplier (see 13.106-1(b)(1)), the contracting officer shall document the file to support the final contract award decision.

(c) If only one source is solicited, an additional notation shall be made to explain the absence of competition, except for acquisition of utility services available only from one source or of educational services from nonprofit institutions.

(d) Simplified documentation practices should be used. The following illustrate the extent to which quotation information should be recorded.

(1) *Oral solicitations.* The contracting office should establish and maintain informal records of oral price quotations in order to reflect clearly the propriety of placing the order at the price paid with the supplier concerned. In most cases this will consist merely of showing the names of the suppliers contacted and the prices and other terms and conditions quoted by each.

(2) *Written solicitations* (see 2.101). Written records of solicitations may be limited to notes or abstracts to show prices, delivery, references to printed price lists used, the supplier or suppliers contacted, and other pertinent data.

(e) Purchasing offices shall retain data supporting purchases using simplified acquisition procedures to the minimum extent and duration necessary for management review purposes (see Subpart 4.8).

**13.107 Solicitation forms.**

(a) Except when quotations are solicited via FACNET or orally, Standard Form 18, Request for Quotations

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(53.301-18), is available, but not required, for use by all agencies.

(b) Optional Form 336, Continuation Sheet, may be used with Standard Form 18 when additional space is needed.

(c) If Standard Form 18 is not used for written solicitations, contracting officers may request quotations using an agency-designed form, an agency-approved automated format, or electronically.

(d) Each agency-designed request for quotations form shall conform with Standard Form 18, to the maximum extent practicable.

(e) When using an unsigned electronic purchase order (see 13.506) for transmission of a request for quotations, the provisions and clauses applicable to the solicitation shall be incorporated by reference.

**13.108 Legal effect of quotations.**

(a) A quotation is not an offer and, consequently, cannot be accepted by the Government to form a binding contract (see 15.402(e)). Therefore, issuance by the Government of an order for supplies or services in response to a supplier's quotation does not establish a contract. The order is an offer by the Government to the supplier to buy certain supplies or services upon specified terms and conditions. A contract is established when the supplier accepts the offer or begins performance.

(b) When appropriate, the contracting officer may ask the supplier to indicate acceptance of an order by notification to the Government, preferably in writing. In other circumstances, the supplier may indicate acceptance by furnishing the supplies or services ordered or by proceeding with the work to the point where substantial performance has occurred.

(c) If the Government issues an order resulting from a quotation, the Government may (by written notice to the supplier, at any time before acceptance occurs) withdraw, amend, or cancel its offer. (See 13.504 for procedures on termination or cancellation of purchase orders.)

**13.109 Agency use of indefinite delivery contracts.**

Costs and processing time for acquisitions at or below the simplified acquisition threshold may be reduced through the use of indefinite delivery contracts (see Subpart 16.5) that permit delivery orders to be placed by several contracting or ordering offices in one or more executive agencies. Therefore, contracting offices are encouraged to seek opportunities to cooperate with each other to achieve efficiency and economy through the use of indefinite delivery contracts.

**13.110 Federal Acquisition Streamlining Act of 1994 (FASA) list of inapplicable laws.**

(a) The following laws are inapplicable to all contracts and subcontracts (if otherwise applicable to subcontracts) at or below the simplified acquisition threshold:

(1) 41 U.S.C. 57(a) & (b) (Anti-Kickback Act of 1986). (Only the requirement for the incorporation of the contractor procedures for the prevention and detection of violations, and the contractual requirement for contractor cooperation in investigations are inapplicable.)

(2) 40 U.S.C. 27 (Miller Act).

(3) 40 U.S.C. 329 (Contract Work Hours and Safety Standards Act—Overtime Compensation).

(4) 41 U.S.C. 701(a)(1) (Section 5152 of the Drug Free Workplace Act of 1988), except for individuals.

(5) 42 U.S.C. 6962 (Solid Waste Disposal Act)(Only the requirement for providing the estimate of recovered material utilized in the performance of the contract is inapplicable).

(6) 10 U.S.C. 2306(b) and 41 U.S.C. 254(a) (Contract Clause Regarding Contingent Fees).

(7) 10 U.S.C. 2313 and 41 U.S.C. 254(c) (Authority to Examine Books and Records of Contractors).

(8) 10 U.S.C. 2384(b) (Requirement to Identify Suppliers and Sources of Supply).

(9) 10 U.S.C. 2393(d) (Prohibition Against Doing Business with Certain Offerors or Contractors).

(10) 10 U.S.C. 2402 and 41 U.S.C. 253g (Prohibition on Limiting Subcontractor Direct Sales to the United States).

(11) 10 U.S.C. 2408(a) (Prohibition on Persons Convicted of Defense Related Felonies).

(12) 10 U.S.C. 2410b (Contractor Inventory Accounting System Standards).

(13) 10 U.S.C. 2534 (Miscellaneous Procurement Limitations).

(b) The Federal Acquisition Regulatory Council will include any law enacted after October 13, 1994, that sets forth policies, procedures, requirements, or restrictions for the procurement of property or services, on the list set forth in 13.110(a), unless the FAR Council makes a written determination that it is in the best interests of the Government that the enactment should apply to contracts or subcontracts not greater than the simplified acquisition threshold.

(c) The provisions of 13.110(b) do not apply to laws that—

(1) Provide for criminal or civil penalties; or

(2) Specifically state that notwithstanding the language of Section 4101, Pub. L. 103-355, the enactment will be applicable to contracts or subcontracts in amounts not greater than the simplified acquisition threshold.

(d) Any individual may petition the Administrator of the Office of Federal Procurement Policy to include any applicable provision of law not included on the list set forth in 13.110(a) unless the FAR Council has already determined in writing that the law is applicable. The Administrator of OFPP will include the law on the list in 13.110(a) unless the

FAR Council makes a determination that it is applicable within sixty days of receiving the petition.

**13.111 Inapplicable provisions and clauses.**

Pursuant to Pub. L. 103-355, the following provisions and clauses are inapplicable to contracts and subcontracts at or below the simplified acquisition threshold—

(a) 28.102-3, Miller Act requirements;

(b) 52.203-1, Officials Not to Benefit;

(c) 52.203-4, Contingent Fee Representation and Agreement;

(d) 52.203-5, Covenant Against Contingent Fees;

(e) 52.203-6, Restrictions on Subcontractor Sales to the Government;

(f) 52.203-7, Anti-Kickback Procedures;

(g) 52.215-1, Examination of Records by Comptroller General;

(h) 52.222-4, Contract Work Hours and Safety Standards Act—Overtime Compensation;

(i) 52.223-5, Certification Regarding a Drug-Free Workplace, except for individuals; and

(j) 52.223-6, Drug-Free Workplace, except for individuals.

**13.112 Use of options in acquisitions using simplified acquisition procedures.**

Options may be included in acquisitions using simplified acquisition procedures provided that the requirements of Subpart 17.2 are met, and that the aggregate value of the acquisition and all options does not exceed the dollar threshold for use of simplified acquisition procedures under this part.

**SUBPART 13.2—BLANKET PURCHASE AGREEMENTS**

**13.201 General.**

(a) A blanket purchase agreement (BPA) is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply (see Subpart 16.7 for additional coverage of agreements).

(b) BPAs should be established for use by the level responsible for providing supplies for its own operations or for other offices, installations, projects, or functions. Such levels, for example, may be organized supply points, separate independent or detached field parties, or one-person posts or activities.

(c) The use of BPAs does not exempt the agency from the responsibility for keeping obligations and expenditures within available funds.

**13.202 [Reserved]**

**13.203 Establishment of Blanket Purchase Agreements.**

**13.203-1 General.**

(a) The following are circumstances under which contracting officers may establish BPAs:

(1) If there is a wide variety of items in a broad class of goods (e.g., hardware) that are generally purchased but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably.

(2) If there is a need to provide commercial sources of supply for one or more offices or projects in a given area that do not have or need authority to purchase otherwise.

(3) In any other case in which the writing of numerous purchase orders can be avoided through the use of this procedure.

(b) A BPA should be established without a purchase requisition.

(c) A BPA shall not cite accounting and appropriation data (see 13.204(e)(4)).

(d) BPAs should be made with firms from which numerous individual purchases will likely be made in a given period. For example, if past experience has shown that certain firms are dependable and consistently lower in price than other firms dealing in the same commodities, and if numerous purchases at or below the simplified acquisition threshold are usually made from such suppliers, it would be advantageous to establish BPAs with those firms.

(e) To the extent practical, BPAs for items of the same type should be placed concurrently with more than one supplier. All competitive sources should be given an equal opportunity to furnish supplies or services under BPAs.

(f) BPAs may also be established with Federal Supply Schedule contractors and Federal Information Processing Multiple Award Schedule contractors (see Part 39), if not inconsistent with the terms of the applicable schedule contract.

(g) If it is determined that BPAs would be advantageous, suppliers should be contacted to make the necessary arrangements for securing maximum discounts, documenting the individual purchase transactions, periodic billing, and other necessary details.

(h) A BPA may be limited to furnishing individual items or commodity groups or classes, or it may be unlimited for all items or services that the source of supply is in a position to furnish.

(i) BPAs may be prepared and issued on any agency-authorized purchase order form.

(j) BPAs shall contain the following terms and conditions:

(1) *Description of agreement.* A statement that the supplier shall furnish supplies or services, described in general terms, if and when requested by the contracting officer (or the authorized representative of the contracting officer) during a specified period and within a stipulated aggregate amount, if any.

(2) *Extent of obligation.* A statement that the Government is obligated only to the extent of authorized purchases actually made under the BPA.

(3) *Pricing.* A statement that the prices to the Government shall be as low or lower than those charged the supplier's most favored customer for comparable quantities under similar terms and conditions, in addition to any discounts for prompt payment.

(4) *Purchase limitation.* A statement that specifies the dollar limitation for each individual purchase under the BPA (see 13.204(b)).

(5) *Notice of individuals authorized to purchase under the BPA.* A statement that a list of individuals authorized to purchase under the BPA, identified either by title of position or by name of individual, organizational component, and the dollar limitation per purchase for each position title or individual shall be furnished to the supplier by the contracting officer.

(6) *Delivery tickets.* A requirement that all shipments under the agreement, except subscriptions and other charges for newspapers, magazines, or other periodicals, shall be accompanied by delivery tickets or sales slips which shall 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 item, less applicable discounts (unit prices and extensions need not be shown when incompatible with the use of automated systems; *provided*, that the invoice is itemized to show this information).

(vii) Date of delivery or shipment.

(7) *Invoices.* One of the following statements (except that the statement in paragraph (j)(7)(iii) of this section should not be used if the accumulation of the individual invoices by the Government materially increases the administrative costs of this purchase method):

(i) A summary invoice shall be submitted at least monthly or upon expiration of this BPA, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets covered therein, stating their total dollar value, and supported by receipt copies of the delivery tickets.

(ii) An itemized invoice shall be submitted at least monthly or upon expiration of this BPA, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received. These invoices need not be supported by copies of delivery tickets.

(iii) When billing procedures provide for an individual invoice for each delivery, these invoices shall be accumulated; provided, that—

(A) A consolidated payment will be made for each specified period; and

(B) The period of any discounts will commence on the final date of the billing period or on the date of receipt of invoices for all deliveries accepted during the billing period, whichever is later.

(iv) An invoice for subscriptions or other charges for newspapers, magazines, or other periodicals shall show the starting and ending dates and shall state either that ordered subscriptions have been placed in effect or will be placed in effect upon receipt of payment.

(k) BPAs in which the fast payment procedure is used shall include the requirements stated under 13.303(b).

**13.203-2 Clauses.**

(a) The contracting officer shall insert in each BPA the clauses prescribed elsewhere in this Part that are required for or applicable to the particular BPA.

(b) Unless a clause prescription specifies otherwise, (e.g., see 22.305(a)(1), 22.605(a)(5), or 22.1006), if the prescription includes a dollar threshold, the amount to be compared to that threshold is that of any particular order under the BPA.

**13.204 Purchases under Blanket Purchase Agreements.**

(a) The use of a BPA does not authorize purchases that are not otherwise authorized by law or regulation. For example, the BPA, being a method of simplifying the making of individual purchases, shall not be used to avoid the simplified acquisition threshold.

(b) Unless otherwise specified in agency regulations, individual purchases under BPAs, except those BPAs established in accordance with 13.203-1(f), shall not exceed (i) \$50,000, or (ii) \$100,000 when the contracting office has certified interim FACNET (see 13.103(b)).

(c) The existence of a BPA does not justify purchasing from only one source or avoiding small business set-asides. The requirements of 13.105 and 13.106 also apply to each order under a BPA.

(d) If there is an insufficient number of BPAs to ensure maximum practicable competition for a particular purchase, the contracting officer shall—

(1) Solicit quotations from other sources and make the purchase as appropriate; and

(2) Establish additional BPAs to facilitate future purchases if—

(i) Recurring requirements for the same or similar items or services seem likely,

(ii) Qualified sources are willing to accept BPAs, and

(iii) It is otherwise practical to do so.

(e) Documentation of purchases under BPAs shall be limited to essential information and forms as follows:

(1) Purchases under BPAs generally should be made electronically, or orally when it is not considered eco-

nomical or practical to use electronic methods.

(2) A paper purchase document may be issued if written communications are necessary to ensure that the vendor and the purchaser agree concerning the transaction.

(3) If a paper document is not issued, the essential elements (e.g., date, vendor, items or services, price, delivery date) shall be recorded on the purchase requisition, in an informal memorandum, or on a form developed locally for the purpose.

(4) Documentation of purchases under BPAs shall also cite the pertinent purchase requisitions and the accounting and appropriation data.

(5) When delivery is made or the services are performed, the vendor's sales document, delivery document, or invoice may (if it reflects the essential elements) be used for the purpose of recording receipt and acceptance of the items or services. However, if the purchase is assigned to another activity for administration, receipt and acceptance of supplies or services shall be documented by signature and date on the agency specified form by the authorized Government representative after verification and notation of any exceptions.

**13.205 Review procedures.**

(a) The contracting officer placing orders under a BPA, or the designated representative of the contracting officer, shall review a sufficient random sample of the BPA files at least annually to ensure that authorized procedures are being followed.

(b) The contracting officer that entered into the BPA shall—

(1) Ensure that each BPA is reviewed at least annually and, if necessary, updated at that time; and

(2) Maintain awareness of changes in market conditions, sources of supply, and other pertinent factors that may warrant making new arrangements with different suppliers or modifying existing arrangements.

(c) If an office other than the purchasing office that established a BPA is authorized to make purchases under that BPA, the agency that has jurisdiction over the office authorized to make the purchases shall ensure that the procedures in paragraph (a) of this section are being followed.

**13.206 Completion of Blanket Purchase Agreements.**

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.

**SUBPART 13.3—FAST PAYMENT PROCEDURE**

**13.301 General.**

The fast payment procedure allows payment under limited conditions to a contractor prior to the Government's verification that supplies have been received and accepted.

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The procedure provides for payment for supplies based on the contractor's submission of an invoice that constitutes a representation that—

(a) The supplies have been delivered to a post office, common carrier, or point of first receipt by the Government; and

(b) The contractor agrees to replace, repair, or correct supplies not received at destination, damaged in transit, or not conforming to purchase agreements.

**13.302 Conditions for use.**

If the conditions in paragraphs (a) through (f) of this section are present, the fast payment procedure may be used, provided that use of the procedure is consistent with the other conditions of the purchase. The conditions for use of the fast payment procedure are as follows:

(a) Individual orders do not exceed \$25,000 except that executive agencies may permit higher dollar limitations for specified activities or items on a case-by-case basis.

(b) Deliveries of supplies are to occur at locations where there is both a geographical separation and a lack of adequate communications facilities between Government receiving and disbursing activities that will make it impractical to make timely payment based on evidence of Government acceptance. Use of the fast payment procedure would not be indicated, for example, for small purchases by an activity if material being purchased is destined for use at that activity and contract administration will be performed by the contracting office at that activity.

(c) Title to the supplies will vest in the Government—

(1) Upon delivery to a post office or common carrier for mailing or shipment to destination; or

(2) Upon receipt by the Government if the shipment is by means other than Postal Service or common carrier.

(d) The supplier agrees to replace, repair, or correct supplies not received at destination, damaged in transit, or not conforming to purchase requirements.

(e) The purchasing instrument is a firm-fixed price contract, a purchase order, or a delivery order for supplies.

(f) A system is in place to ensure—

(1) Documenting evidence of contractor performance under fast payment acquisitions;

(2) Timely feedback to the contracting officer in case of contractor deficiencies; and

(3) Identification of suppliers who have a current history of abusing the fast payment procedure (also see Subpart 9.1.).

**13.303 Preparation and execution of orders.**

(a) Except when orders are placed via FACNET, orders incorporating the fast payment procedure should be issued on Optional Form 347, Order for Supplies or Services, or other agency authorized purchase order form (see 13.204(e) for purchases under BPAs). Orders may be

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either priced or unpriced.

(b) Contracts, purchase orders, or BPAs using the fast payment procedure shall include the following:

(1) A requirement that the supplies be shipped transportation or postage prepaid.

(2) A requirement that invoices be submitted directly to the finance or other office designated in the order, or in the case of unpriced purchase orders, to the contracting officer (see 13.502(c)).

(3) The following statement on consignee's copy:  
CONSIGNEE'S NOTIFICATION TO PURCHASING  
ACTIVITY OF NONRECEIPT, DAMAGE, OR NON-  
CONFORMANCE

The consignee shall notify the purchasing office promptly after the specified date of delivery of supplies not received, damaged in transit, or not conforming to specifications of the purchase order. Unless extenuating circumstances exist, the notification should be made not later than 60 days after the specified date of delivery.

(4) A requirement that the contractor mark outer shipping containers "FAST PAY."

**13.304 Responsibility for collection of debts.**

The contracting officer shall be primarily responsible for collecting debts resulting from failure of contractors to properly replace, repair, or correct supplies lost, damaged, or not conforming to purchase requirements (see 32.605(b) and 32.606).

**13.305 Contract clause.**

The contracting officer shall insert the clause at 52.213-1, Fast Payment Procedure, in solicitations and contracts when the conditions in 13.302 are applicable and it is intended that the fast payment procedure be used in the contract (in the case of BPAs, the contracting officer may elect to insert the clause either in the BPA or in orders under the BPA).

**SUBPART 13.4—IMPREST FUND****13.401 General.**

This subpart prescribes policies and procedures for using imprest funds to purchase supplies or services. Related policies and regulations concerning the establishment of and accounting for imprest funds, including the responsibilities of designated cashiers and alternates, are contained in Part IV of the Treasury Financial Manual for Guidance of Departments and Agencies, Title 7 of the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, and the agency implementing regulations. Agencies shall also be guided by the Manual of Procedures and Instructions for Cashiers, issued by the Financial Management Service, Department of the Treasury.

**13.402 Agency responsibilities.**

Each agency using imprest funds shall—



(a) Periodically review and determine whether there is continuing need for each fund established, and that amounts of those funds are not in excess of actual needs;

(b) Take prompt action to have imprest funds adjusted to a level commensurate with demonstrated needs whenever circumstances warrant such action; and

(c) Develop and issue appropriate implementing regulations. These regulations shall include (but are not limited to) procedures covering—

(1) Designation of personnel authorized to make purchases using imprest funds; and

(2) Documentation of purchases using imprest funds, including documentation of—

(i) Receipt and acceptance of supplies and services by the Government;

(ii) Receipt of cash payments by the suppliers; and

(iii) Cash advances and reimbursements.

**13.403 Conditions for use.**

Imprest funds may be used for purchases when—

(a) The transaction does not exceed \$500 or such other limits as have been approved by the agency head;

(b) The use of imprest funds is considered to be advantageous to the Government; and

(c) The use of imprest funds for the transaction otherwise complies with any additional conditions established by agencies and with the policies and regulations referenced in 13.401.

**13.404 Procedures.**

(a) Each purchase using imprest funds shall be based upon an authorized purchase requisition.

(b) Normally, orders to suppliers should be placed orally and without soliciting competition if prices are considered reasonable.

(c) Purchases shall be distributed equitably among qualified suppliers.

(d) Prompt payment discounts shall be solicited.

(e) Any agency-authorized purchase order form or Standard Form 1165, Receipt for Cash-Subvoucher, may be used if a written order is considered necessary (e.g., if required by the supplier for discount, tax exemption, or other reasons). If a purchase order is used for this purpose, it shall be endorsed "Payment to be made from Imprest Fund".

(f) The individual authorized to make purchases using imprest funds shall—

(1) Furnish to the imprest fund cashier a copy of the purchase requisition annotated to reflect—

(i) That an imprest fund purchase has been made;

(ii) The unit prices and extensions;

(iii) The supplier's name and address; and

(iv) The date of anticipated delivery; and

(2) Require the supplier to include with delivery of

the supplies an invoice, packing slip, or other sales instrument giving—

(i) The supplier's name and address;

(ii) List and quantity of items;

(iii) Unit prices and extensions; and

(iv) Cash discount, if any.

**SUBPART 13.5—PURCHASE ORDERS**

**13.501 General.**

(a) Except as provided under the unpriced purchase order method (see 13.502), purchase orders shall be issued on a fixed-price basis unless otherwise authorized by agency procedures.

(b) Purchase orders shall include any trade and prompt payment discounts that are offered, consistent with the applicable principles in 14.408-3.

(c) Purchase orders shall specify the quantity of supplies or services ordered.

(d) Inspections under simplified acquisition procedures shall be as prescribed in Part 46. Orders generally shall provide that inspection and acceptance will be at destination, and source inspection should be specified only if required by Part 46. If inspection and acceptance are to be performed at destination, advance copies of the purchase order shall be furnished to consignee(s) for material receipt purposes. Receiving reports shall be accomplished immediately upon receipt and acceptance of material.

(e) F.o.b. destination shall be specified for supplies to be delivered within the United States, except Alaska and Hawaii, unless there are valid reasons to the contrary.

(f) Each purchase order shall contain a determinable date by which delivery of supplies or performance of services is required.

(g) The contracting officer's signature on purchase orders shall be in accordance with 4.101. Facsimile signature may be used in the production of purchase orders by automated methods.

(h) Distribution of copies of purchase orders and related forms shall be limited to those copies required for essential administration and transmission of contractual information.

**13.502 Unpriced purchase orders.**

(a) An unpriced purchase order is an order for supplies or services, the price of which is not established at the time of issuance of the order.

(b) An unpriced purchase order may be used only when—

(1) It is anticipated that the transaction will not exceed—

(i) \$50,000; or

(ii) \$100,000 when the contracting office of an agency has certified interim or full FACNET (see 13.103(b)).

(2) It is impractical to obtain pricing in advance of issuance of the purchase order; and

- (3) The purchase is for—
  - (i) Repairs to equipment requiring disassembly to determine the nature and extent of repairs;
  - (ii) Material available from only one source and for which cost cannot be readily established; or
  - (iii) Supplies or services for which prices are known to be competitive but exact prices are not known (e.g., miscellaneous repair parts, maintenance agreements).

(c) Unpriced purchase orders may be issued by using written purchase orders or electronically (see 13.506). A realistic monetary limitation, either for each line item or for the total order, shall be placed on each unpriced purchase order. The monetary limitation shall be an obligation subject to adjustment when the firm price is established. The contracting office shall follow-up each order to ensure timely pricing. The contracting officer or the contracting officer's designated representative shall review the invoice price and, if reasonable (see 13.106-2(a)), process the invoice for payment.

**13.503 Obtaining contractor acceptance and modifying purchase orders.**

(a) When it is desired to consummate a binding contract between the parties before the contractor undertakes performance, the contracting officer shall require written acceptance of the purchase order by the contractor.

- (b) A purchase order may be modified by use of—
  - (1) Standard Form 30, Amendment of Solicitation/Modification of Contract;
  - (2) An agency-designed form or an agency-approved automated format; or
  - (3) A purchase order form, if not prohibited by agency regulations.

(c) Each purchase order modification shall identify the order it modifies and shall contain an appropriate modification number.

(d) Contracting officers need not obtain a contractor's written acceptance of a purchase order modification, unless the written acceptance is—

- (1) Determined by the contracting officer to be necessary to ensure the contractor's compliance with the purchase order as revised; or
- (2) Required by agency regulations.

**13.504 Termination or cancellation of purchase orders.**

(a) If a purchase order that has been accepted in writing by the contractor is to be terminated, the contracting officer shall process the termination action as prescribed by Part 49.

(b) If a purchase order that has not been accepted in writing by the contractor is to be canceled, the contracting officer shall notify the contractor in writing that the purchase order has been canceled, request the contractor's written acceptance of the cancellation, and proceed as follows:

- (1) If the contractor accepts the cancellation and

does not claim that costs were incurred as a result of beginning performance under the purchase order, no further action is required (i.e., the purchase order shall be considered canceled).

(2) If the contractor does not accept the cancellation or claims that costs were incurred as a result of beginning performance under the purchase order, the contracting officer shall process the termination action as prescribed by Part 49.

**13.505 Purchase order and related forms.**

**13.505-1 Optional Form (OF) 347, Order for Supplies or Services, and Optional Form 348, Order for Supplies or Services Schedule-Continuation.**

(a) Optional Form 347 (illustrated in 53.302-347) and Optional Form 348 (illustrated in 53.302-348) are multi-purpose forms designed for the following:

- (1) Negotiated purchases of supplies or services.
- (2) Delivery orders.
- (3) Inspection and receiving reports.
- (4) Invoices.

(b) Agencies may use order forms other than Optional Form 347 and 348 and may print on those forms the clauses they consider to be generally suitable for their purchases using simplified acquisition procedures. The clauses may include agency clauses, if they do not conflict with clauses prescribed by the FAR and are designated as agency clauses.

**13.505-2 [Reserved]**

**13.505-3 Standard Form 44, Purchase Order-Invoice-Voucher.**

(a) Standard Form 44, Purchase Order-Invoice-Voucher (illustrated in 53.301-44) is a pocket-size purchase order form designed primarily for on-the-spot, over-the-counter purchases of supplies and nonpersonal services while away from the purchasing office or at isolated activities. It is a multipurpose form that can be used as a purchase order, receiving report, invoice, and public voucher.

(b) Standard Form 44 may be used if all of the following conditions are satisfied:

- (1) The amount of the purchase is at or below the micro-purchase threshold, except for purchases made under unusual and compelling urgency or in support of a contingency operation. Agencies may establish higher dollar limitations for specific activities or items.
- (2) The supplies or services are immediately available.
- (3) One delivery and one payment will be made.
- (4) Its use is determined to be more economical and efficient than use of other simplified acquisition methods.

(c) General procedural instructions governing the use of Standard Form 44 are printed on the form and on the inside

front cover of each book of forms.

(d) Since there is, for all practical purposes, simultaneous placing of purchase orders on Standard Form 44 and delivery of the items ordered, clauses are not required for purchases using this form.

(e) Agencies shall provide adequate safeguards regarding the control of forms and accounting for purchases.

#### **13.506 Unsigned electronic purchase orders.**

(a) An unsigned electronic purchase order (EPO) may be issued when the following conditions are present—

(1) Its use is more advantageous to the Government than any other simplified acquisition method;

(2) It is acceptable to the supplier;

(3) It is approved by the contracting officer;

(4) It does not require written acceptance by the supplier; and

(5) The purchasing office retains all contract administration functions.

(b) When an unsigned EPO is used—

(1) Appropriate clauses shall be incorporated by reference;

(2) Administrative information that is not needed by the supplier shall be placed only on copies intended for internal distribution;

(3) The same distribution shall be made of the unsigned EPO as is made of signed purchase orders; and

(4) No purchase order form is required.

(c) An unsigned EPO may be unpriced if it meets the conditions in 13.502.

#### **13.507 Provisions and clauses.**

(a) Each purchase order (and each purchase order modification (see 13.503)) shall incorporate all clauses required for or applicable to the particular acquisition.

(b) The contracting officer shall insert the clause at 52.213-2, Invoices, in purchase orders that authorize advance payments (see 31 U.S.C. 3324(d)(2)) for subscriptions or other charges for newspapers, magazines, periodicals, or other publications (i.e., any publication printed, microfilmed, photocopied, or magnetically or otherwise recorded for auditory or visual usage).

(c) The contracting officer shall insert the clause at 52.213-3, Notice to Supplier, in unpriced purchase orders.

### **SUBPART 13.6—MICRO-PURCHASE**

#### **13.601 General.**

(a) This subpart applies to purchases of supplies or services (except for construction) at or below the micro-purchase threshold.

Micro-purchases for construction are limited to \$2,000.

(b) Micro-purchases may be awarded using any of the purchasing methods covered by Part 13.

(c) Agencies are encouraged to use the Governmentwide commercial purchase card and electronic purchasing techniques, to the maximum extent practicable. The Governmentwide commercial purchase card may be used to purchase and pay for micro-purchases in accordance with agency procedures. This is not intended to limit use of the purchase card to micro-purchases, if otherwise authorized under agency procedures.

(d) Agency heads are encouraged to delegate micro-purchase authority to individuals who will be using the supplies or services being purchased (see 1.603-3). Individuals delegated this authority are contracting officers within the meaning of 2.101. See 3.104-4(h)(5) for procurement integrity requirements.

#### **13.602 Policy.**

(a) Contracting officers shall comply with the requirements of Part 8, Required Sources of Supplies and Services.

(b) Micro-purchases shall be distributed equitably among qualified suppliers.

(c) Requirements aggregating more than the micro-purchase threshold shall not be broken down into several purchases that are less than the threshold merely to permit purchase under this subpart.

#### **13.603 Soliciting competition, evaluation of quotes, and award.**

(a) Micro-purchases may be awarded without soliciting competitive quotations if the contracting officer determines that the price is reasonable.

(b) The administrative cost of verifying the reasonableness of the price for purchases at or below the micro-purchase threshold may more than offset potential savings from detecting instances of overpricing. Therefore, action to verify price reasonableness need only be taken if—

(1) The contracting officer suspects or has information to indicate that the price may not be reasonable (e.g., comparison to the previous price paid or personal knowledge of the supply or service); or

(2) Purchasing a supply or service for which no comparable pricing information is readily available (e.g., a supply or service that is not the same as, or is not similar to, other supplies or services that have recently been purchased on a competitive basis).

(c) Prompt payment discounts should be solicited.