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Ser N9/039
15 Jul 15

From: Director, Fleet and Family Readiness (N9)
To: All Naval District Washington Potential Non-Appropriate
Fund Government Purchase Card Participants and
Supervisors of Potential Participants

Subj: LOCAL POLICY FOR NON-APPROPRIATED FUND BLANKET PURCHASE
AGREEMENT STANDARD OPERATING PROCEDURES

Ref: (a) CNICINST 7043.1 Procurement Policy for CNIC Non-
Appropriated Fund Activities
(b) DOD 7000.14-R Financial Management Regulation, Volume
13 Non-Appropriated Fund Policy and Procedures
(c) Accounting Information Management Systems (AIMS) User
Handbook

Encl: (1) Blanket Purchase Agreement Call Log

1. Purpose. To establish a standard operating procedure (SOP) for non-appropriated fund (NAF) blanket purchase agreements (BPA) in accordance with references (a) - (c).

2. Background. BPAs provide a simplified method of making recurring small purchases in the open market by establishing a purchase agreement with a supplier. BPAs are, in effect, monthly "charge accounts" with selected suppliers that reduce administrative costs by reducing the repetitive issuance of individual purchase orders and payments. The establishment of a BPA with a supplier is not a binding contract and does not obligate the Non-Appropriated Fund Instrumentality (NAFI) to purchase the supplies or services named in the agreement. Once a call is placed against the BPA and the supplier performs a service or provides the supplies, the call is binding and the NAFI is obligated for payment of that call.

a. Competition. The existence of a BPA does not justify single source purchasing. Calls \$5,000.00 or less will be rotated among BPA suppliers. Calls in excess of \$5,000.00 are not authorized. Requirements exceeding \$5,000.00 must be forwarded to the Regional Procurement Office for competitive contractual action.

b. Conditions for use. BPAs may be used when:

(1) There is a recurring need for the purchase of small quantities of similar supplies or services, and when the use of

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such a purchase instrument would be more economical than other purchasing methods.

(2) 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.

c. Establishment. Generally, an individual at an installation activity (i.e., bowling center, NGIS, club, etc.) will request that a BPA be established. Initial requests for BPAs will be prepared by the requester on a NAF Procurement Request (NPR) which must be approved by the Installation Program Director or a designated approving authority. The approving authority will certify that funds in a specified amount will be available for a specified period of time (bulk funding). This certification of funds eliminates the need for individual purchase requests and individual certification of available funds for each order (call). Negotiating the terms and conditions with suppliers and the preparation and issuance of the BPA shall be the responsibility of the Contracting Officer.

d. Terms and conditions. Each BPA shall include:

(1) Authorization to the supplier to furnish the supplies or services described within the agreement, whether general or specific. The agreement may limit the allowed supplies or services or indicate that all supplies or services that the supplier is able to furnish are allowable.

(2) A "pricing" statement that the charges to the NAFI shall be as low or lower than those charged the supplier's most favored customer.

(3) A statement that the NAFI is only obligated for authorized calls placed against the agreement by authorized personnel named in the agreement.

(4) A list of individuals designated as authorized ordering officials/callers, their office name and location, and each individual's per call dollar limitation.

(5) A requirement that all shipments under the agreement be accompanied by delivery tickets or sales slips prepared by the supplier, which shall contain, at a minimum, the name of the supplier, the BPA number, date of BPA call, BPA call number, itemized list of supplies or services furnished, quantity ordered, negotiated prices, applicable discounts, and date of delivery of the shipment.

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3. Responsibilities.

a. Requestor.

(1) Prepares the NPR (most recent version) and obtains approving authority signature.

b. Contracting Officer.

(1) Negotiates terms and conditions with suppliers.

(2) Prepares and issues the BPA.

c. BPA Authorized Ordering Official.

(1) Cannot delegate their authority.

(2) Assigns a separate call number for each order placed. This may be an alphanumeric number beginning with the letter designation for the activity placing the call and ending with a sequential number assigned to the individual call, such as A-0001, A-0002, etc. Sequential numbers will be maintained on a fiscal year basis and will start over at the beginning of each fiscal year. A sample call log is provided (enclosure 1).

(3) Identifies themselves to the supplier and provides them with the BPA call number. A purchase request is not required to be completed prior to making a call against an existing BPA.

(4) Ensures the service/items being ordered are available and authorized under the agreement.

(5) Negotiates the price of the service/item while ensuring the BPA call does not exceed the authorized dollar limitations.

(6) Provides the supplier with delivery instructions.

(7) Enters the required information on the call log for each call made.

(8) Upon receipt of the material/service, have an authorized receiver stamp, date and sign the delivery ticket/invoice and immediately forward to the regional accounting office for payment processing. Update the call log with receipt information.

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(9) At the end of each month, forward the original signed log to the regional accounting office. A copy of the log and delivery tickets should be maintained at the activity. The Accounts Payable Technician will confirm that every payment processed has a corresponding entry on the signed log. The signed call log and delivery tickets/invoices will provide sufficient documentation for payment purposes.

d. Receiver of BPA Goods and Services.

(1) Will be authorized receivers only. BPA Ordering Officials are not authorized to receive items that they, themselves, have ordered. If the BPA Ordering Official is the only person available at the time of delivery, an authorized receiver must countersign the receipt.


TOM KUBALEWSKI

BASE: _____
FACILITY: _____

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ENCLOSURE (1)