The ABCs of BPAs and IDIQs Q&A

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## 1. Does FAR Part 15 apply?

FAR Part 15 is not applicable to orders placed against a BPA established in accordance with FAR Part 8 or Part 13.

## 2. Are orders against BPA's PO? Or are they also DO/TO?

Purchase orders (PO) include specific terms and conditions. Since an order placed against a BPA is subject to the terms and conditions included in the BPA, an order placed against a BPA is not a PO. Delivery orders (DO) for supplies and task orders (TO) for services are placed against an established contract. Since BPAs are not contracts, an order placed against a BPA is not a DO or TO. FAR 8.405-3(c) and 13.303-6 refer to “placing orders” with respect to BPAs. While FAR Part 2 does not include a definition for the word “call,” the FPDS Help section in fpds.gov includes a link for “Create a BPA Call” and the introduction of the section defines a BPA call as “a call against an existing blanket purchase agreement to request a service or product provided under the established agreement.”

## 3. "Must obligate the minimum guarantee upon contract award" - Does this mean a funded Task Order has to be placed upon IDIQ award? If so, what if the Task Order isn't placed until a few days later (i.e. is that okay?)

The “Principles of Federal Appropriations Law” (you may have heard other contracting officers refer to the “Red Book”), Volume II, Chapter 7 is entitled “Obligation of Appropriations.”  Chapter 7 includes a section addressing contracts with variations in quantity to be furnished (i.e., indefinite-quantity contracts) and notes, “In a variable quantity contract (requirements or indefinite-quantity), any required minimum purchase must be obligated when the contract is executed; subsequent obligations occur as work orders or delivery orders are placed, and are chargeable to the fiscal year in which the order is placed.”

The Red Book includes a link to GAO decision B-302358.  The GAO decision stated, “Consistent with 31 U.S.C. 1501(a)(1), commonly referred to as the recording statute, [agency name] should have recorded an obligation against a currently available appropriation for the authorized purpose in an amount reflecting the liability incurred as a result of a binding written agreement at the time the contract was awarded,” which is a long-winded way of saying that the minimum guarantee must be obligated upon (at the time of) contract (not a task order) award and placing a task order a few days later is not okay.

 **4. How can I access Unison Marketplace?**

To get registered, go to [www.UnisonMarketplace.com](http://www.UnisonMarketplace.com) and register as a buyer, or send an email to BuyerSupportTeam@unisonglobal.com with first name, last name, email address, phone number, and title, and they will get you registered. You can also email if you need a password reminder.

## 5. Can you please explain more about the BPA CON: SAT ordering limitation? Does this mean that orders a limited to only the SAT threshold? Does this apply to BPA under FAR 8.4?

FAR 13.303-5(b) states, “Individual purchases shall not exceed the simplified acquisition threshold.” The second part of (b) states that agency regulations may establish a higher threshold and provides the conditions for establishing higher thresholds. We recommend reaching out to your organization’s procurement policy team for additional information and clarification.

The limit regarding the SAT threshold is not applicable to orders against BPAs established in accordance with FAR 8.405-3. FAR 8.405-3(c)(2)(ii) provides guidance for placing orders exceeding the micro-purchase threshold but not exceeding SAT and FAR 8.405-3(c)(2)(iii) provides guidance for placing orders exceeding the simplified acquisition threshold against BPAs.

## 6. Is the limit for Call Orders at the SAT level under BPA's or can Call Order exceed the SAT?

Please see the answer to Question 5 above for the first question.

FAR 8.405-3(c)(3) provides the guidance for ordering from BPAs for hourly rate services. 8.405-3(c)(3) *BPAs for hourly-rate services*. If the BPA is for hourly-rate services, the ordering activity shall develop a statement of work for each order covered by the BPA. Ordering activities should place these orders on a firm-fixed price basis to the maximum extent practicable. For time-and-materials and labor-hour orders, the contracting officer shall follow the procedures at 8.404(h). All orders under the BPA shall specify a price for the performance of the tasks identified in the statement of work. The ordering activity is responsible for considering the level of effort and the mix of labor proposed to perform a specific task being ordered, and for determining that the total price is reasonable through appropriate analysis techniques and documenting the file accordingly.

**7. Can BPA's be created under FAR 13.5, SAP for certain contracts, threshold of $7.5M?**

FAR Part 13 does not establish a threshold for BPAs.

FAR Part 13.303-5(b) limits purchases against a BPA to those not exceeding the SAT but allows agencies to establish a higher threshold consistent with the following:

(1) The simplified acquisition threshold and the $7.5 million limitation for individual purchases ($15 million for purchases entered under the authority of 12.102(f)(1)) do not apply to BPAs established in accordance with 13.303-2(c)(3).

(2) The limitation for individual purchases for commercial products and commercial services acquisitions conducted under subpart 13.5 is $7.5 million ($15 million for acquisitions as described in 13.500(c)).

A BPA established in accordance with the procedures in FAR 13.303 may include a total dollar limitation. As noted in FAR 13.303-3(a)(1), the following term is mandatory:

 13.303-3(a)(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.