

PART 13

SIMPLIFIED ACQUISITION PROCEDURES

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SUBPART 13.1 - GENERAL

**13.103** *Policy.*

(e) The Governmentwide commercial purchase card may be used in accordance with Part 8 and Part 13 procedures, as a method of payment for purchases and orders not exceeding the simplified acquisition threshold under existing indefinite delivery/indefinite quantity contracts, or for other established contracts when the contract authorizes its use as a payment method. **Procedural guidance on use of the purchase card is in DLAI 4105.3, DLA Governmentwide Commercial Purchase Card Program.**

**13.104** *Procedures.*

13.104-90 Quantity price break provision for inclusion in simplified acquisitions.

The Government should take advantage of quantity price breaks whenever warranted. A provision substantially the same as that at 52.213 -9000 should be included in simplified acquisition solicitations, except where the contracting officer documents why it would serve no useful purpose. When it appears that it is in the best interest of the Government to purchase a larger quantity to take advantage of a lower unit price, the item manager should immediately be provided the details and an amendment to the purchase request quantity requested. If the item manager indicates that the quantity cannot be increased, the contracting officer shall document the contract file and purchase the original quantity.

**13.106** *Soliciting competition, evaluation of quotes, and award .*

**13.106-1** *Purchases at or below the micro-purchase threshold .*

(a) *Soliciting competition, evaluation of quotes, and award.*

(3) *Price reasonableness determinations are required prior to award regardless of dollar value. In competitive buys, review of competitive quotations and pricing history should satisfy this requirement. For non-competitive buys a price reasonableness determination may be based on comparable prior buy history or where appropriate, a commercial catalog/price list, similar item or other price analysis technique. In the absence of any of the foregoing a price quotation from one (1) additional vendor is required.*

*Price reasonableness verification is required prior to award (or call acceptance):*

(90) *For first-time buys.*

(91) *When a price is highlighted/kicked out for buyer review pursuant to a price variance check procedure in SPEDE, PACE and other automated systems.*

(b) *Documentation. The basis/bases of the price determination shall be documented (suggested format at 13.106-2(d)(v)).*

**13.106-2 Purchases exceeding the micro-purchase threshold.**

(a) *Soliciting competition. (1) Use of best value buying procedures is encouraged in competitive purchases where they would help improve the quality of the award decisions. See DLAD 15.613-90.*

(4)(iii) *Whenever urgency of the requirement necessitates limiting competition, and precludes the use of normal automated contracting procedures, the historically lowest price source should be contacted. However, award may be placed with another source when any increased price is reasonable and consistent with the extent to which delivery is required to be expedited.*

(c) *Award. (1) Contracting personnel should avoid placing orders with vendors who have a minimum order quantity/value, and/or a minimum billing/charge policy, wherever possible. In furtherance of this policy, indefinite delivery contracts (IDCs), blanket purchase agreements (BPAs), and basic ordering agreements (BOAs) shall contain a provision explicitly precluding such features. In addition, the following alternatives should be explored before placing a purchase order with a supplier that follows such practices:*

(A) *Seek to eliminate or minimize the charge. (However, when an offer is low on an individual acquisition, inclusive of minimum charge, which the offeror will not reduce or agree to remove from its offer, such offeror should receive the award.);*

(B) *When appropriate, increase the quantity of the buy; or*

(C) *Make a concerted effort to consolidate orders with other buys from the same vendor. If the foregoing efforts are to no avail, DLA contracting personnel, when writing orders with vendors having such policies, will separately identify the unit price and amount for each item ordered and the minimum billing or service charge.*

(d) *Data to support purchases. (1) The price reasonableness determination shall:*

(i) *Be documented (including the basis thereof and other relevant information cited in the sample format in (v) below).*

(ii) *Address the adequacy of any price competition received for assuring price reasonableness.*

(iii) *Address the comparability to prior prices paid for the same or similar item, if any, and*

(iv) *Incorporate, attach, or reference any other analyses performed concerning the reasonableness of the award price (see FAR, **this paragraph**; DFARS 217.7504; and Chapter 4 and Appendix A of the Armed Services Pricing*

Manual (ASPM), Volume 2-Price Analysis), along with any source data utilized (e.g., name, date, location, and page number of contractor catalog or other reference).

(v) Sample format.

SIMPLIFIED ACQUISITION PRICING MEMORANDUM

PURCHASE REQUEST OR CALL/ORDER NUMBER: \_\_\_\_\_  
ITEM NUMBER & NAME: \_\_\_\_\_

PRICE REASONABLENESS BASED ON (Check one or more):

PRICE COMPARIBILITY WITH PRIOR PURCHASE PRICES (Adjusted as appropriate):

Yes \_\_\_\_\_ No \_\_\_\_\_ NA \_\_\_\_\_

Explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ ADEQUATE PRICE COMPETITION (Attach quotes/abstract) INVOLVING:

\_\_\_\_\_ ONE MANUFACTURER'S PART or \_\_\_\_\_ PARTS OF VARIOUS MFRS

Identify type competition (mfgr(s)/dealer(s)/both), competitive range of offers, etc.: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ COMPARISON WITH PRIOR PURCHASE PRICE(S) OF SIMILAR ITEM NAME & NO.:

CONTRACT & CALL/ORDER NO. \_\_\_\_\_

VENDOR \_\_\_\_\_ AWARD DATE \_\_\_\_\_

UNIT OF ISSUE \_\_\_\_\_ UNIT PRICE \_\_\_\_\_ QTY \_\_\_\_\_

EXPLAIN ADJUSTMENTS AND BASIS FOR DETERMINING PRIOR PRICE REASONABLE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ COMMERCIAL CATALOG/PRICE LIST FOR:

\_\_\_\_\_ SAME ITEM or \_\_\_\_\_ SIMILAR ITEM

NAME/NUMBER \_\_\_\_\_

DATE \_\_\_\_\_ PAGE \_\_\_\_\_

EXPLAIN DIFFERENCES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ ESTABLISHED MARKET PRICE:

MEANS OF VERIFICATION: \_\_\_\_\_

\_\_\_\_\_ VALUE/VISUAL/COST ANALYSIS BY BUYER/USER/TECHNICAL PERSONNEL (Attach or reference the review of technical data, examination of sample, etc.):

EXPLAIN: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ OTHER (Explain specific reason, e.g., valid purchase request estimate, minimum order quantity, high priority delivery, special packaging/marketing, etc.):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SIGNATURE OF BUYER

DATE

(A) The technique of comparing the items to a similar competitive item should offer the best assurance of fair and reasonable pricing in simplified acquisitions. In the majority of purchases over the threshold at FAR 13.106-1 involving noncompetitive and noncataloged items, this method should be used to determine price reasonableness. It is not necessary to locate an identical item or to compare every feature of the two items. Quantity, packaging, and other factors must be considered in arriving at an independent estimate of a reasonable price for the individual acquisition. Abstracts of bids maintained by the contracting office may be useful in this regard. Commercial catalogs and price lists should also be used.

(B) When prices appearing in a contractor price list are used for determining price reasonableness, see 15.805-2(d).

(C) Visual examination of warehouse samples, photographs, video tapes, drawings and/or DD Form 146, Federal Item Logistics Data Record, descriptions can be of considerable value in determining that a price is fair and reasonable. Often the actual manufacturer is revealed by this examination. Sources solicited shall include any manufacturers revealed by visual examination.

(D) When other methods available to contracting personnel are unproductive, pricing/technical assistance should be considered for use as a factor in the buyer's pricing determination.

(E) When a price reasonableness determination cannot be made via a price analysis technique, the determination may be made using one of the forms of cost analysis. When the cost analysis involves proposed, recommended, or approved forward pricing rates, factors, and/or a formula pricing methodology, see 15.805-3(90).

**(91) See 90.12 for the Simplified Acquisition Price Review Program.**

#### **13.106-90 Other solicitation issues.**

(a) Evaluation of simplified acquisitions/quotations involving source inspection. [This paragraph pertains only to those contracting offices that have decided, in accordance with 15.604, to use this source inspection evaluation factor coverage.] The provision at 52.213-9001, Evaluation Factor for Source Inspection, shall be inserted in simplified acquisition solicitations and exercised when source inspection is required for offerors who have a history of delivering nonconforming material on destination assigned contracts/purchases. Criteria for performing quality assurance at source are at FAR 46.402. When it has been determined that source inspection is required, the contracting officer shall exercise the provision at 52.213-9001 and add \$150 to that offeror's quoted price. If multiple source inspections are required, the evaluation factor will be multiplied by the number of inspections required, and that figure will be added to the offeror's quoted price.

(b) Evaluation of simplified acquisitions/quotations involving the conduct of preaward surveys (PASs). [This paragraph pertains only to those contracting offices that have decided, in accordance with 15.604, to use the PAS evaluation factor coverage at 15.605-90.] The provision at 52.215-9001, Evaluation Factor for Preaward Survey, shall be inserted in simplified acquisition solicitations and exercised when a PAS is required to determine the responsibility of prospective contractors described in 15.605-90(1)(i) through (vi).

(c) Disposition of unsolicited quotations.

(1) Unsolicited quotations need not be evaluated except when it is feasible and practicable to do so in order to:

(A) Satisfy the requirements of FAR 13.106-2(a)(4) to provide for maximum practicable competition; or

(B) Consider alternate offers to provide competition for sole source items (also see 17.7501(b)(4)).

(2) Contracting personnel should return quotes to the offeror with an explanation of the reason(s) the quote is not being considered for award. ***This explanation may take the following form:***

Sir/Madam:

We received your quotation but are unable to evaluate it for the following reason(s):

\_\_\_ Request for Quotation (RFQ) Number or other identifying number was not included.

\_\_\_ The quote did not contain the following certification requirements:

(Enter the certification requirements which are missing.)

\_\_\_ The quote offers an alternate item, but evaluation data sufficient to evaluate your quote were not included. (**Identify the missing data.**)

\_\_\_ Other. (State other reasons for returning quotation here.)

We appreciate your interest in doing business with this Center and recommend you apply for inclusion on our various solicitation mailing lists. To receive application information, you may write to the above address or call (area code/phone number).

(d) All solicitations issued under this part, both written and oral, will be assigned a unique request for quotations number ("Q", "T", or "U" in PIIN position 9, as appropriate), to be used for the primary identification of the solicitation. While the procurement request number may be cited as an additional reference number in solicitations, it must be used in conjunction with an RFQ number.

**13.107 Solicitation forms.**

(b) The SAMMS Automated Simplified Purchase System (SASPS) issues requests for quotations using DLA Form 1231, Request for Quotation.

SUBPART 13.2 - BLANKET PURCHASE AGREEMENTS (BPAs)

**13.202 Establishment of blanket purchase agreements (BPAs).**

(c)(3)(90) While BPAs may be established with Federal Supply Schedule (FSS) contractors for both non-FSS items and FSS items, a distinction between such items should be made.

(91) A BPA with an FSS contractor for non-FSS items which can be construed to cover FSS items because of a generic item description should contain a statement to the effect that the BPA excludes all items on FSSs.

(92) If it is desired to establish a BPA with an FSS contractor for items on an FSS, the agreement shall be consistent with the provisions of the applicable FSS, i.e., period of agreement, terms and conditions. The terms of the agreement should be limited to a simplification of purchasing techniques, such as placement of calls orally and provisions for submitting monthly consolidated billings.

13.204 Purchase under blanket purchase agreements.

(b) The maximum aggregate amount, if any, of all calls to be issued against one BPA shall be prescribed by the HCA.

(e)(2) DLA Form 1224, Shipping Instruction, may be used to issue automated calls made under a BPA.

SUBPART 13.3 - FAST PAYMENT PROCEDURE

13.302 Conditions for use.

(90) The additional criteria set forth below shall be followed when determining the applicability of fast payment procedures.

(1) Depot Shipments. Requirements which are shipped to a depot and marked for stock are not authorized to use fast payment procedures.

(2) Direct Vendor Deliveries (DVDs). DVDs, including overseas shipments which go through a consolidation point, are authorized to use fast payment procedures. However, DVDs with source inspection and subsistence requirements shipped through a consolidation point prior to shipment overseas are not authorized to use fast payment procedures.

(3) FMS Sales. Fast payment procedures are not authorized for use on FMS Direct Vendor Delivery.

(91) The Commander of the Defense Personnel Support Center shall review and approve all contracts exceeding \$25,000 which use fast payment procedures.

SUBPART 13.5 - PURCHASE ORDERS

13.501 General.

(90) Documentation of the price or cost analysis techniques as discussed at **13.106-2(d)(90)(B) and (E)** shall also be accomplished for awards of priced purchase orders and definitization of unpriced purchase orders (UPOs).

13.502 Unpriced purchase orders.

(90) The requirements of DFARS Subpart 217.74 and DLAD Subpart 17.74 shall be followed for all UPOs issued by DLA contracting offices.

SUBPART **13.90** - INDEFINITE DELIVERY PURCHASE ORDERS (IDPOs)

**13.9001** General.

An IDPO is a simplified acquisition procedure that applies indefinite delivery contract concepts to simplified acquisitions. An IDPO, when established by agreement of the contractor, establishes a standing quotation(s) from the contractor for a definite period for an indefinite quantity of supplies. However, when established as a contract, through performance undertaken by the contractor on a purchase order, an IDPO establishes a firm commitment that the contractor will perform under subsequent orders issued, at the purchase order price for a definite period for an indefinite quantity of supplies.

### **13.9002** Application.

Use of an IDPO is appropriate where repetitive low dollar value purchases are made for the same item, the price of the item is expected to be stable, and expected yearly or other long-term demands are not sufficient to establish an indefinite delivery contract. The aggregate total dollar value of orders issued against an IDPO during the ordering period shall not exceed \$100,000. To establish an IDPO above \$25,000 the contracting officer must satisfy the publishing requirements at FAR 5.101. Requirements shall not be split to qualify for use of an IDPO (see **FAR 13.103(c)**). Only one IDPO shall be established per item.

### **13.9003** Ordering period.

The ordering period should not normally exceed 1 year.

### **13.9004** Decision to establish an IDPO.

The decision to establish an IDPO shall be made by the contracting officer in coordination with the inventory manager.

### **13.9005** Methods of establishment.

(a) Unilateral IDPO. An IDPO may be established unilaterally. When this is done, notwithstanding the fact that a vendor has quoted against the provision at 52.213-9002, the vendor, as with any unilateral purchase order quote, will not have entered into a contract that binds it to the IDPO provision for performance under subsequently issued orders. Likewise, the Government is not obligated to place subsequent orders under the IDPO provision. Effecting the purchase in this manner provides the flexibility to determine the method of purchase for a subsequent requirement (e.g., order against the IDPO, or issue a new solicitation) that is in the best interest of the Government. (Note that use of this approach does not preclude the execution of a bilateral purchase order for the basic requirement. Under this approach, however, the IDPO provision remains a unilateral offer when included in the purchase order for the basic requirement. Bilateral purchase orders may still be issued under this method for the IDPO quantities.) If this approach is used, the following applies:

(1) Publication and display. To establish a unilateral IDPO with an aggregate value in excess of \$10,000 the contracting officer must satisfy the public display requirements at FAR 5.101 (post if over \$10,000 and synopsis if over \$25,000). The publication and display will preclude the need to publish/post subsequent orders placed under the IDPO.

(2) Solicitation provision. The provision at DLAD 52.213-9002, Indefinite Delivery Purchase Order Agreement, shall be included in solicitation documents for supplies when a unilateral IDPO is planned to be established. The solicitation shall request quotes on the basic requirement, and request that the prospective contractor state if it agrees or does not agree to accept subsequent orders within the stated quantity range at the quoted price for the current requirement specified in the Request for Quotations. The basic quantity requirement shall be within the minimum and maximum quantity range and order frequency limit included in the provision at 52.213-9002 at the time of solicitation.

(3) Evaluation and award. Quotations from offerors that do not quote against the provision at 52.213-9002 shall not be rejected as technically unacceptable. Award shall be made to that responsible offeror that submits the low, technically acceptable quotation for the basic requirement. If the price for the projected requirements is determined fair and reasonable at the time of award for the basic requirement, price reasonableness determinations need not be made for subsequent orders placed under the IDPO provision.

(b) Bilateral IDPO (purchase order with indefinite quantity terms). An IDPO may be established bilaterally. Under this approach, offerors shall be advised, by inclusion of the clause at 52.213-9003, that performance under the purchase order, by supplying the minimum order quantity (the basic order quantity), requires the contractor to provide the additional supplies specified in the clause at 52.213-9003, within the stated minimum and maximum quantities, as ordered by the designated ordering officer. Use of this approach establishes a binding contract for the IDPO, yet does not bind the Government to place orders against the IDPO. If this approach is used, the following applies:

(1) Publication. To establish a bilateral IDPO with an aggregate value in excess of \$10,000, the contracting officer must satisfy the publishing requirements at FAR 5.101 (post if over \$10,000 and synopsis if over \$25,000). The publication will preclude the need to publish subsequent orders placed under the IDPO.

(2) Solicitation clauses.

(i) The clause at DLAD 52.213-9003, Indefinite Delivery Purchase Order Contract, shall be included in solicitation documents when a bilateral IDPO is to be established. This clause provides that initial performance under the purchase order (by supplying the minimum purchase order quantity), obligates the contractor to provide the additional supplies, within the stated minimum and maximum quantities cited in the clause, as ordered by the ordering officer.

(ii) The clauses at: FAR 52.216-18, Ordering; FAR 52.216-19, Order Limitations; FAR 52.216-22, Indefinite Quantity; and FAR 52.249-8, Default (Fixed- Price Supply and Service), shall be included in solicitations that contain the clause at DLAD 52.213-9003.

(3) Evaluation and award. A solicitation provision shall be included in RFQs that advises whether or not the Government will reject quotes as technically unacceptable from offerors that do not agree to the clause at DLAD 52.213-9003. Award shall be made, under the conditions specified in the solicitation, to that offeror that submits the low, technically acceptable quotation for: (a) either the minimum requirement, or (b) for the combined basic and IDPO requirements, depending on the conditions specified in the solicitation. When the award includes the IDPO clause, the price(s) for the minimum purchase order quantity and for the IDPO projected requirements shall be determined fair and reasonable at the time of award of the basic requirement.

**13.9006** Order numbering.

IDPO orders shall be numbered in accordance with the uniform procurement instrument identification numbering (PIIN) system. The initial purchase order and subsequent orders shall be distinguished by a "D" in the ninth position and a "5" in the tenth position of the PIIN. The initial purchase order shall be numbered with sub-PIIN number 0001. Subsequent orders shall be serially numbered with sub-PIIN numbers 0002 through 9999. Unless the contracting officer determines otherwise, the IDPO will be held in an open status in the SAMMS Active Contract File until the later of the end of the ordering period or until the final payment has been made on all orders.

**13.9007** Contract administration.

When an IDPO is assigned to a contract administration office (CAO) for contract administration, a basic IDPO will be issued separate from the issuance of any IDPO orders. This action allows the CAO to enter basic contract information into the Mechanization of Contract Administration Services (MOCAS) system for use in processing all orders issued against that IDPO.