

PART 2
CONTRACTING AUTHORITY AND RESPONSIBILITIES

Table of Contents

2.1	HEAD OF THE CONTRACTING ACTIVITY (HCA).....	1
2.2	CONTRACTING OFFICERS (CO).....	1
2.2.1	Appointment.....	1
2.2.2	Authority.....	1
2.2.3	Goals and Responsibilities.....	2
2.2.4	Contracting Officer's Signature.....	2
2.3	BPA EMPLOYEES WITHOUT CONTRACTING AUTHORITY.....	3
2.3.1	Policy.....	3
2.3.2	Purchases not Requiring Certificates of Appointment.....	3
2.3.1	Purchase Cards (P-Cards).....	3
2.3.2	Cash or Convenience Checks.....	3
2.3.3	"PO None" Purchase/Payment Processing.....	3
2.3.3.1	Field Purchases.....	4
2.3.3.2	Other Authorized Uses of PO None.....	5
2.4	RATIFICATION OF UNAUTHORIZED CONTRACT COMMITMENTS.....	6
2.4.1	Policy.....	6
2.4.2	Procedures to Ratify Unauthorized Commitments.....	6

2.1 HEAD OF THE CONTRACTING ACTIVITY (HCA).

INFORMATION: The Chief Executive Officer delegates contracting authority to the HCA for contracts other than land, power and power-savings, and transmission sales. The HCA performs the following major functions:

- (a) Establishes and maintains purchasing policy and BPA-wide procedures through the Bonneville Purchasing Instructions (BPI).
- (b) Delegates authority to execute and modify contracts and settle claims in connection therewith.
- (c) Reviews purchasing operations to assure compliance with applicable policies and procedures, and provides advice on ways to improve the quality of business decisions.
- (d) Any other authorities that have not been further redelegated.

2.2 CONTRACTING OFFICERS (CO).

2.2.1 Appointment.

POLICY: The HCA delegates authority to Contracting Officers by written Certificate of Appointment. These certificates are issued in accordance with BPI Appendix 2-A, Certification and Appointment as a BPA Contracting Officer. This is BPA's execution of its exemption from DOE Order 541.1, Appointment of Contracting Officers and Contracting Officer's Representatives, and DOE Order 361.1, Acquisition Career Development Program.

2.2.2 Authority.

POLICY: Except as provided in 2.3, only persons who are certified as having obtained specific training and experience may be delegated contracting authority by the HCA, and may enter into, administer and modify contracts, issue task or delivery orders, settle contract claims, and terminate contracts. The Certification program and procedures are described Appendix 2-A.

BONNEVILLE PURCHASING INSTRUCTIONS

Part 2 -- Contracting Authority and Responsibilities

Such persons are referred to as Contracting Officers (COs), and may enter into the following types of contractual commitments:

- (a) New awards. These must be within the limits of the CO's delegated authority. The amount of any options, or ceiling amounts in indefinite delivery contracts, shall be considered a part of the original contract price for the purposes of CO authority.
- (b) Modifications. The monetary value of the modification must be within the limits of the CO's delegated authority.
- (c) Delivery Orders/Task Orders. COs are authorized to execute delivery orders against indefinite delivery contracts (including Federal Supply Schedule contracts), without regard to dollar value of their delegated contracting authority, so long as the items or services ordered are specifically identified and priced in the contract. Orders for unpriced items must be within their delegated authority.
- (d) Concession contracts. COs with unlimited service contracting authority may execute concession-type contracts.
- (e) Furnish and Install Supply Authority. COs with other than construction authority are authorized to purchase requirements for installation of equipment which require no substantial structural changes to a facility.
- (f) Design-Supply-Construct (Turnkey) Authority. COs with unlimited authority on other than construction purchases are authorized to purchase requirements that place the responsibility for total system performance on the equipment manufacturer.
- (g) Commercial Utility Services. Except for written bi-lateral contracts, either COs with at least a Commercial service warrant or those issued a limited, written delegation by the HCA are authorized to order and administer commercial utility services, both regulated and unregulated, in an amount not to exceed the dollar limit of their delegation. Such commercial utility services may be ordered and administered in the same manner commonly used by the utility in the normal course of its business dealings with similar customers, except that whenever a written bi-lateral contract is used, such utility services shall be acquired only by COs with a Non-Commercial service warrant. (See 11.2)

2.2.3 Goals and Responsibilities.

POLICY: COs are responsible for awarding contracts in a cost-effective manner, and for safeguarding the interests of BPA in its contractual relationships. In order to perform these responsibilities, COs are allowed wide latitude to exercise business judgment. When the contract requires a decision by the CO, advice and assistance from specialists or superiors may be considered; however, the final decision shall be based on the CO's own independent judgment.

2.2.4 Contracting Officer's Signature.

POLICY: In the absence of the principal CO responsible for a particular contract, other COs with equal or high level of authority may sign "for" the CO. The signing CO is considered to be an agent of the principal CO, and is responsible for compliance with all requirements. The principal CO's name remains on the contract for purposes of continuity of contact with the contractor.

BONNEVILLE PURCHASING INSTRUCTIONS
Part 2 -- Contracting Authority and Responsibilities

2.3 BPA EMPLOYEES WITHOUT CONTRACTING AUTHORITY.

2.3.1 Policy.

Except as provided in 2.3.2, persons other than COs shall not contract on behalf of BPA. COs shall make all purchases that can be planned for in advance, except when a Purchase Card (P-Card) transaction is deemed more cost effective and executed in accordance with BPI Part 26.

2.3.2 Purchases Not Requiring Certificates of Appointment.

2.3.1 Purchase Cards (P-Cards)

POLICY: Employees who have been issued a BPA Purchase Card may make purchases within the limits prescribed for such cards. The Purchase Card program is detailed in BPI Part 26 and in the Supply Chain Purchase Card Manual.

2.3.2 Cash or Convenience Checks

Employees may make purchases by means of convenience checks (third-party drafts) or cash (imprest funds) when authorized.

(1) A convenience check is a check written by a purchase card holder. It is used in lieu of the purchase card to complete a transaction with a payee/vendor who cannot or will not accept or process a P-Card transaction. Convenience checks are used infrequently at BPA and only by named personnel approved by the Chief Certifying Officer in Finance. See Part 26.

(2) BPA makes limited use of imprest funds. Other purchasing methods, such as purchase cards are the preferred method of purchase. Refer to the U.S. Department of Treasury Manual of Procedures and Instructions for Cashiers (Cashier's Manual), which can be read online at www.fms.treas.gov/imprest/cashiers_manual.pdf.

2.3.3 "PO None" Purchase/Payment Processing

POLICY:

(a) All purchases made under this section's authority, shall be made in accordance with the BPI. A purchase card is the preferred method for completing the purchase, if the total amount is within the card-holder's limits, and does not exceed the dollar limits identified for each type of authorized purchase.

(b) PROCEDURE: In instances where a purchase card cannot be used, the purchase shall be documented on BPA Form 2230.07e, Invoice Certification ("PO None"), and include the name and title of the person executing the transaction, and the category of PO None authority being used. The purchase categories include:

- (1) Emergency, Field, and Urgent Field Purchases. See subpart 2.3.3.1.
- (2) Other authorized categories of purchases. See subpart 2.3.3.2

(c) Restrictions, including dollar limits of authority for each category are detailed in sections 2.3.3.1 and 2.3.3.2 as well as any additional information that must be included for approval. Purchases in excess of the limits identified in these sections must be made by Contracting Officers with appropriate Certificate of Appointment authorities. Persons with a Contracting Officer Certificate of Appointment may use PO None within their delegated authority. Any purchases in excess of the limits identified and not in accordance with these BPI provisions will not be accepted for payment on a PO None.

BONNEVILLE PURCHASING INSTRUCTIONS
Part 2 -- Contracting Authority and Responsibilities

(d) Personal property, as defined in the BPA Asset Management Instructions, Section 1 Personal Property Instructions, subparts 1.1 and 1.6, may be purchased using this authority. All personal property items purchased using a PO None shall be accurately recorded in the personal property tracking system immediately after receipt of the item(s).

2.3.3.1 Field Purchases

(a) Emergency Field Purchases. An “emergency” is defined as an unanticipated outage or a situation when life or property is at risk, and quick and decisive action is necessary to correct or mitigate the problem. The completed PO None form must include a description of the emergency requiring the purchase.

(1) Dollar limits. Emergency field purchases are authorized up to the following amounts:

- (A) Materials, Supplies, and Equipment (includes rentals without operator): \$5,000;
- (B) Services (includes equipment rentals with operator): \$2,000.

(b) Urgent Field Purchases. “Urgent” is defined as an unforeseen situation where a field project would be unduly delayed if materials or services aren’t purchased immediately. The completed PO None form must include the circumstances and delay that would occur if the purchase were not made.

(1) Dollar limits. Urgent field purchases are authorized up to the following amounts:

- (A) Materials, Supplies, and Equipment (includes rentals without operator): \$5,000;
- (B) Services (includes equipment rentals with operator): \$2,000.

(c) Other Field Purchases. All field purchases over \$1000 that can be planned for in advance shall be made only by a contracting officer. The “Other” field purchases category should be used in non-emergency, non-urgent situations where a purchase card is not accepted, and which are needed to complete routine jobs or projects. The “other” field purchases category shall not be used for materials which are available from stock and can meet the need in a timely manner. This category shall be used for non-recurring, non- repetitive purchases. The completed PO None form must include the reason for the purchase and why it was not made through Supply Chain Services.

(1) Dollar limits. Authorized purchases shall not exceed \$2000 in value for any single purchase.

- (A) Materials, Supplies and Equipment (includes rentals without operator): \$2000;
- (B) Services (includes equipment rentals with operator): \$2000.

(d) Only the positions listed in this paragraph, their designees, or persons serving in the duties of the positions on an acting basis, are authorized to make field purchases:

Senior O&M Manager
District Manager
Regional Resource Specialist
Planner/Scheduler
Cost Analyst
District Resource Specialist
Heavy Mobile Equipment Mechanic
Natural Resource Specialist
Facility Maintenance Worker

BONNEVILLE PURCHASING INSTRUCTIONS

Part 2 -- Contracting Authority and Responsibilities

Chief Substation Operator
Power System Control District Engineer
Substation maintenance Electrician I, II, and III
System Protection and Control District Engineer
Transmission Line maintenance Foreman I, II, and III
Supply technician
Construction Foreman I, II, & III
Construction & Maintenance Services Assistant
General Craft Services manager
Central Electrical Services Manager

2.3.3.2 Other Authorized Uses of PO None

POLICY:

(a) **Commercial Utility Services.** Commercial Utility Services, as defined in BPI 11.2.1 and that do not require bilateral agreement, may be purchased using a PO None by personnel who have been (authorized?) assigned to order such services.

(b) **Training Services.** The **Talent Development & Organizational Effectiveness** group may use a PO None to make payment for training to vendors that do not accept a purchase card. Arrangements to use a PO None must be made in advance of the training event. For transactions less than \$1500, the CO in the Training and Organizational Development Office is authorized to approve the PO None. When the amount exceeds \$1500, the PO None is forwarded to the Supervisory Contract Specialist in the Professional & Services Purchasing group for approval.

(c) **Library Materials and Subscriptions.** Library employees who are purchase card holders are authorized to submit a PO None for purchases up to \$5000 for library materials or subscriptions where the vendor does not accept a purchase card.

(d) **Recognition Refreshments and BPA Logo Merchandise.**

(1) Payment for recognition purchases that cannot be made with a purchase card may be made using a PO None. The recognition purchases must be made in accordance with Personnel Letter 451-1. Managers must sign the PO None form. In general, PO None purchase authority is limited to refreshments and to BPA logo merchandise from the agency approved employee welfare programs association.

(2) Designated Human Capital Management personnel have additional authority to make other Recognition Program purchases using the PO None process up to \$500 per individual item.

(3) Payment for purchases of gift cards may not be processed on a PO None

(e) **Memberships. Payment for memberships and dues must be in accordance with BPA Manual Chapter 110.**

(1) Corporate: Payment for corporate memberships may be made using a PO None. The PO None must be accompanied by a completed BPA Form 1130.01e.

2) Individual: Payment for individual memberships and dues may be made using a PO None. The PO None must be accompanied by a completed BPA Form 1130.01e.

BONNEVILLE PURCHASING INSTRUCTIONS

Part 2 -- Contracting Authority and Responsibilities

(f) **Government Bills of Lading (GBL).** The BPA Traffic Manager, or designee named in writing, may use the PO None process to submit GBLs for payment, for transport of goods according to tariff schedules, without ancillary loading and unloading services.

(g) **Other purchases up to \$500 authorized by managers.** Managers may submit PO None documentation for purchase of commercial goods and services not prohibited elsewhere in the BPI, BPA Manual, or other Federal documentation (e.g. alcohol, tobacco, firearms, travel, etc) up to \$500. The purchases must be within the budget and fall under the line item categories specified in the manager's budget. Additional requirements and limitations on this authority are:

(1) For other good and services under the provisions of this subpart (g), managers shall submit BPA Form 2230.07e, Invoice Certification ("PO None").

(2) PO Nones submitted for expenditures greater than \$500 under this subpart (g) will not be accepted for payment.

(3) Purchases under this authority shall not be made for IT items (including but not limited to: cell phones, cell phone service, PDA's, smart phones, flash sticks, memory drives, printers, laptops, hard drive, computer software, copy machines, toner) and training.

(4) In accordance with the provisions of this subpart (g), managers may reimburse employees for official business expenditures. The employee shall submit BPA Form 2230.06e, Claim for Reimbursement for Expenditures on Official Business and include supporting receipts.

(5) A copy of all requests for payment for purchases under this subpart (g) must be sent to Supply Chain Operations – NSS.

2.4 RATIFICATION OF UNAUTHORIZED CONTRACT COMMITMENTS.

2.4.1 Policy.

Except as described in BPI 2.2 or 2.3, no BPA employee shall commit BPA funds or enter into a contract without a written delegation of authority (warrant) from the HCA. This policy includes both new commitments as well as modifications to existing contracts.

An unauthorized commitment is defined as follows: An agreement that is not binding solely because the BPA representative who made it lacked the authority to enter into that agreement on behalf of the BPA.

2.4.2 Procedures to Ratify Unauthorized Commitments.

(a) Requisitioner responsibilities. Actions to be taken upon discovery of an unauthorized commitment are described in Appendix 6-A, Requisitioners' Guide to Preaward Activities.

(b) Notification to CO. Any employee discovering an unauthorized commitment shall immediately advise the responsible CO, or the Sourcing Services office if the CO cannot be identified. The Supply Chain Services management will appoint a CO if this unauthorized obligation is a new action that is not associated with an existing award. The employee must also contact the appropriate staff in the affected program office to determine whether funds are available.

(c) Review of Unauthorized Commitment: The CO will review the circumstances of the unauthorized commitment and assess the risk to BPA, and shall consult with Risk Management or legal counsel to determine whether work should be stopped or the commitment suspended or terminated. If the value of the unauthorized commitment exceeds \$50,000, the CO shall contact

BONNEVILLE PURCHASING INSTRUCTIONS

Part 2 -- Contracting Authority and Responsibilities

the HCA immediately to advise of pending action. The CO may require the Contractor to halt delivery or stop work if funds are not available for the unauthorized purchase, if the program office determines that the goods or services are not required to accomplish BPA mission and goals, or if it appears that BPA may be at risk if the Contractor continues work. If necessary, the CO shall direct the disposition of all products and deliverables as a result of the unauthorized commitment.

(d) Ratification Information. The employee who made the unauthorized commitment shall assist the CO, to include providing essential information concerning the transaction within 5 days of the commitment or discovery of the unauthorized commitment. The employee shall provide to the CO a written explanation of the actions that led to the unauthorized commitment. The individual's performance manager must concur via signature on the written explanation that the item(s) or service(s) were necessary and appropriate to meet BPA's mission and goals.

(e) Approvals.

(1) The CO may ratify the unauthorized commitment, based on the documentation as required in paragraph (d) above and in BPI Appendix 6-A, without further approvals where the purchase was for commercial goods and services, funds are available, and the unauthorized commitment does not exceed \$50,000. All other transactions, including construction and other all non-commercial purchases, must be approved by the HCA prior to ratification. The CO shall prepare and present the information to the HCA for actions that exceed \$50,000.

(2) If a pattern of unauthorized commitments by either the responsible employee or the organization is observed by COs or Supply Chain Services management, they may contact the HCA, Risk Management Officer or legal counsel who can provide advice and assistance. Any of the offices involved in review and approval of the ratification may suggest to the program office appropriate management actions to avoid future unauthorized commitments.

(f) Monitoring of Ratifications. The HCA and Supply Chain Services management shall monitor all unauthorized commitments regardless of dollar amount. After a CO or the HCA ratifies an unauthorized commitment, the CO who prepares the award document(s) shall send a copy of the award face page of the ratified award and a copy of the documentation required in paragraph (d) above, to the performance manager of the person who made the unauthorized commitment, the Vice President of that organization, the CO's immediate supervisor, the Chief Supply Chain Officer, and the HCA. This information will be used to monitor compliance with this policy.