

**PART 2
CONTRACTING AUTHORITY AND RESPONSIBILITIES**

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

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- (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.

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.

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2.3.2 Purchases not Requiring Certificates of Appointment.

POLICY:

(a) Purchase Cards. Employees who have been issued a BPA P-Card may make purchases within the limits prescribed for such cards. Details are found in BPI Part 26 and in the Supply Chain Purchase Card Manual.

(b) Cash Purchases. Employees may make cash purchases when authorized. See Part 26 and Appendix 6-A, Section 4.4.5.

(c) Field Purchases.

(1) Emergency Field Purchases. An "emergency" is defined as an unanticipated outage or a situation that occurs when life or property is at risk and quick and decisive action is necessary to correct or mitigate the problem. If a purchase card transaction is insufficient or not possible, and a Contracting Officer cannot be contacted, persons (permanent or acting) in positions designated in paragraph (4) below, or their named designee are authorized to purchase materials and services that are needed in an emergency.

(2) Urgent Field Purchases. For the purposes of field authority purchasing, "urgent" is defined as an unforeseen situation where a field project would be unduly delayed if materials or services aren't purchased immediately. Such purchases may be made by persons in positions designated in paragraph (4) below, and by persons serving in the duties of those positions on an acting basis.

(3) Procedures for Emergency and Urgent Field Purchases

(A) A purchase card is the preferred method for completing the purchase if the total is within the card-holder's limits and also does not exceed the amounts listed in (C) below.

(B) Personal Property, as defined in Personal Property Instructions 1.1 and 1.6, may be purchased using this field purchase authority. All Personal Property purchased under this section shall be accurately recorded in the property tracking system immediately after receipt of the item(s).

(C) All purchases under this authority shall be made in accordance with the BPI. If a P-Card is not used, the purchase shall be documented on the Invoice Certification form 2230.07e ("PO None"), and include the name and title of the person executing the transaction and explanation of the emergency or urgent situation. Such field purchases are authorized up to the following amounts:

<u>Materials, Supplies, and Equipment</u> (including rentals, without operator)	\$5,000
<u>Services</u> (including equipment rentals with operator)	\$2,000

(4) Positions authorized to execute purchases under the above authorities are:

1. Regional Manager or Senior O&M Manager
2. Regional Deputy Manager
3. Resource Management Specialist or Planner/Scheduler
4. Cost Analyst
5. Program Analyst (Spokane)
6. Maintenance Assistant or Field Service Assistant
7. Heavy Mobile Equipment Mechanic Foreman
8. Surveyor
9. Regional Natural Resource Specialist

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10. Regional Facility Maintenance Worker
11. Ross Complex Facility Maintenance Manager
12. Chief Substation Operator
13. Power System Control District Engineer
14. Substation Maintenance Electrician I, II, and III
15. System Protection and Control District Engineer
16. Transmission Line Maintenance Foreman I, II, and III
17. Supply Technician
18. Construction Foreman I, II, and III
19. General Craft Services Manager
20. Central Electrical Services Manager

(d) Commercial Utility Services. Commercial Utility Services, as defined in 11.2.1 and that do not require bilateral agreement, may be acquired by personnel who have been assigned to order such services. Any utility service that requires a bilateral agreement must be executed by a contracting officer.

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 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

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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.