

BPA Policy 140-3

Authority to Obligate the Bonneville Power Administration

Table of Contents

1. Purpose & Background	2
2. Policy Owner	2
3. Applicability	2
4. Terms & Definitions	2
5. Policy.....	2
5.1 Proper Authority to Obligate BPA	2
5.2 Contract and Agreement Development	3
5.3 Contract and Agreement Administration	3
6. Policy Exceptions	4
7. Responsibilities	5
8. Standards & Procedures	6
9. Performance & Monitoring	6
10. Authorities & References	6
11. Review	7
12. Revision History	7
Appendix A: Policy for Specific Contract and Agreement Types	8



1. Purpose & Background

In the course of operations, BPA executes a wide variety of contracts and agreements with outside entities, obligating BPA to specific actions or responsibilities. Outside entities include customers, contractors, service providers, vendors, suppliers, and other federal agencies, and state and local governmental entities. The types of contracts and agreements vary widely and include power, transmission, service, supply, construction, real property, and point-of-sale purchases of goods and services executed by purchase card.

This is a broad and complex area of activity. Best practices indicate the need for general guidance for fundamental requirements that apply whenever BPA executes a contract or agreement. While policies, processes, and controls are in place for specific types of contracts and agreements, and for particular business line activities, compliance with this policy ensures all contracts and agreements meet minimum standards for fulfillment, performance, management, and administration. The policy sets overarching requirements, and provides a roadmap pointing to sources of further requirements for specific types of contracts and agreements.

2. Policy Owner

The Executive Vice President of Compliance, Audit & Risk Management (EVP CAR) owns this policy. The Chief Compliance Officer (CG) is responsible for its implementation and administration.

3. Applicability

This policy applies to all BPA activities that obligate BPA to contracts or agreements with outside entities, including other governmental entities.

4. Terms & Definitions

N/A

5. Policy

This section sets high-level requirements for all BPA contracts and agreements. *Appendix A* provides a roadmap to more specific requirements documentation for particular contract and agreement categories.

5.1 Proper Authority to Obligate BPA

- A. Approving, awarding, managing, and terminating contracts and agreements that obligate the federal government are inherently governmental functions. Accordingly, only BPA federal employees with delegated authority can obligate BPA to a contract or agreement. Contract workers may only participate in non-binding contracting activities.

Organization Compliance & Governance (CG)	Title Authority to Obligate the Bonneville Power Administration			Unique ID 140-3
Author Tom Ono (CGC)	Approved by Tom McDonald, EVP CAR	Date March 14, 2019	Version 1.0	Page 2

- B. Delegations of authority to obligate BPA must be documented. See, BPA Policy 140-1, *Delegations of Authority to Bind the Bonneville Power Administration*.
- C. All contract and agreement development processes must have controls in place to ensure all obligations within a contract or agreement, are within the delegated authority of the employee executing the contract or agreement on BPA’s behalf.

5.2 Contract and Agreement Development

- A. Before BPA executes a contract or agreement, controls must be in place to ensure that
 - 1. The contract or agreement is one that BPA can legally fulfill;
 - 2. BPA can efficiently fulfill, track, and administer the contract or agreement in accordance with established BPA operations; and
 - 3. The BPA signatory has documented delegated authority to obligate BPA to that contract or agreement.

5.3 Contract and Agreement Administration

A. Obligation Fulfillment

- 1. BPA must track fulfillment of contract and agreement obligations, both by BPA and third parties. For most contract and agreement types, BPA has tracking management systems in place. (See, policies listed in *Appendix A*.) If there is not an appropriate tracking management system, the responsibility to ensure contract performance falls to the employee originally obligating BPA to the contract or agreement.
- 2. While contract workers may participate in receiving goods and services, only BPA federal employees can accept goods and services on behalf of BPA. Invoices may only be accepted against the goods and services received.
- 3. Only a BPA federal employee with the appropriate delegated authority may perform the following activities:
 - a) Changing or modifying a contract or agreement;
 - b) Accepting goods, services, or construction under a contract or agreement; or
 - c) Interpreting the terms and conditions of the contract or agreement.

B. Payment

BPA makes payments under a contract or agreement following requirements specific to the type of contract or agreement. See, *Appendix A*. The following general requirements apply:

- 1. Requests for payment must be made through the required method (e.g. through Asset Suite or PeopleSoft Financial Management Systems [FMS], or by submission of the appropriate form).

Organization Compliance & Governance (CG)	Title Authority to Obligate the Bonneville Power Administration		Unique ID 140-3	
Author Tom Ono (CGC)	Approved by Tom McDonald, EVP CAR	Date March 14, 2019	Version 1.0	Page 3

2. Accounts Payable & Receivables (FTOA) will only make a payment for products or services received under an agreement after the proper receipt and acceptance authorization process is confirmed.
3. Payments must be processed in a timely manner and in compliance with the Prompt Payment Act.

C. Information Management

1. All contracts and agreements are subject to information management requirements. (See, BPA Policy 236-1, *Information Governance & Lifecycle Management*.)
2. Each contract and agreement must have an identified system-of-record and information owner. Systems of record for specific contract and agreement types are recorded in the policies listed in *Appendix A*.

D. Performance Monitoring

Administration of all contracts and agreements must include effective controls that sufficiently monitor performance. Depending on the contract or agreement, these may include:

1. Monitored cost management controls implemented for all purchasing activities under contracts and agreements;
2. A mandatory mechanism for reporting contract irregularities, including questionable spending activity; and
3. A reconciliation process to ensure the parties have fulfilled their respective obligations and that contracts and agreements are closed in a timely manner.

6. Policy Exceptions

In the event of a declared emergency, the Administrator or acting executive in the emergency line of succession,¹ or the Incident Commander² may activate emergency purchasing flexibilities as specified in Part 27 of the *Bonneville Purchasing Instructions*.

¹ See, BPA Policy 140-1, *Delegations of Authority to Bind the Bonneville Power Administration*, §5.1.

² See, BPA Policy 260-1, *Continuity of Operations and Emergency Management*.

Organization Compliance & Governance (CG)	Title Authority to Obligate the Bonneville Power Administration			Unique ID 140-3
Author Tom Ono (CGC)	Approved by Tom McDonald, EVP CAR	Date March 14, 2019	Version 1.0	Page 4

7. Responsibilities

A. Managers and Executives

1. Ensure all contracting acceptance, approval, and termination activities, within the scope of their responsibility, are solely performed by federal employees with documented delegations of authority.
2. Ensure all contract- and agreement- related administration and information management within the scope of their responsibility are performed in accordance with this policy.
3. Investigate any irregularities in contract or agreement execution and take appropriate action.

B. BPA Employees: Before obligating BPA to a contract or agreement –

1. Verify possession of delegated authority to bind BPA to each obligation contained within the contract or agreement;
2. Verify the contract or agreement is one BPA can legally, operationally, and financially fulfill; and either
 - a) Verify the contract or agreement is managed within an existing system for its administration; or
 - b) Take responsibility to ensure contract or agreement obligations are fulfilled, payments are timely made, and it is managed in accordance with information management requirements.

C. Transaction Oversight Bodies

1. These listed oversight committees, teams, and groups will identify and close gaps in policies, processes, and standards documentation implementing this policy's requirements.
 - Marketing & Sales, Front, Middle & Back Office, Policy & Standards Implementing Group (FOMOBO)
 - Purchasing Property Governance (CGP)
 - Internal Control Oversight Team (ICOT)
 - Risk Oversight Committee (ROC)
2. When an oversight body has no mechanism for addressing an identified gap, the chairperson will bring the issue to the ICOT.

Organization Compliance & Governance (CG)	Title Authority to Obligate the Bonneville Power Administration			Unique ID 140-3
Author Tom Ono (CGC)	Approved by Tom McDonald, EVP CAR	Date March 14, 2019	Version 1.0	Page 5

8. Standards & Procedures

Standards and procedures vary, depending on the nature of the contract or agreement. *Appendix A* provides references to specific guidance and requirements for the listed contract and agreement types.

9. Performance & Monitoring

The Executive Vice President, Compliance, Audit & Risk Management, working through the Audit, Compliance, and Governance Committee (ACGC), has responsibility for monitoring compliance with this policy and for periodically evaluating its continuing effectiveness.

10. Authorities & References

- A. 31 USC § 3901, *Prompt Payment Act* (1982)
- B. BPA Policy 236-1, *Information Governance & Lifecycle Management References*
- C. **Requirements Sources listed in Appendix A**
 - 1. BPA, *Asset Management Instructions* (October 2017)
 - 2. BPA, *Bonneville Financial Assistance Instructions* (July 2017)
 - 3. BPA, *Bonneville Purchasing Instructions* (March 2018)
 - 4. BPA Policy 130-2, *Functional Statement for Power Services* (2016)
 - 5. BPA Policy 140-1, *Delegations of Authority to Bind the Bonneville Power Administration* (2015)
 - 6. BPA Policy 140-2, *Administrative Designations* (2016)
 - 7. BPA Policy 250-5, *Sponsoring or Co-Sponsoring Public Events Requested by Outside Entities* (2012)
 - 8. BPA Policy 440-72, *Printing and Reproduction* (2015)
 - 9. BPA Policy 461-1, *Acquisition of Real Property* (2017)
 - 10. BPA Policy 473-1, *Acquisition of Information Technology Assets* (2014)
 - 11. BPA Policy 482-1, *Contract Lifecycle Management* (2015)
 - 12. BPA Policy 490-1, *Basic Travel Policy, Responsibility, and Authority* (2016)
 - 13. HR Directive 410-4, *Employee Development and Training* (2016)
 - 14. HR Directive 410-8, *Employee Recognitions and Awards* (2017)
 - 15. HR Directive 410-10, *Professional Liability Insurance, Memberships, and Professional Credentials* (2016)

Organization Compliance & Governance (CG)	Title Authority to Obligate the Bonneville Power Administration	Unique ID 140-3		
Author Tom Ono (CGC)	Approved by Tom McDonald, EVP CAR	Date March 14, 2019	Version 1.0	Page 6

D. BPA Procedure 120-1-2, *Internal Policy Development and Approval* (2015)

11. Review

- A. ICOT will review this newly adopted policy before the end of Fiscal Year 2019.
- B. The five-year sunset review standard applies to this policy.

12. Revision History

Version Number	Issue Date	Brief Description of Change or Review
1.0	3/14/2019	Initial publication of new policy

Organization Compliance & Governance (CG)	Title Authority to Obligate the Bonneville Power Administration	Unique ID 140-3		
Author Tom Ono (CGC)	Approved by Tom McDonald, EVP CAR	Date March 14, 2019	Version 1.0	Page 7

Appendix A: Policy for Specific Contract and Agreement Types

Contract or Agreement Activity Type	Policy	Delegation From	Limits
Acquisition of IT Assets	BPA Policy 473-1	CIO	Defined in policy
Commercial Utility Services	BPI	HCA	Defined in policy
Financial assistance and grants	BFAI, BPI	HCA	Defined in Certificate of Appointment
GSA Vehicles	AMI	OPMO	Fleet Management
Invoice Certification	BPI	HCA	Defined in policy
Leases/Loans of Equipment	BPI	HCA	Defined in Certificate of Appointment
Memberships	HRD 410-10	HCM	Defined in directive
P-Card/ Convenience Checks	BPI	HCA	Card limit
Personal Use Items	BPI	Chief Certifying Officer	Defined in policy
Printing Services	BPA Policy 440-72	Printing Officer and GPO	Defined in policy
Purchases of electric power	BPA Policy 482-1 BPA Policy 140-1 BPA Policy 231-2	From the Administrator, recorded in CCM	Defined in CCM
Purchases of electric power to the wholesale markets (not preference power contracts)	BPA Policy 140-1 BPA Policy 231-2	Administrator	Defined in CCM
Purchases of energy through power-savings agreements and resource proposals	BPA Policy 130-2 BPA Policy 231-2	Administrator	Defined in CCM
Real Property	BPA Policy 140-2 BPA Policy 461-1	Administrator	Defined in CCM
Recognition – Non Monetary	HRD 410-08	HCM	Defined in directive
Sponsorships	BPA Policy 250-05	Finance and Public Affairs	Defined in policy
Supplies, Equipment, Services, Construction	BPI	HCA	Defined in Certificate of Appointment
Trade-in of Equipment	AMI	OPMO	Defined in policy
Training and Education Courses	HRD 410-4	CAO	Defined in directive
Travel	BPA Policy 490-1	Chief Certifying Officer	Defined in policy

Organization Compliance & Governance (CG)	Title Authority to Obligate the Bonneville Power Administration			Unique ID 140-3
Author Tom Ono (CGC)	Approved by Tom McDonald, EVP CAR	Date March 14, 2019	Version 1.0	Page 8