

CHAPTER 9. SIMPLIFIED ACQUISITION PROCEDURES

- 9-1 PURPOSE. This chapter provides supplemental procedures for the purchase of products and services from open market sources through simplified acquisition procedures (SAP). This chapter does not apply to the procurement of construction. Additional procedural guidance may be found in HUD's "Simplified Acquisition Procedures Desk Guide."
- 9-2 POLICY. All simplified acquisitions shall be made in accordance with FAR Part 13. The procedures prescribed in Part 13 and this chapter shall be used for all individual purchases which, in their aggregate dollar value, do not exceed the simplified acquisition threshold (currently \$100,000; see FAR 2.101), except under special circumstances where it is clearly in the Department's best interest to make such an acquisition through formal contracting methods. Contracting Officers shall comply with the requirements of FAR Part 8 to use required sources of supplies and services. Simplified acquisitions shall be made on a competitive basis to the greatest extent practicable (see FAR 13.104). **Simplified acquisitions greater than \$2,500 and less than \$100,000 shall be reserved for small businesses in accordance with FAR 13.003.**
- 9-3 AUTHORITY. The authority for simplified acquisitions is delegated to individuals in accordance with the Department's published delegations of contracting authority. HCAs may delegate simplified acquisition authority to qualified Departmental personnel in accordance with the current delegations of procurement authority published in the Federal Register. Authority is limited to the SAP threshold. Individual delegations of authority may be further limited to suit individual office needs and/or reflect the qualifications (e.g., experience, training) of personnel.
- 9-4 INDIVIDUAL PURCHASES VS. BLANKET PURCHASES OR CONTRACTS. Whenever practicable, repetitive or routine open market acquisitions of common, commercially available, small dollar value items or services should be made using blanket purchase agreements (BPAs; see section 9-11) or indefinite-delivery contracts (see FAR Subpart 16.5) rather than individual purchases. Program offices should consult with the cognizant Contracting Officer or Purchasing Agent before making such routine or repetitive purchases.
- 9-5 REQUISITIONS. All requests for purchases of products and services below the simplified acquisition threshold shall be made to the cognizant Contracting Officer or Purchasing Agent. Requests shall be made electronically via HUD's Small Purchase System (SPS) to the greatest extent practicable. The CPO has issued separate guidance on the use of the SPS, which is available online at:

<http://hudweb.hud.gov/po/arc/connect/sps.htm>

The requisition shall contain an adequate description of the product(s) or service(s) requested including any specifications, part or catalogue numbers, the quantity needed,

the estimated price, and proper funds reservation. All requests for noncompetitive purchases shall be supported by a brief written justification.

9-6 METHODS OF SOLICITATION (see FAR Subpart 13.106).

- A. Oral price quotations should be sought whenever practicable.
- B. Written price quotations should be obtained whenever it is not practicable to obtain oral quotations, particularly under the following circumstances:
 - 1. The vendor is unwilling or is unable to provide an oral quotation;
 - 2. The work tasks or specifications cannot be readily described orally (e.g., non-commercial services or items) or other information must be provided to vendors (e.g., wage determinations, specifications, etc.);
 - 3. A large variety of items are required making oral description impractical or infeasible; or,
 - 4. The Contracting Officer or Purchasing Agent otherwise determines a written quotation is most appropriate for a particular transaction.
- C. Confirming Purchase Orders should be issued by the Contracting Officer or Purchasing Agent as soon as practicable when the issuance of a written order is required, but the circumstances demand an immediate oral (e.g., telephone) or electronically-transmitted (e.g., facsimile or telegraphic) order.

9-7 PURCHASE ORDER FORMS. In addition to forms authorized under FAR Part 13, purchases of “off-the-shelf” training (see paragraph 6-7.E) may be made using the SF-182, “Request, Authorization, Agreement and Certification of Training.”

9-8 DATA TO SUPPORT PURCHASES (see FAR Subpart 13.106).

- A. Data Recording Requirements. Contracting Officers and Purchasing Agents shall enter and maintain in HUD’s Small Purchase System (SPS) all data needed to report simplified acquisition activity as required by paragraph 1-4.
- B. Small Purchase File. The purchase file shall include a copy of the executed purchase order, the requisition, and other pertinent documents (e.g., completed and signed written price quotations when requested, justification of noncompetitive purchase, etc.). Documentation should be kept to the minimum necessary to support price reasonableness (see FAR 13.106-3) and may be in any format.
- C. Federal Taxpayer Identification Number (TIN).

1. Pursuant to FAR Subpart 4.9, for open market purchases only, Contracting Officers and purchasing agents shall determine whether the vendor is an individual proprietorship or a partnership. In either case, the vendor's TIN (or Social Security Number (SSN) if a TIN has not been assigned by the IRS) must be entered in block 9 of the OF-347. The number must be preceded by the letters "TIN" regardless of whether it is a TIN or SSN. The following language also must be inserted at the bottom of block 17 of the OF-347:

NOTE: TAXPAYER INFORMATION NUMBER SHOWN IN
BLOCK 5 (OR 9) ABOVE MUST BE INCLUDED ON ALL
INVOICES.

2. The TIN must be entered into HUD's financial reporting systems regardless of whether or not a written order is issued to the vendor.

9-9 MICRO-PURCHASES (see FAR Subpart 13.2).

A. Use of Governmentwide Commercial Purchase Card. The Governmentwide Commercial Purchase Card shall be used to make all micro-purchases except as listed below. Policy and procedural guidance on the use of the Bankcard is provided in HUD Handbook 2212.1, "Governmentwide Commercial Credit Card Program." Exceptions include:

1. Items prohibited from purchase using the purchase card listed in paragraph 3-5 of Handbook 2212.1; and,
2. Purchases where the vendor will not accept the purchase cards.

B. Use of Purchase Orders. The use of purchase orders for micro-purchases is permitted only when the cognizant Contracting Officer or Purchasing Agent determines that use of the Governmentwide Purchase Card is not practicable or appropriate

9-10 BLANKET PURCHASE AGREEMENT (BPA). FAR 13.303 contains the principal guidance on the use of BPAs. BPAs are a means of establishing "charge accounts" with qualified sources of supply to cover anticipated small requirements of readily available supplies or services of the same general category. BPAs reduce the need for, and the administrative cost of issuing repetitive or multiple orders for routinely purchased items or services.

- A. Contracting and purchasing offices should establish BPAs whenever the circumstances in FAR 13.303-2 are present, and it is practicable.
- B. OF-347, "Order for Supplies or Services," shall be used to establish the BPA.

- C. Contracting and purchasing personnel shall periodically test the market place to ensure that BPA prices are competitive and to determine if changes in market conditions, sources of supply, etc., warrant making new agreements with different vendors, or modifying existing agreements whose administration has been delegated to a program office representative.

- D. A record of all orders made under BPAs shall be maintained by the ordering office, with copies of such record forwarded to the contracting or purchasing office on a monthly basis. This record must include for each order:
 - 1. BPA number;
 - 2. Date of order;
 - 3. Description of item or item number;
 - 4. Name of authorized ordering official;
 - 5. Price(s);
 - 6. Accounting and appropriation data; and,
 - 7. Rationale for any purchase from other than the lowest-priced vendor.

- E. Payment approval may be delegated to the GTR or program office personnel at the discretion of the Contracting Officer. In no event shall payment be made without documentation as to the placement of the order by the authorized supervising official.

- F. Authorized ordering officials (see paragraph 1-4.B.7) shall place all orders.