



# EPA Small Purchases

## A Guide For Program Offices



**Recycled/Recyclable**  
Printed on paper that contains  
at least 50% recycled fiber

# Table of Contents

---

Introduction . . . . .	1
Frequently Used Procurement Terms . . . . .	1
Methods Of Procurement . . . . .	3
Procedures . . . . .	4
Plan In Advance . . . . .	4
Prepare a PR . . . . .	4
Circulate The PR Internally . . . . .	5
Circulate The PR Externally . . . . .	6
Forward The PR To The Servicing Purchasing Activity . . . . .	6
Hints For Unusual Procurements . . . . .	6
Blanket Purchase Agreements (BPAs) . . . . .	6
Imprest Fund . . . . .	7
Use Of GSA Federal Supply Schedules . . . . .	7
Temporary Help Services . . . . .	8
Acquisition Of Books And Subscriptions . . . . .	9
Office Furniture . . . . .	9
ADP Equipment . . . . .	10
Conferences/Meetings . . . . .	10
Contracting With Former EPA Employees . . . . .	11
Status Of PRs . . . . .	12
Contractor Performance Reports . . . . .	12
Future Automation . . . . .	12

# Introduction

---

The purpose of this guide is to provide basic information about small purchases and purchase orders for all program personnel who require procurement of supplies or services. The Guide includes basic terminology and procedures and examples that will help you understand the increasingly complex procurement process.

## Frequently Used Procurement Terms

---

Several basic terms are used in Government “**procurement**,” which is the acquisition of supplies or services.

One of the most important players in the procurement process is the “**Contracting Officer**” (CO). Only a CO has official authority to place orders for supplies or services, thereby obligating the Government to pay.

“**Purchasing Agents**,” using their delegated contracting officer authority, process small purchase requirements, placing orders with vendors up to varying dollar limits, depending on their authority.

“**Ratification**” is an important term. Only authorized persons may obligate funds. Those persons include COs and Purchasing Agents, as well as program personnel who have been delegated procurement authority.

Unauthorized persons who commit EPA for the expenditure of funds in exchange for goods or services must prepare detailed documentation and request the CO to “**ratify**” (approve the purchase even though correct procedures were not followed) the purchase by issuing an appropriate document to the vendor. If the CO is unable to ratify the procurement, either due to insufficient justification or because the procurement is illegal and therefore could not be effected by an authorized person, the person who placed the order may be held personally liable for the costs incurred and subject to Agency disciplinary action.

U.S. Environmental Protection Agency  
 Region 5, Library (PL-12J)  
 77 West Jackson Boulevard, 12th Floor  
 Chicago, IL 60604-3590

**"PR"** is one of the most common procurement terms at EPA. A PR, or Procurement Request/Order (EPA Form 1900-8), is mandatory for most procurement methods. Internal program procedures may not require a PR for bankcard or BPA purchases, but generally a similar document will be necessary for tracking commitments of funds. Ask your supervisor or a co-worker to explain the applicable procedures in your office.

All procurement personnel frequently quote the **"FAR."** The FAR is the Federal Acquisition Regulation, with which all Government agencies must comply. The **"EPAAR"** is the EPA Acquisition Regulation and implements the FAR. EPA also issues the **"CMM,"** the Contracts Management Manual, which sets forth formal Agency policy on many procurement issues, including preparation of a PR (Ch. 2), Blanket Purchase Agreements (Ch. 4), and ratifications of any unauthorized commitments (Ch. 12).

**"Competition"** is another frequently used term. The FAR requires Government COs to solicit several vendors/offers to obtain competitive price quotes prior to award of a purchase order or contract valued in excess of \$2,500. To accomplish competition, Purchasing Agents generally call several qualified vendors and obtain verbal price quotations. The FAR generally requires that all small purchases be reserved for small business concerns.

Requests for **"sole source"** procurements require additional documentation from the requisitioner justifying the use of only one source. Justifications are discussed in more detail below.

For complex statements of work or long lists of items, Purchasing Agents may issue **"RFQs"** (Requests for Quotations) and obtain written price quotes rather than obtaining oral quotes by telephone.

Another term frequently used by procurement personnel is **"GSA"** or **"FSS."** These terms usually refer to contracts awarded by the General Services Administration's Federal Supply Service for mandatory use by all Government agencies. Those contracts, or **"schedules,"** are established with commercial firms to provide supplies or services at stated prices for fixed periods of time. They include various types of office equipment, file cabinets, and many other commercial items. Purchasing Agents can assist in determining whether the item you require is on schedule. Use of schedules can often eliminate the need to obtain price quotes.

If schedules are not used, the purchase order is issued on the **"open market"** and, if in excess of \$2,500, requires competition unless justified on a sole source basis. Open market orders may not exceed \$25,000. Orders may not be split to avoid that limit.

# Methods Of Procurement

---

There are several methods by which Purchasing Agents and others who have been delegated authority may place orders.

A **“purchase order”** is used for most procurements valued at \$25,000 or less. (A **“contract”** is used for most procurements over \$25,000 and is not discussed in this guide). Purchase orders require the signature of an authorized CO, or Purchasing Agent. A variation is the **“delivery order,”** which is an order placed by a designated CO against an existing Government contract. In certain instances, purchasing agents issue oral orders to vendors.

**“Blanket Purchase Agreements”** (BPAs) are essentially unfunded purchase orders issued by a Purchasing Agent to vendors from which programs have recurring needs for small items or services. Verbal orders, placed by program personnel, eliminate the need for written orders. BPAs are not always appropriate, but the purchasing activity will assist you in determining their propriety.

The **“Imprest fund”** provides program personnel funds to pay for supplies or services as long as the purchase was previously approved by a CO. In this method, a requisitioner, after obtaining internal approval, obtains permission from a CO to purchase supplies and may then obtain advance funds or reimbursement from the imprest fund.

A **“Bankcard,”** a Government charge card maintained and used by authorized program personnel, is the most efficient procurement method for small purchases. Although there are certain restrictions on the types of items and services that may be ordered, it is an extremely quick method of filling requirements because properly trained and authorized program personnel, rather than purchasing office personnel, retain and use the card. Less paperwork is necessary. Your office may have one or more authorized bankcard users. Check with your supervisor to learn the procedures established in your office for use of bankcards.



# Procedures

---

## Plan In Advance

Advance planning is essential to ensure that the purchasing activity has sufficient time to place orders and the vendor has time to deliver without interruption to a program's activities. Procurement personnel must comply with many complex regulations, some of which mandate allowing vendors certain periods of time in which to respond to solicitations. Unfortunately, issuance of orders cannot be accomplished immediately after receipt of your PR.

The following leadtimes for processing PRs using small purchase procedures apply:

- ☐ Purchase orders, both competitive and sole source:
  - 15 days if the Purchasing Agent can issue an oral order, including bankcard orders, or
  - 25 days if the order must be in writing.
- ☐ Blanket Purchase Agreements:
  - 45 days

Remember, however, that issuance of an RFQ to several vendors will require additional time.

Purchasing activities establish cut-off dates prior to the end of each fiscal year. You must submit by that date all requirements to be awarded by September 30. For example, in FY 1992, the cut-off date at Headquarters was July 31. The Small Purchase Unit attempts to award all requirements received by that date. If your requirement is complex, there may be insufficient time for award. End-of-year workload may adversely impact requirements submitted late. **Submit your requirements as early as possible!**

## Prepare a PR

The procedures you must follow for obtaining supplies or services by purchase order are relatively simple. You must complete a PR, follow your office's internal procedures for obtaining approvals and funds, and forward the documents to the purchasing office.

You must complete EPA Form 1900-8, Procurement Request/Order in accordance with the instructions on the reverse of the form. You may include with the specification brand names and model numbers as examples of

supplies or equipment that meet your requirements. If only one brand is acceptable, explain why. If complex services are required, include a complete, detailed description of the requirement. Be sure to include a specific required delivery or completion date.

Typing the form error free allows the Purchasing Agent to use the form as the purchase order and process your order more quickly. Other time savers include use of attachments for information other than a description of the supplies or services required, as well as checking "yes" in Block 15, which allows the Purchasing Agent to include small additional amounts such as those necessary for shipping and handling charges without calling you to obtain additional funds.

If your location has an electronic system, you will use an electronic form instead of Form 1900-8 and may secure electronic approvals. Lead time requirements will remain unchanged.

You may include suggested sources (name and telephone number) that might satisfy your requirements. If the value of the requirement exceeds \$2,500 and only one source is available, you must include a written justification explaining the circumstances. The FAR allows sole source acquisitions only in certain circumstances. They include the following:

- ☐ only one source and no other supplies/services will satisfy the requirement,
- ☐ the need for the supplies or services is of such an unusual and compelling urgency that the Agency would be seriously injured unless the number of sources solicited is limited, and
- ☐ the source is authorized by statute.

The first two instances are self-explanatory. The third includes procurement of expert testimony authorized by the Superfund Amendments and Reauthorization Act of 1986 (SARA).

Justifications must be detailed and fully describe your specific situation. For example, if only one source is available, you must explain why that is true; what efforts you made to locate another source; and, in the case of supplies, why no other item produced by another vendor is acceptable. If you need supplies or services urgently, you must fully describe the urgency. Lack of advance planning is not sufficient justification for a sole-source procurement. That is why advance planning, described above, is so important.

## **Circulate The PR Internally**

You must circulate PRs within your office to obtain any signatures your office mandates, including that of the funds certifying officer. COs cannot place orders unless funds are certified as available.

## **Circulate The PR Externally**

You may have to circulate the form to other offices if additional Agency approvals are necessary. A frequent requirement is Facilities Management and Services Division approval for non-expendable equipment, including furniture and office equipment. Other examples include requirements for ADP equipment, calculators, printing, and telecommunications equipment. (See CMM, Ch. 2, Attachment 2-F2-1.)

## **Forward The PR To The Servicing Purchasing Activity**

Forward the completed document to the purchasing activity that serves your office. Allow sufficient time for the Purchasing Agent to process your requirement and for the vendor to deliver. Generally, allow 15 days for award of simple purchase orders and at least 25 days for award of more complex orders. Remember that vendors will require additional time after receipt of an order to deliver items or perform services.

## **Hints For Unusual Procurements**

---

### **Blanket Purchase Agreements (BPAs)**

Purchasing Agents can establish BPAs for programs that have recurring repetitive needs for supplies or services. Procedures are the same as for a routine order except that you should include the names of individuals who should be authorized to make verbal calls to the vendor to order supplies. Those individuals are called Call Ordering Officers, but they must complete training in an approved small purchases course or EPA's Bankcard/Ordering Officer's Training Course. Attach a copy of the training certificates to the PR.

Generally, Call Ordering Officers will have authority to place orders up to \$2,500 at one time. They may not split orders to avoid that limit. They must also maintain internal documentation (logs) to record purchases, funding, and deliveries. Remember that BPAs with an estimated value over \$2,500 (and orders over \$2,500 under BPAs) will require competitive price quotes prior to award unless they are issued under existing Government contracts or justified on a sole source basis. The total value of all calls placed under any BPA may not exceed \$100,000 over a three-year period.

Contact your purchasing activity if you are contemplating establishing a BPA. A bankcard may be a more efficient means of acquiring the goods or services you need.



## **Imprest Fund**

Use of the imprest fund allows program office personnel, after approval by a CO, to obtain supplies or services from local vendors and claim reimbursement or to obtain funds in advance to pay vendors. The process requires more paperwork than use of a bankcard, but it is a viable procedure. You must prepare a PR and obtain any required approvals, including approval by an authorized contracting officer. COs in Headquarters, the Contract Management Divisions at Research Triangle Park and Cincinnati, and the regions have authority to approve imprest fund purchases up to \$500, or \$750 in an emergency. At Headquarters certain individuals in the Facilities Management and Services Division are authorized to approve imprest fund purchases up to \$150. You must justify in writing the need for imprest fund purchases over \$500.

Once you have obtained all the necessary approvals, including CO approval, you may take the PR to the imprest fund cashier to pick up funds with which to pay the vendor. You must obtain a receipt of payment from the vendor and return it to the cashier within three days. If it is more convenient (for example, when the imprest fund office is closed), you may also pay the vendor from your own funds and obtain a receipt to include with the PR when claiming reimbursement from the imprest fund cashier, but only if you previously obtained approval from a CO for the purchase.

## **Use Of GSA Federal Supply Schedules**

GSA's FSS schedules cover a variety of commercial items, ranging from office supplies to office furniture and laboratory equipment, as well as some services, such as carpet cleaning. GSA classifies schedules as mandatory use or non-mandatory use. Agencies must use mandatory schedules to purchase items or services covered in the schedule. Dollar limits on delivery orders placed under schedule contracts are established in the individual schedules. Generally, orders may exceed the open market order \$25,000 limit for small purchases.

Schedules may also be single award, in which only one vendor is available, or multiple award, in which various vendors are available. In the latter case, orders must be placed with the lowest price vendor that offers a product or service that meets the requisitioner's minimum needs.

Agencies must purchase items or services that meet the requisitioner's minimum needs. A requisitioner's personal preference for a specific brand or firm may not be considered. Therefore, you may not tailor an item description in order to purchase the item from a specific vendor or to favor one brand over another. You must justify the need for each characteristic or specification or rush delivery, if desired. However, if you determine the item or service available on a mandatory-use schedule absolutely will not meet

your needs, you must provide the purchasing activity sufficient documentation to support the determination. The purchasing activity must transmit that information to GSA to request a waiver from use of the schedule. GSA will not grant a waiver based on personal preference, subjective evaluations, or lower costs for similar items. GSA responses generally take 30-45 days.

## Temporary Help Services

EPA's Office of Human Resources promulgates guidance on obtaining temporary help as permitted by the Office of Personnel Management. Although you should consult the current version of that guidance, the basic principles are as follows:

- ☐ Temporary help may be obtained to meet short term staffing needs when an office is faced with an immediate, critical need that cannot be met readily through temporary appointment procedures. Examples include personal emergencies, accidents, illness, mandatory jury services, or family responsibilities. Vacations are not included.
- ☐ Temporary help may not be procured to avoid FTE ceilings.
- ☐ Temporary employees are not Federal employees and must not be treated as such.
- ☐ The duration of the assignment may not exceed 45 days within a six-month period, or in the case of maternity leave, without additional justification to extend the period for 20 days.

You must prepare a justification of need for temporary services, including a statement that the services needed are not recurring, that they are needed to fill a temporary vacancy such as maternity leave or illness, and that temporary employees will not be treated as Government employees.

You must include a specific description of the duties that a temporary employee will perform, including duty hours, location, description of actual work to be performed (such as receptionist duties, clerical work, etc.), the name of a Government monitor, provisions for overtime and payment, and the duration of the assignment. Monitors may provide only technical, task-related instructions, including orientation, assignment of tasks, and review of work products. Government employees may not reward, reassign, grant leave to, discipline, or terminate a private sector temporary employee.

Purchasing Agents must obtain temporary help contractors through the competitive procurement process.

You must prepare a PR and forward it with a Request for Temporary Help Services to your servicing human resources office for approval. The form must be signed at the Division or Office Director level.

## **Acquisition Of Books And Subscriptions**

### **Books**

Use of a bankcard is the most efficient and quickest method of purchasing books. You may also use the imprest fund for local purchases. If those methods are unavailable, you may submit a PR to the purchasing activity for processing. Use a separate PR for each vendor.

### **Subscriptions**

Use of a bankcard, as with books, is the most efficient method of purchasing subscriptions. You may also submit a PR to the purchasing activity for processing. If your office needs multiple copies, consolidate the requests on a single PR to reduce processing time. PRs should indicate the publication title, a "deliver to" address, the number of copies required, estimated unit price, and the subscription period. To renew a subscription, include the previous purchase order number and renewal notice you received from the vendor.

## **Office Furniture**

FAR requires Government agencies to purchase office furniture from UNICOR (Federal Prison Industries). UNICOR has several types of furniture. They are (a) wood, both for executives and all grades; (b) modular; and (c) systems. The purchasing activity and the Facilities Management and Services Division have catalogs available for review. You should review the catalogs and determine the type of furniture that meets your needs before you prepare a PR. UNICOR orders require a 15% shipping and handling charge, so budget your requirements accordingly.

Wood furniture is available in two types — Allenwood (for executives) and Centurion (for all grades). Modular furniture consists of separate metal components, some with wood grain tops, that can be combined into various configurations for desks, work tops, shelves, and credenzas. GSA must conduct a space survey and review your requirements to determine whether UNICOR will provide the furniture or issue a waiver for acquiring furniture from a mandatory FSS vendor. The decision usually takes 30 days after the survey is complete.

Systems furniture consists of complete workstations and cluster workstations. Various standardized configurations are available for managers, supervisors, professional staff, and clerical staff. A computer workstation is also available. The mandatory procurement process requires

obtaining and evaluating offers from each contractor and selecting the lowest cost items that best meet your needs. Contractors may also charge design, layout, and installations costs.

File cabinets are a frequently needed item. Orders for file cabinets must be placed with GSA, or in certain circumstances with FSS vendors. GSA usually maintains a supply of vertical and horizontal file cabinets in several colors.

## **ADP Equipment**

Acquisition of ADP equipment is unusual because it requires approval by the Senior Information Resources Management Officer (SIRMO), a designated person responsible for serving your office on issues related to information resources management. EPA generally has a contract in place under which COs place delivery orders for PCs and associated software and hardware. You must prepare a PR and obtain the SIRMO's review and approval before you send the PR to the designated purchasing/contracting activity.

## **Conferences/Meetings**

Federal regulations require agencies that need conference facilities first attempt to obtain facilities within the agency. If none are available, the Facilities Management and Services Division must try to help you find space elsewhere within the Government. If both attempts are unsuccessful, you may then consider non-Government facilities.

You may informally survey hotels or other facilities to determine space availability and cost estimates. If the estimated cost is over \$2,500, at least three sites must be considered. You must then prepare a PR and submit it to the purchasing activity. Include the conference title, dates, number of attendees, agenda, and a list of any audiovisual or other equipment needed. Do not indicate to any vendor that you intend to use their site until the purchasing activity has approved your selection of a vendor.

Conference facilities within a 50-mile radius of your office require special procedures. Contact your servicing Finance Office for more information.

You may acquire a conference room only. You may also acquire conference space, lodging, and meals if they are part of an official training session. If lodging and meals are included, you may not exceed the applicable per diem rate in that location. Use of a purchase order sometimes allows an exemption from certain types of hotel taxes. The dollar limit on purchase orders is \$25,000. Bankcards may not be used to acquire conference facilities.

Agencies may use appropriated funds to pay for conference rooms, audiovisual equipment rental, lodging, and/or meals. At EPA "Abatement, Control and Compliance" funds are generally used. The cost of coffee and

other refreshments at breaks generally is not allowable. Appropriated funds may never be used to pay for alcoholic beverages.

The Comptroller General has issued many decisions on allowable costs for conferences and training. To consolidate the principles contained in those earlier decisions, EPA issued several Controller Policy Announcements. Comptroller Policy Announcement No. 92-07 entitled "Procuring Subsistence for Training/Conferences/Meetings", issued in August 1992, updated all earlier issuances. It will be incorporated into the Resources Management Directives System, Chapter 2550B - EPA Travel. Your purchasing activity can assist you if you have questions about conferences, meetings, or training.

## **Contracting With Former EPA Employees**

To avoid favoritism or the appearance of favoritism toward former EPA employees, EPA implemented FAR requirements in establishing the following policy:

- ☐ No contract (including purchase orders) may be awarded without competition to a former regular or special EPA employee (or to a business concern or other organization owned or substantially owned or controlled by a former employee) whose employment terminated within 365 calendar days before submission of a proposal to EPA.
- ☐ No contract shall be awarded without competition to a firm which employs (or proposes to employ) a current regular or special EPA employee or one whose employment terminated within 365 calendar days before submission of a proposal to EPA if either one of the following conditions exist:
  - The employee is or was involved in developing or negotiating the proposal for the prospective contractor; or
  - The employee will be involved directly or indirectly in the management, administration, or performance of the contract.

The Assistant Administrator for Administration and Resources Management, in consultation with the Agency Ethics Official, may authorize an exception. If you require an exception, you must submit a written request with a sole source justification approved by the CO to the AA through the Ethics Official. A sole source justification involving a former EPA employee whose employment was terminated less than 365 days must indicate the measures taken to perform the requirement in-house.

You must also write the statement of work to satisfy minimum needs. You may not be so restrictive that only the former employee can submit a meaningful proposal.

## **Status Of PRs**

---

Purchasing activities send a copy of each order to the requisitioner when the order is issued. You should retain the copy until the items or services are received. In the event you do not receive a copy within the leadtimes stated above, you may obtain status in two ways.

You may call the purchasing activity. Be sure to reference the account number and document control number.

Purchasing activities at Headquarters, RTP, and CINN have automated systems that may be accessed by program offices. Instructions (titled Remote Query Instructions) on accessing the Small Purchasing Automated Management System (SPAMS) at Headquarters are available from the Small Purchases Unit. The customer service telephone number is 202-260-2943. Contact the small purchase activity at RTP and CINN for instructions for the other systems.

If you know the purchase order number, you may contact the vendor regarding delivery dates, etc.

## **Contractor Performance Reports**

---

To ensure satisfactory performance and timely delivery by vendors, you should notify the purchasing activity if vendors do not provide the supplies or services ordered or deliver late. The purchasing activity will use that information to evaluate vendors for future awards. You should also request the assistance of the purchasing activity if adjustments are required of the vendor.

## **Future Automation**

---

Efforts are underway to automate the PR process Agency-wide. Preparation, approval, and transmission of forms may eventually be accomplished electronically. See your supervisor for the status of this initiative.

**If it's September 30th and it's Midnight...  
Then it's too Late!**



U.S. AIR MAIL REGISTRATION Agency  
Region 5, 12th Floor  
77 West Jackson Boulevard, 12th Floor.  
Chicago, IL 60604-3590