

CHAPTER 6B

IMPREST FUND

1. Scope. This chapter provides guidance for the establishment and management of imprest funds at DoN shore activities; and procedures for purchasing supplies or services that shall be paid for with imprest funds not exceeding \$500.

2. General .

a. An imprest fund is a cash fund of a fixed amount established by an advance of funds from a finance or disbursing officer to a duly appointed cashier without charge to an appropriation. The purpose of the fund is to simplify and expedite the payment process for purchases of supplies or services, by allowing the cashier to disburse cash as needed to pay for purchases normally not exceeding \$500.

b. An imprest fund purchase is a micro-purchase action, by a contracting officer, which authorizes a cash payment, normally not exceeding \$500, by an imprest fund cashier for authorized supplies or services delivered to a Navy representative at a specified location. The purpose of this micro-purchase method is to streamline the purchasing and payment procedures for nominally priced acquisitions.

3. Conditions for Use. An imprest fund purchase may be made when all of the following conditions exist:

a. The transaction does not exceed \$500. In support of contingencies declared by the Secretary of Defense, overseas imprest fund purchase may be made for an amount not exceeding \$2,500;

b. The use of the imprest fund is considered to be advantageous to the Navy;

c. Supplies or services are available for delivery within 60 days to the specified destination, or to a Navy representative at the contractor's place of business; and

d. The purchase does not require detailed technical specifications or technical inspection.

4. Establishing the Imprest Fund

a. Authorization Letter. The authorization to establish and maintain an imprest fund shall be in writing, signed by the Head of the Activity (i.e., Commanding Officer, Director) or Chief of the Contracting Office, and shall set forth the maximum amount of the fund. The original of the authorization letter to establish the imprest fund shall be retained by the imprest fund cashier. A copy of this letter shall be forwarded to the Disbursing Office and, when required by the HCA, to the Procurement Management Review (PMR) office responsible for reviewing the activity. Only one imprest fund may be established at an activity with contracting authority, unless the activity requests and the cognizant HCA authorizes the establishment of multiple imprest funds. No imprest fund cashier shall have access to, or control of, more than one imprest fund.

b. Amount of Fund. The amount of cash in an imprest fund shall be no less the \$500; or an amount based on estimated monthly payments, as long as this amount does not exceed \$10,000. In the case of a declared contingency, the amount of the fund may not exceed \$100,000. The original of any authorization letter to increase the amount of the fund shall be retained by the imprest fund cashier.

c. Appointment of the Imprest Fund Cashier

(1) Any officer, enlisted person, or civilian employee of the activity may be appointed as the imprest fund cashier; unless the individual:

- (a) Works in the disbursing or fiscal office;
- (b) Is responsible for originating or approving purchase requests; or
- (c) Is responsible for purchasing the needed supplies or services.

(2) Imprest fund cashiers do not have to be bonded.

(3) The head of the activity (e.g., Commanding Officer) or, if designated, the Chief of the Contracting/purchasing office shall appoint the imprest fund cashier in writing. The appointment letter shall contain the information required by DoD 7000.14-R, Financial Management Regulation, Volume 5, Chapter 02. The letter should contain:

- (a) Name of individual and duty station;
- (b) Identification of disbursing office for which the cashier will act, including the accounting numbers assigned;
- (c) Specific duties to be performed;
- (d) Effective date;
- (e) Maximum amount of the fund; and

(f) Location of the fund. The imprest fund cashier will be located organizationally and physically where duties can best be accomplished.

(4) The letter of appointment will include the following statement: "I agree to hold myself accountable to the United States for all public funds received"; which the imprest fund cashier must sign to acknowledge his/her acceptance of the cashier duties.

(5) The original of the letter of appointment (and revisions to it or revocation of it) shall be maintained in a permanent file and will be retained for a period of not less than five years after the appointee ceases to serve. Two copies of the appointment letter shall be furnished to the cashier; one copy each for the disbursing and purchasing offices.

d. Appointment of an Alternate Cashier. The appointment process is the same as for the principal cashier. The alternate shall only serve as an imprest fund cashier during the absence of the principal cashier. There are two kinds of principal imprest fund cashier absences:

(1) Planned absence. In the event of a planned absence of the principal imprest fund cashier, the principal will advance cash to the alternate in any amount, up to the established limit of the fund. The principal shall receive a receipt for the cash advanced, and upon return of the principal, shall exchange this receipt for the various subvouchers, vouchers, receipts and residual cash held by the alternate. In short, during a planned absence of the principal cashier, the alternate operates with the principal cashier's fund, as if he/she is the principal.

(2) Unplanned absence. This include absences such as unexpected sick leave or family emergencies, etc. During an

unplanned absences, the alternate cashier will operate as the principal cashier, but with his/her own funds. The disbursing officer will advance to the alternate cashier funds not in excess of the maximum amount of the fund. The alternate may be issued the maximum amount of the established fund even if the principal has the maximum amount already secured in his/her safe. When the unplanned absence ends, the alternate cashier turns in residual cash and other documents supporting and accounting for the expended funds to the disbursing officer. The alternate cashier shall not retain any amount of the imprest fund cash when the principal cashier is present.

e. Revisions and Revocation. Revisions to and revocation of the appointment may be at any time. Each of these shall be in writing addressed to the cashier and show an effective date.

f. Advance of Fund to Cashier by Disbursing Officer. Funds to establish an imprest fund shall be advanced by the disbursing officer serving the activity to which the imprest fund cashier is attached. A signed copy of the letter appointing the imprest fund cashier (or alternate) will be furnished to the disbursing officer at the time the imprest fund cashier (or alternate) first obtains funds. If the average monthly dollar value of imprest fund purchases decreases and the authorized amount of the fund is greater than required, the imprest fund cashier will draw only the amount of funds justified by the volume of purchases made. However, this will not be construed as a limitation on the funds available to the cashier when seasonal or other factors justify an amount greater than that indicated by this method of computation.

g. Safes. The imprest fund cashier and alternate cashier must each have their own safe. Only the imprest fund cashier and alternate cashier shall have the combination for their respective safes. The combinations of the safes must be changed every six (6) months.

5. Authorized Uses of the Imprest Fund. Imprest funds may be used to pay for authorized supplies or services under the conditions discussed earlier. Imprest funds may also be used:

a. To pay for delivery charges associated with the purchase when the contractor is requested to arrange for delivery on a "Cash on Delivery (C.O.D.)" basis; after the contracting officer determines such a delivery is in the best interest of the Government and the C.O.D. charges are reasonable. These delivery charges may include C.O.D. charges

by the U.S. Postal Service or common carriers (e.g., UPS, FEDEX).

b. For other expenditures not related to a micro-purchase when such expenditures are authorized by other regulations governing the use of imprest funds. These expenditures include:

(1) Travel advances when the individual does not have a credit card issued to him/her for official government travel (e.g., American Express, Diners Club) and no disbursing officer is available to effect payment;

(2) Local travel expenses to individuals who were not under official orders when a claim has been approved by the command and no disbursing officer is available to effect payment;

(3) Transportation charges (not related to purchases);

(4) Buying Money Orders, if a money order is required to:

(a) Transmit collections for deposit;

(b) Pay for an approved one-time purchase of books, periodicals, or catalog type items; or

(c) Pay fees for inter-library loan of professional books.

(5) Paying for postage stamps;

(6) Paying for transportation passes or tokens; and

(7) Paying civilian volunteers who participate in approved medical research projects.

6. Prohibited Uses of the Imprest Fund. Imprest funds shall not be used for:

a. Payments of salaries or wages;

b. Travel advances except as authorized in subparagraph 6.b.(1) above;

c. Travel claims except as authorized in subparagraph 6.b.(2) above;

- d. Payment of public utility bills;
- e. Cashing of checks, money orders or any other negotiable instruments;
- f. Payments for purchases from contractors or contractor's agents who are military personnel or civilian employees of the Government; and
- g. Repetitive purchases from the same contractor; since another method of purchase, such as the Governmentwide Commercial Purchase Card or a Blanket Purchase Agreement, would be more appropriate.

7. Advances. The "Interim Receipt for Cash" portion of SF 1165 or equivalent receipt form will be used when the imprest fund cashier furnishes another employee with cash for making payments for material to be picked-up as described in paragraphs 10 and 11 below. Cash may be advanced for a period not exceeding seven (7) calendar days when unusual circumstances exist (e.g., cash is needed by an employee for purchases when they are on extended absences from their command).

8. Imprest Fund Purchasing Procedures

a. General. Imprest fund purchases are made by buyers when Navy representatives are to pick-up the supplies at the contractor's place of business or when the contractor is advised to ship the supplies on a C.O.D. basis. These purchases shall be based on an authorized purchase request document.

b. Oral and Written Orders. The imprest fund buyer will normally place the order orally by telephone. An order may be issued in writing using a NAVSUP Form 1321, "Navy C.O.D. Order" (see sample at the end of this chapter). This form must be annotated to show a monetary limitation in the appropriate block and shall be numbered in accordance with the subparagraph below.

c. Order Numbering. As prescribed in DFARS 204.70, imprest fund purchases shall be assigned a thirteen position procurement instrument identification number (PIIN) with a "Y" in the ninth position (e.g., N00023-96-Y-0001).

d. Documentation of Imprest Fund Purchases. The imprest fund purchase shall be documented by annotating the following

information on the purchase request, worksheet, or other similar documentation sheet:

- (1) Date the purchase was made;
- (2) Imprest fund order number;
- (3) Contractor's name and address;
- (4) Date of delivery or pick-up;
- (5) Signature of the person making the purchase; and
- (6) For money orders, attach a legible copy of the money order (which shows purchasing activity, payee and amount) to the purchase request. The date the money order was mailed must be indicated on the purchase request. The original money order receipt shall be retained by the imprest fund cashier to substantiate payment of the money order fee.

e. Contractor Sales Document. At the time of the purchase, the contractor will be requested to furnish a sales document. The contractor's sales document can be an invoice, sales ticket, packing slip, or other sales instrument. The sales document must contain the contractor's name and address, list of items, quantity, unit and extended price, total price of all items, and cash discount, if any.

9. Delivery/Receipt Procedures. When the imprest fund buyer places an order, every effort shall be made to obtain contractor delivery on a C.O.D. basis to a designated Navy receiving activity; however, delivery to Navy representatives at the contractor's place of business (i.e. Navy pick-up) may be authorized. The receiving procedures for each delivery method are discussed below.

a. C.O.D. Orders. All C.O.D. material, whether ordered orally or in writing, shall be delivered to the designated location at the receiving activity. The receiver shall examine the material to ensure that the quantities and items described on the imprest fund purchase record and the contractor's sales document are present and in satisfactory condition. If the material is acceptable, the receiver shall stamp the sales document "Received and Accepted", date and sign the document, and pass it to the imprest fund cashier for payment. The original copy (or copy tendered as an original) of this receipt document is to be retained by the imprest fund cashier. Any additional copies provided by the contractor shall be destroyed. When material is shipped C.O.D. and the

United States Postal Service or other delivery service carriers prohibit the opening of packages prior to payment, inspection will be made promptly after receipt and subsequent to payment.

(1) Certification of Cash Payment. The original receipt document presented to the imprest fund cashier (or the Navy representative when Navy pick-up occurs) for payment shall be annotated with a certification containing the following information:

- (a) Statement that payment was received in full;
- (b) Amount paid;
- (c) Date of payment; and
- (d) Signature and title of the contractor's representative receiving the cash.

(2) Group receipts. When considerable quantities of C.O.D. shipments are received via parcel post or other common carrier, and the procedures outlined above are too time consuming and will cause an unreasonable delay to the C.O.D. carrier, payment may be made for the group shipment and the certification for cash payments may be made on shipper's list of packages, rather than on the individual sales documents. The individual sales documents will be attached to the certified list to support the payment for the group receipt. When no sales document accompanies a C.O.D. shipment, a copy of the purchase request will be stamped to indicate "Vendor's Sales Document Not Tendered" and will be used to support the group receipt.

b. Pick-up by Prior Arrangement. When C.O.D. deliveries are not practicable and activity representatives are to pick-up the material at the contractor's place of business, an oral order is placed over the phone by the buyer and arrangements are made for a representative to pick-up and pay for the ordered material. The buyer will annotate the purchase request with the required ordering documentation previously delineated; then --

(1) The documented purchase request shall be delivered directly to the imprest fund cashier for an advancement of funds;

(2) The imprest fund cashier shall advance cash to the person authorized to pick-up and pay for the ordered material;

(3) The individual receiving the cash advance shall sign the "Interim Receipt for Cash" portion of the SF 1165;

(4) At the time of pick-up and payment, the person paying for the material will obtain the contractor's certification for cash payment on the original (or copy tendered as original) of the contractor's sales document. Any additional copies of the sales document shall be destroyed. If a sales document is not provided, the contractor's certification for cash payment will be obtained on the SF 1165;

(5) When the pick-up is complete, the representative shall deliver the material to the receiving activity; where the purchased items are checked and a receipt given;

(6) The representative shall take the receipts, acceptance forms, and any remaining cash to the imprest fund cashier for settlement;

(7) The imprest fund cashier shall check the documents for completeness and accuracy and count the remaining cash, if any, turned in by the representative; and

(8) If all is in order, the cashier will mark the interim receipt for cash "void" and return it to the Navy representative.

c. Pick-up of Material Without Prior Arrangement.

Cash may be advanced to activity representatives for purchases without a buyer/contracting officer making prior arrangements with the vendor only when the circumstances surrounding the requirement are such that making prior arrangements is not practicable. An example of such a circumstance is when there is the necessity to sight the item and the location of the contractor's place of business is a lengthy distance from the requiring activity. When unusual circumstances exist, activity personnel may be authorized to pick-up required materials when the procedures listed under Paragraph 9b, with the following exceptions, are followed:

(1) Instead of contacting the vendor and placing an order, the buyer/contracting officer shall note on the purchase request, that an advance to the named individual is authorized and shall fix the amount of cash to be advanced;

(2) Instead of taking the receipt documentation directly to the imprest fund cashier when the transaction has been completed, the authorized individual will take all

receipt documentation to the buyer for a review of the transaction for documentation of adequacy and accuracy; and

(3) If the transaction is approved, the buyer shall certify the approval by signing and dating the contractor's sales document and return it to the person who made the transaction; who in turn will take all the documentation to the cashier for settlement.

10. Imprest Fund Inspection and Verification. The imprest fund cashier shall be required to account for the established balance of the fund at any time, by a combination of cash on hand, paid vendors' receipts, unpaid reimbursement vouchers, and interim receipts for cash. Unannounced inspections, including cash counts, shall be made of each imprest fund at least quarterly.

a. The head of the activity shall designate one or more individuals to perform this inspection. Such individuals will be from the fiscal or comptroller office of the activity when such offices exist, but in any event, shall be other than the disbursing officer advancing the funds or a subordinate of the imprest fund cashier.

b. Upon completion of each inspection and verification, a report of the result shall be submitted promptly to the head of the activity and the disbursing officer providing the imprest funds. In addition, copies of each report shall be provided to the imprest fund cashier, the supply officer, if applicable, and the contracting officer having management responsibility over the imprest fund.

c. As a minimum, the inspection and verification report shall address the following:

(1) Date of the inspection and date that last previous unannounced inspection and verification was made;

(2) Verification that establishment of the fund was properly authorized in writing and that the fund limit is stated;

(3) Confirmation that the principal and alternate imprest fund cashiers have been properly appointed and that each has a separate safe;

(4) Date that safe combination was last changed;

(5) Assurance that only the imprest fund cashier has the safe combination (i.e., the combination is not kept in a sealed envelope in the safe, etc.);

(6) Assurance that imprest funds are not being mixed with other funds (e.g., nonappropriated cash funds being kept in imprest fund cashier's safe, etc.);

(7) Verification of fund (cash on-hand + interim cash receipts + paid supplier's receipts + unpaid replenishment vouchers = the fund limit actually advanced to the cashier);

(8) Determination that the maximum authorized amount of cash in the fund is consistent with the average monthly volume;

(9) Check of subvoucher procedures (e.g., is cashier assigning subvoucher number to paid supplier receipts at time payment is made, or is cashier erroneously waiting to assign subvoucher numbers at time reimbursement voucher is prepared, etc.);

(10) Check of outstanding imprest fund purchase actions to see if the sixty (60) day delivery limit on imprest fund purchases is being enforced;

(11) Check that no purchase exceeds \$500; and

(12) Assurance that the responsibility and authority for determining requirements, purchasing, receiving, and paying are divided among three or more individuals.

NAVY C. O. D. ORDER (4270)
 NAVSUP FORM 1321 (5-68)

	DATE OF ORDER	ORDER NO.
This is a C.O.D. order and is used to eliminate costly paperwork on small purchases. Ship immediately C.O.D. provided total cost, including C. O. D. and transportation charges does not exceed monetary limit.		This number must appear on all packages and papers relating to this order.
ISSUED BY	MONETARY LIMITATION	SHIP TO
	DELIVERY DATE	
TO :		MARK FOR: Imprest Fund Cashier
		SHIP C. O. D. ONLY PARTIAL SHIPMENTS WILL NOT BE ACCEPTED

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL

- INSTRUCTIONS
1. If material is not available, or additional information is desired, advise issuing office immediately.
 2. If total cost will exceed monetary limitation, withhold shipment and advise issuing office of total cost including C. O. D. and transportation charges.
 3. If delivery cannot be made as specified above, withhold action, and advise issuing office of time required to effect delivery.
 4. Deduct cash discount from C. O. D. price. Carrier or Post Office will be paid cash upon delivery.
 5. Submit priced sales document (invoice, sales slip, delivery ticket, etc.) with material.
 6. To prevent unnecessary correspondence, advise on duplicate copy of order when and how shipment will be made.
 7. If the above terms and conditions cannot be met, submit your quotation on a copy of this Form and await instructions.

SIGNATURE	TITLE	DATE
FOR QUANT OF SUPPLIER	<input type="checkbox"/> C. O. D. SHIPPING DATE _____	
	<input type="checkbox"/> MATERIAL NOT AVAILABLE	
<input type="checkbox"/> ABOVE TERMS CANNOT BE MET		
<input type="checkbox"/> COST EXCEEDS MONETARY LIMITATION. TOTAL COST, INCLUDING C. O. D. AND TRANSPORTATION CHARGES : \$ _____		
SIGNATURE (Supplier)	TITLE	TELEPHONE
		DATE

CHAPTER 6C

BLANKET PURCHASE AGREEMENTS

1. Scope. This chapter prescribes simplified acquisition procedures using the blanket purchase agreement (BPA) method.

2. General

a. The BPA method is a simplified procedure of establishing "charge accounts" with qualified sources of supply to cover recurring requirements of the same general category. The general scope of the BPA must be consistent with the contractors status under the Walsh-Healey Public Contracts Act as a manufacturer or regular dealer in the type of supplies identified. BPAs eliminate the necessity of issuing individual purchase orders by providing a method in which purchases shall be made by placing oral calls, or by informal memoranda when more convenient. Maximum use of BPAs is encouraged and recommended when appropriate. Most activities, except those with a very small volume of acquisitions, will have repetitive requirements suitable for acquisitions by the BPA method.

b. BPAs should be established by the contracting officer at the activity responsible for providing supplies for its own operations or for other offices, installations, projects, or functions. Such levels, for example, may be organized supply points, separate independent or detached field parties, or one-person posts or activities.

c. The use of BPAs does not exempt the agency from the responsibility for keeping obligations and expenditures within available funds, but this should be done by using simplified methods and by avoiding formal fiscal recording of individual deliveries and transactions.

3. Authorized Callers

a. General. BPA calls may be made by individuals within the contracting office which entered into the BPA. In addition, the contracting officer who issued the BPA may authorize other activities who have been granted contracting authority to place calls under his/her BPA.

b. Procedures. All activities authorized to place calls under the BPA(s) of another command must submit to the issuing contracting office a list of individuals who have been

appointed to make calls (including the dollar limitation per person/per call). A list of authorized callers shall be maintained by both the issuing contracting officer and the activity placing the calls. The activity placing the calls will immediately notify the issuing contracting officer in writing of any change to this list.

4. Establishment of BPAs

a. The contracting officer is responsible for the establishment of BPAs. BPAs shall be made with contractors from whom repetitive individual acquisitions will be made over a given period. To the maximum extent possible, BPAs for items of the same type should be established at the same time with more than one supplier. All competitive sources should be given an equal opportunity.

b. A BPA shall not cite accounting and appropriation data, nor is a purchase requisition necessary to establish the BPA.

c. BPA's may also be established with Federal Supply Schedule contractors and GSA Nonmandatory ADP Schedule contractors, if not inconsistent with the terms of the applicable schedule contract.

d. BPAs should be established by contacting contractors (by phone, letter, or in person) and discussing the agreement, including the invoicing procedures, required terms and conditions, etc. A BPA should be prepared using a DD Form 1155 as a bilateral, two party agreement.

5. BPA format

a. Forms used. BPAs shall be prepared and issued on the Order for Supplies or Services (DD Form 1155). Optional Form OF336 or a plain sheet of paper may be used as a continuation sheet.

b. Numbering. As prescribed in DFARS 204.70, BPAs will be assigned a thirteen (13) position number with an "A" in the ninth position (e.g., N00023-96-A-0001). The number assigned shall remain in effect for the life of the agreement except that the seventh and eighth positions may be administratively modified to coincide with the current fiscal year when considered necessary by the contracting officer.

c. Terms and Conditions. Each BPA shall include the applicable terms and conditions discussed below and shown in the sample BPA at the end of this chapter.

(1) Description of agreement. The BPA shall include the authorization to the supplier to furnish supplies or services, if and when called for, by those persons designated by the contracting officer to place calls within a stipulated dollar amount. The BPA shall limit the supplies or services for which calls are to be placed to specific items, commodity groups, or classes.

(2) Obligation of the Government. The BPA is to contain a statement that "the Government is obligated only to the extent of such authorized calls as are actually made against the BPA by authorized personnel."

(3) Pricing. A statement that the prices to the Government shall be as low or lower than those charged the contractor's most favored customer, considering quantities and discounts offered.

(4) Amount authorized. The statement that no individual call will exceed \$100,000, or the limit of the calling activity, whichever is less, shall be entered on all BPAs. Calls for subsistence items are not limited as to dollar value.

(5) Person authorized to place calls and dollar limitations. A statement that a list of names of individuals authorized to purchase under the BPA, identified either by position or by name and activity, and the dollar limitation per call for each position title or individual shall be furnished to the contractor by the contracting officer.

(6) Delivery tickets. The BPA shall include a requirement that all shipments will be accompanied with delivery tickets (in triplicate). Delivery tickets will be prepared by the contractor and shall contain the following information:

- (a) Name of supplier;
- (b) BPA number;
- (c) Date of call;
- (d) Call number;

(e) Itemized list of supplies or services furnished;

(f) Quantity, unit price, and extensions of each item less applicable discounts (unit prices and extension need not be shown when incompatible with the use of automated systems, provided that the invoice is itemized to show this information);

(g) Date of delivery or shipment.

The receiving activity designated in the BPA, shall sign the three copies of the delivery ticket. The signature of the designated receiving activity constitutes acceptance by the Government. One ticket should be retained by the receiving activity and two returned to the contractor or their agent. The vendor or their agent should be notified that a signed delivery ticket will be required to support their invoice.

(7) Place of delivery. Delivery instructions shall be provided with each call. Delivery normally will be made to the ordering activity, but direct delivery to the shop or unit requesting the material may be authorized. When it is in the best interest of the Government, direct pick-up of material from the supplier's place of business also may be authorized.

(8) Invoicing. The BPA shall provide for the submission of an invoice (in quadruplicate) at least once monthly by one of the methods in sub-paragraph, (a), (b), or (c) below. The contractor's invoicing (billing) period will be specified in the BPA. The contracting officer must obtain agreement from the contractor on the method of invoicing and the billing period before entering in a BPA.

(a) Summary invoice. The BPA may provide that a summary invoice be submitted listing:

- 1 the individual delivery ticket numbers;
- 2 each call number placed under the BPA;
- 3 amounts; and
- 4 total amount due (each invoice will be supported by a receipt copy of each delivery ticket).

(b) Itemized invoice. The BPA may provide that an invoice be submitted listing the items delivered and

identified by the applicable delivery ticket number (delivery tickets are not required to support the invoice).

(c) Individual invoice. When requested by the contractor, the BPA may provide that an individual invoice be submitted for each delivery when:

1 The accumulation of the individual invoices by the Government does not materially increase the administrative cost of this purchase method.

2 A single consolidated payment will be made for each specified period.

3 The period of any discounts offered will commence on the final date of the billing period or on the date of receipt of invoices for all deliveries accepted during the billing period whichever is later.

4 A deviation to FAR 13.203-1(j) (7) has been granted which permits individual processing and payment of invoices under blanket purchase agreements for certain food products, including meat, meat food products, poultry meat, poultry meat food products, eggs, egg products, or a combination of the above, or perishable agricultural commodities. This deviation is effective until incorporated in the FAR.

(9) Use of Fast Pay procedure with BPAs. Fast pay procedures may be used only when FAR clause 52.213-1, Fast Payment Procedures, has been incorporated into the basic agreement.

(10) Use of unpriced calls with BPAs. Unpriced calls may be used in conjunction with BPAs when FAR Clause 52.213-3, Notice to Supplier is incorporated in the basic agreement.

(11) Federal Supply Schedule Orders. The agreement will state if the BPA is authorized to be used to place orders against Federal Supply Schedule Contracts. In the event of any inconsistency, the FSS shall govern. Calls against a FSS contract may be placed to the MOL.

(12) Clauses. The Contracting Officer shall include in the BPA only those clauses applicable to the specific commodity for which the BPA is established.

(13) Execution. Except for HCA approved automated systems (e.g., APADE) each BPA shall contain the typewritten name and manual signature of the contracting officer.

(14) Distribution of BPAs. BPAs and any modification thereof, shall be distributed in accordance with normal distribution procedures found in Chapter 6D. In addition, a copy shall be provided to each authorized caller.

6. Purchases under BPAs

a. Conditions for use. The use of a BPA must be in compliance with established simplified acquisition procedures and may not authorize purchases that are not otherwise authorized by law or regulation. If there is an insufficient number of BPAs to ensure competition and/or equitable distribution of business, the contracting officer shall solicit quotations from other sources for the immediate acquisition, and take action to establish additional BPAs for future acquisitions. Like any other acquisition, each BPA call must be made on the basis of a purchase request (requisition).

b. BPA call limitation. Only persons expressly authorized by the contracting officer who issued the BPA, may, within their dollar limitation, place calls against a BPA. Individual calls may not exceed \$100,000 except that calls for subsistence (food) are unlimited as to dollar value. Notwithstanding the above thresholds, no BPA call may exceed the contracting authority of the activity placing the call.

c. Requirements screening prior to placement of calls. Acquisition by the BPA method does not eliminate the necessity for screening of requirements against availability from regular supply channels. Therefore, prior to placing calls against the BPA each requirement shall be screened for availability from stock and for acquisition from other mandatory sources of supply as set forth in Chapter 1.

d. Placement of BPA calls. BPA calls will normally be placed by telephone. Written calls can be made on the DD Form 1155.

e. Documentation of BPA calls. Each BPA call shall be documented on the purchase request (requisition) or on a buyer's worksheet (see sample worksheets at the end of chapters 3 and 4.) Regardless of the form used, the documentation must include the following:

- (1) BPA number;
- (2) Call number;
- (3) Date of call;
- (4) Date of required delivery;
- (5) Accounting and appropriation data;
- (6) Quantity;
- (7) Unit, extended, and total price of call; and
- (8) Signature of person placing call (this requirement is waived for HCA approved automated system).

f. Distribution of calls. The annotated purchase request, abstract, or worksheet, shall be distributed as follows:

(1) The original including all documentation shall be retained in the BPA file except for Fast Pay calls. The original of Fast Pay calls shall be prominently marked "FAST PAY" and forwarded directly to the disbursing office. A copy of Fast Pay calls (including all documentation) shall be retained in the BPA File.

(2) A copy shall be forwarded to the fiscal office (these copies may be consolidated and forwarded weekly). Local situations may warrant identifying the "fiscal control copy."

(3) A copy shall be forwarded to the receipt control branch promptly after completion of the call to the contractor. Local situations may warrant identifying the "receipt control copy".

(4) A copy shall be forwarded to the requisitioned.

g. Receipt of material. When delivery is made or services are performed, the contractor's sales document, delivery ticket, or invoice (if it reflects the essential elements) may be used for recording receipt and acceptance of the supplies or services.

h. Numbering. BPA calls shall be identified by a four position numeric call number beginning with 0001 through 9999 when issued by the activity that issued the basic agreement.

Activities that establish BPA's for use by multiple activities may assign a numbering system. BPA calls administered by a DCMCO will be numbered in accordance with DFARS 204.70. Fast Pay calls shall be identified with the letter "V" in the first position of the four (4) digit call number except calls made under the APADE system which shall use the standard numbering system vice the letter "V".

i. BPA log. Calls shall be recorded on a BPA log similar to the one shown at the end of this chapter. Automated alternatives for recording BPA calls are authorized and encouraged.

7. BPA Call review procedures.

a. Review of BPA calls

(1) Whether at the issuing activity or an activity authorized to use BPAs, the contracting officer or his/her designated representative shall review BPA calls to ensure that proper procedures are being followed. The review will ensure that:

(a) Mandatory sources of supply are not being circumvented (ignored);

(b) Calls are being distributed equitably among qualified suppliers;

(c) Calls are being placed only by authorized personnel within their established monetary limitations;

(d) Requirements are not being split;

(e) Proper attention is being given to pricing as evidenced by the reasonableness of prices paid (e.g., purchase descriptions adequate to enable buyer to determine reasonableness of prices paid); and

(f) BPA calls are adequately documented (e.g., call record information and appropriate signatures; justification for exception to mandatory supply sources; record of firms solicited and responses received and/or price reasonableness documentation for calls over \$2,500; and sole source justification).

(2) The review shall also examine the frequency of use of the BPA being reviewed and necessity for the BPA.

b. Review of the Agreement. The contracting officer that issued the BPA shall:

(1) Ensure that each BPA is reviewed for currency of format, provisions, contractor business size, etc,

(2) Maintain awareness of changes in market conditions, sources of supply, and other pertinent factors that may warrant making new arrangements with different suppliers or modifying existing arrangements, and

(3) Update the agreement as required. If the review shows that the BPA is out of date, the BPA must be modified by issuance of a SF 30 to reflect the current provisions, clauses, etc. If, however, extensive changes are required, the existing BPA should be canceled and a new BPA issued.

(4) Annotate the results of the review in the "Remarks" column of the BPA Call Review Form (e.g., no updating required). Contracting Officers shall ensure that these reviews are meaningful and thorough and that BPAs are maintained in compliance with current regulatory requirements.

c. Extent of review.

a. The review of the Agreement shall normally be accomplished on an annual basis. However, if circumstances warrant, the annual review may be limited to 50 percent of the BPAs. In any event, all BPAs will have been reviewed at least once in a two (2) year period.

b. The contracting officer placing orders under a BPA, or the designated representative of the contracting officer, shall review a sufficient random sample of the BPA calls at least annually to ensure that authorized procedures are being followed.

d. Review Documentation. All reviews of BPAs shall be accomplished using the BPA Call Review Report (NAVSUP Form 1328). This completed form shall be placed in the BPA file. For those BPAs used and reviewed by activities outside the command of the issuing contracting office, a signed copy of the completed NAVSUP Form 1328 (NAVSUP Report 4225-1) will be forwarded to the contracting officer who issued the BPA by the reviewing office within 25 days after completion of the review. A NAVSUP Form 1328 is located at the end of this chapter.

8. BPA Master List. Activities establishing BPAs shall maintain and distribute to all users, a master list by general commodity or category of supplies or services. As a minimum, the list shall include the contractor's name and address, phone number, BPA number and shall identify whether the business is small, large or minority owned. The BPA master list shall be updated annually to include changes made as a result of the annual BPA review.

ORDER FOR SUPPLIES OR SERVICES (Contractor must submit four copies of invoice.)				Form Approved OMB No. 0704-0187 Expires Jun 30, 1997	PAGE 1
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, Va 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503.					
PLEASE DO NOT RETURN YOUR FORM TO EITHER OF THESE ADDRESSES. SEND YOUR COMPLETED FORM TO THE PROCUREMENT OFFICIAL IDENTIFIED IN ITEM 6.					
1. CONTRACT/PURCH ORDER NO. N00023-96-A-1234		2. DELIVERY ORDER NO.		3. DATE OF ORDER (YYMMDD) 96 OCT 01	
6. ISSUED BY Purchase Department Naval Supply Systems Command 1931 Jefferson Davis Highway Arlington, VA 22241-5360 POC: E. Robinson, 21G, (703) 607-0712				7. ADMINISTERED BY (If other than 6) CODE	
9. CONTRACTOR NAME AND ADDRESS ABC Corporation 1010 Any Street Anywhere, PA 22222-9999				10. DELIVER TO FOB POINT BY (Date) (YYMMDD) AS AGREED AT TIME OF CALL	
14. SHIP TO CODE				15. PAYMENT WILL BE MADE BY CODE	
AS STIPULATED AT TIME OF BPA CALL				PAYMENT OFFICE STIPULATED BY AUTHORIZED BPA CALLER	
16. DELIVERY TYPE OF ORDER PURCHASE <input checked="" type="checkbox"/> This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract. Reference your BLANKET PURCHASE AGREEMENT furnish the following on terms specified herein. ACCEPTANCE: THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.					
ABC Corporation		<i>ABC</i>		A.B. Ceah, President	
<input checked="" type="checkbox"/> NAME OF CONTRACTOR		SIGNATURE		TYPED NAME AND TITLE	
If this box is marked, supplier must sign Acceptance and return the following number of copies: 1				96 Oct 01 DATE SIGNED	
17. ACCOUNTING AND APPROPRIATION DATA / LOCAL USE					
18. ITEM NO.	19. SCHEDULE OF SUPPLIES/SERVICES	20. QUANTITY ORDERED/ACCEPTED*	21. UNIT	22. UNIT PRICE	23. AMOUNT
1.	Description of Agreement. This Blanket Purchase Agreement (BPA) is for ELECTRICAL SUPPLIES AND SERVICES which the contractor may deliver to the Government if and when requested by the Contracting Officer or authorized BPA Callers. This BPA shall be in effect for an indefinite period of time commencing 96 OCTOBER 01.				
2.	Extent of Obligation. The Governmental is not obligated to place any calls under this BPA. The Government is only obligated to the extent that authorized calls are placed.				
3.	Contractor's Billing Period: The contractor shall submit invoice on 25th of each month.				
* If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and enclose.		24. UNITED STATES OF AMERICA <i>W.P. Mack</i> BY: W. P. MACK		25. TOTAL	
26. QUANTITY IN COLUMN 20 HAS BEEN <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED		27. SHIP. NO. <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		28. D. O. VOUCHER NO.	
DATE SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE		31. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		32. PAID BY	
38. I certify this account is correct and proper for payment. DATE SIGNATURE AND TITLE OF CERTIFYING OFFICER		40. TOTAL CONTAINERS		33. AMOUNT VERIFIED CORRECT FOR	
37. RECEIVED AT		38. RECEIVED BY (Print)		34. CHECK NUMBER	
39. DATE RECEIVED (YYMMDD)		41. S/R ACCOUNT NUMBER		35. BILL OF LADING NO.	
		42. S/R VOUCHER NO.			

CONTINUATION OF DD FORM 1155

4. PRICING. The prices to the Government for all acquisitions made under this agreement shall be as low as, or lower than, those charged the supplier's most favored customer for comparable quantities under similar terms and conditions in addition to any discounts for prompt payment.

5. PURCHASE LIMITATION. No call placed under this agreement shall exceed (insert appropriate amount -- your acquisition authority limit or \$100,000 whichever is less).

6. NOTICE OF INDIVIDUALS AUTHORIZED TO PURCHASE UNDER THE BPA AND DOLLAR LIMITATIONS. A list by position title or by name of individuals authorized to place calls under this agreement, identified by organizational component, and the dollar limitation per call for each position title or individual will be furnished separately to the supplier by the contracting officer.

7. DELIVERY TICKETS. All shipments under this agreement shall be accompanied with delivery tickets, or sales slips, in triplicate which shall contain the following minimum information:

- a. Name of supplier;
- b. Blanket Purchase Agreement number;
- c. Date of call;
- d. Call number;
- e. Itemized list of supplies or services furnished;
- f. Quantity, unit price and extension of each item less applicable discounts (unit prices and extension need not be shown when incompatible with the use of automated systems, provided that the invoice is itemized to show this information); and
- g. Date of delivery or shipment.

Upon delivery, the receiving activity will retain one copy of the related delivery ticket and will sign the other two copies and return them to the supplier or supplier's agent. One of these copies may subsequently be required to support the invoice.

8. INVOICES. A summary invoice, in quadruplicate, shall be submitted at least monthly for all deliveries made during a billing period, identifying the delivery tickets covered therein, stating their total dollar value and supported by receipt copies of the delivery tickets. Invoices will be submitted in accordance with vendor's invoicing (billing) period as agreed to by the Government.

9. FAST PAY CALLS. When appropriate, and when agreed upon by an authorized caller and the contractor, FAR clause 52.213-1, "Fast Payment Procedures" (AUG 1988) applies. Individual invoicing is authorized under Fast Pay Orders. Invoices shall be submitted directly to the (Insert name and complete mailing address of your Navy paying office here).

10. USE OF UNPRICED CALLS WITH BPAs. When appropriate, unpriced calls may be authorized in conjunction with blanket purchase agreements. Blanket purchase agreements established and provided for the placing of unpriced calls shall include the clause at FAR 52.213-3 "Notice to Supplier" (APR 1984).

11. FEDERAL SUPPLY SCHEDULE ORDER. When appropriate and authorized by the Federal Supply Schedule, orders under the Schedule may be placed under this Blanket Purchase Agreement. In the event of any inconsistency between provisions of the Federal Supply Schedule and this Blanket Purchase Agreement, the Federal Supply Schedule shall govern. Calls against a Federal Supply Schedule contract may be placed to the MOL of the contract.

12. INCORPORATION OF CLAUSES. *(BPAs shall incorporate, as appropriate, the clause requirements addressed in the following paragraphs.)*

FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This BPA incorporates the following clauses by reference, with the same force and effect as if they were given in full text. Upon request, the contracting officer will make their full text available.

FAR 52.203-3	GRATUITIES (APR 1984)
FAR 52.212-10	DELIVERY OF EXCESS QUANTITIES (SEP 1989)
FAR 52-222-3	CONVICT LABOR (APR 1984)
FAR 52.222-26	EQUAL OPPORTUNITY (APR 1984)
FAR 52.225-11	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (MAY 1992)
FAR 52.232-1	PAYMENTS (APR 1984)
FAR 52.232-8	DISCOUNTS FOR PROMPT PAYMENT (APR 1989)

NAVSUPINST 4200.85C

FAR 52.232-25	PROMPT PAYMENT (MAR 1994)
FAR 52.233-1	DISPUTES (DEC 1991)
FAR 52.233-3	PROTESTS AFTER AWARD (AUG 1989)
FAR 52.246-1	CONTRACTOR INSPECTION REQUIREMENTS (APR 1984)
FAR 52.246-16	RESPONSIBILITY FOR SUPPLIES (APR 1984)
DFARS 252-204-7003	CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)
DFARS 252.225-7001	BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM (DEC 1991)
DFARS 252.225-7002	QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS (DEC 1991)
DFARS 252-225-7009	DUTY-FREE ENTRY--QUALIFYING COUNTRY AND PRODUCTS AND SUPPLIES (DEC 1991)
DFARS 252.225-7010	DUTY-FREE ENTRY--ADDITIONAL PROVISIONS (DEC 1991)

These clauses apply, as appropriate, as indicated under "Notes" below:

<u>Clause No.</u>	<u>Clause Title</u>	<u>Clause Date</u>	<u>Notes</u>
FAR 52.210-5	NEW MATERIAL	APR 1984	1
FAR 52.222-20	WALSH-HEALEY PUBLIC CONTRACTS ACT	APR 1984	3
FAR 52-222-35	AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS	APR 1984	3
FAR 52.222-36	AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS	APR 1984	2
FAR 52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERAN OF THE VIETNAM ERA	JAN 1988	3
FAR 52.222-40	SERVICE CONTRACT ACT OF 1965, AS AMENDED - CONTRACTS OF \$2,500 OR LESS	MAY 1989	4
FAR 52.222-41	SERVICE CONTRACT ACT OF 1965, AS AMENDED	MAY 1989	2,4
FAR 52.222-42	STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (full text)	MAY 1989	2,4

FAR 52.222-47	SERVICE CONTRACT ACT MINIMUM WAGES AND FRINGE BENEFITS	MAY 1989	2,4,5
FAR 52.222-48	EXEMPTION FROM APPLICATION OF SERVICE CONTRACT ACT PROVISIONS	MAY 1989	2,4,6

Notes for application of above clauses incorporated in BPA:

1. Clause applies when calls are placed for the acquisition of supplies or for services that may involve the incidental furnishing of supplies.
2. Clause applies when an individual call exceeds \$2,500.
3. Clause applies when the cumulative total of all calls is anticipated to exceed \$10,000.
4. Clause applies when a call for services is covered by the Service Contract Act of 1965, as amended.
5. Clause applies when the call is a successor to another contract, the contractor is negotiating or has negotiated a collective bargaining agreement, and the wage determination has been requested but not received.
6. Clause applies when the call is for maintenance, calibration or repair of medical, ADP, scientific or office equipment and the contracting officer determines the call is exempt from the Service Contract Act of 1965, as amended.

(THE FOLLOWING CLAUSES SHOULD GENERALLY BE INCORPORATED IN A BPA AND WILL APPLY ONLY WHEN SPECIFIED IN THE CALL)

- FAR 52.212-8 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (SEP 1990)
- FAR 52.212-9 VARIATION IN QUANTITY (APR 1984)
(____ % Increase, ____ % Decrease)
- FAR 52.213-2 INVOICES (APR 1984)
- FAR 52.213-3 NOTICE TO SUPPLIER (APR 1984)
- FAR 52.232-28 ELECTRONIC FUNDS TRANSFER PAYMENT METHODS (APR 1989)
- FAR 52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION (APR 1984)
- FAR 52.247-29 F.O.B. ORIGIN (JUN 1988)
- FAR 52.247-32 F.O.B. ORIGIN FREIGHT PREPAID (JUN 1988)
- FAR 52.247-34 F.O.B. DESTINATION (NOV 1991)
- FAR 52.204-3 TAXPAYER IDENTIFICATION (SEP 1992)
- FAR 52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (NOV 1991)
- DFARS 252.223-7001 HAZARDOUS WARNING LABELS (DEC 1991)
- DFARS 252.225-7025 FOREIGN SOURCE RESTRICTIONS (APR 1993)
- FAR 52.213-1 FAST PAYMENT PROCEDURES (AUG 1988)

13. ACCEPTANCE. Contractor is required to sign acceptance on the face of the DD Form 1155.

CHAPTER 6D

PURCHASE ORDER

1. Scope. This chapter prescribes simplified acquisition procedures for the various types of purchase orders that may be issued for supplies and services.

2. General. A purchase order, awarded as a result of a quotation, is an offer by the Government to buy certain supplies and services in accordance with specified terms and conditions contained in the order. With the exception of unpriced purchase order's, all purchase orders will be firm fixed price. Purchase orders may be issued to the simplified acquisition threshold of \$100,000, however, may not exceed \$50,000 if the activity has no FACNET certification. Purchase orders may be issued to \$200,000 in support of a declared contingency operation. A purchase order may never be issued in excess of the activity grant of procurement authority.

a. Unilateral Purchase Order. A unilateral purchase order is the most common type of purchase order. It is an offer by the Government which the contractor accepts by furnishing the supplies or services, or by proceeding with the work to where performance has occurred.

b. Bilateral Purchase Order. A bilateral purchase order is an offer by the Government which the contractor accepts by signature in the acceptance block on the face of the DD Form 1155. The contractor's signature creates a contract which is binding on both parties. The contractor is now legally bound to perform in accordance with the terms and conditions of the contract. Use of a Bilateral purchase order is mandatory when:

(1) A government furnished property clause is included in the order.

(2) The purchase order is classified (a DD Form 254 is incorporated).

(3) The order is for mortuary services.

(4) The order is for Foreign Military Sales (FMS).

(5) When issuing an Indefinite delivery type purchase order.

(6) The order includes an option provision.

(7) The contracting officer decides that a bilateral order is in the best interest of the government (e.g., material purchase is of a critical nature).

3. Issuance of purchase orders. Unless authorized elsewhere in this chapter, purchase orders shall be issued on the DD Form 1155, Order for Supplies or Services. In the event additional pages are required, Optional Form 336, Continuation Sheet or blank sheets of paper may be used.

a. Preparation. Block by Block instructions for completion of the DD Form 1155 can be found at the end of this chapter. Block 16 of the DD Form 1155 Order for Supplies or Services, shall be checked "Purchase" to signify the use of the form as a purchase order as distinguished from a delivery order.

b. Procedure for bilateral purchase orders. When issuing a bilateral purchase order, check the box located in block 16 of the DD Form 1155 which states "if this box is marked, supplier must sign Acceptance and return the following number of copies:". The contracting officer then signs block 24 and forwards the DD Form 1155 to the contractor requesting the contractor to accept the purchase order by signature on the DD Form 1155. Supplier shall sign "Acceptance" on the face of the DD Form 1155 and return required number of copies.

4. Terms and Conditions Applicable to Purchase Orders. Various clauses may be applicable to each purchase order. Clauses that are generally required in purchase orders are shown in DFARS 213.507 as well as on the sample purchase order and clause sheet at the end of this chapter. Although samples are provided in this enclosure, it is the responsibility of the Contracting officer to ensure that clauses are current and accurate. Contracting Officers should select the applicable clauses as described in the sample and below:

a. Clauses incorporated by reference. Unless otherwise directed, clauses appropriate to the purchase order shall be incorporated by reference in the DD Form 1155.

b. Mandatory Clauses. Clauses that are mandatory for use in all purchase orders are found at DFARS 213.507 and at the end of this chapter.

c. Additional clauses. There are cases where additional clauses may be required in purchase orders. Only clauses in

the FAR, DFARS, NAPS or HCA Clause book may be utilized. Contracting Officers do not have authority to develop local clauses without appropriate approval. If added instructions are required, Contracting Officers may place this additional guidance in the statement of work or schedule of supplies and services. Some additional clauses often included in purchase orders, and not previously discussed, are:

(1) FAR 52.212-10, Delivery of Excess Quantities (Sep 1989). This clause may be incorporated by reference and should be used in all purchase orders for supplies. This clause provides that if the contractor delivers supplies in a quantity in excess of that specified (unless within allowable variation, if any) the government will keep such excess supplies up to \$250 in value without paying the contractor. It states that quantities in excess of \$250 will, at the option of the government, be returned to the contractor at his expense or retained and paid for by the government at the contract price.

(2) FAR 52.210-5, New Material (APR 1984). This clause applies when the solicitation/order for supplies requires the use of new material and for any services that may involve the incidental furnishing of parts.

(3) FAR 52.213-2, Invoices (APR 1984). This clause is required to be included in purchase orders that authorize advance payments for subscriptions, or other charges for newspapers, magazines, periodicals, or other publications (i.e., any publication printed, microfilmed, photocopies, or magnetically or otherwise recorded for auditory or visual usage).

d. Government Furnished Property Clauses

(1) General. Government property is anything owned by the Government and furnished to a contractor for him to repair, consume ("use up"), modify, study, etc. The most common cases involve repair to Government property when we ship or deliver the item to the Contractor for him to work on at his place of business. When Government property is furnished to the Contractor, the buyer must determine if a Government property clause is required. If a Government furnished property clause is incorporated, the order must be issued as a bilateral document.

(2) Applicability of clause. The factors which determine if a clause is required and which one is used are;

(a) the acquisition cost of the Government property; and

(b) nature of the buy (i.e., whether competitive or noncompetitive).

(3) Acquisition cost. The acquisition cost is how much it originally cost the Government to acquire the item. This is not the current book value nor how much it would cost to replace the Government property at today's prices. The acquisition value must be furnished by the customer with the requisition.

(4) Nature of the buy. The nature of the buy concerns the current procurement. A "competitive" acquisition is one involving;

(a) Adequate price competition;

(b) Established catalog or market prices commercial items sold in substantial quantities to the general public; or

(c) Prices set by law or regulation.

(5) Clauses. The available Government property clauses and applicability are:

GOVERNMENT-FURNISHED PROPERTY CLAUSES

Acquisition Cost of Govt Property	Competitive or Noncompetitive	Correct GFP Clause	Use is Optional/Mandatory
\$100,000 or Less	Either	FAR 52.245-4 Government-Furnished Property (Short Form)	*Optional
Over \$100,000	Competitive	FAR 52.245-2 Government Property (Fixed-Price Contracts)	Mandatory
Over \$100,000	Noncompetitive	FAR 52.245-2 ALTERNATE I Government Property (Fixed-Price Contracts)	Mandatory
If Any GFP Clause Included	Either	FAR 52.245-1 Property Records	Mandatory

*NOTE: Although FAR 45.106(e) no longer requires a Government Property clause when the cost of the item to be repaired does not exceed the simplified acquisition threshold, the Government Property clause may be used if the contracting officer considers it advisable.

(6) Property records clause. When one of the clauses described above is used, the clause FAR 52.245-1, Property Records (APR 1984), must be incorporated by reference in the purchase order when the contracting office retains contract administration and Government property is furnished to a contractor:

(a) for repair or servicing and return to the shipping organization;

(b) for use on a Government installation;

(c) under a local support service contract;

(d) under a contract with a short performance period or involving Government property having an acquisition cost of \$50,000 or less; or

(e) When otherwise determined by the contracting officer to be in the Government's interest.

e. Service Contract Act. The Service Contract Act applies to acquisitions of services in excess of \$2,500 where the services will be performed by "service" employees. Service employees are essentially blue collar type employees (e.g., mechanics, helpers, drafters, etc.). When your requirement is for services in excess of \$2,500 and the Service Contract Act applies, refer to FAR Part 22.10 for guidance. (The Service Contract Act does not apply to services to shipboard services nor services outside the United States, its territories and Puerto Rico.)

f. Bilateral Purchase Orders. Specific clauses that must be incorporated when it has been determined that a bilateral purchase order is required are found at DFARS 213.507(a)(ii).

g. Assignment of Claims. FAR 52.232-23, "Assignment of Claims (JAN 1986)", must be included in purchase orders where it is anticipated that a contractor will assign payments to a bank, trust company or other financing institution. A contract must be in existence at the time an assignment is

executed. When the contracting officer receives a notice of assignment under a unilateral purchase order of \$1,000 or more, and delivery has not been made and the payments are less than \$1,000, the contracting officer should return the notice of assignment to the financing institution with a letter stating that assignment cannot be made if the payments remaining are for less than \$1,000. If payments remaining are for \$1,000 or more, the contracting officer should modify the unilateral purchase order and include the Assignment of Claims clause, advising the contractor that if he executes and returns the Amendment (SF 30), a valid assignment may be executed. A copy of the signed modification will be sent to the paying office. (Note: For suspected violations of the Assignment of Claims Act, the Contracting Officer shall report to counsel for the field purchasing activity, or if counsel is not assigned, to the counsel of the assigned procurement management review detachment.)

5. Standard Form 44, Purchase Order-Invoice-Voucher.

a. General. The SF 44 is a variation of the purchase order method of procurement. It is a multi-purpose form that can be used as a purchase order, receiving report, invoice, and public voucher. It is a pocket-size form designed for on-the-spot, over-the-counter purchases of supplies and nonpersonal services while away from the purchasing office or at isolated activities.

b. Conditions for Use. The SF 44 will be used only when another purchase method is not available. The SF 44 may be used only if all of the following conditions exist:

(1) The amount of the purchase does not exceed the micro-purchase threshold (\$2,500). Purchases of aviation fuel and oil by Navy pilots, overseas transactions by contracting officers in support of contingencies declared by the Secretary of Defense, and transactions in support of intelligence and other specialized activities addressed by Part 27 of Executive Order 12333 shall not exceed \$25,000;

(2) The supplies or services are immediately available from contractor's stocks in the local trade area or are readily obtainable from establishments in the local trade area regularly performing services of the type required; and

(3) One delivery and one payment will be made.

c. Preparation and Execution. An authorized ordering employee shall prepare the Purchase Order-Invoice-Voucher (SF

44) in quadruplicate at the time the purchase is made. Although the title of the form includes the words "Purchase Order," a SF 44 shall not be executed prior to delivery or performance by the contractor. Notwithstanding the instructions printed on the inside cover of each book of forms, the ordering employee will make appropriate entries in the common blocks and columns on all four (4) copies of the SF 44. Clauses are not required for using this form.

d. Distribution. Upon completion of the purchase on the SF 44, distribution shall be as follows:

(1) Copies 1 and 2 shall be given to the contractor at time of purchase. Contractors should be instructed to submit copy 1 as an invoice (with or without a commercial invoice) to the disbursing activity indicated in the block entitled "Agency Name and Billing Address".

(2) Copies 3 and 4 shall be returned promptly by the ordering employee to the ordering activity.

(3) Copy 4 shall be forwarded to the appropriate fiscal office for recording of obligations. A sample SF 44 is contained at the end of this chapter.

e. Accountability and Safeguarding of SF 44. Each activity maintaining books of SF 44 shall establish adequate control procedures to ensure that the SF 44 is used only by authorized ordering employees of the activity. The ordering employees authorized to use the SF 44 shall be designated in writing by the supply officer or the commanding officer of the activity, as appropriate. At activities where ordering employees cannot be designated specifically by name, such as pilots of aircraft and drivers of motor vehicles, the use of the SF 44 may be granted to such personnel.

6. Unsigned electronic purchase orders. An unsigned electronic purchase order (EPO) is an offer for supplies or services which is electronically transmitted to the supplier without the signature of the contracting officer (see sample in paragraph c. below).

a. Conditions for use. An unsigned electronic purchase order may be issued when the following conditions are present:

(1) Its use is more advantageous to the Government than any other simplified acquisition method;

(2) It is acceptable to the supplier;

(3) It is approved by the contracting officer;

(4) It does not require written acceptance by the supplier; and

(5) The purchasing office retains all contract administration functions.

b. Procedures. The buyer shall prepare a worksheet containing solicitation and evaluation information which, prior to transmittal, shall be signed by the contracting officer. Ultimately, it shall be attached to a copy of the transmission and retained in the purchase order file. Administration information such as accounting data and the indication of large or small business, which is not to be transmitted, shall be placed at the end of the worksheet and included on the copies of the message intended for internal distribution. A DD Form 1155 or other small purchase form shall not be issued in making the purchase.

c. Transmitted electronic purchase order. The content of each EPO, over and above regulatory requirements is determined by the individual acquisition. The following example of an EPO is for illustrative purposes only:

TRANSMITTED ELECTRONIC PURCHASE ORDER

To: Bell & Bright Co
7100 McCormick Rd
Lincolnland, IL

Re Ur Oral GS-6886/Landeck. This is firm order to furnish the following on terms specified.

Purchase Order No: N00023-95-M-0001 Date: 95 Nov 01

DO Rating: A3 Priority: 03 Terms: Net

Regn No: N0036750030280 (USS CHICAGO CG-11)

Deliver FOB destination by: 95 Aug 01

Ship to: N0363750030280

Naval Shipyard, Philadelphia

Mark for: USS CHICAGO CG-11

Philadelphia, PA 19112

Mail invoices to: Naval Shipyard Philadelphia, Bldg 83
Philadelphia, PA 19112

Payment by: DFAS, Washington, DC

Schedule of supplies:

Item No. 1 of 1 - motor 091463 - unit price - \$143.31

Total amt: \$143.31

Mark all pkgs and papers with the purchase order number.

7. Oral Orders Followed by Confirming Orders

a. Definition. A confirming order is a written purchase or delivery order issued to confirm an order which has been placed orally.

b. Conditions for use. Oral orders may be used only when all the following conditions are present:

- (1) This type of order is acceptable to the supplier;
- (2) Approval by the contracting officer is obtained prior to placing the oral order;
- (3) The order does not require supplier's written acceptance;
- (4) The order is for standard commercial supplies and services which are readily available;
- (5) The requirement is a valid emergency (UMMIPS priority designators 01-06 or other similar situations requiring immediate delivery); and
- (6) The purchasing activity retains all administration functions.

c. Oral order Placement. Upon selection of a contractor, contracting officer approval shall be obtained prior to oral placement of the order. Oral orders must provide for the following information:

- (1) Purchase order number;
- (2) Item being procured, quantity and price;
- (3) Date and place of delivery;
- (4) F.O.B. terms;
- (5) Discount terms;
- (6) Shipping address;
- (7) Names of buyer and authorizing contracting officer; and

(8) That the oral order is subject to all terms and conditions of the subsequent written confirming order.

d. Confirming Order. Confirming orders placed subsequent to oral orders shall be prepared in accordance with block by block instructions found at the end of this chapter and shall be prominently marked "CONFIRMING ORDER - DO NOT DUPLICATE". Distribution of the confirming order shall follow the procedures outlined in paragraph 11 and shall be made within 10 days of placement of the oral order or prior to initial delivery, whichever is earlier.

8. Unpriced purchase orders. An unpriced purchase order is an order for supplies or services for which a firm price is not established at the time of issuance of the order. The most common use of unpriced orders is for purchases of repair where the contractor must tear down and inspect the equipment to be repaired to determine the nature and extent of repair. The use of the Governmentwide Commercial Purchase Card is not authorized with unpriced purchase orders. Further, a contractor cannot be requested to furnish a quotation for repair of an item if preparing such quotation requires the contractor to tear down or disassemble the equipment without issuance of a purchase action.

a. Determination of use. The use of unpriced purchase orders is discretionary and contracting officers shall exercise care and judgment in the selection of contractors to receive these orders. Prior to the issuance of an unpriced order, the contracting officer shall determine the impracticability of soliciting firm prices and the reliability of the information supporting the fairness and reasonableness of the monetary limitation.

b. Conditions for use. Unpriced purchase orders may be used only when the following conditions exist:

(1) The purchase order shall not exceed \$50,000 or \$100,000 if FACNET certified.

(2) It is impractical/impossible to obtain pricing in advance of issuance of the purchase order;

(3) The purchase is for:

(a) Repairs to equipment requiring disassembly to determine the nature and extent of such repairs;

(b) Sole source material for which cost cannot be established readily; or

(c) Supplies or services when prices are known to be competitive but exact prices are not known.

c. Instructions for use

(1) General. An Order for Supplies or Services (DD Form 1155) shall be used to issue unpriced purchase orders and shall contain FAR Clause 52.213-3, "Notice To Supplier (APR 1984)" in accordance with subparagraph (3) below. Block 13 of the DD Form 1155 shall be annotated to require the contractor to send the invoice to the Contracting Officer. The words "not-to-exceed" will be annotated over the amounts shown in blocks 17 and 25 of the DD Form 1155. A sample unpriced purchase order is shown at the end of this chapter.

(2) Monetary limitation. A realistic not-to-exceed (NTE) monetary limitation will be established either for each line item, or for the total order. The NTE amount is established by the buyer through correspondence with both the customer and the contractor. The purchase file shall be documented with the basis for the establishment of the NTE price. In order to determine a realistic monetary limitation, the buyer should ascertain as much information as possible from the requisitioner and the contractor about what costs may be involved in the final price. The following illustration contains factors that should be considered in an unpriced order for repair.

FACTORS USED TO ESTABLISH NOT-TO-EXCEED AMOUNT FOR REPAIRS

PRICE-RELATED FACTORS EXPRESSED IN ESTIMATED NUMBERS OF -- **	UNIT & UNIT PRICE	EXTENDED ESTIMATE
____ Labor Hours	\$ ____/HR	\$ ____
____ Call-Out/Trip Charges	\$ ____/TRIP	\$ ____
____ Travel Miles	\$ ____/MILE	\$ ____
____ Travel Hours	\$ ____/HR	\$ ____
____ Days with Meals included	\$ ____/DAY	\$ ____
____ Lodging Days	\$ ____/DAY	\$ ____
____ Car Rental Days	\$ ____/DAY	\$ ____
____ Airline Tickets	\$ ____/TICKET	\$ ____
Possible/Probable Parts Required and the basis for the prices charged.	\$ ____/LOT	\$ ____
Other Factors considered:		
THE NTE PRICE IS REALISTIC BASED ON TOTAL ESTIMATED COSTS	1 JOB	NOT TO EXCEED \$ ____

** These factors do not need to be itemized on the order, but should be kept as part of the solicitation record for use in evaluating the final invoice price. The contractor must agree to itemize each type of charge, as indicated above, on his/her service ticket/report and on the invoice.

(3) Clause requirements. FAR clause 52.213-3, "Notice To Supplier (APR 1984)" must be included in all unpriced orders. This clause notifies the contractor that a firm order exists only if the price does not exceed the maximum line item or total price in the schedule. It advises the contractor that if performance cannot be accomplished in accordance with the order, performance shall be withheld, notification given to the contracting officer, and a quotation submitted. The contractor, therefore, cannot exceed the "NTE" price in an unpriced purchase order without first notifying and obtaining approval from the contracting officer.

(4) Modification. If the contractor advises that performance in accordance with the order is impossible (e.g., in order to complete the repairs it will cost more money), the contracting officer has the option of canceling the order or modifying it to increase the price. If the purchase order is canceled the government may be responsible for costs incurred to date of cancellation. If the purchase order is modified, the contracting officer must determine that the additional cost is fair and reasonable and document the determination in the purchase file. This determination shall be based on information provided by both the contractor and the requiring activity. When modifying the order, the buyer shall attempt to negotiate a firm fixed-price and incorporate the fixed-price in the modification. Unpriced purchase orders need not be modified to establish a fixed-price which is less than the original NTE price of the order.

(5) Alternative to unpriced purchase orders. If the contractor can propose a firm price for a repair, a purchase order with a firm price should be issued. If, however, the contractor must first tear down and inspect the equipment before the extent and nature of the repair can be determined, then consider placing an unpriced purchase order. An alternative would be to place a purchase order for tear down and inspect, requiring the contractor to furnish a report of the extent of repairs including required replacement parts and then issuing a fixed price purchase order for the repair.

(6) Payment Procedures. In addition to the prompt payment procedures in chapter 8, the contracting officer or his designated representative shall review each invoice resulting from an unpriced purchase order and certify that the price is reasonable before processing the invoice for payment. Due to the special invoicing, review and certification required, payment by GCPC is not authorized with unpriced purchase orders.

(7) Distribution. After certification of the contractor's invoice, the signed original of the purchase order shall be forwarded to the Disbursing Office. Distribution shall be made in accordance with paragraph 10. below.

(8) Follow-up/Record of Status. The contracting officer is required to follow-up each unpriced order to ensure timely pricing. A suitable local record of outstanding unpriced purchase orders shall be maintained. The record shall show the order number and date, contractor, the estimated NTE amount, and date follow-up was performed, as appropriate. A file containing copies of unpriced purchase orders is the suggested method of maintaining this record.

d. Unpriced Order Review. All activities issuing unpriced purchase orders shall perform the review procedures described below.

(1) Validity of billing prices. The validity of billing prices shall be reviewed semi-annually to provide reasonable assurance that billed prices represent the fair value of the items purchased. The basis of validation shall be a written price estimate prepared specifically for this purpose by qualified government representatives or a verification of actual supplier percentage of the original monetary limitation. Requests from contractors for increases in excess of these limits shall be reviewed for reasonableness by qualified government procurement personnel in conjunction with technical representatives, if appropriate, prior to the approval of the increases.

(2) Comparison of billing prices with unpriced purchase order monetary limitations. On a random sample basis, billing prices shall be compared with unpriced purchase order monetary limitations for the express purpose of identifying contractors who consistently bill at 95% or more of the established limitation.

(3) Fair and reasonable monetary limitations. The basis for fair and reasonable monetary limitations shall be reviewed. All information available at the activity which has a bearing on a fair price shall be employed in performing such review.

(4) Contractors not considered eligible for the unpriced purchase order method. Suppliers whose integrity may come into question as a result of the actions described in subparagraphs (1) and (2) above should not be considered

eligible for the unpriced purchase order method until such doubts are resolved.

(5) Activities which issue fewer than 100 unpriced purchase orders annually. Activities which issue fewer than 100 unpriced purchase orders annually shall use the objectives listed in subparagraphs (1) through (4) above as guidelines to the extent warranted by local use of unpriced purchase orders.

(6) Activities which issue more than 100 unpriced purchase orders annually. At activities where 100 or more unpriced purchase orders are issued annually, written procedures shall be prepared to accomplish the objectives listed in subparagraphs (1) through (4) above.

9. Indefinite delivery type purchase orders

a. General. This section prescribes policies, procedures, and conditions for using indefinite delivery type purchase orders.

(1) Firm fixed price. All indefinite delivery type purchase orders shall be firm fixed price and either be a definite quantity purchase order (see FAR 16.502) or a requirements purchase order (see FAR 16.503).

(2) Form. Indefinite delivery type purchase orders shall be issued on the DD Form 1155 (Order for Supplies and Services) and shall be identified by using the letter "D" in the ninth position of the PIIN (see DFARS 204.7003). Such purchase orders shall be issued as bilateral documents.

(3) Funds. For a requirements type order funds are obligated by issuance of delivery orders or oral orders, not by the indefinite delivery purchase order itself. Definite quantity purchase orders require funding on the purchase order up to the definite quantity amount.

(4) Total estimated dollars and quantities. Procedures shall be established to ensure that the total estimated dollars and quantities are not exceeded. The estimated dollars may not exceed \$100,000 (or the activities grant of procurement authority).

(5) Definite quantity type purchase orders. Definite quantity type purchase orders provide for delivery of a definite quantity of specific supplies or services for a fixed period, with deliveries to be scheduled at designated locations upon order. Definite quantity type purchase orders

may be used when it can be determined in advance that (a) a definite quantity of supplies or services will be required during the purchase order period and (b) the supplies or services are regularly available or will be available after a short lead time.

(6) Requirements type purchase orders. Requirements type purchase orders provide for filling all actual purchase requirements of designated activities for specific supplies or services during a specified purchase order period, with deliveries to be scheduled by placing orders with the contractor. Requirements type purchase orders shall contain an estimated total quantity, a delivery order limitation beyond which the contractor is not unilaterally obligated to perform, and a limit to the Government's ordering obligation.

b. Clauses

(1) The contracting officer shall incorporate the following clauses as applicable:

(a) FAR 52.216-18, ORDERING (APR 1984), required in requests for quotations and indefinite delivery type purchase orders.

(b) FAR 52.216-19, DELIVERY ORDER LIMITATIONS (APR 1984), required in request for quotations and indefinite delivery type purchase orders.

(c) FAR 52.216-20, DEFINITE QUANTITY (APR 1984), required in request for quotations and definite-quantity purchase orders.

(d) FAR 52.216-21, REQUIREMENTS (APR 1984), required in request for quotations and requirements purchase orders.

(e) FAR 52.232-18, AVAILABILITY OF FUNDS (APR 1984), required when conditions warrant (see FAR 32.703-2(a) and 32.705-1(a)) in purchase orders conditioned upon availability of funds.

(f) FAR 52.232-19, AVAILABILITY OF FUNDS FOR NEXT FISCAL YEAR (APR 1984), when conditions warrant, insert in requests for quotations and requirements type purchase orders if a one-year requirements purchase order for services is contemplated and the purchase is funded by annual appropriations and to extend beyond the initial fiscal year (see FAR 32.703-2(b)).

(g) FAR 52.246-1, CONTRACTOR INSPECTION REQUIREMENTS (APR 1984), insert in the schedule of indefinite delivery type purchase orders for supplies or services.

(h) SUP 5252.216-9402, ORAL ORDERS/INDEFINITE DELIVERY CONTRACTS (JAN 1992) (or similar HCA approved clause), required in all requests for quotations and purchase orders that permit the usage of oral orders.

(i) SUP 5252.216-9403, WRITTEN ORDERS (INDEFINITE DELIVERY CONTRACTS (JAN 1992) (or similar HCA approved clause), required in request for quotations and purchase orders involving fixed price indefinite delivery terms and conditions.

c. Ordering

(1) Ordering activities. The contracting officer shall include in the Schedule a list of the activity(s) authorized to issue orders under indefinite delivery type purchase orders.

(2) Authorization for placing oral orders. If an authorization for placing oral orders is included in the Schedule, authorized ordering activity(s) shall designate in writing the names of individuals authorized to place oral orders and shall furnish a copy thereof to the contractor or his representative in the local trade area. (The total of all delivery orders combined shall not exceed \$100,000 or the issuing activity's open market authority, whichever is less.)

(3) Procedures. Designated individuals shall contact the contractor orally and place the order. The individual placing the order shall identify him/herself to the contractor and shall specify the line items to be furnished. He/she shall also identify the "D" purchase order number, assign a date and oral order number, and record each order in an appropriate log. Oral orders shall be confirmed in writing within ten working days or on a twice-monthly basis when more than one oral order is consolidated for a single confirmation. Copies of orders issued against Indefinite Delivery Type Purchase Orders shall be forwarded to the office which issued the indefinite type purchase order. The oral order procedure is authorized for fixed priced indefinite delivery type purchase orders only.

(4) Documentation. Oral orders shall be initiated on the basis of a purchase request document. The designated

person placing the order shall include the following information on the purchase request:

- (a) Indefinite delivery type purchase order number;
- (b) Oral order number and date;
- (c) Quantity ordered when different from the quantity stated on the purchase request document;
- (d) Unit and total order price and date of delivery; and
- (e) Signature and title of person placing the order.

(5) Terms and conditions. Oral orders under IDT purchase orders shall conform with the terms of the applicable purchase order and shall contain nothing inconsistent with its provisions. Since such orders obligate appropriated funds, they shall be supported by authorized purchase requests. Orders shall not obligate funds in excess of any monetary limitation imposed by the purchase request.

(6) Payment for oral orders. Fixed price indefinite delivery type purchase orders providing for oral orders may provide for invoicing in one of two ways. First an individual invoice, accompanied with a receipt copy of the related delivery ticket and the confirming DD Form 1155, may be submitted for payment for supplies or services delivered in response to an oral order. Alternatively, when it is anticipated that numerous oral orders shall be placed under the "D" type order, a summarized invoice may be submitted for payment twice monthly covering all oral orders made during the previous two weeks. The summarized invoice shall be accompanied with a receipt copy of each delivery ticket along with the confirming DD Form 1155.

10. Purchase Orders with Options

a. Definition. Option means a unilateral right in a contract by which, for a specified time, the Government may elect to purchase additional supplies or services called for by the order; or may elect to extend the term of the order.

b. Use of Options. Options may be included in acquisitions using simplified acquisition procedures provided that the aggregate value of the acquisition and all options

does not exceed the dollar threshold for use of simplified acquisition procedures. The contracting officer may include options in orders when it is in the Government's interest.

(1) Inclusion of an option may not be in the Government's interest when, in the judgment of the contracting officer:

(a) The foreseeable requirements involve:

- 1 Minimum quantities; and
- 2 Delivery requirements far enough into the future to permit competition, production and delivery; or

(b) An indefinite delivery type purchase order would be more appropriate than a purchase order with options. However, this does not preclude the use of an indefinite delivery type purchase order with options.

(2) The contracting officer shall not employ options if:

(a) The contractor will incur undue risks (i.e., price or availability of materials or labor is not foreseeable);

(b) Market prices involved are likely to change substantially; or

(c) The option represents known firm requirements and funds are available unless (i) basic quantity is a learning or testing quantity and (ii) competition for the option is impracticable once the initial contract is awarded.

(3) In recognition of (1) the government's need in certain service contracts for continuity and (2) the potential cost of disrupted support, options may be included in service contracts if there is an anticipated need for a similar service beyond the first contract period.

c. Solicitations

(1) Solicitations shall include appropriate option provisions and clauses when resulting purchase orders will provide for the exercise of options.

(2) Solicitations containing option provisions shall state the basis of evaluation, either exclusive or inclusive

of the option and, when appropriate, shall inform offerors that the Government may exercise the option at time of award.

(3) Solicitations shall contain a separate line item for each option quantity and/or period.

(4) Solicitations that allow the offer of options at unit prices which differ from the unit prices for the basic requirement shall state that offerors may offer varying prices for options, depending on the quantities actually ordered and the dates when ordered.

(5) If it is anticipated that the Government may exercise an option at the time of award and if the condition specified in paragraph (4) above applies, solicitations shall specify the price at which the Government will evaluate the option.

d. Evaluation. Quotations shall be evaluated by their aggregate firm fixed prices unless the contracting officer determines that is not in the Government's best interest, such as when there is a reasonable certainty that funds will be unavailable to permit exercise of the option. Aggregate prices are determined by adding the total price of all items and quantities for the option period.

e. Purchase Order

(1) The purchase order shall specify limits on the purchase of additional supplies or services, or the overall duration of the term of the order, including any extension.

(2) The order shall state the period the option may be exercised.

(3) The period shall be set so as to provide the contractor adequate lead time to ensure continuous production.

(4) The period may extend beyond the contract completion date for service contracts. This is necessary for situations when exercise of the option would result in the obligation of funds that are not available in the fiscal year in which the contract would otherwise be completed.

(5) Unless otherwise approved in accordance with agency procedures, the total of the basic and option periods shall not exceed five (5) years in the case of services, and the total of the basic and option quantities shall not exceed the requirement for five (5) years in the case of supplies.

Statutes applicable to various classes of contracts may place additional restrictions on the length of purchase orders.

(6) If identified in the solicitation, purchase orders may express options for increased quantities of supplies or services in terms of (1) percentage of specific line items, (2) increase in specific line items, or (3) additional numbered line items identified as the option.

(7) If identified in the solicitation, purchase orders may express extensions of the term of the contract as an amended completion date or as additional time for performance; e.g., days, weeks, or months.

f. Documentation. The contracting officer shall justify in writing the quantities or the term under option and the notification period for exercising the option and shall include the justification document in the file.

g. Exercise of options

(1) When exercising an option, the contracting officer shall provide written notice to the contractor within the time period specified in the contract.

(2) The contracting office may exercise options only after determining that:

(a) Funds are available;

(b) The requirement covered by the option fulfills an existing Government need;

(c) The exercise of the option is the most advantageous method of fulfilling the Governments need, price and other factors considered; and

(d) The option was synopsized, as applicable.

(3) The contracting officer, after considering price and other factors, shall make the determination on the basis of one of the following:

(a) A new solicitation fails to produce a better price or more advantageous offer than the option price. If the best price available is the option price or is more advantageous offer, the contracting officer should not use this method of testing the market;

(b) An informal analysis of prices or the market indicates that the option price is better than the market or the option is the more advantageous offer; or

(c) The time between the award of the contract containing the option and the exercise of the option is so short that it indicates the option price is the lowest price obtainable or the more advantageous.

(4) The determination of other factors under (3)(b) above should take into account the Government's need for continuity of operations and potential cost of disrupting operations.

(5) Before exercising an option, the contracting officer shall make a written determination for the purchase order file that exercise is in accordance with the terms of the option and the requirements of this section.

(6) The contract modification (SF 30) or other written document which notifies the contractor of the exercise of the option shall cite the option clause as authority.

h. Solicitation provisions and contract clauses. The contracting officer shall insert provisions substantially the same as the provisions listed below as applicable:

(1) FAR 52.217-3, EVALUATION EXCLUSIVE OF OPTIONS (APR 1984), is required when the solicitation includes an option clause; and does not include one of the provisions prescribed in paragraph (b) or (c) below.

(2) FAR 52.217-4, EVALUATION OF OPTIONS EXERCISED AT TIME OF CONTRACT AWARD (JUN 1988), is required when the solicitation includes an option clause, a determination has been made that there is a reasonable likelihood that the option will be exercised and the option may be exercised at the time of contract award.

(3) FAR 52.217-5, EVALUATION OF OPTIONS (JUL 1990), is required in solicitations when the solicitation contains an option clause; an option is not to be exercised at the time of contract award; and a determination has been made that there is a reasonable likelihood that the option will be exercised.

(4) FAR 52.217-6, OPTION FOR INCREASED QUANTITY (MAR 1989), is required in solicitations and orders, other than those for services, when the inclusion of an option is appropriate and the option quantity is expressed as a

percentage of the basic order quantity or as an additional quantity of a specific line item.

(5) FAR 52.217-7, OPTION FOR INCREASED QUANTITY-SEPARATELY PRICED LINE ITEM (MAR 1989), is required in solicitations and orders, other than those for services, when the inclusion of an option is appropriate and the option quantity is identified as a separately priced line item having the same nomenclature as a corresponding basic order line item.

(6) FAR 52.217-8, OPTION TO EXTEND SERVICES (AUG 1989), is required in solicitations and orders for services when the inclusion of an option is appropriate.

(7) FAR 52.217-9, OPTION TO EXTEND THE TERM OF THE CONTRACT (MARCH 1989), is required in solicitations and orders when the inclusion of an option is appropriate and it is necessary to include in the order a requirement that the Government shall give the contractor a preliminary written notice of its intent to extend the contract, a stipulation that an extension of the option, and/or a specified limitation on the total duration of the contract.

11. Distribution of Purchase Orders

a. General. Activities shall develop and maintain a management system for controlling the distribution of purchase orders. As a minimum, the contracting activity shall take action to identify, prioritize and process documents to ensure that the disbursing office designated to make payment receives the payment copy of the purchase document on or before the date contractor invoice is received. Prioritization of document preparation and distribution shall consider the following:

- (1) Urgency of the requirement;
- (2) Payment terms of the order;
- (3) Oral/confirming orders;
- (4) Fast payment provisions;
- (5) Delivery requirements;
- (6) Purchase of off-the-shelf items; and

(7) Any other factor that may inhibit timely processing of contractor invoices for payment.

b. Distribution of Original

(1) Original to the receiving activity. Except as shown in (2) below, the signed original of the purchase order shall be forwarded to the receiving activity for submission, with the contractor's invoice and evidence of receipt and acceptance, to the paying office when the purchase order directs the submission of invoices to the receiving activity.

(2) Original to the paying office. The signed original shall be forwarded directly to the disbursing officer when one or more of the following situations apply:

(a) For purchase orders providing for payment by other than a Navy Disbursing Office, the signed original and one additional copy shall be forwarded to the payment office except when a Defense Contract Management District payment office is designated, then only the signed original shall be forwarded. The signed originals shall be sent separately from the contract administration office.

(b) For Fast Pay orders providing for direct mailing to the payment office, the original document shall be prominently marked "FAST PAY".

(c) The purchase is chargeable to the Navy Industrial Fund and provides for payment by the disbursing officer of the Navy Industrial Fund activity;

(d) The purchase is made by a Naval Supply Systems Command managed Inventory Control Point;

(e) Inspection and acceptance are at source;

(f) The purchase document is a blanket purchase agreement.

c. Distribution of Copies. Copies of the purchase order will be distributed as follows:

(1) To the contractor. One (1) copy of the purchase order signed by the contracting officer shall be forwarded to the contractor.

(2) To the receiving activity

(a) Receiving copies. One copy of the purchase order shall be forwarded to each receiving activity with additional copies as required by departmental regulations. When inspection and acceptance are at destination, and unless local situations provide for a different procedure, such as the furnishing of the multilith master to receipt control, a total of four copies shall be forwarded to the receiving activity to fulfill the normal internal routing requirements. A transshipping terminal is not a receiving activity.

(b) Additional disbursing copies. When multiple payments are anticipated, sufficient additional copies shall be furnished each receiving activity to permit attachment of a copy of the order to each dealer's bill submitted to the Disbursing Office for payment. Additional copies of orders for periodically recurring rental and maintenance charges on machines and equipment procured under Federal Supply Service contracts need not be furnished. (See Naval Supply Systems Command Manual, par. 23109.6a.)

(3) To the fiscal office. A copy of the purchase order shall be forwarded to the fiscal office accounting for the bureau control number of Navy Industrial Fund subhead charged. The fiscal office (also known as the authorization accounting activity) can be determined from the sixth element of each nine element accounting classification code. The list of authorization accounting activities and their numerical designator are in the Navy Comptroller Manual, Volume 2, Chapter 5. When various funds are charged against open allotments, copies will not be submitted to the accounting activity for obligation purposes.

(4) To the activity administering the Navy Industrial Fund. A copy of the purchase order charged to the Navy Industrial Fund shall be forwarded to the activity administering that particular subhead of the fund except when charge is to subhead .3302, the copy shall be forwarded to the particular activity receiving the supplies or services.

(5) To the requisitioning activity. A copy of purchase order shall be forwarded to the requisitioning activity when it is not the same as the receiving activity.

(6) To the activity to which the public voucher will be abstracted. A copy of the purchase order shall be furnished to the activity to which the public voucher will be abstracted when it is not the same as the receiving or

requisitioning activity. A copy marked "For plant accounting purposes" shall be sent to the activity to which the public voucher will be abstracted as determined by Navy Comptroller Manual, par. 025307-2 when the purchase provides for:

(a) Navy acquisition, conversion, or of capital equipment for use by the contractor in production of other items under the purchase order;

(b) Capital equipment to be furnished to the contractor as government furnished property; and

(c) Construction, acquisition, conversion, or alteration of land or buildings to be used by a Navy contractor when completed by him.

ORDER FOR SUPPLIES OR SERVICES

(Contractor must submit four copies of invoice.)

Form Approved
OMB No. 0704-0187
Expires Jun 30, 1997

PAGE

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, Va 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR FORM TO EITHER OF THESE ADDRESSES.
SEND YOUR COMPLETED FORM TO THE PROCUREMENT OFFICIAL IDENTIFIED IN ITEM 6.**

1. CONTRACT/PURCH ORDER NO.	2. DELIVERY ORDER NO.	3. DATE OF ORDER (YYMMDD)	4. REQUISITION/PURCH REQUEST NO.	5. PRIORITY
6. ISSUED BY CODE		7. ADMINISTERED BY (if other than 6) CODE		8. DELIVERY FOB <input type="checkbox"/> DEST <input type="checkbox"/> OTHER <small>(See schedule if other)</small>
9. CONTRACTOR NAME AND ADDRESS CODE		FACILITY CODE	10. DELIVER TO FOB POINT BY (Date) (YYMMDD)	11. MARK IF BUSINESS IS <input type="checkbox"/> SMALL <input type="checkbox"/> SMALL DISADVANTAGED <input type="checkbox"/> WOMAN-OWNED
14. SHIP TO CODE		15. PAYMENT WILL BE MADE BY CODE		12. DISCOUNT TERMS
				13. MAIL INVOICES TO
				MARK ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER NUMBER

16. TYPE OF ORDER	DELIVERY	This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.
	PURCHASE	Reference your _____ furnish the following on terms specified herein.
ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.		

<input type="checkbox"/> NAME OF CONTRACTOR	SIGNATURE	TYPED NAME AND TITLE	DATE SIGNED
<small>If this box is marked, supplier must sign Acceptance and return the following number of copies:</small>			

17. ACCOUNTING AND APPROPRIATION DATA / LOCAL USE

18. ITEM NO.	19. SCHEDULE OF SUPPLIES/SERVICES	20. QUANTITY ORDERED/ACCEPTED*	21. UNIT	22. UNIT PRICE	23. AMOUNT

<small>* If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.</small>	24. UNITED STATES OF AMERICA	25. TOTAL
	BY:	26. DIFFERENCES

26. QUANTITY IN COLUMN 20 HAS BEEN <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED	27. SHIP. NO.	28. D. O. VOUCHER NO.	30. INITIALS
DATE _____ SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	<input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	32. PAID BY	33. AMOUNT VERIFIED CORRECT FOR
	31. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		34. CHECK NUMBER
36. I certify this account is correct and proper for payment. DATE _____ SIGNATURE AND TITLE OF CERTIFYING OFFICER			35. BILL OF LADING NO.
37. RECEIVED AT	38. RECEIVED BY (Print)	39. DATE RECEIVED (YYMMDD)	40. TOTAL CONTAINERS
			41. S/R ACCOUNT NUMBER
			42. S/R VOUCHER NO.

CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED

PAGE

NAME OF OFFEROR OR CONTRACTOR

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT

CLAUSES AND PROVISIONS NORMALLY USED IN
PURCHASE ORDERS/SOLICITATIONS

The following are clauses that may apply to solicitations and orders and should be incorporated, as appropriate.

(The following apply to all orders)

FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This order incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

FAR 52.203-3 GRATUITIES (APR 1984)
 FAR 52.222-3 CONVICT LABOR (APR 1984)
 FAR 52.233-1 DISPUTES (MAR 1994)
 FAR 52.233-3 PROTESTS AFTER AWARD (AUG 1989)
 FAR 52.232-1 PAYMENTS (APR 1984)
 FAR 52.232-8 DISCOUNTS FOR PROMPT PAYMENT (APR 1989)
 FAR 52.232-25 PROMPT PAYMENT (MAR 1994)

(The following apply to ALL orders for SUPPLIES, or services involving the furnishing of supplies)

FAR 52.212-10 DELIVERY OF EXCESS QUANTITIES (SEP 1989)
 FAR 52.225-11 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES
 (MAY 1992)
 FAR 52.246-1 CONTRACTOR INSPECTION REQUIREMENTS
 (APR 1994)
 FAR 52.246-16 RESPONSIBILITY FOR SUPPLIES (APR 1984)

(The following may apply to any order and should be incorporated as applicable)

— FAR 52.213-1 FAST PAYMENT PROCEDURE (AUG 1988)
 — FAR 52.213-2 INVOICES (APR 1984)
 — FAR 52.219-6 NOTICE OF TOTAL SMALL BUSINESS SET-ASIDE
 — FAR 52.232-18 AVAILABILITY OF FUNDS (APR 1984)
 — FAR 52.232-19 AVAILABILITY OF FUNDS FOR THE NEXT FISCAL
 YEAR (APR 1984)
 — FAR 52.232-28 ELECTRONIC FUNDS TRANSFER PAYMENT METHODS
 (APR 1989)

(The following apply to orders for SUPPLIES, or services involving the furnishing of supplies) (select if applicable)

— FAR 52.210-5 NEW MATERIAL (APR 1984)
 — FAR 52.210-7 USED OR RECONDITIONED MATERIAL RESIDUAL INVENTORY
 AND FORMER GOVERNMENT SURPLUS PROPERTY (APR 1984)
 — FAR 52.212-9 VARIATION IN QUANTITY (APR 1984)
 (Item Numbers _____
 _____% Increase, _____% Decrease)

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- ___ FAR 52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (NOV 1991)
- ___ DFARS 252.223-7001 HAZARDOUS WARNING LABELS (DEC 1991)
- ___ DFARS 252.225-7001 BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM (DEC 1991)
- ___ DFARS 252.225-7002 QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS (DEC 1991)
- ___ DFARS 252.225-7009 DUTY-FREE ENTRY--QUALIFYING COUNTRY END PRODUCTS AND SUPPLIES (DEC 1991)
- ___ DFARS 252.225-7036 NORTH AMERICAN FREE TRADE AGREEMENT IMPLEMENTATION ACT (JAN 1994)
- ___ DFARS 252.225-7037 DUTY-FREE ENTRY -- NAFTA COUNTRY END PRODUCTS AND SUPPLIES (JAN 1994)
- ___ DFARS 252.246-7000 MATERIAL INSPECTION AND RECEIVING REPORT (DEC 1991)

(Choose One)

- ___ FAR 52.247-30 F.O.B. ORIGIN, CONTRACTOR'S FACILITY (APR 1984)
- ___ FAR 52.247-32 F.O.B. ORIGIN, FREIGHT PREPAID (JUN 1988)
Estimated Freight Amount: _____
From City & State: _____
- ___ FAR 52.247-34 F.O.B. DESTINATION (NOV 1991)
- ___ FAR 52.247-35 F.O.B. DESTINATION, WITHIN CONSIGNEE'S PREMISES (APR 1984)

(The following apply to orders for SERVICES) (select if applicable)

- ___ FAR 52.213-3 NOTICE TO SUPPLIER (APR 1984)
(Use if an Unpriced Order is issued)
- ___ FAR 52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION (APR 1984)
(Use if work will be performed on Government property)

(Incorporate if subject to the SCA, as applicable)

- ___ FAR 52.222-40 SERVICE CONTRACT ACT OF 1965, AS AMENDED, CONTRACTS OF \$2,500 OR LESS (MAY 1989)
- ___ FAR 52.222-41 SERVICE CONTRACT ACT OF 1965, AS AMENDED (MAY 1989)
- ___ FAR 52.222-42 STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (MAY 1989) (full text)
- ___ FAR 52.222-47 SERVICE CONTRACT ACT MINIMUM WAGES AND FRINGE BENEFITS (MAY 1989)
- ___ FAR 52.222-48 EXEMPTION FROM APPLICATION OF SERVICE CONTRACT ACT PROVISIONS (MAY 1989)
- ___ FAR 52.222-49 SERVICE CONTRACT ACT-PLACE OF PERFORMANCE UNKNOWN (MAY 1989)

___ FAR 52.222-36 AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS
(APR 1984) (*Applies to all orders over \$2,500*)

(*The following apply to all orders over \$10,000*)

___ FAR 52.222-26 EQUAL OPPORTUNITY (APR 1984)
___ FAR 52.222-35 AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND
VIETNAM ERA VETERANS (APR 1984)
___ FAR 52.222-37 EMPLOYMENT REPORTS ON SPECIAL DISABLED
VETERANS AND VETERANS OF THE VIETNAM ERA
(JAN 1988)
___ FAR 52.222-20 WALSH-HEALEY PUBLIC CONTRACTS ACT (APR 1984)
(*Applies to orders for Supplies*)

(*THE FOLLOWING CLAUSES APPLY TO ALL BILATERAL ORDERS AND SHOULD BE
INCORPORATED AS APPLICABLE*)

(*Select one*)

___ FAR 52.243-1 CHANGES -- FIXED PRICE (AUG 1987)
[For Supplies]
___ FAR 52.243-1 CHANGES -- FIXED PRICE ALTERNATE I
(APR 1984) [For Services with no supplies]
___ FAR 52.243-1 CHANGES -- FIXED PRICE ALTERNATE II
(APR 1984) [For Services with supplies]
___ DFARS 252.243-7001 PRICING OF CONTRACT MODIFICATIONS (DEC 1991)

(*Select one*)

___ FAR 52.249-1 TERMINATION FOR CONVENIENCE OF THE
GOVERNMENT (FIXED PRICE) (SHORT FORM)
(APR 1984)
___ FAR 52.249-4 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT
(SERVICES) (SHORT FORM) (APR 1984) [For Services
with no supplies]
___ FAR 52.249-5 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT
(EDUCATIONAL AND OTHER NON-PROFIT INSTITUTIONS)
(APR 1984)
[For R&D w/ no-profit at these institutes]

(*Select one*)

___ FAR 52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)
(APR 1984)
___ FAR 52.249-9 DEFAULT (FIXED PRICE RESEARCH AND DEVELOPMENT)
(APR 1984)
[For R&D w/ no-profit at these institutes]
___ FAR 52.249-12 TERMINATION (PERSONAL SERVICES) (APR 1984)

(The following should be incorporated as appropriate, and require the use of a bilateral order)

— FAR 52.204-2 SECURITY REQUIREMENTS (APR 1984)
— FAR 52.232-23 ASSIGNMENT OF CLAIMS (JAN 1986)

— FAR 52.245-2 GOVERNMENT PROPERTY (FIXED-PRICE
CONTRACTS) (DEC 1989)
— FAR 52.245-2 GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS)
(APR 1984) ALTERNATE I
— FAR 52.245-4 GOVERNMENT-FURNISHED PROPERTY (SHORT
FORM) (APR 1984)
— FAR 52.245-1 PROPERTY RECORDS (APR 1984)

(The following clauses apply to indefinite delivery type purchase orders and require the use of a bilateral order)

— FAR 52.216-18 ORDERING (APR 1984)
— FAR 52.216-19 DELIVERY ORDER LIMITATION (APR 1984)
— FAR 52.216-20 DEFINITE QUANTITY (APR 1984)
— FAR 52.216-21 REQUIREMENTS (APR 1984)

(The following apply to purchase orders which include options and require the use of a bilateral order)

— FAR 52.217-6 OPTION FOR INCREASED QUANTITY (MAR 1989)
— FAR 52.217-7 OPTION FOR INCREASED QUANTITY -- PRICED LINE ITEM
(MAR 1989)
— FAR 52.217-8 OPTION TO EXTEND SERVICES (AUG 1989)
— FAR 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT
(MAR 1989)

BLOCK NO.	DD FORM 1155 -- PURCHASE ORDER BLOCK TITLES AND DATA ENTRY INFORMATION
	Guidance on preparation of the DD Form 1155 may also be found in DFARS 253.213.7, DFARS 204.70, and DFARS 204.71.
1	<p>CONTRACT/PURCHASE ORDER NO. -- Enter the Procurement Instrument Identification Number (PIIN) assigned IAW DFARS 204.70 and the following: (i.e., N00023-96-M-1234.)</p> <p>1st position - identifies the service: (i.e., "N" for Department of the Navy, "M" for Marine Corps.)</p> <p>2nd through 6th position - the UIC of the activity issuing the order.</p> <p>7th and 8th position - the Fiscal year in which the order is issued.</p> <p>9th position - identifies the type of order, "M" for manual purchase orders, "P" for automated systems, "V" for Fast Pay orders, and "D" for indefinite delivery type purchase orders.</p> <p>10th through 13th position - the serial number assigned to the order.</p>
2	DELIVERY ORDER NO. -- Leave Blank when issuing a purchase order, however when issuing an order against an IDTPO, this block will contain a four digit delivery order number as described in DFARS 204.70.
3	DATE OF ORDER -- Enter the two position numeric year, three position alpha month, and two position numeric day. For example: 95 Oct 01
4	REQUISITION/PURCH REQUEST NO. -- Enter the requisition number assigned to the item identified on the purchase request. If more than one requisition applies to the order, enter "See Schedule" and list each requisition number with the item's description in the schedule.
5	PRIORITY -- Enter the Program Identification Code, as appropriate, as identified in the Defense Priorities and Allocations System Regulation.
6	ISSUED BY -- Enter the name and mailing address of issuing office. In the code block, enter the appropriate DoDAAD code (e.g., N00023). Directly below the address enter: Buyer/Phone: followed by the buyer's name and phone number.
7	ADMINISTERED BY -- When administration is retained by the purchase office, leave blank. When administration is assigned to DCMC, enter the name, address and appropriate code from the DoD Directory of Contract Administration Services Components" DLA Handbook No. DLAH 4104.4.
8	DELIVERY FOB -- Indicate the FOB Point by checking the applicable block.

BLOCK NO.	DD FORM 1155 -- PURCHASE ORDER BLOCK TITLES AND DATA ENTRY INFORMATION
9	CONTRACTOR -- Enter the full business name and address of the contractor. Ensure the name and address is the same as the contractor will use on the invoice in order to avoid payment problems. If contractor has a separate payment remittance address, enter that address in the schedule entered as "REMIT TO: ..." Enter the contractor code (organizational entity code) when administration is being performed by DCMC.
10	DELIVER TO FOB POINT BY (Date) -- If a single date of delivery applies to the entire order, enter date in this block in the same format as used in block 3. If more than one date applies, enter "See Schedule" in this block and list delivery or performance dates in the schedule.
11	MARK IF BUSINESS -- Check business size, if applicable.
12	DISCOUNT TERMS -- If applicable, enter the discount for prompt payment quoted by the contractor; otherwise, leave blank. Discounts must be entered in terms of percentages and days, (i.e., 1% 10 days, .50% 20 days, net 30 days.)
13	MAIL INVOICES TO -- Enter the reference to the block number containing the address to which invoices should be mailed or delivered. When not in Blocks 6, 7, 14, or 15, insert "See Schedule" and enter the invoicing address in the schedule.
14	SHIP TO -- If a single ship to point is applicable to the entire order the name and address should be entered in this block. Multiple ship to points will be shown in the schedule and this block annotated "See Schedule". Enter the UIC of the receiving activity in the code block. If a TAC is applicable, enter code.
15	PAYMENT WILL BE MADE BY -- Enter the name and address of the activity making payment. Enter in the Code block, the DoDAAD code of the paying office.
16	TYPE OF ORDER -- Check the Purchase Order box and enter the date and person who gave quote. For example: Reference your "Oral Quote by B. Smiley on 95 Nov 10." If purchase order is bilateral, enter a check or "X" in the box that indicates the contractor must sign the order and indicate the number of copies to be returned to the issuing office.
17	ACCOUNTING AND APPROPRIATION DATA/LOCAL USE -- Enter the accounting classification and the accounting classification reference number (ACRN) (as a prefix) in accordance with DFARS 204.7107. If there is more than one line of accounting, enter "See Schedule" and enter line of accounting for each item or ACRN in the schedule.