



# Simplified Acquisition Guide

An Additional Help for ADS Chapter 302

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## SIMPLIFIED ACQUISITION GUIDE: An Additional Help Document for ADS 302

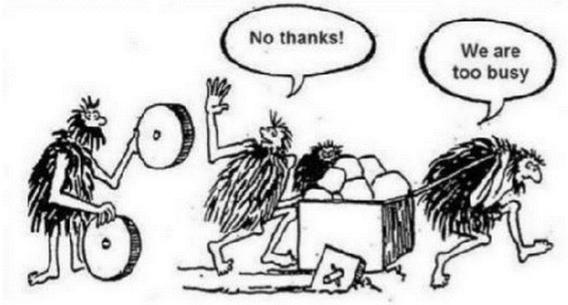


Figure 1

### Guiding Principles

Simplified Acquisition Procedures (SAP) are streamlined techniques and guiding principles designed to reduce the administrative burden of awarding lower dollar value procurements. They encourage accepting oral quotes vice written quotations, prefer comparing quoted prices vice conducting negotiations, and provide streamlined clauses to support the award document.

### **Introduction and Background**

Simplified Acquisition Procedures (SAP) are contracting methods designed to streamline the acquisition process. The benefits include less paperwork and lower costs for both the contractor and the Government. [FAR 13.003\(a\)](#) states, “Agencies shall use simplified acquisition procedures to the maximum extent practicable for all purchases of supplies or services not exceeding the [simplified acquisition threshold](#) (SAT).”

SAP emphasizes the “Keep it Simple” approach. [FAR 13.106-2\(b\)\(3\)](#) emphasizes the flexibility offered when using SAP by not requiring formal procedures such as: formal evaluation plans, submission of detailed technical/management plans with quotes or offers, establishing a competitive range, conducting discussions, and scoring offers. Use of such formal procedures defeats the purpose of using SAP.

This guide summarizes the steps for SAP, but Contracting Officers (COs) must still review the FAR, AIDAR, ADS, and other Agency guidance to ensure compliance with their requirements.

### **Simplified Acquisition Thresholds:**

The CO should use simplified acquisition procedures if based on market research, the CO reasonably expects that the purchase will not exceed SAT. A proposed purchase or contract for an amount above SAT may not be divided into several purchases or contracts for lesser amounts in order to use the simplified procedures (see [FAR 13.003\(c\)\(2\)](#)).

As of August 2017, the following thresholds apply (please confirm the actual thresholds in place at the time of actual procurement):

Micro Purchase	Simplified Acquisition	Commercial Item Threshold	
\$ 10,000 <sup>1</sup>	\$250,000	\$7,000,000	Standard
	\$500,000		With a humanitarian/peacekeeping determination
\$20,000/30,000	\$750,000/1.5M	\$13,000,000	With a Contingency Operation determination

Note: When determining if an acquisition is under the SAT, the cost of transportation and other accessory costs are excluded if their destination is outside the United States ([AIDAR 713.000](#)). However, the CO must consider these costs in the evaluation of quotes.

## **STEPS**

### **1) Define the Requirements**

Express requirements in a manner that promotes competition by opening the purchase to a wider range of vendors. Be clear and do not use USAID specific terms. Commercial items are preferable. As stated in [FAR 11.002\(a\)](#), express the requirements in terms of:

- Function to be performed;
- Performance required; or
- Essential physical characteristics—but not so excessive that they decrease competition.

If your requirement includes IT, see [ADS 545, Information Systems Security](#) regarding required approvals from M/CIO.

See [ADS 302.3.5.20](#) Conference Costs and Required Approvals when the requirement is for a USAID-funded conference

### **2) Conduct Market Research**

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<sup>1</sup> Except for acquisitions of construction subject to Wage Rate Requirements, which is \$2,000; and for services subject to Service Contract Labor Standards, which is \$2,500.

[FAR 7.102](#) states that agencies shall perform acquisition planning and conduct market research for all acquisitions in order to promote and provide for the acquisition of commercial items and non-developmental items. Market research also provides information that helps:

- Refine the requirements,
- Build source lists,
- Develop evaluation factors, and
- Evaluate past performance of offerors.

How much market research is enough?

- It varies based on urgency, dollar value, complexity, and past experience with the requirement or similar requirements.
- Conduct a cost-benefit evaluation, i.e. if the level of research conducted is more than the value of the item or service; you may be doing too much.
- If the CO is familiar with an item and its marketplace, minimal research is necessary; however, be sure the knowledge is current (no more than 18 months old) and the contract file is documented accordingly.
- It is a best practice to vary your sources of information, i.e. don't always check the same Web site such as Amazon or Ebay.

### 3) Required Sources

[FAR Part 8](#) requires that Agencies satisfy requirements through mandatory sources. [FAR Part 13](#) procedures should not be used if you can satisfy the requirement through any of the following:

Required sources of supply (in descending order):	
	Agency inventories
	Excess from other agencies
	<a href="#">Federal Prison Industries (see exceptions)</a>
	Purchase from the Ability One Product <a href="#">Procurement List</a> (also required for certain <a href="#">services</a> )
	Wholesale supply sources (i.e. GSA or DLA stock)
Other preferred sources:	
	Federal Supply Schedule
	An existing IDIQ or other established contract

The Ability One procurement list includes office supplies and furnishings, as well as caps, hats, and bags. Missions should pay particular attention to the list when requiring such items. Similarly, the Federal Prison Industries have a schedule of products for which they are a mandatory source if they can satisfy your needs and they are comparable to the private sector in terms of price, quality and delivery. COs should be familiar with what kinds of items are mandatory from these sources.

Also see [FAR 8.003](#) Use of Other Mandatory Sources for required sources for specific supplies or services (public utility services, printing and related supplies, leased motor vehicles, strategic and critical materials, and helium).

#### 4) **Small Business**

Set Aside - In accordance with [FAR 13.003\(b\)](#), acquisitions of supplies or services that have an anticipated dollar value exceeding the micro purchase threshold and not exceeding the SAT are reserved exclusively for small business concerns and must be set aside (see [19.000](#), [19.203](#), and [subpart 19.5](#)). While FAR part 19 does not currently apply to overseas procurements, the Agency strongly encourages overseas COs to adhere to the procedures outlined in part 19 where practicable. The CO may award to a small business under the 8(a), HUBZone, Service Disabled Veteran, Women Owned small business programs.

Exceptions to the set aside requirement:

- Procurements outside the United States and its outlying areas.
- The CO determines there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery. If the CO does not proceed with the small business set-aside and purchases on an unrestricted basis, the CO must include in the contract file the reason for this unrestricted purchase.
- Limited competition when supported by a written determination.

If a U.S.-based procurement exceeds \$25,000, obtain the Office of Small and Disadvantaged Business Utilization (OSDBU), Small Business Review Clearance (Form 1410, refer to AIDAR 719-271-6 and [ADS 300.3.11.1](#)).

#### 5) **Buy American and Source/Nationality Requirements**

- When using OE funds, follow the requirements of [FAR Part 25 – Buy American](#) and [ADS 330, Source Rules for Administrative Procurement](#). In accordance with FAR 25.100, the Buy America Act only applies to acquisitions over the micro purchase threshold of supplies acquired for use in the United States.

- When using program funds made available for assistance under the FAA of 1961, as amended, Source/Nationality rules apply (see [ADS 310, Source and Nationality Requirements for Procurement of Commodities and Services Financed by USAID and 22 CFR 228](#)).
- Regardless of funding source, the CO must ensure compliance with the Commodity Eligibility requirement of [ADS 312, Eligibility of Commodities](#).
- If you are uncertain which eligibility rules apply, contact the cognizant GC/RLO.

**6) Synopsis and Posting**

If the action is not made under FAR part 8, unless an exception at FAR 5.202 applies, FAR [5.101](#) and [5.203](#) require public display and synopsis of proposed contract actions over \$15,000. Acceptable methods for disseminating information include:

- Actions expected to exceed \$25,000, synopsized in the GPE; and
- Actions expected to exceed \$15,000, but not expected to exceed \$25,000, display in a public place or use any appropriate electronic means.

**[AAPD 18-04](#) contains an additional exception to the publicizing requirements for awards of \$250,000 or less by an overseas contracting activity. This exception does not apply to awards issued by contracting officers in the U.S.**

**7) Satisfy Competition Requirements**

DO	DO NOT
Promote competition to the maximum extent practicable (solicit from at least three sources).	Solicit quotations based on personal preference or restrict solicitation to suppliers of well-known and widely distributed makes or brands.

- Sole Source awards are only allowed when the CO determines in writing that the circumstances of the contract action deem only one source reasonably available (e.g., urgency, exclusive licensing agreements, brand name or industrial mobilization).

(For sole source actions over the SAT, additional requirements at [FAR 13.501](#) apply. Also see [5.102\(a\)\(6\)](#) for the requirement to post the brand name justification or documentation).

- Actions under the micro purchase threshold do not require formal competition. Distribute equitably among qualified suppliers.
- For commercial item acquisitions over the SAT but under the commercial item threshold, simplified acquisition procedures may be used. See [FAR subpart 13.5](#).

## 8) **Solicitation**

- Solicit quotations orally to the maximum extent practicable and efficient, otherwise, issue a written solicitation. (Note: it may not be practicable to solicit quotes orally for contract actions exceeding \$25,000 and requiring synopsis, unless covered by an exception in [5.202](#)).
- The CO must notify potential offerors of the basis on which award will be made (price alone or price and other factors, e.g., past performance and quality).
- Options are allowed as long as the total price inclusive of options will be under the SAT.
- COs are encouraged to use best value. See [FAR part 15.101](#) for a description of the best value continuum which includes the trade off and lowest price technically acceptable approaches.
- Micro purchases may be awarded without soliciting competitive quotations if the CO considers the price to be reasonable ([FAR 13.203\(2\)](#)).
- Solicitations are not required to state the relative importance assigned to each evaluation factor and subfactor, nor are they required to include subfactors. Keep it simple!
- Consider USAID's branding and marking requirements found in [ADS 320, Branding and Marking](#).

## 9) **Evaluate Offers**

- Be impartial.
- Evaluate on the basis established in the solicitation.
- Include transportation charges from the shipping point of the supplier to the delivery destination in your price evaluation.
- Consider all quotes/offers.
- Address past performance (does not require the creation or existence of a formal

database and may be based on the CO's knowledge, customer surveys, past performance questionnaire replies, the government-wide Past Performance Information Retrieval System (PPIRS), or any other reasonable basis).

## 10) **Documentation**

- Determine that the price is fair and reasonable - competitive offers are the best basis for this determination. If only one offer, justify price reasonableness based on one of the factors in [FAR 13.106-3 \(a\)\(2\)](#). (For micro purchases, the administrative cost of verifying the reasonableness of the price for purchases may more than offset potential savings from detecting instances of overpricing—action needed only when the CO suspects the price may not be reasonable or has no comparable pricing information).
- Support the award decision.
- SAM and OFAC screen prints.
- Confirmation of valid DUNS number.
- Make a responsibility determination.
- Minimize documentation but note any determinations or important issues.
- See the negotiation memorandum template for Simplified Acquisition on the M/OAA/PDT Web page.
- [ADS 302.3.7.4](#) and the [ASIST homepage](#) require that all documentation be in ASIST.

## 11) **Make the Award**

- See below for specific information on the different methods of purchase.
- Should be issued on a firm fixed price basis.
- Ensure that the expected performance/deliverables, quantities, delivery dates, and price are clearly stated.
- Include the appropriate clauses—see the FAR matrix ([FAR 52.301](#)) under the SAP column to determine which clauses are always Required (R), Required as Applicable (A), or Optional (O). Do not include the clauses listed at FAR 13.006 (micro purchases do not require provisions or clauses, except as provided in [13.202](#) and [32.1110](#)).
- Ensure that any salaries do not exceed the Contractor Salary Threshold in [ADS 302.3.6.10](#).

- Partner vetting may be required for awards under SAT. See [AIDAR 713.106-370](#), Partner Vetting.
- Simplified acquisition purchases must be processed in GLAAS.
- The signed and executed award must be uploaded into GLAAS (ADS [302.3.7.3](#)).

## 12) **Notification and Debriefing**

- If not using the GPE, notification is not required, but it is a good practice, particularly with local vendors.
- If a supplier requests information on an award that was based on factors other than price alone, provide a brief explanation of the basis for the contract award decision (see [15.503\(b\)\(2\)](#)).

## 13) **Contract Closeout**

Confirm that all goods and/or services have been received and all receiving reports are in the contract file.

Files for contracts using simplified acquisition procedures should be considered closed when the CO receives evidence of receipt of property and final payment, unless otherwise specified by Agency regulations ([FAR 4.804-1](#)). See [ADS 302sat, Guidance on Closeout Procedures for A&A Awards](#) for further guidance.

## **SAP METHODS OF PURCHASE**

- Purchase Orders, when issued by the government, means an offer by the government to buy supplies or services, at the stated price in the order and upon specified terms and conditions contained in the order ([FAR 13.302](#)).
  - a. Purchase Order itself must contain, at minimum:
    - Quantities of supplies or scope of services;
    - Place of performance/delivery location;
    - Delivery date or period of performance; and
    - F.O.B. destination unless valid reason otherwise.
- Usually awarded unilaterally (only the CO signs).
- May be unpriced when the conditions of [FAR 13.302-2](#) are met.

A quotation is not an offer and, consequently, cannot be accepted by the government to form a binding contract. A contract is established when the supplier accepts the offer by performing or signing the order.

- Government-wide Commercial Purchase Card (GPC) is used to make purchases or orders below the micro purchase threshold or as a payment vehicle per [FAR 13.301](#).
  - a. COs and Purchase Agents must follow [ADS 331, USAID Worldwide Purchase Card Program](#) if the conditions in ADS 331.3.1 are met.
  - b. The USAID worldwide purchase card program must not be used when the M/OAA Director determines it is inappropriate (i.e. countries with high credit card fraud).
  - c. [ADS 331maa – USAID Worldwide Purchase Card Program Manual](#) - provides the six basic steps in the buying process for the purchase card program.
- Blanket Purchase Agreement (BPA) is a simplified method of filling anticipated repetitive needs for supplies or services by establishing “charge accounts” with qualified sources of supply. See [FAR 13.303](#) when establishing a BPA. Some of the circumstances that may make a BPA appropriate are:
  - a. Requirements exist for a wide variety of items within a broad class of goods, but the exact items, quantities, and delivery requirements are not known in advance;
  - b. The writing of numerous purchase orders can be avoided through the use of this procedure; or
  - c. There is no existing requirements contract for the same supply or service that the contracting activity is required to use ([FAR 13.303-2](#)).

There are two types of BPAs:

- a. “Traditional” BPA subject to [FAR Part 13](#), and
- b. GSA Schedule BPAs, aka Multiple Award Schedule (MAS) BPAs which are subject to [FAR 8.405-3](#).

Some considerations:

- BPAs are not contracts and funds are not obligated to the BPA. The subsequent orders against them are the contracts.

- BPAs are “established” vs. awarded with no minimum amount required.
- BPAs contain the framework (clauses and prices) for incorporation in future orders.
- BPAs can be centralized and “decentralized” with “ordering offices” under specific limitations.
- Competition is satisfied at the order, not upon the award of the BPA.

After determining that a BPA would be advantageous, COs should establish ordering parameters. COs should consider suppliers whose past performance has shown them to be dependable, who offer quality supplies or services at consistently lower prices, and who have provided numerous purchases at or below the SAT.

- Imprest Funds and Third-Party Drafts may be used to acquire and to pay for supplies or services.
- SF 44, Purchase Order - Invoice - Voucher is a multipurpose pocket-size purchase order form designed primarily for on-the-spot, over-the-counter purchases of supplies and non-personal services while away from the purchasing office or at isolated activities. It also can be used as a receiving report, invoice, and public voucher.

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