



Report in Brief

July 30, 2018

Background

A blanket purchase agreement (BPA) is an agreement used by government agencies to pay for supplies and services that are purchased from qualified sources on a repetitive basis. BPAs are not contracts because they do not obligate agencies to purchase a minimum quantity or dollar amount of a good or service until they place—and the vendor accepts—an order. When an order is issued under the BPA, and the BPA-holder agrees to provide the service, the order becomes a binding contract between the parties. Both parties are then bound to all of the BPA's terms and conditions for the order. Thus, a BPA is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. The Census Bureau (the Bureau) uses two types of BPAs: (1) General Services Administration (GSA) schedule agreements, which incorporate the terms and conditions of an underlying GSA contract, and (2) Census Bureau-established agreements. GSA schedule BPAs follow procedures defined by the Federal Acquisition Regulation (FAR) Subpart 8.4, "Federal Supply Schedules." Census Bureau-established BPAs follow FAR Part 13, "Simplified Acquisition Procedures."

Why We Did This Review

Our objective was to determine whether the Bureau established and administered BPAs in accordance with laws, regulations, and agency guidance.

U.S. CENSUS BUREAU

Census Bureau Could Improve Monitoring of Blanket Purchase Agreements by Complying with Key Federal Acquisition Regulation and Commerce Requirements

OIG-18-023-A

WHAT WE FOUND

Overall, we found that the Bureau did not properly establish or administer all 17 BPAs because contracting officials did not comply with at least one or more of the key FAR and *Commerce Acquisition Manual (CAM)* requirements. Based on our review, the total estimated ceiling price of BPAs that did not fully comply with these key requirements was approximately \$2.4 billion (excluding Census Bureau-established BPAs, which have "no maximum cumulative value" ceilings). Specifically, we found that contracting officials did not consistently

- seek vendor price discounts when placing orders against GSA BPAs,
- perform required annual reviews or maintain documentation supporting the reviews that were performed,
- report accurate BPA information in the Federal Procurement Data System—Next Generation (FPDS—NG), and
- maintain contract files to provide a complete history of the acquisitions.

Consequently, the Bureau is missing potential cost savings on BPAs by not consistently requesting price discounts and not conducting annual reviews.

By properly conducting and documenting annual reviews for 17 BPAs, the Bureau could potentially put up to a maximum of \$1.7 billion in expected funds to better use for these BPAs.

WHAT WE RECOMMEND

We recommend that the Census Bureau Acquisition Division Chief do the following:

1. Require contracting officers to request vendor price discounts on all orders or BPAs exceeding the simplified acquisition threshold: (a) before establishing a BPA; (b) before placing an order; or (c) in conjunction with the annual review.
2. Require contracting officers to perform annual BPA reviews, properly document the results of the review, and maintain documentation of the reviews in the contract file.
3. Reemphasize the importance of entering, reviewing, and approving the accuracy of information entered into the contract action reports to ensure the integrity of the data in FPDS-NG.
4. Improve controls to properly maintain and safeguard contract files.
5. Ensure that training is provided for contracting personnel to correct identified deficiencies.