June 18, 2019

Dear Vendor:

Thank you for your interest in establishing a Blanket Purchase Agreement (BPA) with the National Institutes of Health (NIH). BPAs are the Government’s equivalent to a charge account which is established to meet the needs of NIH. It is an agreement between the vendor and the NIH where the vendor provides the NIH with a product and/or a service at a discounted price. The BPA is an ordering mechanism that is used under the Simplified Acquisition Process and it is established at the discretion of NIH to allow the placement of low dollar, low volume requirements, thereby reducing the need for written purchase orders. BPAs cover a variety of commodities or services (biological materials, office products, lab supplies, lab testing services, etc.) and can be used for orders under $3,000 where no competition is necessary or for orders over $3,000 where competition is required.

While the NIH is always receptive to new business proposals and encourages companies to expand their business opportunities in the it’s marketplace, the administrative costs of establishing and maintaining a BPA makes it essential that we carefully consider several factors before awarding new accounts. The following is some information regarding BPA establishment:

1. The vendor should have current or recent simplified and/or purchase card orders with the NIH in order to establish dependable past performance;

2. The proposed BPA should include a variety of items in a broad class of supplies and/or services that are generally purchased but where the exact items, quantities and delivery requirements are not known in advance;

3. There should be a need to establish additional commercial sources of supply for the supplies/services for more than one office/laboratory with delegated procurement authority; previous purchases should demonstrate that issuance of a BPA will result in reduced administrative costs by eliminating the need to write numerous purchase orders in support of more than one office/laboratory;

4. The BPA Program creates Open Market (O/M) BPAs that are good for one year and may be renewed if the BPA reflects usage. The O/M BPA has a maximum order limit of up to $25,000 per order;

5. The vendor’s discounted (net) prices should indicate that purchasing under a BPA (including purchase card orders) would be advantageous to the NIH;

6. In addition to the usual Federal procurement regulatory requirements, potential BPA vendors are sometimes required to comply with requirements that are unique to the NIH. For example, an Animal Welfare Assurance Certificate is usually required before a BPA can be used for animal services;

7. NIH BPAs are not for outside government agencies; they are strictly for use by the NIH; and

8. Vendor must be registered in the System for Award Management (SAM) at https://www.sam.gov. In addition, this registration must be current and accurate.
Occasionally, NIH may solicit price quotations on a competitive basis by issuing a competitive BPA solicitation. This alternative method of establishing BPAs requires vendors, including current BPA vendors, to provide NIH with across-the-board commodity prices and discounts for a stated period of time. These solicitations are advertised in the FedBizOpps (FBO) and BPAs are awarded based on the overall net delivered price as determined by a product(s) evaluation.

In most cases, O/M BPAs are issued as “F.O.B. Destination.” At NIH, this designation on its BPA is equivalent to the terms “F.O.B. Destination, within Consignee’s Premises.” Therefore, a BPA vendor must agree to pay all freight charges and deliver to the specific building and room specified at the time an order is placed.

If you feel that your company meets the criteria please contact the BPA Helpline at 301-496-5212 or send an email to the BPA Program Branch (NIH/OD) at BPAProgramBranch@od.nih.gov. An analysis will be conducted to determine whether it would be advantageous to NIH to establish a BPA with your company.

If you have any questions, please contact me or a member of my staff on (301) 496-5212.

Sincerely yours,

Christina Vaughan
Chief BPA Program (Acting)
Division of Simplified Acquisition Policy and Services, OALM