

MEMORANDUM OF AGREEMENT
BETWEEN
THE DEPARTMENT OF DEFENSE
AND
THE DEPARTMENT OF THE INTERIOR

BACKGROUND. The Department of the Interior (DoI) is authorized by statute to provide acquisition services to the Department of Defense (DoD). While DoD obtains acquisition services from multiple DoI locations, their two primary sources are the National Business Center's (NBC's) offices in Herndon, VA (GovWorks) and Ft. Huachuca, AZ (Southwest Branch).

* GovWorks operates under the Federal Franchise Fund Authority of Section 403 of the Government Management Reform Act of 1994 (GMRA) P.L. 103-356, as delegated by the Director, Office of Management and Budget and the Department of the Interior Appropriations Act, 1997, Pub. L. 104-208, div. A, title I, § 101(d) [title I, § 113]. It was established in 1996 to offer acquisition services to Federal agencies. Under the auspices of Franchise Fund authority, GovWorks is authorized to provide only ministerial duties in connection with grants and cooperative agreements (collectively, financial assistance transactions). This does not include obligating funds, or signing or amending financial assistance instruments.

* General statutory authority to provide cross-agency support for the rest of NBC is through DoI's working capital fund, which was established pursuant to 43 U.S.C. 1467 (amended). In addition, NBC has specific statutory authority (P.L. 108-7, div F, title I, Section 144) to enter into grants, cooperative agreements, and other transactions, under the Defense Conversion, Reinvestment, and Transition Assistance Act of 1992, and other related legislation. They are not authorized to provide financial assistance services beyond this.

* Acquisition services provided by the remainder of DoI are provided under authority of the Economy Act (31 U.S.C. 1535) and Federal Acquisition Regulation 17.5. DOI offices, other than NBC, are not authorized to provide any financial assistance services to DoD.

This Memorandum of Agreement (MOA) and Action Plan identify roles and responsibilities for both DoD and DoI. Much of what is set forth here reflects work that has already begun; this document memorializes those actions.

DoI provides value to DoD by:

- * Managing the acquisition process to comply with applicable statutes and regulations
- * Providing an educated and well-trained workforce
- * Providing expert contracting experience in functional areas such as research and development, information technology, and supplies and services
- * Collaborating with Ordering Agencies to plan, award, administer, and close contracts and agreements
- * Setting and tracking various performance metrics
- * Providing real time financial reporting and
- * Reporting work completed.

OBJECTIVE: DoD and DoI share the single objective of providing best value goods and services, in a timely manner, in support of the warfighter. To achieve this objective, both parties agree that they must achieve acquisition excellence.

AGREEMENT: In order to achieve acquisition excellence, DoD and DoI agree to work together to:

1. Ensure that acquisition practices across DoI comply with DoD statutory, regulatory and policy requirements. DoD will provide DoI advance copies of proposed new and revised statutory, regulatory and policy for comment and negotiate changes that affect performance/costs.
2. Ensure that Statements of Work (SoWs) or Performance Work Statements (PWSs) are complete when used in connection with a contract or order issued in support of DoD.
3. An Interagency Agreement (IA) is the mechanism by which a requirement is transferred from one agency to another. Develop and implement standardized content for IAs.
4. Ensure that IAs between DoD and DoI for work to be performed by DoI on behalf of DoD describe the work to be performed and any other applicable requirements.
5. Ensure that price reasonableness determinations are completed and documented on every contract or order placed by DoI on behalf of DoD.
6. Ensure that sole source justifications are adequate when used in connection with a contract or order issued in support of DoD.
7. Ensure that contract surveillance and oversight requirements are defined, adequate and implemented when used in connection with a contract or order either issued by DoI in support of DoD.
8. Ensure that funding oversight/management is adequate when used in connection with a contract or order issued by DoI in support of DoD.
9. Ensure that appropriate acquisition planning is accomplished for every procurement action.
10. Ensure that a DoD contracting officer reviews any requirement valued in excess of \$500,000 before the work is accepted by DoI. DoI will verify that a review by a DoD contracting officer has been completed. DoD will provide DoI guidance on DoD contracting officer review procedures.
11. Ensure that DoD customers provide quality Military Interdepartmental Purchase Requests (MIPRs) or other comparable documents to DoI for assisted acquisitions.

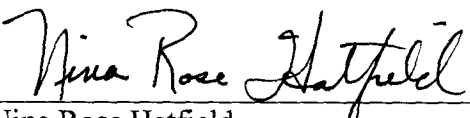
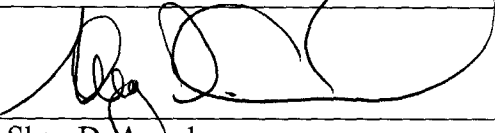
12. Ensure that pricing obtained by DoI and the services it provides represents the best value on a contract/order basis.
13. Ensure that DoI's fee structure keeps its cost recovery consistent with existing guidance and that it is fair and commensurate with the service(s) provided. DoD and DoI will jointly develop benchmark cost of operation metrics. DoD will work with DoI to ensure DoD policies that affect costs are consistent with efficient and effective operations.
14. Ensure that adequate competition is utilized for contracts or orders issued by DoI in support of DoD in accordance with statutory and regulatory requirements.
15. Ensure sufficient contractor oversight is performed to detect potential non-performance and/or non-compliance issues.
16. Ensure that contractor past performance is documented properly and in a timely manner for contracts or orders issued by DoI in support of DoD.
17. Ensure requirements are stated in "performance based" terms to the maximum extent possible, consistent with statute and regulation in connection with a contract or order issued by DoI in support of DoD.
18. Ensure training opportunities are made available to DoI acquisition service providers.
19. Ensure timely and accurate data is reported in the Federal Procurement Data System-Next Generation (FPDS-NG) in connection with a contract or order issued by DoI in support of DoD.
20. Define information requirements and then ensure DoD customers are provided with timely and accurate reports on DoI assisted acquisition support in connection with a contract or order issued by DoI in support of DoD.
21. Ensure funds provided DoI in excess of contract requirements are deobligated and returned to DoD customers in a timely manner. Provide regular reports to DoD customers in connection with status of excess funding.
22. DoI will commence standardized quarterly data reporting to DoD (to include OSD Comptroller) inclusive of uncommitted fund balances, amounts obligated, amounts expended, and fees paid.
23. Ensure and foster open lines of communication between DoD and DoI leadership in promoting value-added acquisition in support of DoD's mission.

As partners, DoD and DoI recognize the need to collaborate on IA requirements. As individual organizations, each has specific responsibilities in all parts of this plan to ensure that all acquisitions conducted on behalf of DoD by DoI contracting officers are compliant with statute, regulation and applicable policy. Collectively, the two organizations have the ability and

expertise to ensure that all contracting actions are done properly, in compliance with all applicable law, regulation and policy and in the best interests of the taxpayer.

DoD values greatly the support that DoI provides. DoD is committed to sound acquisition planning and to providing DoI with clear directions regarding what it wants acquired and when it needs it. DoI is committed to ensuring that contracting actions done on behalf of DOD are of the highest quality, best value, and enhance DOD's abilities to achieve its mission while complying with statute, regulation, and policy.

Attached is an Action Plan that more specifically defines DoD's and DoI's respective roles and responsibilities with regard to the above agreement. This chart will be modified periodically to update roles and responsibilities and, over time, will identify new actions in this evolving process. A quarterly meeting will be held with DoD and DoI senior leadership to evaluate and address the effectiveness of this plan and identify emerging IA issues.

	
Nina Rose Hatfield Deputy Assistant Secretary, Business Management and Wildland Fire Department of the Interior	Shay D. Assad Director, Defense Procurement & Acquisition Policy, OUSD(AT&L) Department of Defense
Date: 2/27/2007	Date: 3/6/2007

DoD-DoI MOA Action Items (2/28/2007)

Action	Date	MOA Items	Responsible Office	Status
<p>1 DoI and DoD will evaluate internal controls and will issue policy and procedure, as necessary, related to the final IG findings consistent with statute and regulation.</p>	<p>Began 2/2007 and ongoing</p>	<p>1</p>	<p>DoI & DPAP</p>	<p>In Progress: NBC Corrective Action Plan has been prepared and corrective actions are underway or have been completed.</p>
<p>2 DoI and DoD will ensure training is provided that emphasizes the following areas:</p> <ul style="list-style-type: none"> • Preparing Interagency Agreement documents (MIPR). • Preparing IGCE. • Preparing Interagency Agreement requirements documents. • Analyzing Performance-based Service Contracting opportunities. • Contracting Officer Representative duties. • Preparing acquisition market research and planning documents. • Documenting decisions for contract actions. • Performing contract administration duties. • Conducting price or cost analysis. • Understanding the requirements of Appropriations Law. 	<p>Began 2/2007 and ongoing</p>	<p>1 - 19</p>	<p>DoI & DPAP</p>	<p>In Progress: NBC Corrective Action Plan has been prepared and corrective actions are underway or have been completed.</p>
<p>3 DoI and DoD will collaborate on Procurement Management Reviews (PMRs) procedures to identify improvement areas as identified in DoD and DoI IG reports.</p> <ul style="list-style-type: none"> • DoI will modify the existing PMR checklist to add emphasis areas related to audit findings. • DoD and DoI will conduct a joint PMR of either NBC's GovWorks or Southwest Branch in CY 2007 	<p>Begin 1/2007 and ongoing</p>	<p>2-12, 14-18</p>	<p>DoI & DPAP</p>	<ul style="list-style-type: none"> • Completed • CY2007
<p>4 DoD will use the IntraDepartmental Task Force on Interagency Acquisitions (AT&L,</p>	<p>Complete 3/2007</p>	<p>3, 11</p>	<p>DPAP</p>	

	DUSD(C)), established in May 2006, to evaluate the IPR, MIPR process. Report findings and recommend corrective actions as necessary.					
5	DoD will revise DoD Instruction 4000.19 "Interservice and Intragovernmental Support" (August 9, 1995).	Complete 9/2007			DPAP	
6	DoD USD AT&L will issue a policy memorandum: <ul style="list-style-type: none"> • Requiring a DoD contracting officer review of each acquisition greater than \$500,000 is to be placed on contract by a non-DoD contracting officer. • Establishing the DoD policy on contract administration roles and responsibilities when purchasing goods or services through non-DoD agencies. 	Complete 4/2007	1, 2, 4-7, 9, 10, 12, 14, 19		DPAP	
7	DoD/DAU will evaluate and revise existing course materials as necessary on bona fide need, appropriation law, and proper acquisition planning, and contract administration for assisted acquisitions	Complete 6/2007	2, 4, 7-9, 15-16, 19, 21		DPAP	In Progress-- The classroom training offered will also address funds expiration in interagency contracting. Existing DoD trainings on fiscal law are being considered for cross training purpose.
8	DoI and DoD will collaborate to issue a memorandum to emphasize proper acquisition planning when the Department utilizes DoI acquisition support and emphasize the need to use "performance based" requirements to the maximum extent possible.	Complete 4/2007	2, 4, 6, 9, 10, 17		DoI & DPAP	
9	DoI and DoD will work with OMB to develop standardized policy and content for Interagency Agreements. Special emphasis areas will include: <ul style="list-style-type: none"> • Identifying roles and responsibilities. • Complying with the Federal Acquisition 	Begin 1/2007; Complete 6/2007	1-19 1		DoI & DPAP	DPAP and DoI are members of the OMB working group on Interagency Acquisition. DoI and DOD will actively participate in the OMB working group and will abide by the OMB schedule.

	<p>Regulation and unique agency requirements.</p> <ul style="list-style-type: none"> Identifying criteria for requirements documentation. Providing quality assurance surveillance plans Determining fair and reasonable price Funding oversight/management, including the timely deobligation of excess funds 			3, 4 7 5 8, 21			
10	DoI and DoD will execute a Memorandum of Agreement (MOA) that establishes specific roles and responsibilities for interagency acquisitions	Complete 2/2007		MOA	DoI & DPAP	Completed	
11	DoI will allow read only access to DoI's Business Information System (financial data) to DUSD(C)	Complete 4/2007		20-23	DoI	Project Team working on requirements and schedule.	
12	DoI will perform follow-on review of compliance with DoD competition requirements, including Section 803 2002 NDAA.	Begin 2/2007 and ongoing		14	DoI	In Progress: NBC Corrective Action Plan has been prepared and corrective actions are underway or have been completed.	
13	DoD USD AT&L will issue a policy memorandum establishing the DoD policy on roles and responsibilities related to the proper capture of past performance information in the federal past performance data base (Past Performance Information Retrieval System (PPIRS) and emphasize holding contractors accountable for meeting contract performance requirements.	Complete 4/2007		16	DPAP	FAR Case 2006-022, Contractor Performance Information, currently under team deliberation, will also address the roles and responsibility related to capturing and inputting the data.	
14	Conduct monthly DoD and DoI action officer level meetings to evaluate and address the effectiveness of this plan, make recommendations for changes, and identify emerging Interagency Acquisition issues*	Begin 6/2007		1-23	DoI & DPAP		

	<p>Topics to be addressed include:</p> <ul style="list-style-type: none"> • analyses of ways to increase efficiency and effectiveness of assisting agency services • improve the delivery of goods and services that provide value • identify new or better methods of performing work • identify and implement flexibilities through either policy or statutory changes or within existing authorities • identify pilots for improvement of services • develop a comprehensive program to ensure agencies are able to enhance value and performance. • Investigate and conduct collaborative training to improve performance 				
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*In addition, quarterly senior leadership meetings are to be held.