

**Memorandum of Agreement
Between
Department of Defense
And
FedSource
A Department of the Treasury
Franchise Fund Business Activity**

Introduction. The Department of Defense and FedSource, a Department of the Treasury Franchise Fund Business Activity, in recognition of their mutual agreement to work together as Federal partners and to demonstrate their commitment to achieving compliance with acquisition, Federal Assistance, and other related regulations and policies, are entering into this Memorandum of Agreement (MOA).

Background. The Office of the Secretary of Defense spends billions of dollars each year using non-DoD assisting agencies to procure supplies and services. This has proven to be an effective way to support DoD's mission. For this reason, the continued use of non-DoD assisting agencies is encouraged when it is determined to be in the best interests of the government.

Definitions. The following terms define the meaning of words used in this MOA:

Agency is the Department of the Defense (DoD) as defined by title 10, United States Code, including the Military Services and commands.

Assisting Agency and Service Provider is FedSource, a Department of the Treasury Franchise Fund Business Activity as defined by The Government Management Reform Act of 1994, 31 U.S.C. § 501 (Note), Pub. L. 103-356 (1994).

Treasury Franchise Fund is an intragovernmental revolving fund administered by the Chief Financial Officer of the Treasury Department. The Government Management Reform Act of 1994, 31 U.S.C. § 501 (Note), Pub. L. 103-356 (1994), authorized the establishment of the Treasury Franchise Fund. The Fund provides inter/intra agency cross-servicing under the specific authority granted in 31 U.S.C. § 322 (Note). Services provided by the Treasury Franchise Fund are not subject to the Economy Act.

Order is a request for assisted acquisition, including a contract award, task order, delivery order, or agreement placed on behalf of DoD by an official of the United States as designated by the Department of the Treasury.

Objective: DOD and FedSource share a single objective of providing best value goods and services, in a timely manner, in support of the warfighter. To achieve this objective both DOD and FedSource agree that we must achieve full compliance in accordance with statutory and regulatory requirements

Principles. Both Agencies recognize the benefit of coordinating their respective efforts. This MOA lays the foundation for a collaborative effort that will improve efficiencies, and leverage resources and capabilities within each agency. In carrying out their respective responsibilities, the Agencies will:

- Ensure that accurate data are captured and reported;
- Ensure a collaborative effort between appropriate individuals throughout the acquisition; and
- Ensure that the responsibilities of DOD personnel and FedSource personnel are implemented in a coordinated and consistent manner.

Responsibilities of the Parties. The parties agree to the following:

1. Orders of the requesting agency will be provided and accepted only for *bona fide* needs within the fiscal period of availability. Orders and funds of the requesting agency shall be in accordance with applicable statutory authorities and restrictions. The funding agency will inform the service provider of any revised or altered statutory restrictions affecting funds provided.
2. Representatives of each agency shall convey, execute and acknowledge acceptance of an appropriate order for the satisfaction of a *bona fide* need, by a FedSource service provider, and shall acknowledge, by their signatures on that Agreement, the following:
 - Their shared responsibility to ensure that the award and any modifications issued are within the scope of the contract by which the goods or services are acquired;
 - Fund commitments and accounts are consistent with statutory authority;
 - Approvals required by each agency have been obtained.
3. Funding agency personnel and service provider personnel assigned to positions of responsibility shall complete required acquisition-related and Federal Assistance-related training to execute their roles and responsibilities (e.g. Contracting Officer Technical Representative and Project Manager training).
4. No classified supplies or services will be procured.
5. Timely notification by the Assisting Agency if the statement of work furnished by the DoD customer is insufficient for contract placement purposes, the acquisition strategy is not appropriate for the product or services to be acquired or the post award administration oversight is not properly addressed.
6. Ensure sufficient contractor oversight is performed to detect potential non-performance and/or non-compliance issues and ensuring that contractor past performance is documented properly and in a timely manner for contracts or orders issued by FedSource on behalf of DOD.

7. Ensure adequate price competition is obtained for orders issued by FedSource in support of DOD in accordance with statutory and regulatory requirements.
8. Ensure funds provided by DOD in excess of contract requirements are deobligated in a timely manner.
9. Meet to review performance under this MOA; to jointly agree on revised performance strategies; and to update plans and objectives. Each agency will alternately take the lead in setting up a meeting and agenda, and will involve the appropriate parties of both agencies.

Fees. Reasonable and customary fees will be commensurate with the cost to award and administer orders.

General. Each agency will keep the other agency informed of its relevant plans and schedules, will respond to the other agency's requests for information to the extent reasonable and practicable, and will strive to recognize and ameliorate any problems arising throughout implementation of this MOA. Any terms of this MOA found to be inconsistent with DOD or Treasury directives or policies will be invalid, but the remaining terms and conditions will remain in effect.

Amendments. This MOA may be altered only by a subsequent written amendment, signed by the parties, expressly stating the parties' intention to amend their agreement. The amendment will be appended to this agreement.

Period of Agreement. This MOA will be effective upon signature by both parties and will remain in effect until such time either party terminates this agreement. The parties will review this MOA semi-annually to determine whether it should be revised, renewed, or cancelled. Either party may terminate this agreement by providing 90 calendar days written notice to the other party.

Acceptance. The responsibilities and terms and conditions of this MOA are agreed to by the following authorized signatories.

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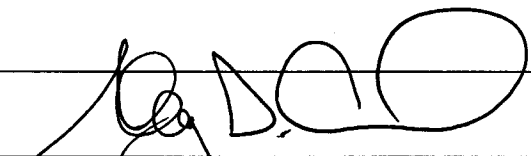
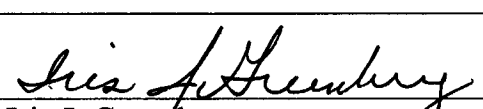
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Shay D. Assad Director , Defense Procurement & Acquisition Policy Department of Defense	Iris J. Greenberg Chief Executive Officer Fed Source
Date: SEP 29 2007	Date: 9/27/07

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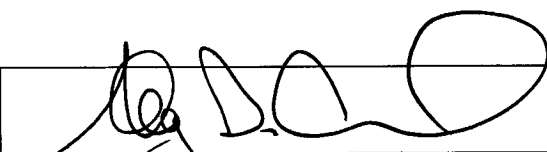
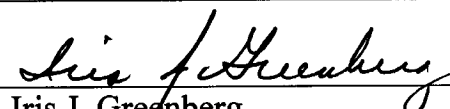
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ACTION PLAN	DATE	MOA ITEM
DOD and Fed Source will conduct on-going formal and informal training on interagency acquisition.	On-going	1-9
Fed Source will perform reviews to ensure contract files are properly documented for competition, including Section 803 2002 NDAA, and price reasonableness.	31-Dec-07	7
Fed Source will use its Procurement Compliance Reviews to review and identify deficiencies and areas of weakness as identified in the DOD and Treasury IG reports and issue a report of findings and recommendations for management action.	31-Dec-07	1-9
Fed Source will issue policy and procedure memorandums, as necessary, related to the final IG findings.	On-going	1-9
Fed Source will issue guidance/procedures for awarding task orders for DOD as well as guidance for due diligence reviews of DOD funding.	On-going	1-9
Fed Source and DOD will jointly develop standardized content for Interagency Agreements. Special emphasis will include: <ul style="list-style-type: none"> Identified roles and responsibilities of DOD and Fed Source Justification for sole source procurements Quality assurance surveillance plans Statements of work requirements Fair and reasonable price determination Funding oversight/management, including the timely de-obligation of excess funds. 	31-Dec-07	1-9
DOD and Fed Source will execute a Memorandum of Agreement (MOA) that establishes specific roles and responsibilities for interagency acquisitions.	Completed	1-9
Fed Source will commence standardized quarterly data reporting to DOD, inclusive of fees paid by DOD to Fed Source.	31-Dec-07	8
DOD and Fed Source will collaborate on all policy memos, procedure memos, Acquisition Letters, Alerts, and related guidance as related to interagency acquisitions.	On-going	1-9
Conduct quarterly meetings to evaluate and address the effectiveness of this plan and identify emerging interagency acquisition issues.	Dec. 2007, March 2008, June 2008, and September 2008	9
Collaborate on transition of DOD work to other service providers <ul style="list-style-type: none"> Fed Source will notify all DOD customers of closure effective 9-30-08. DOD conduct follow up internally to ensure other sources are identified. Review existing Fed Source contracts for transition to DOD or other actions as appropriate. Exchange information on other service providers and contract vehicles. Hold quarterly meetings to review status of DOD transition. 	Completed Dec. 2007 Dec. 2007 Dec. 2007 Dec. 2007, March 2008, June 2008, and September 2008	9