

## Interagency Agreements

[Reference: [FAR 17.5](#)]

### Overview

This section discusses Interagency Agreements (IA) and related requirements that apply to orders placed for the Department with other Federal agencies.

### Background

The Economy Act of 1932 (31 U.S.C. 1535) authorizes Government agencies to place orders with other agencies when the head of the requesting agency, or designee, determines that it is in the Government's interest to do so. IAs specify the goods or work to be furnished, any reporting requirements, arrangements for transfer of funds, and if appropriate, acquisition authority for any contracts to be awarded pursuant to the IA.

### Initiating The Request

When an IA is needed, the requisitioner prepares a procurement package that includes the following:

- Approved procurement request.
- An independent cost estimate for the total project.
- Statement of Work and performance schedule (or references thereto).
- Reporting requirements.
- Justification to support the Determination and Finding (D&F) required by [FAR 17.503](#).
- When a contract award is required, additional detail is needed concerning the servicing agency's capabilities to purchase supplies for other agencies and the servicing agency's need to comply with competition requirements (see FAR [17.504\(d\)\(3\)](#)).

### Processing the IA package

The contracting officer reviews the IA procurement package and formally requests a proposal from the servicing agency if a technically acceptable one was not enclosed with the PR package. As needed, the contracting officer then coordinates any new proposal or revisions with the program office and pricing staff, to develop a negotiation position. In preparing the D&F required by [FAR 17.503](#), particular attention should be given to reviewing the justification of need for any contracting action by the servicing agency and of any special contract terms that may be needed in order for the servicing agency's contract action to comply with any condition or limitation applicable to the DOE program's funds.

Support from the program office, finance office, or legal counsel may be required during the negotiation process. Negotiations with the servicing agency are documented in the procurement file. The file should also document verification steps taken to assure adequate contract administration (including allowability of contractor costs) in cases where the servicing agency is not subject to the FAR.

### **Preparation of the IA**

The FAR allows an IA to be placed on any form or document that is acceptable to both agencies. A model IA face page and terms and conditions are attached. The Scope of Work, including any reporting or delivery requirements, may be incorporated by reference. Any modifications or additional terms and conditions (such as a security clause) should be included when appropriate as an attachment to the IA.

To the extent feasible, electronic media should be used in making an IA award, to notify the DOE Office of the Chief Financial Officer of the obligation of funds, and by the servicing agency to submit reports. The requirement for a signature on the part of the servicing agency approving official to evidence acceptance may be met using facsimile or electronic systems.

### **IAs for Research**

IAs for research (including research-related activities) generally fall into one of two categories:

- (1) the research is performed by the servicing agency scientists or engineers, or
- (2) the servicing agency awards a research grant or contract using the DOE funds provided by the IA.

Frequently, such arrangements result from a solicitation or research announcement released by the servicing agency with multi-agency planning, funding, and technical participation in the review and selection of proposals or applications. Research results are then shared between the agencies.

When research or research-related activities are to be performed by the servicing agency, the servicing agency normally submits a proposal to the DOE program office for review. The DOE program office will then forward a procurement request package that includes:

- Programmatic justification describing why the program is funding the IA.
- Statement of Work or Objectives (or references thereto).
- Reporting requirements (if applicable).
- Proposal.
- When DOE desires to transfer funds, via an IA to the servicing agency, for their use when awarding a research or research-related grant or contract, the DOE program office's procurement package should include:

1. Programmatic justification describing why the program office is funding the IA, including an explanation of the work to be performed by the servicing agency's grantee or contractor.
2. Applicable reporting requirements.
3. Any special terms needed for the contractor or grantee to comply with any condition or limitation applicable to the program's funds.

### **Best Practices**

The IA specifies:

- the funding period (time associated with funds being obligated), the total amount of DOE funds obligated to date, and the overall project period (especially when the IA is not fully funded).
- limitations on the incurrence/reimbursement of costs by DOE.
- financing/payment methods that have been coordinated with the servicing finance officer and are consistent with current Department of Treasury Regulations as implemented by DOE.
- a termination provision that allows DOE to terminate the IA upon 30 days written notice to the servicing agency. DOE may reimburse the servicing agency for costs actually incurred to the effective date of termination and for any commitments extending beyond the termination date (but not exceeding the expiration date of the order) that the servicing agency is unable to cancel.
- an issue resolution mechanism.
- patents and technical data coverage.

As appropriate, the IA should specify:

- any delivery requirements.
- that any required technical reports prepared under the IA be freely exchanged and made available for public sale, unless classified. Distribution should be made as appropriate to the Office of Scientific and Technical Information. The IA also includes financial reporting as deemed necessary by the contracting officer.