



**DEPARTMENT OF VETERANS AFFAIRS**  
**Deputy Assistant Secretary for Acquisition and Logistics**  
**Washington, DC 20420**

**IL 001AL-09-04**  
**March 23, 2009**

**OFFICE OF ACQUISITION AND LOGISTICS INFORMATION LETTER**

**TO:** Under Secretaries for Health, Benefits, and Memorial Affairs; Assistant Secretary for Management; Director, Office of Construction and Facilities Management; Veterans Integrated Service Network Directors; Directors, VA Medical Center Activities, Outpatient Clinics, Medical and Regional Office Centers, and Regional Offices; Directors, Denver Acquisition and Logistics Center, VA Information Technology Center, Records Management Center, VBA Benefits Delivery Centers, and the VA Health Administration Center; Executive Director and Chief Operating Officer, VA National Acquisition Center; Chief Information Officer; VA Health Revenue Center; and VA Health Eligibility Center

**ATTN:** Heads of Contracting Activities (HCA) and Contracting Officers (CO)

**SUBJ:** Managing Interagency Acquisitions

**I. PURPOSE:**

This Information Letter (IL) establishes new Department of Veterans Affairs (VA) procedures for entering into any agreement with another federal agency. Effective with the date of this IL, any Interagency Acquisition (IA) between VA and other federal agencies must follow the procedures set forth in section IV of this document. Additional guidance may be found in the Office of Federal Procurement Policy memorandum dated June 6, 2008, "Improving the Management and Use of Interagency Acquisitions."

**II. SCOPE:**

1. With the exception of orders against the General Services Administration's (GSA) Multiple Award Schedules (MAS) or Government-wide Agency Contracts (GWACs), the scope of these procedures covers any IA where VA is either the customer or the servicing agency, and where there are funds involved. This includes:

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- (a) Interagency Agreements (Economy Act or non-Economy Act);
  - (b) Memoranda of Understanding;
  - (c) Memoranda of Agreement; and
  - (d) Sharing Agreements (except those utilizing the authorities of 38 United States Code (U.S.C.) §8111, 38 U.S.C. §7409, and 38 U.S.C. §8153).
2. The term IA will be used throughout this IL to refer to all the agreements defined in section II, paragraph 1, (a)-(d).

**III. POLICY:**

- 1. No IA is considered effective unless the Deputy Senior Procurement Executive (DSPE) concurs with a Determination and Findings (D&F) and the agreement is signed by a warranted CO with the appropriate authorization level.
- 2. Only a warranted CO, with appropriate authority, may request that the servicing agency establish or modify an IA. If this modification results in an increase beyond the approved dollar ceiling, then concurrence must be provided by the DSPE.
- 3. All actions associated with an IA must be generated through the Electronic Contract Management System (eCMS).
- 4. Contract actions, whether requested from another agency or provided by VA, are subject to small business considerations (for example, contract bundling and contract bundling reviews).
- 5. Consistent with VA's Veterans First Contracting Program, all IAs shall include a provision requiring that servicing agencies, to the maximum extent feasible, comply with the priorities for contracting with service-disabled Veteran-owned and Veteran-owned small businesses over other socio-economic classes of small businesses. The provision should also state that sole source and set-aside acquisition authorities for such small businesses are set forth in 38 U.S.C. § 8127. This provision does not supersede or otherwise affect the authorities provided under the Small Business Act.
- 6. VA cannot impose retroactive changes on other agencies' pre-existing contracts.

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7. Any Interagency Agreements that will require the vendors, contractors, or sub-contractors to use, store, modify, manipulate, or transmit Sensitive Personal Information or Personally Identifiable Information in the execution of the Servicing Agency's duties will require the insertion and application of the VA Acquisition Regulation 852-273—75 Security Requirements for Unclassified Information Technology Resources according to the Secretary's February 27, 2009, memorandum about protecting information security and privacy.
  8. For actions whose life cycle value exceeds \$5 million, an Integrated Product Team (IPT) must be formed within VA to expedite the process and improve the quality of the acquisition package. See IL 049-07-11 for additional information and for the conditions to waive an IPT.
  9. Purchase, task or delivery orders executed by a VA contracting officer against GSA's MAS or GWACs are not subject to the procedures set forth in section IV of this document.
- IV. **PROCEDURAL STEPS:** (A flow diagram outlining the process is included as an attachment)
1. The first step is for the VA program manager (PM) to contact their assigned HCA (or designee) to discuss the proposed IA. The PM should develop a one to two page preliminary business case to include the following information:
    - (a) A brief description of VA's requirements for the service and/or product;
    - (b) An Independent Government Estimate (IGE) for the IA;
    - (c) General acquisition and programmatic milestones;
    - (d) Market research to identify the name(s) of the external acquisition organization(s) under consideration and why they are being considered. Market research may consist of catalogue review, request for information, etc.; and
    - (e) A statement describing why VA chooses to use an IA instead of acquiring goods and/or services in the commercial marketplace.

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All Administrations, except for the Veterans Integrated Service Networks (VISN), should work directly with the Center for Acquisition Innovation's Business Services Office (001AL-A1-1), VA Central Office (VACO). VISNs should work directly with the Chief Procurement Officer, Veterans Health Administration (10F), VACO. The HCA (or designee) will assist the PM with developing a preliminary business case.

2. Based on the preliminary business case, if the HCA (or designee) and the PM determine that an IA is the best approach, the next step is for the PM to develop a more detailed work package. Note that for requirements whose life cycle costs are expected to exceed \$5 million, an IPT must be formed. The work package should consist of:
  - (a) A Statement of Work (SOW) or Statement of Objective.
  - (b) A D&F to include the following:
    - i. Citation of the appropriate statute and/or regulation upon which the D&F is based, and authorizes VA to enter into IAs with other federal agencies to contract on its behalf;
    - ii. Findings that detail the particular circumstances, facts, or reasoning essential to support the determination;
    - iii. A determination based on the findings that the proposed action is justified under the applicable statute, regulation, or procurement situation; and
    - iv. Expiration date of the D&F (see Federal Acquisition Regulation (FAR) Part 1.706) if applicable, authorized signatures (see FAR Part 1.707), and the date signed.
  - (c) A certified funding document (e.g., VA Form 2237).
3. Once completed, the HCA will forward the package defined in section IV, paragraph 2, to the assigned Regional or VACO, Office of the General Counsel (OGC) for legal review.
4. Once deemed to be legally sufficient, OGC will transmit the full package to the DSPE for concurrence.

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5. Upon DSPE concurrence, the package will be forwarded to the cognizant HCA or designee for execution. Processing a legally and technically sufficient package should take no longer than 10 business days.
6. COs must execute all IAs in eCMS, which will generate a VA-unique number to ensure that the transaction is recorded in a central database. This procedure applies even if VA uses another agency's agreement.
7. All IAs must specify a dollar ceiling. In addition, any individual task or delivery order executed against the master agreement must also specify a dollar ceiling. Before either threshold can be exceeded, modification to the D&F must be prepared and re-routed through the approval process.
8. For acquisitions whose total value exceeds \$5 million, the Office of Small and Disadvantaged Business Utilization shall serve as a voting member of the IPT.

## **V. DOCUMENTS AND TEMPLATES**

The Acquisition Resource Center (ARC) contains templates and guidelines such as a sample D&F, checklists delineating the responsibilities of the requesting and servicing agencies, draft SOWs, and other reference resources. Templates are guides and must be tailored to the needs of a specific acquisition. A template's initial review does not mean it is cleared "as is" to be used without VA or OGC review. The ARC can be accessed at: <http://arc.aac.va.gov/Acquisition/Pages/ARCHome.aspx>.

## **VI. POINT OF CONTACT**

Questions regarding this process should be directed to Acquisition Policy, telephone (202) 461-0627.

Maurice C. Stewart  
Associate Deputy Assistant Secretary for  
Acquisition and Logistics Programs and Policy

Attachment

Process Flow for Interagency Acquisitions

