



EFFECTIVE MANAGEMENT

of Interagency Acquisition

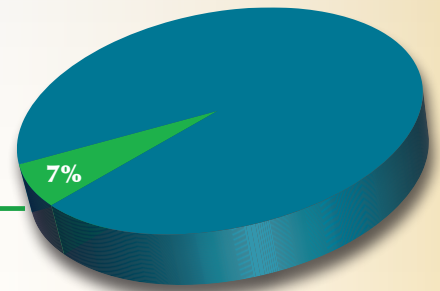
Interagency Acquisitions Enable DoD to Meet Needs for Goods and Services

In a period of increased budgets and finite manpower, Interagency Acquisitions (IAs) are a valuable tool used by the Department of Defense (DoD) to leverage the Government's buying power by utilizing other agencies to establish, award, and administer contracts and orders for good and services on its behalf.

Interagency contracts are intended to:

- ★ Leverage the Government's buying power
- ★ Provide a faster and easier method for procuring commonly used goods and services while complying with statutes, regulation, and policy
- ★ Reduce contracting administrative costs while operating within the authority of the assisting agencies

DoD conducts IAs with assisting agencies including the General Services Administration (GSA), Department of the Interior (DOI), Department of the Treasury, National Aeronautic and Space Administration (NASA), and others, to assist in the acquisition of goods and services.



\$22 Billion
Interagency
Acquisitions (IAs)



Increased Use of IAs Requires Greater Oversight

Recent audit reports by the Government Accounting Office (GAO) and DoD Office of the Inspector General (IG) raised concerns about rapid growth in DoD's use of IAs. In January 2005, the GAO added DoD's management of interagency contracting to their "high-risk" list of federal areas in need of reform. The GAO cited the necessity for greater accountability and oversight by DoD to prevent fraud, waste and abuse.

Improving Management and Accountability for IAs

Ensuring the proper use of IAs is the shared responsibility of all agencies involved. All pre- and post- award responsibilities must be clearly defined and adopt unambiguous, consistent, and enforceable policies and processes.

The Offices of the Under Secretary of Defense for Acquisition, Technology and Logistics, and the Deputy Under Secretary of Defense, Comptroller (DUSD(C)) have issued numerous policy memos providing guidance and tasking related to the proper use of IAs. Relevant policy memos, audits and other documents are available at <http://www.acq.osd.mil/dpap/specificpolicy/index.htm>.

In accordance with DoD policy guidance, the Military Departments, Defense Agencies and DoD Field Activities have established procedures for reviewing and approving their use of IAs. DoD has also:

- ★ Reviewed all unobligated balances of funds per DUSD(C) guidance
- ★ Coordinated return of those balances and made appropriate adjustments to accounting records
- ★ Continued to review all potential violations of the Antideficiency Act identified by the DoD IG (this act prohibits federal employees from spending the Government's money other than as directed by Congress)

The Defense Procurement Acquisition Policy office has established a plan to correct deficiencies in the management of interagency contracting. In accordance with this plan, DoD has a Memorandum of Agreement (MOA) with GSA, DOI, NASA, NIH and Treasury. Each MOA includes an action plan addressing specific issues identified in the individual audit reports.

