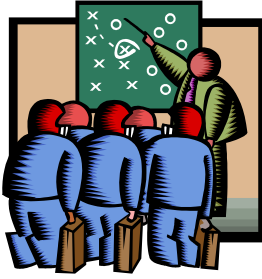


APD ALERT



INTERAGENCY ACQUISITIONS

BACKGROUND

Interagency acquisition is the term used to describe the process by which one agency (requesting agency), uses the contracts and/or contracting services of other agencies (servicing agencies) to obtain supplies and services. The purpose of this Alert is to provide guidance to help ARS achieve the greatest value possible from interagency acquisitions.

Interagency acquisitions typically involve two government agencies: the *requesting agency*, which is the agency with the requirement, and the *servicing agency* which provides acquisition support, administers contracts for other agencies' direct use, or both. In some cases, more than one servicing agency may be involved in an assisted acquisition.

Both requesting agencies and servicing agencies can benefit from well-executed interagency acquisitions. Requesting agencies benefit from the capabilities or expertise of the servicing agency and the efficiencies and economies associated with leveraging resources and requirements. Servicing agencies benefit from the improved pricing and terms and conditions they can negotiate when consolidating, in a justified manner, other agencies' needs with their own and among requesting agencies.

SCOPE

The purpose of this Alert is to provide guidance to help ARS achieve the greatest value possible from interagency acquisitions. This guidance prescribes policies and procedures applicable to all interagency acquisitions under any authority, when:

- (1) An agency needing supplies or services obtains them using another agency's contract;
- or
- (2) An agency uses another agency to provide acquisition assistance, such as awarding and administering a contract, a task order, or delivery order.

This Alert **does not** apply to:

- (1) Interagency reimbursable work performed by Federal employees (other than acquisition assistance), or interagency activities where contracting is incidental to the purpose of the transaction; or

(2) Orders of \$500,000 or less issued against Federal Supply Schedules (FSS).

AUTHORITY

A variety of laws authorize interagency acquisitions. The Economy Act applies when more specific statutory authority does not exist. Examples of more specific authority are [40 U.S.C. 501](#) for the Federal Supply Schedules (FAR subpart [8.4](#)), and [40 U.S.C. 11302\(e\)](#) for Governmentwide acquisition contracts (GWACs). The Economy Act ([31 U.S.C. 1535](#)) authorizes agencies to enter into agreements to obtain supplies or services from another agency. **The FAR applies when one agency uses another agency's contract to obtain supplies or services. If the interagency business transaction does not result in a contract or an order, then the FAR does not apply.**

TYPES OF INTERAGENCY AGREEMENTS

There are two types of interagency acquisitions: direct acquisitions and assisted acquisitions.

In a ***direct acquisition***, the requesting agency places an order directly against the servicing agency's indefinite delivery vehicle (IDV). The servicing agency manages the IDV but does not participate in the placement of an order.

In an ***assisted acquisition***, the servicing agency and requesting agency enter into an interagency agreement pursuant to which the servicing agency performs acquisition activities on the requesting agency's behalf, such as awarding a contract, task order, or delivery order. In many assisted acquisitions, the servicing agency also manages the IDV against which orders are placed. For example, the General Services Administration's Federal Acquisition Service will typically place orders against a MAS contract or a GWAC on behalf of its requesting agencies. Sometimes, a servicing agency may find that another agency's IDV can better serve the requesting agency's needs, in which case two servicing agencies would be involved in the interagency acquisition.

PROCEDURES

All direct and assisted interagency acquisitions must be processed in accordance with Federal Acquisition Regulation (FAR) Subpart 17.5. Before placing an order for supplies or services with another Government agency, the requesting agency shall follow the procedures in [17.502-1](#) and, if under the Economy Act, also [17.502-2](#).

Direct Acquisitions

Prior to placing an order against another agency's indefinite-delivery vehicle, the requesting agency shall make a determination that use of another agency's contract vehicle is the best procurement approach and shall obtain the concurrence of the requesting agency's responsible contracting office to include the approval (signature) of a contracting officer and BSC

Acquisition Branch Chief on the determination and findings (D&F). A signed copy of the D&F shall be provided to the REE Head of Contracting Activity Designee (HCAD).

At a minimum, the determination shall include an analysis, including factors such as:

- (i) The suitability of the contract vehicle;
- (ii) The value of using the contract vehicle, including—
 - (A) The administrative cost savings from using an existing contract;
 - (B) Lower prices, greater number of vendors, and reasonable vehicle access fees;and
- (iii) The expertise of the requesting agency to place orders and administer them against the selected contract vehicle throughout the acquisition lifecycle.

The requesting agency administers the order; therefore, no written agreement with the servicing agency on responsibility for management and administration is required.

[Note: see Appendix A - Direct Acquisition Best Procurement Approach D&F]

Assisted Acquisitions

Prior to requesting that another agency conduct an acquisition on its behalf, the requesting agency shall make a determination that the use of an interagency acquisition represents the best procurement approach. As part of the best procurement approach determination, the requesting agency shall obtain the concurrence of the requesting agency's responsible contracting office to include the approval (signature) of a contracting officer and BSC Acquisition Branch Chief on the determination and findings (D&F). In addition, all assisted acquisitions must receive prior written approval from the HCAD before entering into any subsequent interagency agreement.

At a minimum, the determination shall include an analysis of procurement approaches, including an evaluation by the requesting agency that using the acquisition services of another agency—

- (i) Satisfies the requesting agency's schedule, performance, and delivery requirements (taking into account factors such as the servicing agency's authority, experience, and expertise as well as customer satisfaction with the servicing agency's past performance, both in terms of responsiveness and results achieved);
- (ii) Is cost effective (taking into account the reasonableness of the servicing agency's fees); and
- (iii) Will result in the use of funds in accordance with appropriation limitations and compliance with the requesting agency's laws and policies.

[Note: see Appendix B - Assisted Acquisition Best Procurement Approach D&F]

Requiring offices (e.g. program offices) who wish to enter into an assisted acquisition shall provide written notice of the planned interagency acquisition to the REE Head of Contracting Activity Designee (HCAD) and ***must receive prior written approval from the HCAD before entering into any subsequent agreement.*** Notice of the planned interagency acquisition shall be sent by electronic mail with return receipt to provide a record for management reviews and audits and must include the following:

- brief description of the service or product
- estimated dollar amount
- name of the external acquisition organization proposed to provide the acquisition assistance
- approved (signed) determination and findings by a contracting officer and BSC Acquisition Branch Chief representing the best procurement approach decision.

The HCAD will provide a written response within 10 business days.

Prior to the issuance of a solicitation, the servicing agency and the requesting agency shall both sign a written interagency agreement that establishes the general terms and conditions governing the relationship between the parties, including roles and responsibilities for acquisition planning, contract execution, and administration and management of the contract(s) or order(s). The requesting agency shall provide to the servicing agency any unique terms, conditions, and applicable agency-specific statutes, regulations, directives, and other applicable requirements for incorporation into the order or contract; for patent rights, see FAR [27.304-2](#). In preparing interagency agreements to support assisted acquisitions, agencies should review the Office of Federal Procurement Policy guidance, Interagency Acquisitions, available at http://www.whitehouse.gov/omb/assets/procurement/iac_revised.pdf. Each agency's file shall include the interagency agreement between the requesting and servicing agency, and shall include sufficient documentation to ensure an adequate audit consistent with FAR [4.801](#)(b).

[Note: see Appendix C – Economy Act Assisted Acquisition MOU]

The Economy Act

The Economy Act ([31 U.S.C. 1535](#)) authorizes agencies to enter into agreements to obtain supplies or services from another agency. In addition, The Economy Act also provides authority for placement of orders between major organizational units within an agency. The Economy Act applies when more specific statutory authority does not exist. Examples of more specific authority are [40 U.S.C. 501](#) for the Federal Supply Schedules (FAR subpart [8.4](#)), and [40 U.S.C. 11302](#)(e) for Governmentwide acquisition contracts (GWACs).

Each Economy Act order to obtain supplies or services by interagency acquisition shall be supported by a determination and findings (D&F) approved (signed) by a contracting officer and BSC Acquisition Branch Chief. A signed copy of the D&F shall be provided to the REE Head of Contracting Activity Designee (HCAD). The D&F shall—

- (i) State that use of an interagency acquisition is in the best interest of the Government;
 - (ii) State that the supplies or services cannot be obtained as conveniently or economically by contracting directly with a private source; and
 - (iii) Include a statement that at least one of the following circumstances applies:
 - (A) The acquisition will appropriately be made under an existing contract of the servicing agency, entered into before placement of the order, to meet the requirements of the servicing agency for the same or similar supplies or services.
 - (B) The servicing agency has the capability or expertise to enter into a contract for such supplies or services that is not available within the requesting agency.
 - (C) The servicing agency is specifically authorized by law or regulation to purchase such supplies or services on behalf of other agencies.
- (1) The D&F shall be approved by a contracting officer of the requesting agency with authority to contract for the supplies or services to be ordered.
- (2) The requesting agency shall furnish a copy of the D&F to the servicing agency with the request for order.

[Note: see Appendix D – Economy Act D&F]

4 Enclosures

Issued: January 2013

ALERT NO. 2013-05



United States Department of Agriculture

Research, Education, and Economics
Agricultural Research Service

Appendix A

IA No:

Date:

Subject: Interagency Acquisition – Direct Acquisition Determination and Findings (D&F) of Best Procurement Approach, FAR 17.502, for _____ Project

To: The File

A determination is hereby made in accordance with FAR 17.502 that the use of an interagency acquisition represents the best procurement approach for the acquisition of goods and/or services from the _____ (servicing agency) based on an analysis considering the following factors:

1. The suitability of the contract vehicle;
2. The value of using the contract vehicle, including—
 - a. The administrative cost savings from using an existing contract;
 - b. Lower prices, greater number of vendors, and reasonable vehicle access fees; and
3. The expertise of the requesting agency to place orders and administer them against the selected contract vehicle throughout the acquisition lifecycle.

I certify that based on an analysis of the above factors that use of another agency’s contract vehicle has been determined to be the best procurement approach and that this acquisition is in the best interest of the Government.

Contracting Officer

Date

Approved by:

BSC Acquisition Branch Chief

Date

cc: REE HCAD





United States Department of Agriculture

Research, Education, and Economics
Agricultural Research Service

Appendix B

IA No:

Date:

Subject: Interagency Acquisition – Assisted Acquisition Determination and Findings (D&F)
of Best Procurement Approach, FAR 17.502, for _____ Project

To: The File

A determination is hereby made in accordance with FAR 17.502 that the use of an interagency acquisition represents the best procurement approach for the acquisition of goods and/or services from the _____ (servicing agency) based on an analysis considering the acquisition services of another agency:

1. Satisfies the requesting agency’s schedule, performance, and delivery requirements (taking into account factors such as the servicing agency’s authority, experience, and expertise as well as customer satisfaction with the servicing agency’s past performance, both in terms of responsiveness and results achieved);
2. Is cost effective (taking into account the reasonableness of the servicing agency’s fees); and
3. Will result in the use of funds in accordance with appropriation limitations and compliance with ARS laws and policies.

I certify that based on an analysis of the above factors it has been determined to be in the best interest of the Government to enter into an interagency acquisition with the aforementioned servicing agency to acquire the above referenced goods and/or services.

Contracting Officer

Date



Approved by:

BSC Acquisition Branch Chief

Date

Approved by:

Head of Contracting Activity Designee (HCAD)

Date

Appendix C

MEMORANDUM OF UNDERSTANDING PURSUANT TO THE ECONOMY ACT THROUGH WHICH

[Requesting Agency]

U.S. DEPARTMENT OF AGRICULTURE

IS PROCURING ACQUISITION SERVICES FROM

[Servicing Agency]

I. PARTIES AND PURPOSE

This Memorandum of Understanding (MOU) establishes an agreement between the [*requesting agency*], U.S Department of Agriculture (USDA) and [*servicing agency*] through which the [*requesting agency*] will pay the [*servicing agency*] for [*provide a general description of the acquisition services for which USDA is paying*].

II. BACKGROUND

[Provide background information which addresses why the requesting agency is requesting the goods/services.]

III. AUTHORITY

The authority for USDA and [*servicing agency*] to enter into this agreement is:

The Economy Act, 31 USC 1535, which provides that an agency may place an order with a major organizational unit within the same agency or another agency for goods or services if:

- Amounts are available;
- The ordering agency determines the order is in the best interest of the United States Government;
- The agency to fill the order is able to provide or garner by contract the ordered goods or services; and
- The agency decides the ordered goods or services cannot be provided by a contract as conveniently or cheaply by a commercial enterprise (payments must be made on the basis of the actual cost of goods or services provided).

IV. ECONOMY ACT FINDINGS

As set forth in the attached Determinations and Finding (D&F) pursuant to 48 CFR 17.503, *[requesting agency]* warrants that sufficient funding amounts are available, that this agreement is in the best interest of the United States Government, and that the services requested cannot be provided by contract as conveniently or cheaply by a commercial enterprise. In addition, the *[requesting agency]* warrants that at least one of the following circumstances applies:

- () 1. The acquisition will appropriately be made under an existing contract of the servicing agency, entered into before placement of the order, to meet the requirements of the servicing agency for the same or similar supplies or services.
- () 2. The servicing agency has the capability or expertise to enter into a contract for such supplies or services that is not available within the requesting agency.
- () 3. The servicing agency is specifically authorized by law or regulation to purchase such supplies or services on behalf of other agencies.

[Servicing agency] warrants that it is able to provide or obtain by contract the requested services. Furthermore, *[servicing agency]* warrants that it has adequate statutory authority for the contractual action and will comply fully with the competition requirements of the Federal Acquisition Regulations as well as all other legal or regulatory requirement applicable to the contract.

V. TERMS AND CONDITIONS

[State the terms and conditions of the agreement, i.e., what it is specifically that you are purchasing, delivery requirements, and the amount that the servicing agency will receive as payment. The acquisition services ordered must further the mission of the Department.]

VI. TRANSFER OF FUNDS

The USDA will pay for the goods/services received from the *[servicing agency]* on a monthly basis. This transfer will be made via the Intra-Governmental Payment and Collection System.

The appropriation out of which the *[requesting agency]* will pay for these services is _____. These funds expire on *[state the date on which the funds expire]*.

This amount will be deobligated to the extent that the servicing agency has not incurred obligations before the end of the period of availability of that appropriation. *[NOTE: No advance payments to the servicing agency are authorized. Under no circumstances will the amount paid be more than the actual costs of the services.]*

[Note: Include the appropriation code and all appropriate codes and numbers as described above in the introductory notes.]

VII. CONTACTS

The contacts for this agreement are *[provide points-of-contact for both the requesting and servicing agencies]*:

Name of [requesting agency] contact person:

Title

Address

Phone

Fax

E-mail

Name of [servicing agency] contact person:

Title

Address

Phone

Fax

E-mail

The parties agree that if there is a change regarding the information in this section, the party making the change will notify the other party in writing of such change.

VIII. DURATION OF AGREEMENT, AMENDMENTS AND MODIFICATIONS

This agreement will become effective when signed by all parties. The agreement will terminate on *[date]*, but may be amended at any time by mutual consent of the parties.

Any party may terminate this agreement by providing ___ days written notice to the other party. This agreement is subject to the availability of funds.

If *[requesting agency]* cancels the order, the *[servicing agency]* is authorized to collect costs incurred prior to the cancellation of the order plus any termination costs, up to the total payment amount provided for under this agreement.

IX. RESOLUTION OF DISAGREEMENTS

Nothing herein is intended to conflict with current USDA or *[servicing agency]* directives. If the terms of this agreement are inconsistent with existing directives of either of the agencies entering into this agreement, then those portions of this agreement which are determined to be inconsistent shall be invalid, but the remaining terms and conditions not affected by the inconsistency shall remain in full force and effect. At the first opportunity for review of this agreement, all necessary changes will be accomplished either by an amendment to this agreement or by entering into a new agreement, whichever, is determined to be in the best interest of both parties.

Disputes shall be resolved consistent with Business Rules delineated in the Treasury Financial Manual, Volume 1, Part 2, Chapter 4700, *Agency Reporting Requirements for the Financial Report of the United States*, Appendix No. 10 Intra-governmental Transaction (IGT) Guide.

[Requesting Agency] Contracting Officer

Date

**[Servicing Agency]
Economy Act Agreement Representative**

Date



United States Department of Agriculture

Research, Education, and Economics
Agricultural Research Service

Appendix D

IA No:

Date:

Subject: Interagency Acquisition - Economy Act Determination and Findings (D&F), FAR 17.502-2, for _____ Project

To: The File

A determination is hereby made in accordance with FAR 17.502-2 that the acquisition of goods and/or services from the _____(servicing agency) is appropriate and legal under The Economy Act, Section 601, 31 U.S.C. 1535, and the appropriated funds may legally be used for this project as certified below. The acquisition from the servicing agency does not conflict with any other agency’s authority.

I certify that this Economy Act interagency acquisition is in the best interest of the Government and that the supplies or services cannot be obtained as conveniently or economically by the Agricultural Research Service by contracting directly with a private source. The acquisition () will () will not involve a contract entered into or administered by the servicing agency.

- () 1. The acquisition will appropriately be made under an existing contract of the servicing agency, entered into before placement of the order, to meet the requirements of the servicing agency for the same or similar supplies or services.
- () 2. The servicing agency has the capability or expertise to enter into a contract for such supplies or services that is not available within the requesting agency.
- () 3. The servicing agency is specifically authorized by law or regulation to purchase such supplies or services on behalf of other agencies.

() Yes () No: The servicing agency is covered by the Federal Acquisition Regulations (FAR). If the answer is no, the proposed interagency agreement must be approved by the senior procurement executive of the United States Department of Agriculture prior to issuance of the interagency agreement.

I certify that adequate funds are available and may legally be expended for this project, not to exceed \$_____.



Contracting Officer

Date

Approved by:

BSC Acquisition Branch Chief

Date

cc: REE HCAD