

Subpart 17.5 - Interagency Acquisitions

Parent topic: [Part 17 - Special Contracting Methods](#)

17.500 Scope of subpart.

(a) This subpart prescribes policies and procedures applicable to all *interagency acquisitions* under any authority, except as provided for in paragraph (c) of this section. In addition to complying with the *interagency acquisition* policy and procedures in this subpart, nondefense agencies acquiring *supplies* and services on behalf of the Department of Defense *shall* also comply with the policy and procedures at [subpart 17.7](#).

(b) This subpart applies to *interagency acquisitions*, see [2.101](#) for definition, 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*.

(c) This subpart 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 \$600,000 or less issued against Federal Supply Schedules.

17.501 General.

(a) *Interagency acquisitions* are commonly conducted through indefinite-delivery contracts, such as task- and delivery-order contracts. The indefinite-delivery contracts used most frequently to support *interagency acquisitions* are Federal Supply Schedules (FSS), Governmentwide *acquisition* contracts (GWACs), and multi-agency contracts (MACs).

(b) An agency *shall* not use an *interagency acquisition* to circumvent conditions and limitations imposed on the use of funds.

(c) An *interagency acquisition* is not exempt from the requirements of subpart [7.3](#), Contractor Versus Government Performance.

(d) An agency *shall* not use an *interagency acquisition* to make *acquisitions* conflicting with any other agency's authority or responsibility (for example, that of the Administrator of General Services under [title 40, United States Code](#), "Public Buildings, Property and Works" and [41 U.S.C. division C of subtitle I, Procurement](#).)

17.502 Procedures.

17.502-1 General.

(a) *Written agreement on responsibility for management and administration—.*

(1) *Assisted acquisitions.*

(i) 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. In the event there are no agency unique requirements beyond the FAR, the *requesting agency shall* so inform the *servicing agency contracting officer in writing*. For *acquisitions* on behalf of the Department of Defense, also see [subpart 17.7](#). For patent rights, see [27.304-2](#). In preparing interagency agreements to support *assisted acquisitions*, agencies *should* review the Office of Federal Procurement Policy (OFPP) guidance, *Interagency Acquisitions*, available at https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/assets/OMB/procurement/interagency_acq/iac_revised.pdf.

(ii) 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 [4.801\(b\)](#).

(2) *Direct acquisitions.* The *requesting agency* administers the order; therefore, no written agreement with the *servicing agency* is required.

(b) *Business-case analysis requirements for multi-agency contracts and governmentwide acquisition contracts.* In order to establish a multi-agency or *governmentwide acquisition contract*, a business-case analysis *must* be prepared by the *servicing agency* and approved in accordance with the OFPP business case guidance, available at https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/procurement/memo/development-review-and-approval-of-business-cases-for-certain-interagency-and-agency-specific-acquisitions-memo.pdf. The business-case analysis *shall—*

(1) Consider strategies for the effective participation of small businesses during *acquisition planning* (see [7.103\(u\)](#));

(2) Detail the administration of such contract, including an analysis of all direct and *indirect costs* to the Government of awarding and administering such contract;

(3) Describe the impact such contract will have on the ability of the Government to leverage its purchasing power, *e.g.*, will it have a negative effect because it dilutes other existing contracts;

(4) Include an analysis concluding that there is a need for establishing the *multi-agency contract*;

and

(5) Document roles and responsibilities in the administration of the contract.

17.502-2 The Economy Act.

(a) 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. The Economy Act also provides authority for placement of orders between major organizational units within an agency; procedures for such intra-agency transactions are addressed in agency regulations.

(b) 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 (subpart [8.4](#)), and 40 U.S.C. 11302(e) for Governmentwide *acquisition* contracts (GWACs).

(c) Requirements for determinations and findings.

(1) Each Economy Act order to obtain *supplies* or services by *interagency acquisition* shall be supported by a determination and findings (D&F). 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.

(2) 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, or by another official designated by the *agency head*, except that, if the *servicing agency* is not covered by the FAR, approval of the D&F may not be delegated below the *senior procurement executive* of the *requesting agency*.

(3) The *requesting agency* shall furnish a copy of the D&F to the *servicing agency* with the request for order.

(d) Payment.

(1) The *servicing agency* may ask the *requesting agency*, in writing, for advance payment for all or

part of the estimated cost of furnishing the *supplies* or services. Adjustment on the basis of actual costs *shall* be made as agreed to by the agencies.

(2) If approved by the *servicing agency*, payment for actual costs *may* be made by the *requesting agency* after the *supplies* or services have been furnished.

(3) Bills rendered or requests for advance payment *shall* not be subject to audit or certification in advance of payment.

(4) In no event *shall* the *servicing agency* require, or the *requesting agency* pay, any fee or charge in excess of the actual cost (or estimated cost if the actual cost is not known) of entering into and administering the contract or other agreement under which the order is filled.

17.503 Ordering procedures.

(a) 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](#).

(b) The order *may* be placed on any form or document that is acceptable to both agencies. The order *should* include-

(1) A description of the *supplies* or services required;

(2) Delivery requirements;

(3) A funds citation;

(4) A payment provision (see [17.502-2\(d\)](#) for Economy Act orders); and

(5) *Acquisition* authority as *may* be appropriate (see [17.503\(d\)](#)).

(c) The requesting and *servicing agencies should* agree to procedures for the resolution of disagreements that *may* arise under *interagency acquisitions*, including, in appropriate circumstances, the use of a third-party forum. If a third party is proposed, consent of the third party *should* be obtained *in writing*.

(d) When an *interagency acquisition* requires the *servicing agency* to award a contract, the following procedures also apply:

(1) If a justification and approval or a D&F (other than the *requesting agency's* D&F required in [17.502-2\(c\)](#)) is required by law or regulation, the *servicing agency shall* execute and issue the justification and approval or D&F. The *requesting agency shall* furnish the *servicing agency* any information needed to make the justification and approval or D&F.

(2) The *requesting agency shall* also be responsible for furnishing other assistance that *may* be necessary, such as providing information or special contract terms needed to comply with any condition or limitation applicable to the funds of the *requesting agency*.

(3) The *servicing agency* is responsible for compliance with all other legal or regulatory requirements applicable to the contract, including-

- (i) Having adequate statutory authority for the contractual action; and
 - (ii) Complying fully with the competition requirements of [part 6](#) (see [6.002](#)). However, if the *servicing agency* is not subject to the Federal Acquisition Regulation, the *requesting agency shall* verify that contracts utilized to meet its requirements contain provisions protecting the Government from inappropriate charges (for example, provisions mandated for FAR agencies by part [31](#)), and that adequate contract administration will be provided.
- (e) Nonsponsoring *Federal agencies* may use a Federally Funded Research and Development Center (FFRDC) only if the terms of the FFRDC's sponsoring agreement permit work from other than a sponsoring agency. Work placed with the FFRDC is subject to the acceptance by the sponsor and *must* fall within the purpose, mission, general scope of effort, or *special competency* of the FFRDC. (See [35.017](#); see also [6.302](#) for procedures to follow where using other than *full and open competition*.) The nonsponsoring agency *shall* provide to the sponsoring agency necessary documentation that the requested work would not place the FFRDC in direct competition with domestic private industry.

17.504 Reporting requirements.

- (a) The *senior procurement executive* for each *executive agency shall* submit to the Director of OMB an annual report on *interagency acquisitions*, as directed by OMB.
- (b) The *contracting officer* for the *servicing agency shall* ensure that service contractor reporting requirements are met in accordance with [subpart 4.17](#), Service Contracts Inventory.