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.

Parent topic: 17.502 Procedures.