



US Army Corps
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Seattle District

Standard Operating Procedure For NWS's Economy Act Orders



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This Standard Operating Procedure for Seattle District Economy Act Orders is intended to supplement the Northwestern Division Commander's Policy #22-15, "Processing Economy Act Orders within the U.S. Army Corps of Engineers (USACE) NWD." This document provides additional guidance and templates to aid with Economy Act Order execution in the Seattle District.

Questions regarding this document or other documents should be directed to the Contracting Division's Business Oversight Branch at:

CENWS-CT
Email: CENWS_CT@usace.army.mil
Phone: (206) 764-6693

Review. This document will be reviewed triennially, or more frequently if changes necessitate revision.

History. This is the initial publication of a Standard Operating Procedure for this subject.

Change Management. No changes to this document shall be made without concurrence of Seattle District Resource Management, Seattle District Contracting Division and Seattle District Office of Counsel.



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1.0 Purpose. The purpose of this Standard Operating Procedure (SOP) is to supplement the Northwestern Division (NWD) Commander’s Policy #22-15, “Processing Economy Act Orders within the U.S. Army Corps of Engineers (USACE) NWD” by providing additional guidance and templates to aid with Economy Act Order execution in the Seattle District (NWS).

2.0 Applicability. This SOP applies to all NWS Economy Act Orders in which NWS is the Requesting Agency. See Folder 2, USACE – Servicing Agency for guidance when NWS is performing reimbursable work for non-Department of Defense (DoD) entities (i.e., when NWS is the Servicing Agency).

3.0 References.

- a. Federal Acquisition Regulation (FAR) 17.502-2, The Economy Act
- b. Department of Defense FAR Supplement (DFARS) subpart 217.5, Interagency Acquisitions
- c. DFARS Procedures, Guidance, and Information (PGI) subpart 217.5, Interagency Acquisitions
- d. DOD Instruction (DoDI) 4000.19, Incorporating Change 1 (30 November 2017)
- e. DOD Financial Management Regulation (FMR) 7000.14-R Volume 11a (March 2012)
- f. Army FAR Supplement (AFARS) subpart 5117.5, Interagency Acquisitions
- g. USACE Acquisition Instruction (UAI) subpart 17.5, Interagency Acquisitions
- h. USACE Acquisition Instruction (UAI) subpart 5104.802 Government Contract Files
- i. NWD Commander’s Policy #22-15 (04 February 2016)
- j. NWD Commander’s Policy #12-14 (07 March 2014)

4.0 Definitions. *(Reference NWD Commander’s Policy #22-15 for document descriptions)*

a. Requesting Agency: For the purposes of this SOP, the Requesting Agency – the agency placing an order for goods or services – is NWS.

b. Servicing Agency: For the purposes of this SOP, the Servicing Agency – the agency fulfilling an order for goods or services – is another Department of Defense (DoD) agency or a Non-DoD Agency.

c. Types of Economy Act Orders: NWD Commander’s Policy #22-15 outlines three different categories of Economy Act Orders, each with varying documentation requirements. For the purposes of this Appendix, Economy Act Orders are categorized as Type A, Type B, and Type C as described in the below table and in alignment with NWD Policy.

<u>Type A:</u> DoD Agency (Intra-Agency)	<u>Type B:</u> Non-DoD Agency*, Includes Contract Action	<u>Type C:</u> Non-DoD Agency, No Contract Action
Economy Act Order with a Non-USACE DoD Activity	Economy Act Order with a Non-DoD Agency resulting in a Contract Action (i.e., an Assisted Acquisition)	Economy Act Order with a Non-DoD Agency that does not result in a Contract Action
Example: Air Force’s Civil Air Patrol providing aerial	Example: Department of Energy – Pacific Northwest National Laboratory carrying out a juvenile salmon study through its contractor Battelle Memorial Institute (BMI)	Example: U.S. Geological Survey using their own staff (i.e., in-house labor) to



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photo monitoring of NWS projects		conduct flow gauge monitoring
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**When the non-DoD agency is not subject to the FAR (e.g., Tennessee Valley Authority, Federal Aviation Administration, Bonneville Power Administration, etc.), Economy Act Orders that include a contract action must be approved by the Army's senior procurement executive. See FAR 17.502-2(c)(2). This package should be treated similar to Type B but discuss specific requirements with Office of Counsel before preparing the package.*

5.0 Roles and Responsibilities.

a. Requestor: The Requestor is a Project Manager or the Responsible Employee tasked with identifying the need for, and development of, an Economy Act Order package containing the required documentation needed for approval and routing documentation for approval. The Requestor is responsible for providing a labor code to Contracting (and other applicable offices per internal processes) for staff review and document assistance. The Requestor is the proponent who is ultimately responsible for the preparation, negotiation, and execution of the Economy Act Order.

b. Requestor's Budget Section: The Requestor's Budget Section is responsible for assisting the Requestor with PR&C development, Order obligation, invoice administration, and closeout.

c. Office of Counsel: Office of Counsel is responsible for reviewing applicable Economy Act Order documents to ensure appropriate policy and regulations are properly followed, findings are adequately supported, and that the Order is in alignment with the Master Agreement. While Office of Counsel may review documents that pertain to whether the Servicing Agency's proposal is fair and reasonable, the Contracting Officer (see below) is the principal reviewer of any independent government estimate (IGE), market research, labor hours and skill mix, or other business case analysis in support of the Economy Act Order.

d. Contracting Division: The NWS Chief of Contracting serves as the Contracting Officer responsible for reviewing and signing applicable Economy Act Order documents. The Chief of Contracting is responsible for ensuring that the documents submitted demonstrate an Order is fair and reasonable, cannot be obtained as conveniently or economically by contracting with a private source, and is in the best interest of the Government. The Contracting Officer is the principal reviewer of any IGE, market research, labor hours and skill mix, or other business case analysis in support of the Economy Act Order. The Contracting Division's Business Oversight Branch is responsible for Order recordkeeping per applicable regulations.

e. GS-15 NWS Division Chief: For Type B Orders, the Best Procurement Approach Determination is required to be signed by a Government official who is of a grade not lower than O-6 or GS-15 assigned to the requiring activity. For Type C Orders, the Determinations and Findings (D&F) also requires the signature of the GS-15 Division Chief.

f. Funds Certifying Official: A Funds Certifying Official from the NWS Resource Management Division is responsible for certifying that the funds to be utilized are available and properly chargeable for the purposes of the Order.



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g. Divisional Subject Matter Experts (SME): Each Division shall designate both technical and financial SMEs for Economy Act Orders. The technical SME is responsible for reviewing scopes of work and required documentation for completeness and accuracy. The financial SME is responsible for advising the Budget Analyst/Program Analyst on order obligation, invoice administration, and close-out.

6.0 Procedures. (Reference Flowchart in Section 7 and Checklist in Section 8)

6.1 Order Origination. The Requestor identifies the need and develops a Scope of Work, Government Estimate or IGE (See Section 6.4), and secures funding for an Economy Act Order. The Requestor identifies the appropriate Servicing Agency capable of conducting the work.

6.2. Master Agreement Review. Once the Servicing Agency is identified, the Requestor must determine whether a current Master Agreement (usually in the form of a Memorandum of Agreement, but may also take the form of FMS Form 7600 Part A – see NWD Commander's Policy #22-15 for more information) between the Servicing Agency and Requesting Agency is already in existence, in effect, and speaks to the specific service contemplated by the Requesting Agency, or if a Master Agreement requires development. If there is no Master Agreement, the current Master Agreement is no longer in effect, or it does not address the current requirement, then the Requestor must work with the Office of Counsel to develop a new Master Agreement based upon the template included in Enclosure 3 to DODI 4000.19 (Figure 1, Sample MOA Template). All new agreements shall have an expiration date not to exceed 9 years from the date they are signed by both parties. DoDI 4000.19, Encl. 3, para 1.e.(3). All support agreements will have an expiration date not to exceed 9 years from the date they are signed by both parties. If an agreement is to remain in effect after the 9-year period, it can be resigned in conjunction with the third triennial review or the last required review prior to a lesser agreed upon expiration date.

6.3. Proposal Request. Once a Master Agreement is developed or confirmed to be in effect and applicable to the specific service, the Requestor initiates communication with the Servicing Agency regarding proposed work and requests a proposal. The Requestor must understand that developing an Economy Act Order necessarily involves a negotiation between the Agencies in order to come to agreement as to the terms of both the Master Agreement and Support Agreement. This negotiation may take a significant amount of time.

It is crucial for the Requestor to thoroughly investigate whether the Servicing Agency would be carrying out an assisted acquisition on our behalf (i.e., Type B Order), **as a failure to understand this can hinder the timeframe of the Economy Act Order development or make an Economy Act Order no longer a viable option.** Unsubstantiated statements by the Servicing Agency that they will self-perform the work are not sufficient; the Requestor should review the complete scope of work with the Servicing Agency and confirm that no assisted acquisition will occur.

6.4 Order Package Development. When the proposal is received and considered adequate to the Requestor, the Requestor shall prepare the Economy Act Order documents that are required dependent on the type of Economy Act Order listed in Section 4.



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Section 8 contains an Economy Act Order Documentation Checklist specifying a list of requested documents for each Order type. The following are additional tips to aid with ensuring a complete package:

- Review the templates provided in the NWD Commander's Policy #22-15 carefully.
- Verify that the terms and conditions in the Support Agreement – especially funding (e.g., billing frequency) and any required language (e.g., distribution of published works) – do not conflict with the terms and conditions in the Master Agreement.
- There are several forms available for Support Agreements. While a standard form may be more commonly used, requestors may use a narrative format so long as it contains each of the required elements as stated in NWD Commander's Policy #22-15.
- Type B Orders requiring an IGE should conform to the content and signature requirements outlined in USACE Procurement Instruction Letter (PIL) 2012-03, Rev 1 "[Requirements for Development, Review, and Approval of Independent Government Estimates](#)." For Type A or Type C orders, a formal IGE complying with the applicable PIL is not required, although a government estimate is encouraged in order to aid the Requestor in writing the technical assessment and aid approving officials in making the determination whether the order is in the best interest of the Government.
- For Type B Orders, the Request for Service Contract Approval (RSCA, aka "SCAR" form) does not need to be approved before routing the Order package, as the RSCA can be reviewed and signed by the appropriate parties as the Order package is routed. However, the RSCA must be approved before the Economy Act Order can be finalized.
- The Support Agreement should state who is authorized to agree to a no-cost time extension. Include a provision within the Support Agreement that states: "The USACE Technical POC, <Enter Requestor Name>, is authorized to agree to a no-cost time extension of this Support Agreement."
- Prior to documents being routed, the Economy Act Order amount must be entered in CEFMS as a Government Order Purchase Request and Commitment (PR&C) by the Requestor's budget section. The PR&C must be 'approved' in CEFMS by the appropriate local official before routing the Order package. The PR&C gets 'certified' by the Finance & Accounting Office upon the Funds Certifying Official review of the signed order; formally reserving the funds in the financial management system.

6.4.1 Technical Assessment. Each Economy Act Order Determination and Findings (D&F) must demonstrate that the proposed supplies or services cannot be obtained as conveniently or economically by contracting directly with a private source, and that the Order is in the best interest of the Government. To assist with this determination, a technical assessment that outlines the Servicing Agency's labor hours and skill mix, material, and other cost items to conduct the work is required by the Contracting Division for all Orders. This assessment requires the Servicing Agency to provide with their proposal a cost breakdown by task. For a Type B Order, the proposal is compared to the IGE. For other Order types, the assessment that these items, at the quantity and type proposed, are reasonable and necessary for the work to be performed is adequate. See Section 9 for a Technical Assessment template. This document can also aid in drafting the Best Procurement Approach Determination for Non-DoD Contracting Actions (Type B Orders).

6.5 Routing for USACE Signature. The Requestor electronically routes the Economy Act Order package, containing all of the required documentation listed in the Checklist, to the point-of-



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contacts listed in Section 8.3 and per the flowchart in Section 7. See Section 8.2 for further guidance as to the appropriate reviewers and signatories for each document. Route the electronic versions of completed templates in Adobe (.pdf) and Microsoft Word (.docx) format, so reviewers can adequately provide comments and edits if needed. (Note: Office of Counsel should receive a Microsoft Word version of the Determination and Finding (D&F), Determination of Best Procurement Approach, and Support Agreement (if in a narrative version) so that attorneys may edit each document directly in Track Changes.)

Note: Routing through the NWS Executive Office may require a hard copy package or modified electronic routing criteria. If hard copy is required, scan the approved documentation back into an electronic format post-NWS Executive Office review. The NWS Executive Office should be provided a copy of the certified Government Order PR&C for review.

6.6 Routing to Servicing Agency. Following receipt of NWD SES (for Type B and C Orders) or NWS Commander signature (for Type A Orders), the Requestor shall route the Support Agreement, and supplemental documentation if applicable, to the Servicing Agency for review and signature. The Government Order PR&C must be certified before routing to the Servicing Agency. As stated in Section 6.3, the Servicing Agency may negotiate or require changes to certain terms of the Support Agreement. Changes must be coordinated with Office of Counsel and re-routed for review and approval. If you are unsure if the change is administrative or substantive, contact the Office of Counsel for advice.

6.7 Obligation. Once the Servicing Agency has returned the signed Support Agreement to the Requestor, the Requesting Agency may obligate the funds. The Requestor's Budget Section is responsible for completing the obligation in CEFMS. The obligation should utilize the numeric identifier assigned by the Contracting Division. The obligation is approved by the Requestor's Budget Section, with appropriate Resource Management Office certification. The Economy Act Order is now considered awarded and work by the Servicing Agency can begin.

6.8 Post-Award Administration and Recordkeeping. Once the Servicing Agency has returned the signed Support Agreement and the obligation is complete, the final signed version of all Economy Act Order package documents (including the Master Agreement, Support Agreement, Determination and Finding, and relevant supplemental documents) shall be transmitted electronically to CENWS_CT@usace.army.mil Subject Line: EAO #_1, Order Complete for Filing. The Contracting Division will retain the final electronic versions of all Seattle District Economy Act Orders in the respective Paperless Contract File (PCF). UAI (9/2017) Subpart 5104.802 - Government Contract Files states that USACE will utilize the Virtual Contracting Enterprise Paperless Contracting File(PCF) System as the official repository for all contract actions, as defined in FAR 4.601, unless documents with original signatures are to be kept in accordance with FAR 4.805(a). Transactions that are not defined as contract actions (e.g., grants, cooperative agreements, and other non-FAR based transactions) should be uploaded to PCF.

The Requestor is responsible for overseeing the execution of the work and ensuring deliverables are met/received on time. The Requestor's Budget Section is responsible for post-

¹ The official tracking number for an Economy Act Order is the Government Order PR&C number. However, a numeric file identifier will be assigned to each Order upon Contracting Division review. Both numbers will be associated with the file.



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award invoicing, at the direction of the Requestor and in accordance with DOD FMR 7000.14-R Volume 11a Chapter 3 (March 2012). The Servicing Agency typically initiates an electronic invoice (although hard copy is allowed) that is transmitted to the USACE Finance Center, where it is automatically posted against the obligation. The Requestor and Requestor's Budget Section is responsible for monitoring and reviewing the billing activity and communicating with the Servicing Agency if there are discrepancies. Per 31 U.S.C. § 1535(b) and FAR 17.502-2(d)(1), Servicing Agencies may request in writing for advance payment for all or part of the estimated cost of furnishing the supplies or services up front. The Requestor's Budget Section is responsible for processing this request, if applicable.

6.9 Closeout. Closeout can occur when the Servicing Agency submits the final invoice to the Requestor and/or the Requestor confirms the work is complete. With approval from the Requestor, the Requestor's Budget Section can process the final invoice for payment. Once final payment occurs, the Requestor shall send a Closeout Notification Letter (via email) to the Servicing Agency confirming the Economy Act Order is closed and funds have been expended. If the Servicing Agency has been provided advanced payment for all of the services, then confirmation by the Requestor that the work is complete is only needed to send out the Closeout Notification Letter. Requestor shall provide a copy of the signed notification letter to CENWS_CT@usace.army.mil upon submission to the agency for recordkeeping purposes. See Closeout Notification Letter template in Section 9.

6.9.1 Deobligation. Prior to the closeout of an Economy Act Order, a deobligation of unused funds shall occur by the Requestor's Budget Section. Per 31 U.S.C. § 1535(d), funds must be deobligated to the extent that the Servicing Agency has not, before the end of the period of availability (fiscal year or multiple year period, as applicable) of the appropriation, (1) provided the goods or services, or (2) entered into an authorized contract with another entity to provide the requested goods or services.

6.10 Modification. There are circumstances in which a modification to the scope or the performance period of an Economy Act Order may need to occur.

a. No-cost time extension: A formal request for a no-cost time extension would come from the Servicing Agency. The Requestor would review the extension request to ensure that extending the work is permissible under the existing Master Agreement and that the extension would not result in the Order being outside the effective period of the Master Agreement. If the Requestor agrees with the extension (and is authorized by the Support Agreement to agree to such an extension), the Requestor would coordinate with their Budget Section to modify the completion date in CEFMS and revised associated Military Interdepartmental Purchase Request (MIPR). The revised MIPR should include a sentence reflecting that an analysis of the Master Agreement was completed, and the no-cost time extension is permissible under the Master Agreement. A revised MIPR is sent by the Requestor to the Servicing Agency confirming the time extension. For recordkeeping purposes, copies of the modification documentation and/or correspondence shall be emailed to CENWS_CT@usace.army.mil. If the no-cost time extension is on a Type B Order and the extension would result in the Order being extended into a new fiscal year, you must first consult with the Office of Counsel, Resource Management and the NWD Support Planner, before agreeing to an extension.



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b. Cost or scope modification: Any request for a modification to a substantive term in the Support Agreement, such as a change to the scope or period of performance, that results in additional costs requires a revised Support Agreement to be developed and re-routed for review to verify that the transaction remains in the federal government's best interest. If unsure as to whether the modification requires new documentation and review, consult with the Office of Counsel. Certain circumstances may necessitate revising other documentation as well.

7.0 Flowchart.

8.0 **Additional Guidance.**

8.1 [Economy Act Order Documentation Checklist](#)

8.2 [Signature Guidance Table \(see pg 3\)](#)

8.3 [Routing Contact Information \(see pg 4\)](#)

8.4 [Action Tracking & Report Instructions – Reserved, Pending \(see pg 5\)](#)

8.5 [Documenting Reimbursable Orders from DoD Components \(Type A\)](#)

9.0 **Templates.**

9.1 [Technical Assessment](#)

9.2 [Commanders Routing Memorandum](#)

9.3 [Closeout Notification Letter](#)