

**Determination and Finding
Economy Act of 1932**

Servicing Agency: United States Department of the Interior, Fish and Wildlife Service

Requesting Agency: Operations Division, Walla Walla District, Northwestern Division, U.S. Army Corps of Engineers

1. The Walla Walla District U.S. Army Corps of Engineers (COE) currently requires services to manage, operate, and maintain the Dworshak Fish Hatchery (DFH) to meet COE mitigation requirements. This includes performing all fish husbandry activities including: collecting returning steelhead adults at the hatchery; spawning adults; incubating eggs; rearing juvenile fish to release size; monitoring fish health, condition, and disease control; and operating and maintaining all hatchery facilities. The DFH rears approximately 2.1 million Steelhead per year to meet the Corps' mitigation goal to return 20,000 adult Steelhead annually to the Clearwater River. This work is best prepared and performed by the United States Department of Interior, Fish and Wildlife Service (FWS).
2. Because of the reasons set forth below, it is in the best interest of the Government to acquire services to manage, operate, and maintain DFH under authority of the Economy Act (31 U.S.C. 1535).
 - a. The Walla Walla District lacks adequate and/or available resources to execute or manage the DFH. Furthermore, there is no known Department of Defense (DoD) agency or personnel within our administrative area capable of providing these services.
 - b. The COE has had a Memorandum of Understanding in place with the FWS since 1969 for the continuous fish rearing and operation and maintenance of DFH (Contract No. DACW68-69-C-0200). In addition, a new Memorandum of Agreement regarding Economy Act Funding for the Operation and Maintenance of the Dworshak Fish Hatchery between the COE and FWS was signed in 2009. Funds necessary for the FWS to operate and maintain the hatchery are included in the Fiscal Year 2014 budget.
 - c. Adequate funds are available to support implementation of this work.
 - d. The COE has legal authority to acquire these services.
3. It has been determined that service for the operation and maintenance of DFH cannot be obtained as conveniently or economically by contracting with a private source for the following reasons:
 - a. The FWS currently has all necessary personnel onsite at DFH to conduct and carry out fish rearing and operations and maintenance activities of the DFH, can fully perform the services required, and will accept the MIPR.
 - b. DFH is an extremely complicated hatchery to manage, and FWS personnel are the only source of knowledge of all aspects of its management and fish husbandry needs as they developed all the rearing practices over the years to successfully rear fish there.
 - c. In 1982, a DFH facility expansion occurred to accommodate the FWS in implementing its Lower Snake River Compensation Plan spring Chinook salmon production program. The FWS operates this expansion facility and will continue operations if the COE contracted out its steelhead mitigation program. Accordingly, it is duplicative and cost prohibitive to contract out the COE's program to a third party when FWS will continue to occupy a portion of DFH.

4. The Snake River Water Rights Act (SRWRA) of 2004 (PL 108-447) states that the "United States and the Tribe [NPT] will enter into an agreement for the joint management of hatchery programs at Dworshak National Hatchery [Dworshak Hatchery owned by the Corps and operated by USFWS]." Accordingly, the SRWRA provides the legal authority for the USFWS to use COE funds to pay the NPT (Nez Perce Tribe) to "joint-manage" the DWO Hatchery as long as such funds are limited to the rearing of Steelhead as mitigation for the DWO project. Essentially, the Nez Perce tribe is a legally obligated subcontractor to FWS. It must be emphasized, however, that COE funds will not be used for Chinook rearing under the Lower Snake River Compensation Plan, the Steelhead Kelt program, or the rearing of Coho.

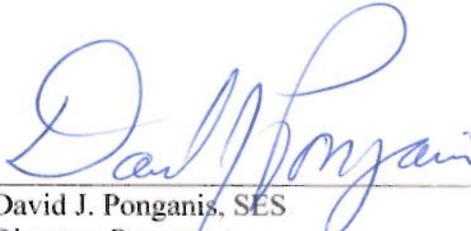
5. All work in the approved FY2014 annual work plan will be performed by FWS and NPT employees. Contracting efforts by the FWS are limited to routine procurement of supplies and materials for operating and maintaining the hatchery. These acquisitions will be appropriately made under an existing contract entered into before the placement of the order, to meet the requirements of the servicing agency for the same supplies.

6. Annual operations and maintenance of the DFH is critical and required to meet the mitigation requirements of project authorizations (Public Law 87-874). The total cost for the FY 2014 MIPR is \$3,299,940. An annual work plan with associated budget is attached.

The cost appears to be reasonable when compared with funding levels from previous years (\$3,098,000 in FY10, \$3,298,000 in FY11, \$3,118,216 in FY12 and \$3,301,024 in FY 13).

- a. To cover expenses associated with unexpected infrastructure failures, the COE may withhold funds to address critical infrastructure needs. The amount withheld will depend on the development of cost estimates.
- b. Acquisitions will appropriately be made under an existing FWS contract, entered into before placement of the order, to meet the FWS requirements for the same or similar supplies or services.
- c. The COE has reviewed the FWS accounting practices and find that their charging practices, including overhead, are consistent throughout their agency and are based on total project costs, not solely labor based costing.

7. Given the above findings, I hereby determine it is in the best interest of the Walla Walla District to place an order for the management, operations, and maintenance of Dworshak Fish Hatchery with the FWS, under authority of the Economy Act (31 U.S.C. 1535).


David J. Ponganis, SES
Director, Programs

09 SEP 2013
Date

U.S. ARMY CORPS OF ENGINEERS INTERAGENCY/SUPPORT AGREEMENT (ER 1140-1-211)		1. AGREEMENT NO.	
		2. <input type="checkbox"/> INITIAL AGREEMENT <input checked="" type="checkbox"/> AMENDMENT NO.	
3. PROJECT TITLE		4. EFFECTIVE DATE 2013-10-01	
		5. COMPLETION DATE 2014-09-30	
6. NAME AND ADDRESS OF USACE ORGANIZATION Walla Walla District, Northwestern Division U.S. Army Corps of Engineers, Dworshak Project 1428 North Fork Drive Ahsahka, ID 83520		7. NAME AND ADDRESS OF OTHER AGENCY Department of Interior Fish and Wildlife Service, Dworshak National Hatchery 4147 Ahsahka Road Ahsahka, ID 83520	
8. SCOPE OF WORK <i>(Additional pages may be used as needed)</i> <p>The Walla Walla District, U.S. Army Corps of Engineers (COE) currently requires services to manage, operate, and maintain the Dworshak Fish Hatchery (DFH) to meet COE mitigation requirements. This includes performing all fish husbandry activities including: collecting returning steelhead adults at the hatchery; spawning adults; incubating eggs; rearing juvenile fish to release size; monitoring fish health, condition, and disease control; and operating and maintaining all hatchery facilities. This work is best prepared and performed by the United States Department of Interior, Fish and Wildlife Service (FWS).</p>			
9. SPECIAL PROVISIONS <i>(Additional pages may be used as needed)</i> <ul style="list-style-type: none"> a. All rates expressing the unit cost of services provided in this agreement are based on current rates which may be subject to change for uncontrollable reasons, such as legislation, DoD directives, and commercial utility rate increases. The receiver will be notified immediately of such rate changes that must be passed through to the support receivers. b. This agreement may be cancelled at any time by mutual consent of the parties concerned. This agreement may also be cancelled by either party upon giving at least 180 days written notice to the other party. c. In case of mobilization or other emergency, this agreement will remain in force only within supplier's capabilities. 			
10. USACE PROJECT OFFICER Gregory A. Parker, Operations Project Mgr Dworshak Project		TELEPHONE 208-476-1251	11. OTHER AGENCY PROJECT OFFICER Steve Rodgers, Complex Manager Dworshak Fisheries Complex
			TELEPHONE 208-476-2227
ADDRESS USACE-Dworshak Project 1428 North Fork Drive Ahsahka, ID 83520		ADDRESS Dworshak National Fish Hatchery 4147 Ahsahka Road Ahsahka, Idaho	

12. REPORTS *(Requirements and Frequency)*

13. FUNDS
(Page(s) with cost breakdown may be attached as necessary)

SOURCE	PREVIOUS AMOUNT	AMOUNT THIS ACTION	AMENDED TOTAL
a. USACE AMOUNT		\$3,299,940.00	\$3,299,940.00
b. OTHER AGENCY AMOUNT			
c. TOTAL PROJECT COST		\$3,299,940.00	\$3,299,940.00

14. FUNDING

Funds will be provided by:

- a. Transfer Appropriation (SF 1151, Now-Expenditure Transfer Authorization)
 Reimbursable Order (31 USC 1535 - Economy Act)
 Other (describe)

b. Appropriation: 96-3123-394

15. BILLING

a. Request for payment will be made by: SF 1080 SF 1081 Other (describe)

b. Frequency Monthly Quarterly Upon work completion Other (describe)

c. Request for payment will cite the following accounting information (describe necessary documentation):

Funding citation 96 3123 394. Work Items 4C5DG5 (Ops) 4B28KF (Mntc)

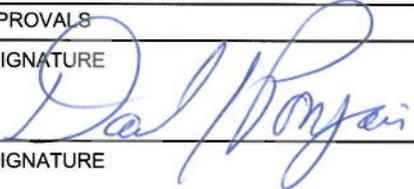
d. Submit to:

USACE Finance Center-T0B0200, Walla Walla District (G4), 5722 Integrity Drive, Millington, TN 38054-5005

16. AUTHORITY

Economy Act, 31 U.S.C 1535

17. APPROVALS

a. NAME AND TITLE OF AUTHORIZING OFFICIAL FOR USACE David J. Ponganis, SES Director of Programs, Northwestern Division	SIGNATURE 	DATE 09 SEP 2013
b. NAME AND TITLE OF AUTHORIZING OFFICIAL FOR OTHER AGENCY Michael Carrier, Asst. Regional Director - Fishery Resources USFWS - Pacific Region	SIGNATURE	DATE