CHALLENGE PARTNERSHIP AGREEMENTS

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US Army Corps of Engineers®

What is a Challenge Partnership?

- It's an agreement between USACE and a nonprofit organization or other non-federal public entity.
- Challenge Partnership agreements can be made with international partners.
- CP agreements can NOT be made with private for-profit entities. (But you can still accept contributions from private for-profit organizations through the Contributions authority)
- Not as rigid as traditional cost sharing.
- Also not to be confused with Project Cooperation Agreements

Authorities/Policies and Procedures

- 33 USC 2328, Water Resources Development Act of 1992, Section 225
  - Section 225 of this law authorized the Secretary of the Army to enter into agreements with non-Federal public and private nonprofit entities to provide for operation and/or management and development of recreation facilities and natural resources at water resource development projects where such facilities are being maintained at Federal expense.
  - This also authorized the Secretary of the Army to accept contributions of funds, materials, and services from non-Federal public and private nonprofit entities.
  - It does not authorize the Corps to give funds, materials, services to the partner.

- ER 1130-2-500, dated 10 April 2025, Project Operations - Partners and Support (Work Management Guidance and Policies)

  Chapter 11, Challenge Partnerships

What Can a Challenge Partnership Do?

- Help you accomplish tasks that are part of your 5-year Operations Management Plan (OMP)
- Leverage resources normally not considered under typical operations due to budget constraints.

Richard B Russell/Outdoor Dream Foundation Hunting Blinds

Challenge Partnership FAQS

Q. What is the difference between a Contribution and a Challenge Partnership?

A. Contributions are funds, materials, equipment and/or services given to the Corps and must meet the requirements of a project-level OMP and a contributions plan. Contributions become Corps property without further participation by the contributor.

Challenge partnerships allow through a formal agreement the acceptance of funds, materials, and services to accomplish specific recreation and resource work programs. Partners may be involved in the management of the work project. Materials donated and facilities constructed become Corps property.

Services (labor) accepted through either program are counted as Volunteers and are captured in CWBI-OPS during the annual update.

Challenge Partnership FAQS

Q. Are Challenge Partnership Agreements the same thing as traditional cost-sharing agreements?

A. No, traditional cost-sharing agreements, which were authorized by Public Law 89-72 require a minimum of 50% partner funding for recreational management and 25% for fish and wildlife enhancement; administration of the lands and waters by the partner; and all costs of operation, maintenance, and replacement by the partner.

Under the WRDA 1992 authority for challenge partnerships, there is no fixed rate of cost share. Flexible percentages are determined by mutual agreement between the Corps and the partners.

Roles of each entity are also flexible. The Corps operates the area under the partnership under a flexible agreement. Work may involve multiple partners.

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Differences Between Traditional Cost Sharing and Challenge Partnerships

Traditional Cost Sharing	Challenge Partnerships
PL 89-72	PL 102-580*
Fixed % (Normally 50%)	Flexible rate determined by mutual agreement
Rigid roles	Flexible roles
Can accept real estate from sponsor	Cannot accept real estate from partner
Sponsor operates	Corps operates
Cost share for any business function	Only Recreation & Natural Resources
Program management has lead	Operations has lead
Formal contract	Flexible agreement
Corps $ year by year	Funds must be available in advance from operating funds. Way to stretch available funds.
Work accomplished over several fiscal years	Work generally accomplished during one fiscal year
Cost share only with non-Federal governmental entities	Cost share with non-Federal governmental and private nonprofit entities
Normally with only one sponsor	May involve multiple partners on the same work activity

How to Create a Challenge Partnership Agreement

- Check the NRM Gateway
- Templates are posted
- The agreement needs to be signed at the appropriate level *(Reference ER 1130-2-500, Ch 11)
  - Less than $100,000: District NRM Chief or Operations Project Manager or Park Manager
  - $100,000 - $500,000: District Operations Chief
  - $500,000 - $1,000,000: District Commander
  - Greater than $1,000,000: Division Commander

Common Elements in a CPA

- 'Whereas' statements that describe the partnership, the authorities, and the mutually beneficial nature of the agreement
- Definitions and general provisions
- Obligations of the parties (What each will do)
- Method of payment
- Dispute resolution
- Federal and state laws
- Relationship of the parties
- Officials not to benefit
- Indemnification (Partner will not hold the gov't liable. This safeguards USACE from the risk of an Anti Deficiency Act violation, whereby we are potentially obligated to pay claims for which we have no adequate source of funds.)
- Termination
- Notices (points of contact)
- Confidentiality
- Signatures

A Note About the Indemnification Clause

If the partner is unwilling to sign the CPA due to the indemnification clause (State entities often have issues with this), a remedy that has worked in the past in some districts is to include one of the following:

- "Nothing in this agreement should be construed as limiting the rights and obligations as Grantee hereunder from pursuing a claim as allowable under the Federal Tort Claims Act."
- Liability: Corps shall be liable, to the extent allowed by the Federal Tort Claims Act (28 U.S.C. § 2671 et seq.), for claims for property damage and personal injury resulting from the negligent acts or wrongful act or omission of any Corps employee while acting within the scope of his employment arising out of the activities described herein. The Partner shall be liable, to the extent allowed by the Federal Tort Claims Act, for claims for property damage and personal injury resulting from the negligent acts or wrongful act or omission of any Partner employee while acting within the scope of his employment arising out of activities described herein.

We have also had issues with other entities wanting us to procure insurance. We've inserted a provision reflecting that we are essentially self-insured in those agreements to satisfy the partner.

Challenge Partnerships Successes

Lake Lanier and BASS: Little Hall Fishing Tournament Complex

- Pre-CPA: Popular tournament fishing site with inadequate facilities
- Post-CPA: Sheltered pavilion, 3 fish holding tanks with water pumped aeration, seating for 150 spectators, a large courtesy mooring dock, a leader board, and a display area for tournament sponsors and vendors.
- The Corps was able to construct this new facility by accepting more than $30,000 worth of building materials from various donors.
- Donors are acknowledged at the site on the tournament leader board and also on stamped bricks.

Challenge Partnerships Successes

Dworshak Dam and Reservoir:
Training Assistance Program

- CPA with Juvenile Correction Center (JCC)- Lewiston, ID
- JCC provides a Trail Crew Maintenance Training Program
- Corps provides materials for improvement projects such as benches, bridges, tools, and logistical support
- Program provides participants the opportunity to learn specific outdoor skills and environmental awareness while providing the community with a valuable service.
- Training opportunities: CPR, map/compass skills, GPS

Challenge Partnerships Successes

John H. Kerr Reservoir Kayak/Canoe Launch

- CPA with Roanoke River Basin Association
- Also involved Virginia Tourism Corporation, veterans organizations, and donations from private businesses and state grant funds.
- CPA provided design and construction of accessible canoe/kayak launch in the tailrace area, interpretive signs, and parking access

Challenge Partnerships Successes

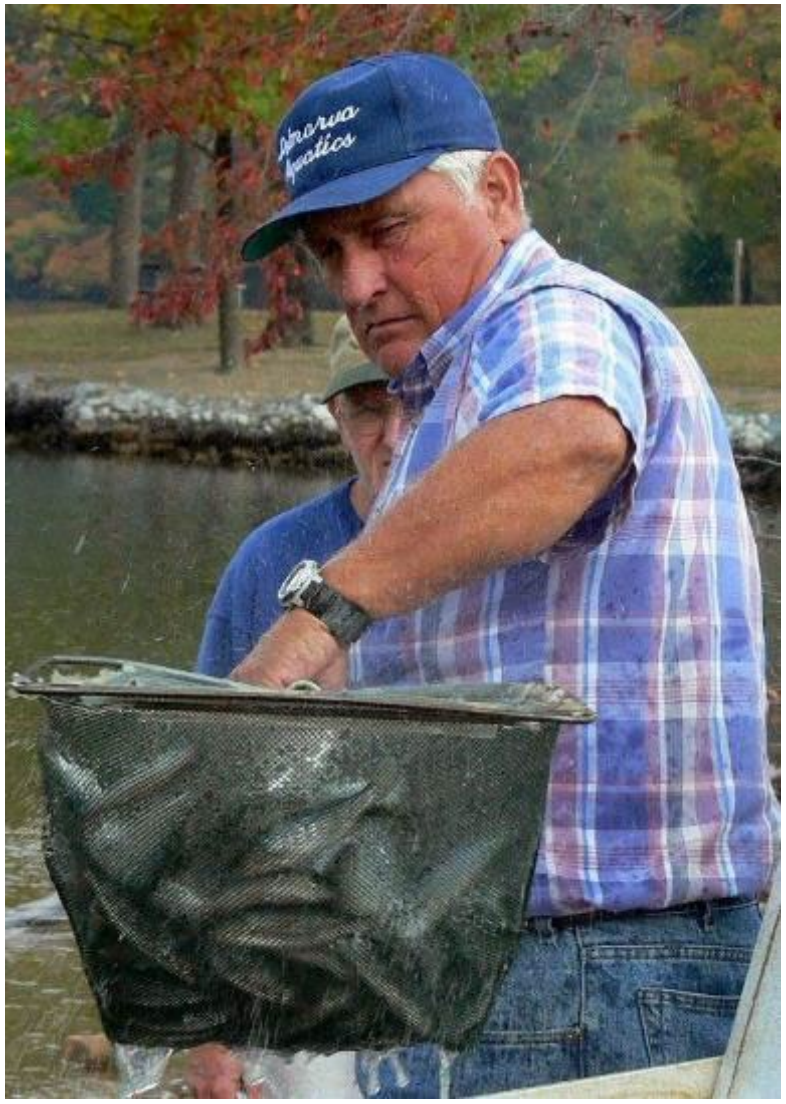
Carlyle Lake Multi-User Trail

- CPA with City of Carlyle, IL Department of Transportation, IL Department of Natural Resources
- Series of challenge partnership agreements and DOT grants. Connected City of Carlyle trails with Corps property.
  - Year 1: Street lighting on Lake Road ($13,808)
  - Year 3: Path upgrades and extension ($47,600)
  - Year 5: Trail extension along Rt 127 and Lake Rd ($241,870)
  - Year 8: Signs and markings, outdoor interp display, map, benches, bike racks ($24,800)

Challenge Partnerships Successes

Raystown Lake: Pennsylvania Striped Bass Association

- Augmented state's striped bass stocking efforts by purchasing and stocking over 800,000 fingerlings and 1.8 million fry in the lake
- Partnered with 3 organizations to create the Raystown Lake Striped Bass Hatchery to spawn and raise striped bass in-house
- Participates in annual aquatic habitat improvement events, including Lake Cleanup and Fish Structure Building Days
- Contributes over 3,000 volunteer hours annually



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Fish Management

How to Develop an Agreement:

Challenge Partnerships Agreements

Challenge Partnership Agreements

Numerous Challenge Partnership Agreements (CPAs) have been set up at lake and river projects around the Corps (not including those related to Handshake Partnerships). Listed below are some examples of CPAs categorized by major project type. You can also find more examples on the Handshake Program Applications and Agreements page by clicking on any of the Agreement links.

- Challenge Partnership Agreement - Word document template/fillable form

Trails

- New Orleans District, Bonnet Carre Spillway and South Louisiana Trailblazers, Inc.- ATV trail development, July 2000
- Walla Walla District, Dworshak Reservoir and State of Idaho Juvenile Correction Center- Trail maintenance, June 2010
- Forth Worth District, Waco Lake, the Texas Equestrian Trail Riders Association and the Waco Bicycle Club- Construction of equestrian group camp and trailhead improvements, 2010

Recreation

- Kansas City District, Tuttle Creek Lake, Briggs Motor Company, Inc. and Flat Land Jeep Club- ORV recreation area improvements, 2000
- Little Rock District, Greers Ferry Lake, Arkansas Game & Fish Commission; First Electric Cooperative; City of Greers Ferry, Arkansas; Greers Ferry Area Chamber of Commerce; and Greers Ferry Lake Bassmasters- Fishing tournament roads, parking, support building improvements, August 2005
- Walla Walla District, Lucky Peak Lake and Boise Project Board of Control- Toilet, staircase, parking lot installation and angler access improvements, August 2009
- Savannah District, Hartwell Lake and the Hartwell Ramp Betterment Partners- Boat ramp extension, December 2008
- Tulsa District, Keystone Lake and Friends of Lake Keystone - Campground improvements/50 amp service upgrades, October 2012
- Walla Walla District, Dworshak Dam and Reservoir and the Orofino Chamber of Commerce- Pack It In/Pack It Out litter bag program, April 2011
- MVS: Rend Lake and Vern Disc Golf Club- Design and installation of disc golf course, August 2013
- NWK: Pomme de Terre Lake and NWTF, MO Dept of Conservation, Flambeau Outdoors, Lucas Oil Speedway, Pomme de Terre Arms, VFW, 4-H, and local high schools- Archery Range, 2014
- New England District, Franklin Falls Dam and Friends of Franklin Falls Disc Golf - Disc golf course, April 2016

Environmental Stewardship

- Walla Walla District, Mill Creek Project and Walla Walla County Conservation District- Installation of fish screen devices, November 2008
- Portland District, Dexter Lake and the City of Lowell, Oregon- Wetland enhancement and habitat improvements, December 2009
- Kansas City District, Smithville Lake and Clay County- Aquatic habitat improvements and shoreline protection, 2009
- Savannah District, J. Strom Thurmond Lake and Quail Unlimited- Longleaf pine restoration and bobwhite quail habitat improvements, March 2010
- St. Louis District, Rend Lake and Rend Lake Lunker Busters- Fishing line recycling containers, August 2013
- MVS: Wappapello Lake and Wayne County Sportsman Association- Wildlife management, February 2015

Interpretation

- Omaha District, Lake Sakakawea and the Williston Convention and Visitor's Bureau- Installation and expansion of Interpretive and Visitor Facilities, March 2005
- Walla Walla District Lucky Peak Project and The Foote Park Project - Development of historical interpretive area, May 2016
- NWS: Chittenden Locks and Discover Your Northwest and the Corps Foundation- Improvements to LWSC Fish Ladder
- MVP: MS Headwaters Project and MS Headwaters Board - interpretive signs, April 2021

Accessibility Improvements

- The hard part has been done for you!
- Check the NRM Gateway website
- Look at the Partners tab

How to Keep Your RM and OC Happy

- Involve Office of Counsel and Resource Management in the process…*EARLY!*
- Make sure you include copies of sections of the ER and Public Laws that pertain to any questions they may have.
- Remember that our lawyers have a wide variety of subject matters that they must be ‘fluent’ in. They may not be familiar with all of our NRM partnership specific authorities.
- Don’t forget to run your proposed projects through Planning for National Environmental Policy Act (NEPA) compliance early in the process.
- Don’t go with gut feelings, go with the regulations!

On the Gateway

https://corpslakes.erdc.dren.mil/employees/challenge/partner.cfm

Challenge Partnerships Program

Headquarters Partnership POC

The Challenge Partnership Program provides opportunities for non-federal public and private groups and individuals to contribute to, and participate in, the operation and/or management of recreation facilities and natural resources at water resource development projects. This program allows the Corps to accept funds, materials, personal property, equipment, and/or services following the approval of a Challenge Partnership Agreement, to accomplish work programs; however it does not permit the Corps to accept real estate from the partner, nor reimburse for services. At this time, USACE has no authority or mechanism to give funds directly to a non-federal partner through this program. The contributed resources are combined with regular project O&M resources to accomplish work within current authorities and contained in the annual or five-year plan in the approved operational management plan through this program. This provides a way to stretch the Corps budget by sharing costs. Work is generally accomplished during one fiscal year, but may be carried over several years. The Corps' Challenge Partnership Program is authorized by Public Law 102-580, Section 225 of 33 U.S.C 2328, Water Resources Development Act of 1992.

In 2002, the Challenge Cost Sharing program was renamed Challenge Partnerships, since challenge partnerships differ from traditional cost-sharing in several ways. Traditional cost-sharing agreements, which were authorized by Public Law 89-72 require a minimum of 50% partner funding for recreational management and 25% for fish and wildlife enhancement; administration of the lands and waters by the partner; and all costs of operation, maintenance, and replacement by the partner. Under the WRDA 1992 authority for challenge partnerships, there is no fixed rate of cost share. Flexible percentages are determined by mutual agreement between the Corps and the partners. Roles of each entity are also flexible. The Corps operates the area under the partnership under a flexible agreement. Work may involve multiple partners. Click here to see the comparison chart.

Challenge partnership agreements are also NOT the same as Project Cooperation Agreements, or Economy Act Orders.

Note: Challenge partnership agreements are NOT cooperative agreements as that term is used in the Federal Grant and Cooperative Agreement Act of 1977, 31 U.S.C. 6305 (FGCAA), nor are they subject to the DOD regulations governing cooperative agreements, including the requirement for execution by a certified grants officer. Although Sec 225 of 33 USC 2328 uses the term "cooperative agreement", it involves a type of transaction not covered by the FGCAA. A cooperative agreement under the FGCAA involves transfer of funds (or other items) from the Federal Government to a non-Federal entity. Conversely, a challenge partnership agreement involves the acceptance of funds, materials, and services by the Federal Government.

- Policy & Procedures
- FAQs
- Challenge Partnership Agreements
- Division & District POCs
- News / Current Issues
- Sample Agreements
- Success Stories