

Partnerships with other Federal Agencies: The Economy Act

Partnerships in NRM PROSPECT Course



"The views, opinions and findings contained in this report are those of the authors(s) and should not be construed as an official Department of the Army position, policy or decision, unless so designated by other official documentation."



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Authority

The Economy Act of 1932, as amended, 31 U.S.C. § 1535

- Authorizes agencies to enter into agreements to obtain supplies or services (including construction) from another FEDERAL AGENCY

Determining need and availability:

- What Federal Agencies are located adjacent to or near your Corps lakes?
- What are their areas of expertise that the Corps might want to utilize?



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Examples of Successful Economy Act Agreements

- **Lucky Peak (NWW)/BOR to improve recreation facilities by bringing power to them**
- Portland District/BLM – prescribed burning
- MVP Lock 5 and USFS – improved habitat through use of dredging
- Libby Dam (NWS) and USFS – habitat assessments and improvements on COE lands
- USACE and TVA– technical assistance for water resource management, infrastructure, environmental compliance
- W Kerr Scott and NPS – parking lot improvements for OVNHT
- Lake Okeechobee and FWS – iguana control



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Portland District NWD and Bureau of Land Management Prescribed Burning



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U.S. ARMY

Lake Okeechobee, Jacksonville District, SAD Invasive Reptile Control

- MOA/Interagency Agreement with USDA APHIS Wildlife services for invasive reptile control
- Five year contract - \$50,000 per year
- Removal and control of iguanas and other invasive reptiles that burrow into dikes and levees, as well as USACE field offices
- Over 1000 removed in first year



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Non-Economy Act Transactions

- The Economy Act only applies when more specific statutory authority does not exist
- Examples of Non-Economy Act Orders:
 - Federal Supplies Schedules – authority is 40 U.S.C. 501
 - Government-wide Acquisition Contracts (GWACSs) – authority is 40 U.S.C. 11302(e)
- Bottom line: If you have more specific authority for acquiring supplies/services from another federal agency, do not use the Economy Act.



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When Can You Use The Economy Act?

- An Economy Act order can be used when:
 - 1) funds are available
 - 2) the ordering agency determines that it is in the best interest of the government
 - 3) the ordering agency decides that ordered goods or services cannot be provided as conveniently or cheaply by contract with commercial enterprise.



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Contract vs. In-house Economy Act Orders

- Not all Economy Act orders include a contract action.
 - i.e. The servicing agency provides the support in-house.
- Economy Act orders including a contract action (aka: *interagency acquisitions*).
 - Support will either be completed by:
 - Assisted Acquisition – The servicing agency performs acquisition activities on the requesting agency's behalf, such as awarding and administering a contract, task order, or delivery order (this is more common)
or
 - Direct Acquisition – The requesting agency places an order *directly* against the servicing agency's indefinite-delivery contract.

Why does it matter?

- It matters because the authorities that apply and the documentation required are different
 - if there is a contract action involved vs.
 - if it is In-house.



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Contract Economy Act Order Requirements

(1) Written Interagency Master Agreement (typically an MOA or FMS 7600a)

- General, fiscal, procurement, other terms by which the parties agree to be bound
- Must include the roles and responsibilities for acquisition planning, contract execution, and the administration and management of the contracts

(2) Support Agreement/Order (Ex. ENG Form 4914-R, DD Form 1144, FMS 7600b)

- Funding document used to describe the supplies or services needed.
- Must include clear, detailed description of the supplies or services (often SOW); delivery requirements or period of performance; funds citation; payment provision; authority (Economy Act); additional ordering procedures

(3) Certification of Availability for Purpose

- A statement by the funds certifying official indicating that the funds cited on the order are properly chargeable for the purposes cited in the order.
- May be on or attached to the order or on the MIPR.



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Contract Requirements (Cont.)

(4) Determination & Findings (D&F)

- Purpose is to show the Order is in best interest of government
- Template available from NWD

(5) Best Procurement Approach Determination

- Show that the use of an interagency acquisition represents the “best procurement approach”

Additional requirements if more than \$150,000

(6) Non-DoD Certification – AFARS 5117.7802

- Demonstrate that utilizing a non-DoD contract is in the best interests of DoD. Separate and distinct from the Economy Act D&F.

(7) FAR17.703 Certification from Non-DoD Agency

- Ensure non-DoD agency compliance with Federal & DoD procurement requirements



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In-House Economy Act Order Requirements

(1) Written Interagency Master Agreement (MOA)

- Sets forth the general terms and conditions governing the relationships between the parties.

(2) Support Agreement/Order

- Typically use other agency's form. But may suggest ENG Form 4914-R or DD Form 1144 or other similar form if they do not have one.

(3) Certification of Availability for Purpose

(4) Determination & Findings (D&F)



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Economy Act Orders With Another DoD Agency (Intra-agency Support)

(1) Written Interagency Master Agreement (MOA)

- Not required, but recommended

(2) DD Form 1144 (Support Agreement/Order)

- Required

(3) MIPR



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Economy Act Key Points

- Determination and Findings (D&F) document must be prepared by the ordering agency.
- Performing agency must be able to provide the goods or services in-house or by contract, and parties should verify under Part 8 of the FAR that the responsibility for this good or service is not assigned to another agency of the federal government.
- Authority for the ordering agency to do the work in question must be independently authorized.
- The Economy Act cannot be used for partnerships with non-federal entities, and is only used with federal agencies when another more specific transfer authority is not available.
- Some agencies have their own transfer authorities that do not include de-obligation requirements and D&Fs, such as Section 632 of the Foreign Assistance Act, which the Corps may accept under the Chief's Economy Act.



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Paperwork Needed

- Interagency Support Agreement
 - 4914R
 - DD 1144
 - FS 7600b
- Memo of Determinations and Findings (D&F)
- Copy of agreement used (MOA/FS 7600a interagency agreement)



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MEMORANDUM OF AGREEMENT
BETWEEN
THE [ORDERING ACTIVITY]
AND
THE DEPARTMENT OF THE ARMY
**[U.S. ARMY CORPS OF ENGINEERS may also be appropriate depending on the level of
approval authority and/or other relevant circumstances]**
FOR
[INSERT SUBJECT]
[INSERT AGREEMENT NUMBER]

ARTICLE I - PURPOSE AND AUTHORITY

This Memorandum of Agreement ("MOA") is entered into by and between the U.S. Department of the Army ("DA") and the [ORDERING ACTIVITY] (collectively "the Parties") for the purpose of establishing a mutual framework governing the respective responsibilities of the Parties for the provision of DA **[insert general description of the type of DA assistance; e.g. construction management, environmental restoration or design assistance]** goods and services. This MOA is entered into pursuant to the Economy Act (31 U.S.C. § 1535) **[When necessary, also insert specific statutory authority for the ORDERING ACTIVITY to execute the program/work].**

ARTICLE II - SCOPE

Goods and services which the DA may provide under this MOA include **[insert detailed description of scope of DA goods or services, including brief description of Ordering Agency program/work if appropriate]**, and such other related goods or services as may be agreed upon in the future.

Nothing in this MOA shall be construed to require the [ORDERING ACTIVITY] to use the DA or to require the DA to provide any goods or services to the [ORDERING ACTIVITY], except as may be set forth in Support Agreements ("SAs").

ARTICLE III - INTERAGENCY COMMUNICATIONS

To provide for consistent and effective communication between the DA and the [ORDERING ACTIVITY], each Party shall appoint a Principal Representative to serve as its central point of contact on matters relating to this MOA. Additional representatives may also be appointed to serve as points of contact on SAs.

ARTICLE IV - SUPPORT AGREEMENTS

In response to requests from the [ORDERING ACTIVITY] for DA assistance under this MOA, the DA and the [ORDERING ACTIVITY] shall conclude mutually agreed upon written SAs. Goods or services shall be provided under this MOA only after an appropriate SA has been



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SUPPORT AGREEMENT			
1. AGREEMENT NUMBER <i>(Provided by Supplier)</i>	2. SUPERSEDED AGREEMENT NO. <i>(If this replaces another agreement)</i>	3. EFFECTIVE DATE (YYYYMMDD)	4. EXPIRATION DATE <i>(May be "indefinite")</i>
5. SUPPLYING ACTIVITY		6. RECEIVING ACTIVITY	
a. NAME AND ADDRESS		a. NAME AND ADDRESS	
b. MAJOR COMMAND		b. MAJOR COMMAND	
7. SUPPORT PROVIDED BY SUPPLIER			
a. SUPPORT <i>(Specify what, when, where, and how much)</i>		b. BASIS FOR REIMBURSEMENT	c. ESTIMATED REIMBURSEMENT
<p>ADDITIONAL SUPPORT REQUIREMENTS ATTACHED: <input type="checkbox"/> YES <input type="checkbox"/> NO</p>			
8. SUPPLYING COMPONENT		9. RECEIVING COMPONENT	
a. CONTROLLER SIGNATURE	b. DATE SIGNED	a. CONTROLLER SIGNATURE	b. DATE SIGNED
c. APPROVING AUTHORITY		c. APPROVING AUTHORITY	
(1) TYPED NAME		(1) TYPED NAME	
(2) ORGANIZATION	(3) TELEPHONE NUMBER	(2) ORGANIZATION	(3) TELEPHONE NUMBER
(4) SIGNATURE	(5) DATE SIGNED	(4) SIGNATURE	(5) DATE SIGNED
10. TERMINATION <i>(Complete only when agreement is terminated prior to scheduled expiration date.)</i>			
a. APPROVING AUTHORITY SIGNATURE	b. DATE SIGNED	c. APPROVING AUTHORITY SIGNATURE	d. DATE SIGNED

DD Form 1144 – Used with other DOD agencies

ENG Form 4914-R– Used with non-DOD agencies

U.S. ARMY CORPS OF ENGINEERS INTERAGENCY/SUPPORT AGREEMENT <i>(ER 1140-1-211)</i>		1. AGREEMENT NO.	
		2. <input type="checkbox"/> INITIAL AGREEMENT <input type="checkbox"/> AMENDMENT NO. _____	
3. PROJECT TITLE		4. EFFECTIVE DATE	
		5. COMPLETION DATE	
6. NAME AND ADDRESS OF USACE ORGANIZATION		7. NAME AND ADDRESS OF OTHER AGENCY	
8. SCOPE OF WORK <i>(Additional pages may be used as needed)</i>			
9. SPECIAL PROVISIONS <i>(Additional pages may be used as needed)</i>			
<p>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.</p> <p>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.</p> <p>c. In case of mobilization or other emergency, this agreement will remain in force only within supplier's capabilities.</p>			
10. USACE PROJECT OFFICER		TELEPHONE	
ADDRESS		ADDRESS	
11. OTHER AGENCY PROJECT OFFICER		TELEPHONE	
ADDRESS		ADDRESS	





IAA Number _____
 GT&C# _____ Order# _____ Amendment# / Mod# _____

DEPARTMENT AND/OR AGENCY		
1.	Requesting Agency of Products / Services	Servicing Agency Providing Products / Services
Name		
Address		
2. Servicing Agency Tracking Number (Optional) : _____		
3. Assisted Acquisition Agreement <input type="checkbox"/> Yes <input type="checkbox"/> No		
4. GT&C Action (Check action being taken)		
<input type="checkbox"/> New		
<input type="checkbox"/> Amendment - Complete only the GT&C blocks being changed and explain the changes being made.		
<input type="checkbox"/> Cancellation - Provide a brief explanation for the IAA cancellation and complete the effective End Date.		
5. Agreement Period Start Date _____ End Date _____ of IAA or effective cancellation date MM-DD-YYYY MM-DD-YYYY		
6. Recurring Agreement (Check One) A Recurring Agreement will continue, unless a notice to discontinue is received		
<input type="checkbox"/> Yes If Yes, this is an: Annual Renewal <input type="checkbox"/> Other Renewal <input type="checkbox"/> State the other renewal period: _____		
<input type="checkbox"/> No		
7. Agreement Type (Check One) <input type="checkbox"/> Single Order IAA <input type="checkbox"/> Multiple Order IAA		
8. Are Advance Payments Allowed for this IAA (Check One) <input type="checkbox"/> Yes <input type="checkbox"/> No		
If Yes is checked, enter Requesting Agency's Statutory Authority Title and Citation		
Note: Specific advance amounts will be captured on each related order.		

Department of Treasury
 FS Form 7600A and 7600B
 US Government Interagency
 Agreement



IAA Number _____
 GT&C# _____ Order# _____ Amendment# / Mod# _____
 Servicing Agency's Agreement Tracking Number (Optional) _____

PRIMARY ORGANIZATION / OFFICE INFORMATION		
24.	Requesting Agency	Servicing Agency
Primary Organization / Office Name		
Responsible Organization / Office Address		
ORDER REQUIREMENTS INFORMATION		
25. Order Action (Check One)		
<input type="checkbox"/> New		
<input type="checkbox"/> Modification (Mod) - List affected Order blocks being changed and explain the changes being made. For Example: for a performance period mod, state the new performance period for this Order in Block 27. Fill out the Funding Modification Summary by Line (Block 26) if the mod involves adding, deleting, or changing Funding for an Order Line.		
<input type="checkbox"/> Cancellation - Provide a brief explanation for Order cancellation and fill in the Performance Period End Date for the effective cancellation date.		
26. Funding Modification Summary by Line	Line #	Line #
Original Line Funding		
Cumulative Funding Changes From Prior Mods [addition (+) or reduction (-)]		
Funding Change for This Mod		
TOTAL Modified Obligation	\$0.00	\$0.00
Total Advance Amount (-)		
Net Modified Amount Due	\$0.00	\$0.00
27. Performance Period	Start Date _____	End Date _____
For a performance period mod, insert the start and end dates that reflect the new performance period.		



Determination and Findings

Economy Act Order With Contract Action

[Use this template if any portion of the work will be provided via contract, unless considered merely incidental. Use the "In-House" D&F Template if contracting is only incidental to the purpose of the transaction.]

SUBJECT: *[Insert Subject here.]*

1. References:

- a. Memorandum, USACE NWD, CENWD-DE, 13 December 2013, subject: NWD Interim Policy Memorandum #07-12, Processing Economy Act Orders within the U.S. Army Corps of Engineers (USACE) Northwestern Division (NWD).
- b. Federal Acquisition Regulation (FAR), Subpart 17.5, Interagency Acquisitions.
- c. Department of Defense (DoD) Financial Management Regulation (FMR), 7000.14-R, Vol. 11A, Chapter 3, March 2012, subject: Economy Act Orders.
- d. *[Only include this reference if your action is over the Simplified Acquisition Threshold (SAT):* Memorandum, Assistant Secretary of the Army, Acquisition, Logistics and Technology (ASA(AL&T), July 12, 2005, subject: Proper Use of Non-Department of Defense (Non-DoD) Contracts.]

e. *[Only include this reference if your action is over the SAT: FAR Subpart 17.7, Interagency Acquisitions: Acquisitions by Non-Defense Agencies on Behalf of the Department of Defense.]*

2. Authority. The Economy Act (31 U.S.C. 1535) authorizes agencies to enter into agreements to obtain supplies or services (including construction) from another agency and applies when more specific statutory authority does not exist.

3. Purpose. This Determination and Findings (D&F) documents that the use of an Economy Act order to obtain [insert supplies or service obtaining] from [insert non-DoD federal agency] is in the best interests of the Government.

4. Requirement Information:

D&F Templates from NWD for Contract/ In-House Economy Act Orders

Determination and Findings

Economy Act Order In-House

[Use this template if all of the work will be provided in-house. If any of the work will be contracted out, beyond a mere incidental portion, use the "Contract Action" D&F Template.]

SUBJECT: *[Insert Subject here.]*

1. References:

- a. Memorandum, USACE NWD, CENWD-DE, 13 December 2013, subject: NWD Interim Policy Memorandum #07-12, Processing Economy Act Orders within the U.S. Army Corps of Engineers (USACE) Northwestern Division (NWD).
- b. Department of Defense Instruction (DoDI) 4000.19, April 25, 2013, subject: Support Agreements.
- c. Department of Defense (DoD) Financial Management Regulation (FMR), 7000.14-R, Vol. 11A, Chapter 3, March 2012, subject: Economy Act Orders.

2. Authority. The Economy Act (31 U.S.C. 1535) authorizes agencies to enter into agreements to obtain supplies or services (including construction) from another agency and applies when more specific statutory authority does not exist.

3. Purpose. This Determination and Findings (D&F) documents that the use of an Economy Act order to obtain [insert supplies or service obtaining] from [insert non-DoD federal agency] is in the best interests of the Government.

4. Requirement Information:

- a. Description of services/supplies: *[Describe the supplies or services needed, to include the delivery schedule/period of performance and price.]*
- b. Servicing Agency: *[Insert the name of the non-DoD agency that will be providing the support.]*
- c. Requesting Agency: *[Insert the name of the USACE district needing the support.]*

5. The proposed use of an interagency transaction is in the best interest of the Government considering the following factors:



Staff Involved

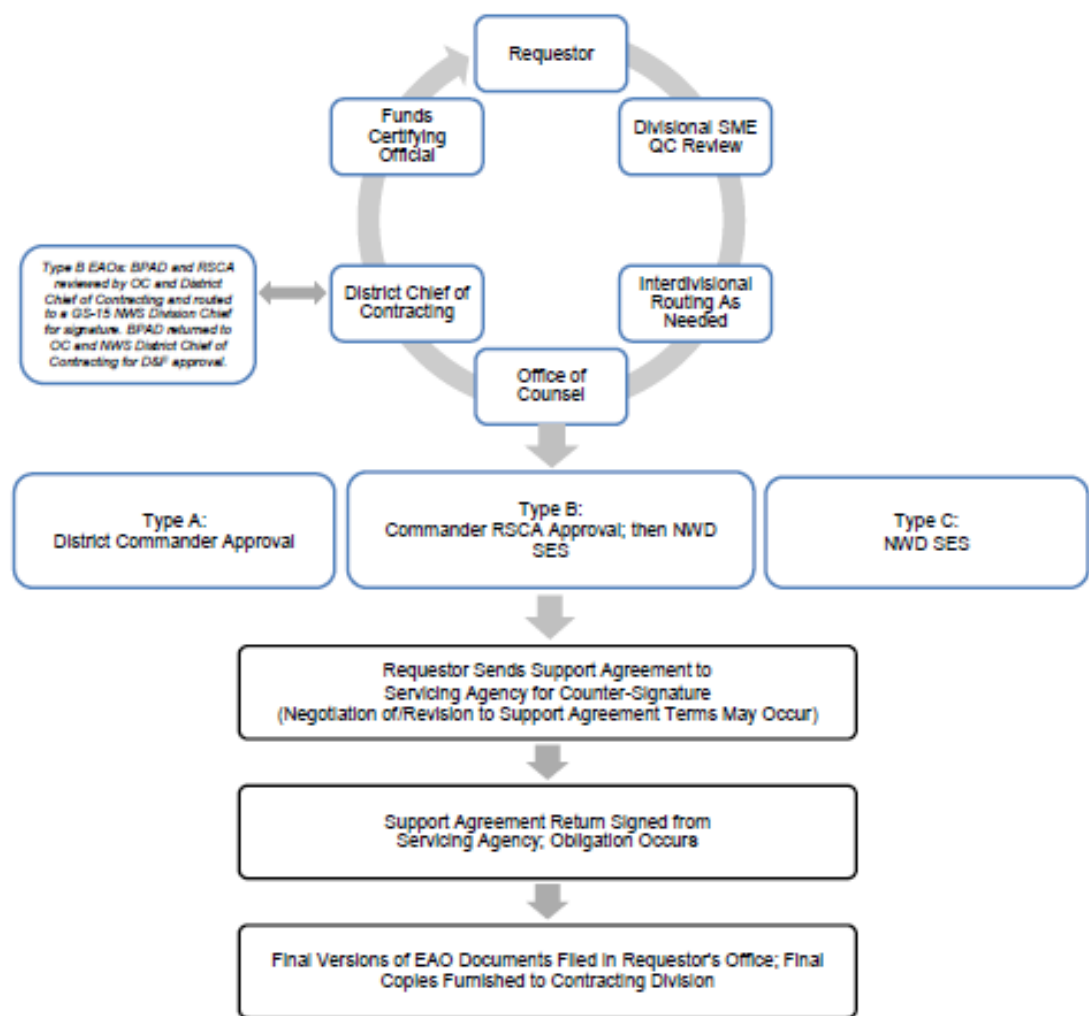
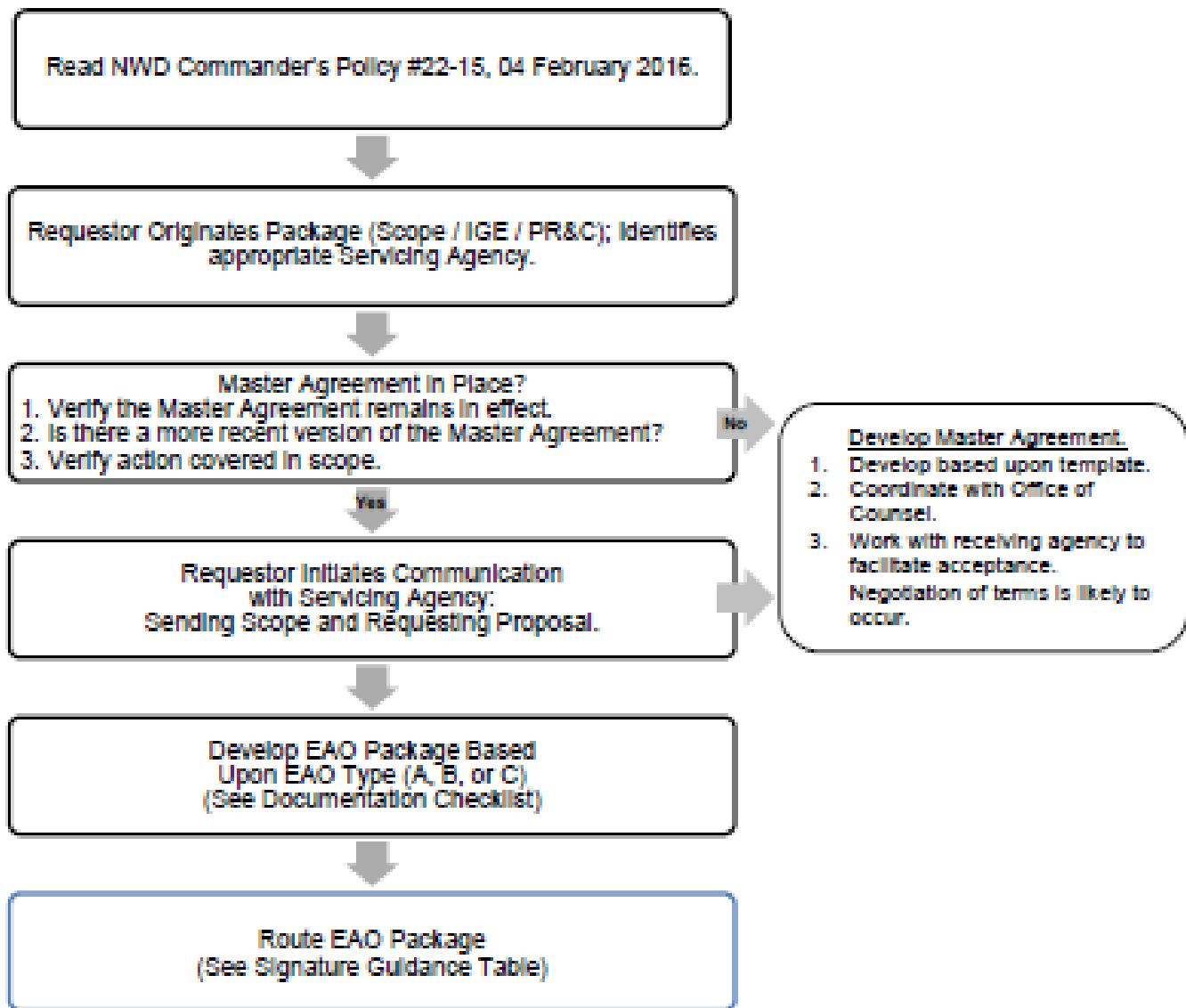
- **Requestor:** Project manager or employee requesting the services of another Federal agency. Responsible for preparation, negotiation, and execution of the Economy Act Order (SOW, IGE, ID of agency)
- **Budget Analyst:** Requestor's budget section assists with PR&C development, Order obligation, invoice admin, and closeout
- **Office of Counsel:** reviews documents for proper procedure/ adherence to policy and regulations
- **Contracting:** Reviews and signs Economy Act Order documents. Principal review of independent government estimate, market research, labor hours/skill mix, business case analysis
- **Resource Management:** Funds Certifying Officer is responsible for certifying funds are available and properly chargeable
- **Division Chief/SES/DE:** Signs Best Procurement Approach Determination



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NWS Economy Act Order Flowchart For USACE as Requesting Agency



8.1: Economy Act Order Documentation Checklist

CORE QUESTIONS:

1. Is there more specific statutory authority¹ than the Economy Act Order with which to order this work? Yes No

If you answered Yes, then you must utilize the other statutory authority and may not utilize an Economy Act Order. If you answered No, move to question 2. If you are unsure, check with the Office of Counsel. The Requestor and Office of Counsel will more than likely need to discuss any authority question with the Servicing Agency.

2. Will this work be completed by a DoD or Non-DoD agency?

If you answered DoD, then column A documentation applies. If you answered Non-DoD, then move to question 3.

3. Is the Servicing Agency (i.e., agency you are doing the Economy Act Order with) carrying out any type of contract action to complete this work (Will the Servicing Agency rely on any resources other than its own employees or on-hand? For example, will the Servicing Agency contract out asbestos abatement or other specific portion(s) of the service)? Yes No

If you answered Yes, then column B documentation applies. If you answered No, then column C documentation applies.

<u>A</u> DoD	<u>B</u> Non-DoD Contracting	<u>C</u> Non-DoD In-House
<input type="checkbox"/> Master Agreement <input type="checkbox"/> Support Agreement, containing the Scope of Work <input type="checkbox"/> PR&C <input type="checkbox"/> Servicing Agency Proposal (with line-item cost breakdown) <input type="checkbox"/> Technical Assessment <input type="checkbox"/> Determination & Findings (if DD 1144 is not utilized for Support Agreement)	<input type="checkbox"/> Master Agreement <input type="checkbox"/> Support Agreement, containing the Scope of Work <input type="checkbox"/> PR&C <input type="checkbox"/> Independent Government Estimate <input type="checkbox"/> Servicing Agency Proposal (with line-item cost breakdown) <input type="checkbox"/> Technical Assessment <input type="checkbox"/> Determination & Findings <input type="checkbox"/> Best Procurement Approach Determination <input type="checkbox"/> Request for Service Contract Approval (RSCA) for SES Approval <i>If over Simplified Acquisition Threshold (SAT):</i> <input type="checkbox"/> Non-DoD Certification per FAR 17.703(a) or Waiver per FAR 17.703(e)	<input type="checkbox"/> Master Agreement <input type="checkbox"/> Support Agreement, containing the Scope of Work <input type="checkbox"/> PR&C <input type="checkbox"/> Servicing Agency Proposal (with line-item cost breakdown) <input type="checkbox"/> Technical Assessment <input type="checkbox"/> Determination & Findings



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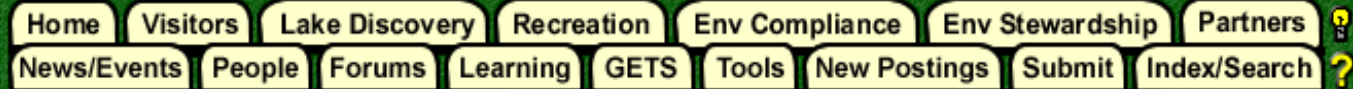
8.2: Signature Guidance Table

	Requestor	Requestor's Supervisor	Requestor's Division Chief	Office of Counsel	Contracting Officer	Funds Certifying Official	PPMD Chief	NWS Commander	NWD SES
Master Agreement	-	-	-	R	R	-	-		S
Support Agreement (Order with a non-DoD Agency)	-	-	-	R	R	R	-	-	S
Support Agreement (Order with a DoD Agency)	-	-	-	R	R	R	R	S	-
Independent Government Estimate Under the SAT	S	S	-	-	-	-	-	-	-
Independent Government Estimate Over the SAT	S	R/S	S	-	-	-	-	-	-
Technical Analysis	S	S	-	-	R	-	-	-	-
Determination and Findings	-	-	-	S	S	S	-	-	S
Best Procurement Approach	-	-	-	S	S	-	S	-	R
Request for Service Contract Approval Under \$100K	-	-	S	R	-	-	-	-	-
Request for Service Contract Approval Over \$100K	-	-	-	R	-	-	R	S	S

- Review and Signature Required = S
- Review Required = R
- SAT is the Simplified Acquisition Threshold as defined by FAR 2.101. The SAT is currently \$250,000.
- Internal processes outside of this SOP may require additional reviewers, such as Project Managers or Section Chiefs.



Economy Act Forms



Economy Act Sample Templates

- [NWD Economy Act D&F Templates](#)
- [NWD Economy Act Determination of Best Procurement Approach templates](#)
- [NWS Economy Act Order Documentation Checklist](#)
- [Department of the Treasury Financial Management Services FMS Form 6-10 7600A, Interagency Agreement \(IAA\) - Agreement between Federal Agencies, General Terms and Conditions](#)
- [DD 1144 Interservice Support Agreement](#) - for support between DOD agencies
- [ENG Form 4914-R Interagency Support Agreement](#) - for support with non-DOD agencies
- [DOD MOA template for Economy Act, 2016](#)
- [DOD Model MOU Template, 2016](#)
- [Department of Treasury FS Form 7600B, Interagency Agreement \(IAA\) Order Requirements and Funding Information \(Order\) Section](#)

Patience

- Some districts / divisions have specific guidance on how to accomplish this process – CHECK WITH YOUR SUPPORT STAFF (OC/RM/CT)
- This can be a slow process due to routing and review requirements
 - Do not get frustrated
 - It is worth the effort if the job needs to be done and expertise only exists or is more economical using the Federal Government



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