

CHALLENGE PARTNERSHIP AGREEMENTS



US Army Corps
of Engineers®

U.S. ARMY



U.S. ARMY



What is a Challenge Partnership?

- It's an agreement between USACE and a nonprofit organization or other non-federal public entity.
- Challenge Partnership (CP) agreements can be made with international partners.
- CP agreements **cannot** 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.





U.S. ARMY



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 USACE 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



U.S. ARMY



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



U.S. ARMY

Challenge Partnership FAQs

5



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

- A. Contributions are funds, materials, equipment or services given to USACE and must meet the requirements of a project-level OMP and a contributions plan. Contributions become USACE 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 USACE property.

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



U.S. ARMY



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 USACE and the partners.

Roles of each entity are also flexible. USACE manages the area through a flexible partnership agreement. Work may involve multiple partners.



U.S. ARMY



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



U.S. ARMY



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)

Dollar Threshold	Authorized Signer
Less than \$100,000	District NRM Chief, OPM, or Park Manager
\$100,000 – \$500,000	District Operations Chief
\$500,000 – \$1,000,000	District Commander
Greater than \$1,000,000	Division Commander



U.S. ARMY

Common Elements in a CPA

9



- ‘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
- Indemnification (Partner will not hold the government liable. This safeguards USACE from the risk of an Anti Deficiency Act violation, meaning USACE could be obligated to pay claims without an adequate funding source.)
- Termination
- Points of contact
- Signatures



U.S. ARMY

A Note About the Indemnification Clause

10



Sometimes 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: USACE 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 acts or omissions of any USACE employee while acting within the scope of their 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 acts or omissions of any Partner employee while acting within the scope of their employment arising out of activities described herein.

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



U.S. ARMY

Challenge Partnerships Successes

11



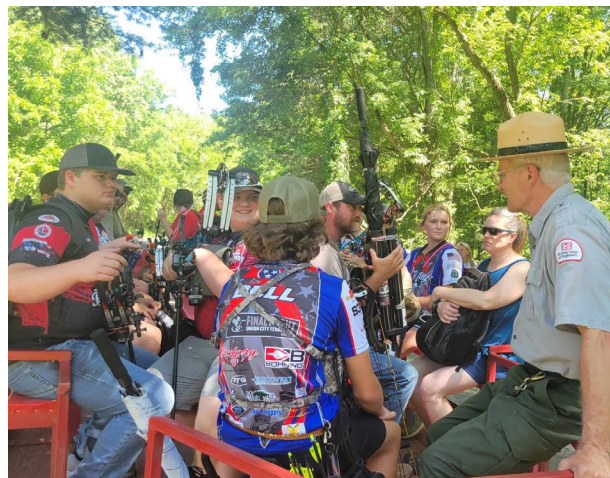
Rend Lake National S3DA Archery Tournament (MVS)

SUMMARY: For the third consecutive year, Rend Lake hosted the annual Scholastic 3-D Archery (S3DA) Eastern National Championship on Father's Day weekend. Over 650 youth archers across the U.S. competed for national titles in their respective divisions.

- Held at the North Marcum Recreation Area, an area that was previously underutilized. Through USACE Handshake Partnership funding and help from numerous partners, the area was revitalized and can now accommodate large outdoor recreation events.
- The S3DA Eastern National Championship brings visitors from across the U.S. to Rend Lake and surrounding communities. Only positive compliments were received about the location, set up, and work performed by the COE employees. The weekend event has an estimated economic impact of \$700,000 in the nearby communities.

KEY TAKEAWAYS:

- This event brought over 2,000 visitors to Rend Lake, many for the first time, spending thousands in tourism dollars in the local communities.
- This event is possible due to the contributions of local cities and partners including the Rend Lake Area Tourism Council, the Rend Lake Conservancy District, and the Rend Lake College.



Left: Student Intern, Erik Meade interacts with visitors during the Tram shuttle between shooting ranges.



Middle: The Pennsylvania state team displays their banner flag in the team tent area.



Right: A competitor sights his target during the youth competition.



Left: Competitors and spectators at the range during the competition.



Right: Spectators make their way onto the range to watch the final round of shooting for youth competitors.



U.S. ARMY

Challenge Partnerships Successes

12



Dworshak Dam and Reservoir Training Assistance Program (NWW)

- CPA with Juvenile Correction Center (JCC)- Lewiston, ID
- JCC provides a Trail Crew Maintenance Training Program
- USACE 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





U.S. ARMY



Challenge Partnerships Successes



John H. Kerr Reservoir Kayak/Canoe Launch (SAW)

- 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



U.S. ARMY



Challenge Partnerships Successes



Carlyle Lake Multi-User Trail (MVS)

- 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 USACE 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)



U.S. ARMY

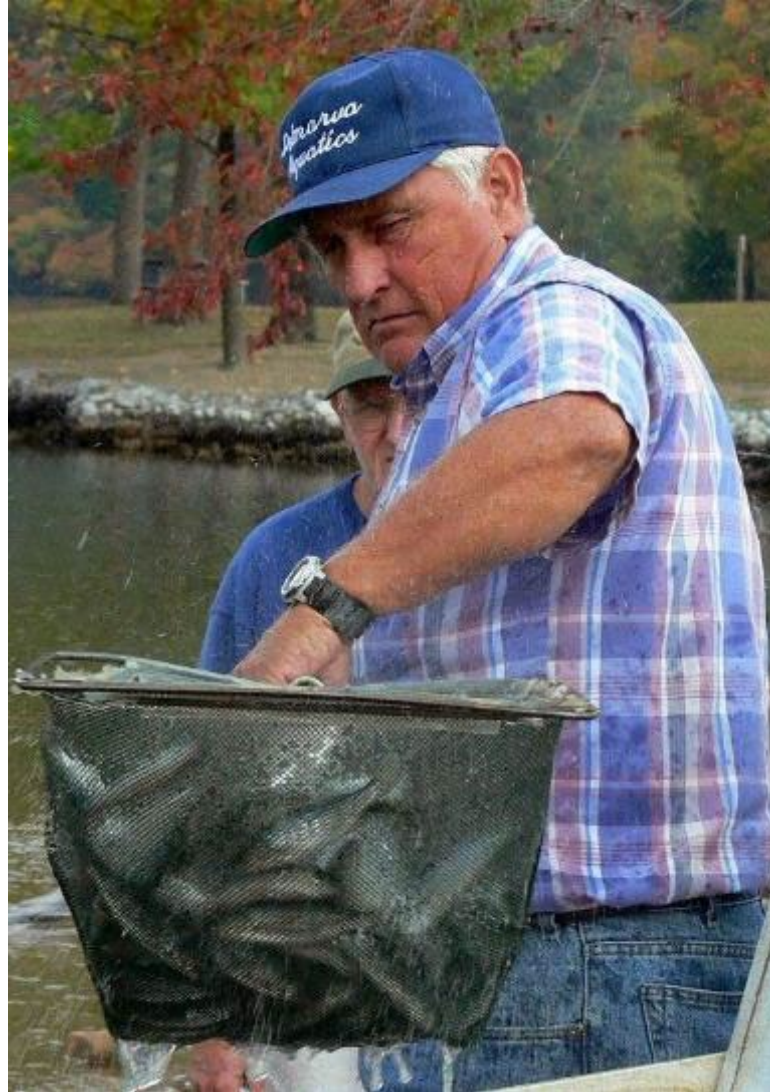
Challenge Partnerships Successes

15



Raystown Lake: Pennsylvania Striped Bass Association (NAB)

- 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





U.S. ARMY

16



Fish Management



U.S. ARMY

How to Develop an Agreement:

17



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

- [LRP: Tionesta Lake and North Country Trail Association - Trail construction and maintenance, May 2024](#)
- [NAE: Ball Mountain Lake and the Jamaica Area Mountain Bike Alliance - Mountain bike trail development, June 2022](#)
- [Walla Walla District, Dworshak Reservoir and State of Idaho Juvenile Correction Center- Trail maintenance, June 2010](#)

Recreation

- [LRP: Pittsburgh District and West Virginia Department of Natural Resources- watercraft access point and parking lot, October 2022](#)
- [Kansas City District, Tuttle Creek Lake, Briggs Motor Company, Inc. and Flat Land Jeep Club- ORV recreation area improvements, 2000](#)
- [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, Oct 2017](#)
- [MVP: MS Headwaters Project and MS Headwaters Board - interpretive signs, April 2021](#)

Accessibility Improvements

- [St Louis District, Mark Twain Lake, FOREST Council- Frank Russell Pond Barrier Free Access and Fishing Facility, December 2013](#)
- [MVS, Carlyle Lake and National Wild Turkey Federation, Carlyle Lake Waterfowlers, the Jared Burke Foundation, and Ducks Unlimited - accessibly hunting blinds, December 2014](#)
- [MVS, Carlyle Lake and Carlyle Lake Association and City of Carlyle- accessible boat loading platform, April 2015](#)

Safety

- [South Atlantic Division and Boat U.S.- Life jacket loaner program, June 2009](#)
- [Jacksonville District, Lake Okeechobee and Lee County American Red Cross- Water safety materials, curricula, and programs, October 2009](#)
- [SWL: Beaver Lake and National Carriers- Water Safety stickers on trucks, August 2012](#)
- [MVS: Rend Lake and Sesser Fire Protection District- Installation of fire hydrant, September 2010](#)

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



U.S. ARMY

How to Keep Your RM and OC Happy

18

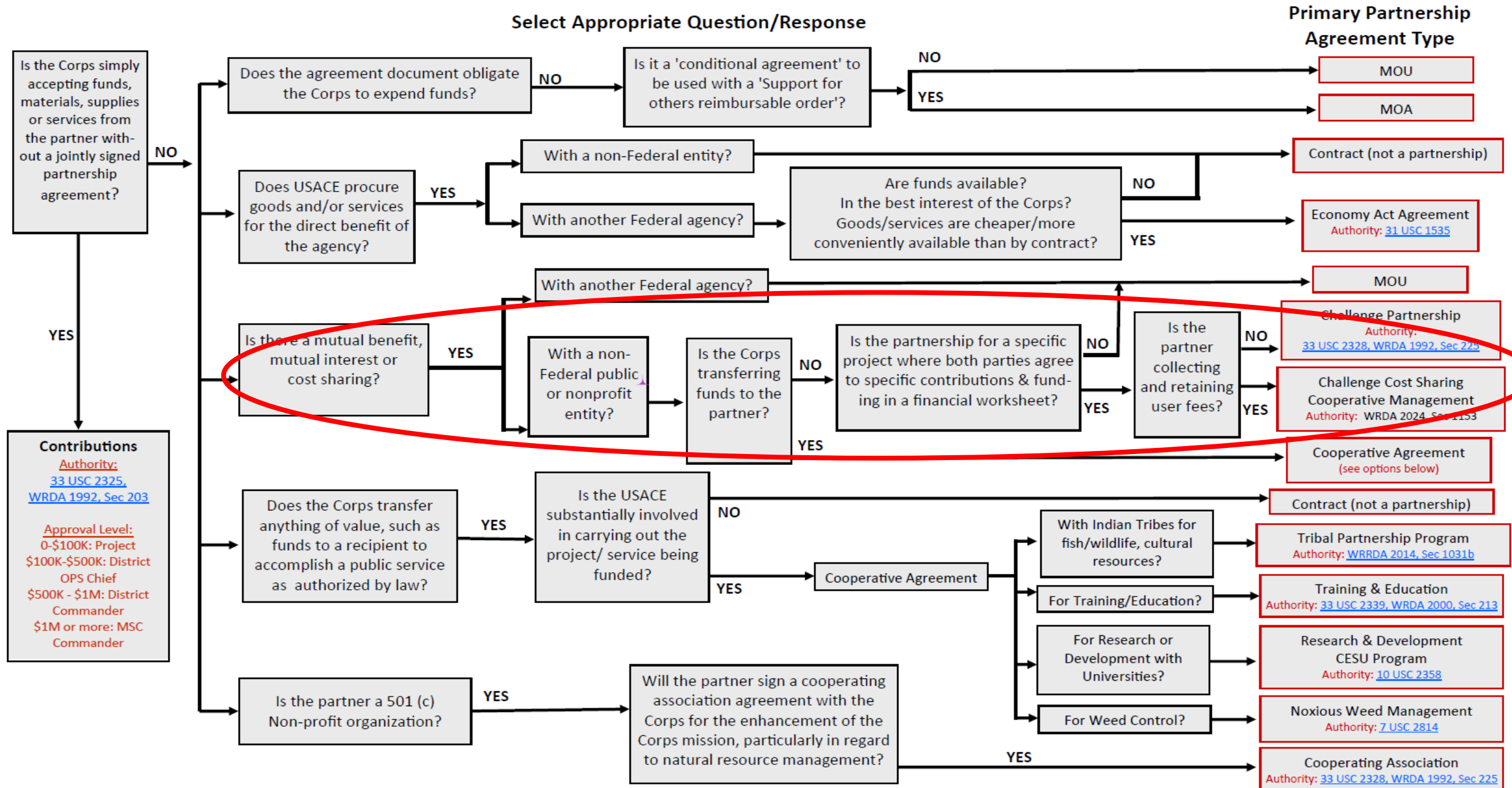


- Involve Office of Counsel and Resource Management in the process...*EARLY!*
- Make sure you include copies of sections of the ER and Public Laws that pertain to any questions they may have.
- Remember that legal counsel must be knowledgeable across a wide variety of subject matter. They may not be familiar with all our NRM partnership specific authorities.
- Do not forget to run your proposed projects through Planning for National Environmental Policy Act (NEPA) compliance early in the process.
- Always rely on regulations, not assumptions.



USACE NRM Partnership Agreement Decision Tree

(for Recreation and Environmental Stewardship Partnerships)





U.S. ARMY



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](#)