



Department of Energy
Acquisition Regulation

No. 84-3
Date JULY 17, 1984

ACQUISITION LETTER

This Acquisition Letter is issued by the Procurement Executive pursuant to a delegation from the Secretary. Material published in this Acquisition Letter is effective upon receipt or as stated herein.

CONTENTS

<u>DEAR</u>	<u>TITLE</u>
917.5	Interagency Acquisition under the Economy Act.
917.501	Definitions.
917.502-70	Responsibilities.
917.503	Determination requirements.
917.504	Ordering procedures.
917.505-70	Methods of financing employed by DOE.
917.505-71	Cost reimbursement standards.

This Acquisition Letter implements FAR 17.5, Interagency Acquisition under the Economy Act, by providing additional definitions; identifying responsibilities of program officials and contracting officers; adding items to the FAR and DEAR requirements that should be addressed in interagency acquisitions, when applicable; revising the coverage on the preferred methods of financing interagency acquisitions; and revising DOE's cost reimbursement standards. This coverage is consistent with DOE 1270.1, Funds-Out Interagency Agreements of 6-13-79, which is expected to be cancelled.

917.501 Definitions.

(a) "Funds-out interagency acquisition" means an interagency acquisition in which DOE agrees to reimburse another Federal agency for materials or services to be provided to DOE by another Federal agency.

(b) "Funds-in interagency acquisition" means an interagency acquisition in which another Federal agency agrees to reimburse DOE for materials or services to be provided by DOE to another Federal agency.

(c) "Memorandum of understanding" means a written agreement broadly stating basic understandings and describing a mechanism for coordinating activities to be engaged in by the DOE and another Government agency. A memorandum of understanding cannot be used to obligate or commit funds, cannot obligate or require performance, nor is it to be used as the basis for the transfer of funds from one agency to another.

917.502 General.

* * *

917.502-70 Responsibilities.

(a) Interagency acquisitions do not follow the acquisition process that is typical of the other Federal acquisitions prescribed in the FAR. Therefore, there are some different responsibilities associated with the acquisition process for interagency acquisitions. Specifically, program officials are responsible for:

- (1) Determining requirements and selecting a Federal agency to perform the required tasks;
- (2) Reviewing the other agency's response to DOE's request to determine programmatic acceptability in accomplishing the work statement.
- (3) Preparing the authorizing documents, generally using a procurement request form, DOE Form F 4200.33. The authorizing documents shall include copies of applicable correspondence between DOE and the other agency, scope of work, pricing data, funds approvals; and any special provisions that must be included in the inter-agency acquisition, such as security considerations, or technical data, and travel restrictions.

(b) Contracting officers shall be responsible for:

- (1) Reviewing the proposed interagency acquisition request for conformance with FAR 17.5 and this subpart, and any memorandums of understanding that may exist with the servicing agency.
- (2) Coordinating the method of financing an interagency agreement with the Office of Controller, when a method other than reimbursement is contemplated.

- (3) Obtaining legal and patent counsel concurrence whenever there is a question as to compliance with applicable laws and patent and technical data policy.
- (4) Conducting negotiations with the servicing agency, documenting such negotiation in the official files and obtaining the signature of the servicing agency's authorized official.

917.503 Determination requirements.

(b) If support services are to be provided by the servicing agency, internal DOE procedures regarding approval of support services are applicable to the acquisition.

917.504 Ordering procedures.

(b) The DOE Form 1270.1, Interagency Agreement Face Page, shall be used for an interagency acquisition. If not included on the face page, the interagency acquisition shall include an attachment addressing as a minimum the items listed at FAR 17.504(b) and the following:

(1-5) - (Reference DEAR language at 917.504(b))

- (6) Termination provisions that allow the DOE to terminate the inter-agency acquisition upon 30 days written notice to the servicing agency. In the event of a termination, the DOE may reimburse the servicing agency for costs actually incurred to the effective date of termination and for any commitments extending beyond the termination date, but not exceeding the expiration date of the inter-agency acquisition, that the servicing agency is unable to cancel.
- (7) Appropriate patent provisions which recognize DOE's mission of achieving widespread availability and competitive commercial utilization of the benefits of DOE-funded research, development, and demonstration activities. Specific wording will vary depending on the agency involved and must be obtained from DOE patent counsel.
- (8) Reporting requirements and technical data provisions, if appropriate, which require technical reports prepared under the agreement be freely exchanged and made available for public sale, unless classified. A minimum of two copies of technical reports must be sent to the DOE Technical Information Center (TIC), P.O. Box 62, Oak Ridge, TN 37830.
- (9) Financial reports as determined by the contracting officer.
- (10) Security provisions of 952.204, if appropriate, for those interagency acquisitions requiring access to/or generating classified information. (Revisions will be required to the DEAR clauses to effect the appropriate relationship between the servicing agency and the DOE.)

917.505-70 Methods of financing employed by DOE.

(a) Except as specified in (b) and (c) below, DOE prefers to finance work done by servicing agencies by reimbursement on the basis of current billings for progress payments.

(b) A consolidated working fund advance may be used to finance small or medium construction projects or the acquisition of goods or services of lesser value from the servicing agency within the same fiscal year in which the advance is made, only after a determination has been made that the reimbursement basis is not to be used. The servicing agency shall be required to return to the DOE any unobligated balances prior to the close of each fiscal year.

(c) An appropriation transfer shall be used to finance larger construction projects or the acquisition of more costly goods or services from the servicing agency where the work will extend beyond the fiscal year in which the transfer is made, only after a determination has been made that the reimbursement basis is not to be used.

917.505-71 Cost reimbursement standards.

(a) Incurred costs necessary or incident to the performance of the work of servicing agencies are to be considered allowable for cost-reimbursement purposes. Such costs include direct and, where applicable, indirect costs.

(b) Direct costs are the costs that can be directly identified with work under the acquisition. Examples of such costs are salaries and wages, technical services, materials, travel, transportation, communications, and any facilities and equipment expressly approved for purchase under the interagency acquisition.

(c) Indirect costs shall be limited to the properly allocable portion of costs that cannot be charged directly to the work, but can be shown as mutually benefiting the effort covered by the interagency agreement as well as other work of the servicing agency. Justification for any such charges shall be required, and the basis of allocation must be reasonable. Where interagency acquisitions are entered into under authority of Section 601 of the Economy Act of 1932, the servicing agency's charge for any indirect costs may include appropriately allocable charges for "general administration" or "central agency overhead," but only to the extent specified in the interagency acquisition.

(d) (1) Unless authorized by the contracting officer in advance, the servicing agency shall not be reimbursed or use funds made available under the acquisition for the procurement or fabrication of capital equipment (items of equipment expected to have an extended period of service, generally a year or more and generally of \$1,000 or more).

(2) Any costs incurred for capital equipment or other assets must be supported by a list showing the description, make, serial numbers and cost of each item acquired.

(3) Title to capital equipment acquired by servicing agencies shall vest in the DOE.

(4) The servicing agency shall be responsible for the maintenance, safeguarding, control, and accounting of the capital equipment in a manner satisfactory to the DOE.

(e) Unless authorized by the contracting officer in advance, the servicing agency shall not be reimbursed for the acquisition or condemnation of real property or any facility or plant construction or expansion.