OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

DEC 16 2010

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY (ACQUISITION AND LOGISTICS MANAGEMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Standard Interagency Agreement Part A for DoD Components and all DoE activities in FY 2011

The attached Interagency Agreement Part A has been executed by this office and the Department of Energy to serve as the overarching Part A for all DoD requests going to the Department of Energy from this date forward. Each DoD organization is requested to supplement the Part A with a Part B for each requirement in accordance with the existing policy. The agreement remains in effect until rescinded.

My POC for this is Mr. Michael Canales 703-695-8571 or via e-mail at michael.canales@osd.mil.

Shay D. Assad
Director, Defense Procurement
and Acquisition Policy

Attachment:
As stated

Department of Defense and Department of Energy

Interagency Agreement (IA)

PART A – General Terms & Conditions

General:

This document will serve as Part A for Interagency Agreements between the Department of Defense (DoD) and the Department of Energy (DOE) in accordance with and in support of the guidance issued by the Office of Federal Procurement Policy (OFPP) (June 2008) as endorsed by the Department of Defense in October 2008. DoD and DOE have concluded that by using this Part A for individual WFO agreements OFPP Part A guidance requirements have been satisfied. Using this Part A ensures DoD and DOE have established the necessary framework for entering into Interagency Agreements under DOE's Work for Others (WFO) program. Any additional clarification shall be included in Part B of this IA or alternate funding document. All work in support of and directly funded by the DoD under the DOE Work for Others (WFO) program, will be administered in accordance with the signed Memorandum of Agreement (MOA), dated 16 September 2010, between the departments (attached hereto).

A.1. Purpose

This Part of the IA (hereinafter "Part A") describes the terms and conditions that govern the provision of interagency agreements between the Department of Defense, hereinafter "the Requesting Agency" and the Department of Energy, hereinafter "the Servicing Agency."

No fiscal obligations are created through the execution of this Part A. A fiscal obligation arises when the Requesting Agency demonstrates a bona fide need, provides the necessary requirements and funding information to the Servicing Agency and both parties execute a funding document using Part B of this IA or an alternate funding document. The funding document used must be compliant with the signed MOA, dated 16 September 2010, between the departments (attached hereto).

A.2. Authority

The parties' authority to enter into this interagency agreement are The Economy Act (31 U.S.C. 1535) and Atomic Energy Act of 1954 as amended (42 U.S.C. 2011, et. seq.), and the Federal Acquisition Regulation (FAR) as promulgated in the Department of Energy Acquisition Regulations (DEAR) and further defined in DOE Order 481.1C, WORK FOR OTHERS (NONDEPARTMENT OF ENERGY FUNDED WORK).

Additional authorities may be cited as necessary.

A.3. Part A Identifier

DE-MA-900000 is the DOE identifier for all Work For Others funded activities

A.4. Scope

a. All Department of Defense organizations are authorized to obtain assistance from the Servicing Agency.

b. Department of Energy, including the National Nuclear Security Administration, organizations are authorized to provide assistance as the Servicing Agency. The name of the specific facility performing work under this IA will be specified in Part B or an alternate funding document.

c. Types of products or services that may be acquired include but are not limited to the following:

The Department of Energy (DOE) has major national programs in fundamental scientific research; energy research and development (R&D); and nuclear weapons research, development, and production. Much of the work in these programs is conducted through an extensive network of Government-owned, Contractor-operated (GOCO) laboratories and facilities under performance-based contracts. Through the Work for Others (WFO) Program, DOE can make the highly specialized or unique expertise and capabilities of this network available to support the missions of other Federal agencies and non-Federal customer needs on a fully reimbursable basis.

The following types of services or products may be acquired through reimbursable work projects pursuant to this IA and are not all inclusive of the expertise resident in DOE and its laboratories/facilities:

- Highly specialized scientific, technical, analytical, operational, and engineering services, including prototype design, development, training and test/evaluation;
- Research in the physical, biomedical, and environmental sciences, as well as in energy technologies; biological and environmental systems; nuclear and energy research;
- Identification and characterization of hazardous and radioactive contaminants, and chemical processing;
- Other specialized services or products as identified by the Requesting Agency in Part B or alternative funding document consistent with or complimentary to the mission of the Servicing Agency.

d. Limitations

The following restrictions apply: Restrictions on use of the Servicing Agency resources are contained in the FAR, DEAR and DOE Order 481.1C. The MOA contains further

administrative requirements to be followed by all parties as does the Director, Defense Procurement and Acquisition Policy memorandum, dated 24 September 2010 (attached) and the Section 801 Determination dated September 28, 2010 (attached).

A.5. Period of Agreement

The terms and conditions described in Part A of an IA become effective when signed by authorized officials of both the requesting agency and the servicing agency and remain effective until amended in accordance with Section A.9 or terminated in accordance with Section A.10 of this agreement.

A.6. Roles & Responsibilities of Servicing Agency & Requesting Agency

The effective management and use of interagency agreements is a shared responsibility of the Requesting Agency and the Servicing Agency. The over-arching roles and responsibilities are addressed in Part VII of the MOA and the Director, Defense Procurement and Acquisition Policy memorandum, dated 24 September 2010. Further, DoD and DOE agree to the following more procedurally focused roles and responsibilities which are derived from the applicable portions of the Checklist in Appendix 1 of the *Interagency Acquisition* guidance issued by the Office of Federal Procurement Policy (June 2008).

1. <u>Determine needs and develop requirements document</u>

a. <u>Requesting Agency</u>

i. Establish that a requirement exists.

ii. Determine that it is in the best interest of the government to pursue assistance through another agency.

iii. Prepare a statement of work (SOW), statement of objectives (SOO), or performance work statement (PWS), that includes a specific, definite, and clear description of a bona fide need in the fiscal year that the funds are available for new obligations. The need must be adequately documented, but may be concise. A solution need not be specified in order to establish a bona fide need.

b. <u>Servicing Agency</u>

i. Assist the Requesting Agency, as needed, in refining the requirements document package, including the description of key project objectives, project requirements, and performance expectations.

2. Prepare, or finalize, statement of work (SOW) and/or specifications

a. Requesting Agency

i. Work with the Servicing Agency to prepare and finalize a mutually acceptable Statement of Work.

b. Servicing Agency

i. Assist the Requesting Agency in the preparation of a mutually acceptable Statement of Work.

ii. Sample Format for the model cost detail in the SOW is as follows:

DOD WFO Budget Estimate*	FY1	FY2	FY3	FY4
Total Direct Labor Costs:	$	$	$	$
(break-out by position title below)				
Labor Category/FY Hours:	FY1	FY2	FY3	FY4
Scientist III [# of hours by FY]				
Technician I [# of hours by FY]				
Engineer II [# of hours by FY]				
Materials Costs *(including equipment)*				
Subcontract Costs *(for services)*				
Travel Costs *(list trips, # of travelers, etc.)*				
Other Direct Costs				
Laboratory Directed Research and Development Costs**				
Overhead Costs *(summary level)*				
Federal Administrative Charge *(if applicable)****				
Total Estimated Project Cost	$	$	$	$

* DOE intends to provide assistance to DOD via contracts with its various facilities. All work will be performed in accordance with those contracts, and shall be on a full cost recovery basis. Appropriations law necessitates that DOE or its contractors perform this work on a best effort basis.

** LDRD is the DOE Laboratory Directed Research and Development charge. The LDRD is a normal component of DOE overhead charges to both DOE programs and reimbursable work performed for other federal agencies. It is shown above as a component of the overall subtotal charge to the project. The FY 2002 Energy and Water Development Appropriations Conference Report (HR 107-258) requires DOE to notify federal sponsors that the Department charges LDRD.

*** FAC is the Federal Administrative Charge that is mandated by Section 3137 of the Strom Thurmond National Defense Authorization Act of 1999 (Public Law 105-261).

3. Prepare a funding document

a. Requesting Agency

i. Prepare Part B or alternate funding document and engage with Servicing Agency as needed. Provide: (i) description of the products or services required to be provided by the Servicing Agency that is adequate to demonstrate a bona fide need and can be recorded as an obligation (31 U.S.C. 1501, 1502), (ii) information on performance or delivery requirements along with projected milestones, including period of performance end date, (iii) data required for the proper transfer and obligation of funds, i.e., funds expiration for obligation date, (iv) information on any agency-unique restrictions or limitations applicable to the funding being provided, (v) Agency Locator Code (ALC) for U.S. Treasury Inter-governmental Payment and Collection System (IPAC) billing or printed invoices to be mailed and, (vi) include DOE/NNSA provided unique site-specific WFO project/proposal identifier/number.

ii. For all funding documents executed under this IA, assign a financial point of contact who is a "certifying official" as that term is used in 31 U.S.C. § 3528. The funds certifying official shall:

A. Timely execute all financial documents required for a valid funding request to show funding meets purpose, time and amount; and

B. Ensure funds are certified and legally available for the specified assistance.

C. Ensure that the requesting agency has executed and provided to the Servicing Agency an Economy Act Determination and Findings.

iii. Requesting Agency shall provide on Part B or alternate funding document, a written statement confirming that:

A. the Requesting Agency has determined that entering into an agreement with DOE/NNSA is in compliance with the requirements of the Economy Act of 1932, as amended (31 U.S.C. 1535), or other applicable authorizations [e.g., Executive Order (E.O.) 12333];

B. the Requesting Agency has determined that entering into an agreement with DOE/NNSA is in compliance with competition requirements in Federal Acquisition Regulation (FAR) Part 6, section 6.002, Limitations; and

C. to the best of the Requesting Agency's knowledge, the work will not place DOE/NNSA and their contractors in direct competition with the domestic private sector.

b. <u>Servicing Agency</u>

i. Work with the Requesting Agency as needed to prepare a Part B or alternate funding document that will include the DOE/NNSA provided unique, site-specific project/proposal identifier/number.

ii. Prior to acceptance ensure the Part B or alternate funding document identifies proper funding information, including the type of funds to be used, their period of availability, and a funds citation and identifies the funds certifying official.

iii. Assist the Requesting Agency in its compliance with the bona fide needs rule by:

A. Managing funds according to the Requesting Agency's guidance;

B. Recording transactions in a timely fashion; and

C. Implementing and exercising controls to ensure compliance with all applicable statutory and regulatory fiscal requirements as specified in the funding document.

4. <u>Comply with DoD-unique laws, regulation and policies</u>

a. <u>Requesting Agency</u>

i. Inform the Servicing Agency of any applicable statutes, regulations and directives that are unique to the Requesting Agency (e.g., funding restrictions).

ii. Provide information on security requirements, e.g. classification guidance, applicable to the work identified in the SOW.

iii. Notify the Servicing Agency of required data collection and reporting requirements.

b. <u>Servicing Agency</u>

i. Ensure the Requesting Agency-unique laws or restrictions and data collection and reporting requirements that have been identified by the Requesting Agency are considered in the development of Part B or alternate funding document.

ii. When not in conflict with the Servicing Agency's laws, regulations and contract terms and conditions negotiate with the Requesting Agency to satisfy such requirements and identify any costs associated with said compliance.

5. <u>Conduct inspection, acceptance, and surveillance</u>

a. <u>Requesting Agency</u>

i. Ensure deliverables are received and quality is acceptable.

ii. Perform duties in a timely manner. Advise the Servicing Agency Contracting Official immediately of any circumstances that affect performance, including failures to comply with technical requirements or to show a commitment to customer satisfaction.

b. <u>Servicing Agency</u>

i. Provide support to Requesting Agency personnel who have been appointed to perform oversight responsibilities related to inspection, acceptance, and surveillance and reporting in a timely manner.

ii. Take appropriate and timely actions to address performance problems.

6. <u>Determine when modifications are required to Part B or Alternate Funding Document</u>

a. <u>Requesting Agency</u>

i. Work with the Servicing Agency to determine if a modification to work scope and/or funding is required.

ii. Modify Part B or alternate funding document to reflect required changes.

b. Servicing Agency

i. Work with Requesting Agency to determine if modification to the work scope and/or funding is required.

ii. Work with Requesting Agency to modify Part B or alternate funding document to reflect required changes.

7. Review and approve invoices and make payment

a. Requesting Agency

i. Review invoices for services.

ii. Raise identified problems/issues regarding invoices immediately to the Servicing Agency Contracting Official for resolution.

b. Servicing Agency

i. DOE will provide invoices for services

ii. Resolve identified problems/issues with invoices in a timely manner.

8. Perform project closeout

a. Requesting Agency

i. Support project close-out functions, to include providing appropriate funding to satisfy settlement agreements and/or claims.

ii. Take appropriate actions to retrieve unexpended balances.

b. Servicing Agency

i. Close out the IA upon ensuring that all project requirements and administrative actions have been completed.

ii. Return unused balance of the funds to the Requesting Agency in a timely manner.

Part B or alternative funding document will include any additional assignment/clarification of roles and responsibilities.

A.7. Billing & Payment

The Requesting Agency will pay the Servicing Agency for costs of each WFO project. The Servicing Agency will bill monthly for costs incurred in the performance of work described in the statement of work – preferably via the U.S. Treasury Inter-governmental Payment and Collection System (IPAC) - or with printed invoices. For agreements involving Requesting Agencies who do not utilize IPAC, or who request non-IPAC invoices, monthly invoices will be printed and mailed by the Servicing Agency and paid by the Requesting Agency in a timely manner.

A.8. Review of Part A

The parties agree to review jointly the terms and conditions in Part A. Appropriate changes will be made by amendment to this agreement executed in accordance with Section A.9.

A.9. Amendments

Any material changes to the terms and conditions in Part A shall be made in writing and approved by both agencies.

A.10. IA Termination

An IA may be terminated upon thirty (30) calendar days with written notice by either party. If the IA is terminated, any implementing Part B or alternative funding document may also be cancelled. The agencies shall agree to the terms of the termination. All costs attributable to the close out and the disposition of awarded and pending actions shall be borne by the Requesting Agency.

A.11. Interpretation of IA

If the Servicing Agency and Requesting Agency are unable to agree about a material aspect of either Part A or Part B or alternative funding document of an IA, the parties agree to engage in an effort to reach mutual agreement in the proper interpretation of an IA, including amendments, as necessary, by escalating the dispute within their respective organizations.

A.12. Contract Disputes and Protests

If a dispute related to funding remains unresolved for more than sixty (60) calendar days after the parties have engaged in an escalation of the dispute, the parties agree to refer the matter to their respective Agency Senior Procurement Executives for review and resolution.

A.13. System Certification/Approval

a. <u>Requesting Agency</u>

The Requesting Agency will accept the system certifications and management systems compliance with US government policies that are done by the Servicing Agency in accordance with US statutes and regulations. The Requesting Agency will not require supplemental certifications.

b. **Servicing Agency**

The Servicing Agency has ensured that the contractor maintains acceptable management controls of accounting, cost estimating, and purchasing systems to meet government standards and has approved these systems as required. In addition, the Servicing Agency shall approve the contractor's disclosure statement.

The Servicing Agency has established requirements in the DOE facility that meet standard FAR and DEAR dictates. DOE implements these requirements in these contracts and manages execution by the DOE performance-based contractor. DOE validates and performs rigorous oversight through its management system of contractor performance. DOE, through its management structure, ensures that the performance- based contractor meets or exceeds defined standards and has installed:

1. DOE-approved reimbursable work policies and procedures;
2. An Accounting system that is consistent with US government accounting criteria;
3. A validated cost estimating system;
4. A government-approved procurement system;
5. A disclosure notice consistent with the Cost Accounting Standards Board requirements

A.14. Signatures

REQUESTING AGENCY OFFICIAL:

Signature: _____ Date: 12/15/2010
Name: Shay D. Assad
Title: Director, Defense Procurement and Acquisition Policy
Agency: Department of Defense

SERVICING AGENCY OFFICIALS:

Signature: _____ Date: 12/8/10
Name: Patrick Ferraro
Title: Acting Director, Office of Procurement and Assistance Management
Agency: Department of Energy

Signature: _____ Date: 12-8-2010
Name: Joseph Waddell
Title: Director, Office of Acquisition and Supply Management
Agency: Department of Energy, National Nuclear Security Administration