# **Subchapter 3017.5 Interagency Acquisitions**

# 3017.500 Scope of subchapter.

This subchapter establishes DHS policy and procedures to ensure the appropriate execution of interagency acquisitions (IA) in accordance with FAR Subpart 17.5 (see <a href="https://www.acquisition.gov/browse/index/far">https://www.acquisition.gov/browse/index/far</a>). This subchapter does not apply to:

- (a) Intra-agency acquisitions. When DHS Components place an order against another DHS Component's contract or request another DHS Component provide acquisition services, Components shall follow the procedures at HSAM 3017.70.
- (b) Interagency reimbursable work agreements (IRWA). An IRWA is an agreement between federal agencies where one agency obtains supplies or services from another federal agency and that agency provides the supplies and services using its own resources (e.g., employees, contracts, inventory). IRWAs are executed under the authority of the DHS Chief Financial Officer (CFO). For DHS policy on IRWAs see Chapter 3, Section 3.7, Intergovernmental Actions, Transactions, and Reporting of the DHS CFO Financial Management Policy Manual. Examples of IRWAs are reimbursement for salaries of temporarily detailed employees and Reimbursable Work Authorizations for building renovations requested through the General Services Administration such as those entered into under the authority of 40 U.S.C. 592(b)(2).
- (c) Interagency activity where contracting is incidental to the purpose of the transaction, see HSAM 3017.501-71.

### 3017.501-70 General

An interagency acquisition is a procedure where one federal agency (the requesting agency) obtains goods or services from another federal agency (the servicing agency). The requesting agency may obtain goods or services by directly placing an order against another agency's contract (*i.e.*, a direct acquisition) or by requesting a servicing agency to perform acquisition activities on behalf of the requesting agency (*i.e.*, an assisted acquisition).

## 3017.501-71 Definitions.

Business-case analysis or Business Case - See HSAM 3007.270.

Contracting Incidental to the Purpose of the Transaction – When a servicing agency enters into a written interagency agreement to provide a service or supply to a requesting agency and the servicing agency uses a contract to fulfill the need, the contract is incidental to the purpose of the transaction. This is because the requesting agency is asking the servicing agency to provide a service and not to award a contract action (e.g., contract, order, or modification) or to provide other acquisition assistance (e.g., conduct market research, develop an acquisition strategy, prepare a statement of work, modify a contract to add the work of a requesting agency). For example, when a federal agency requests the Office of Personnel Management (OPM) to conduct background investigations, any contracts OPM may enter into to support its effort to complete

the investigations are incidental to the purpose of the transaction. The purpose of the transaction is for OPM to conduct background investigations and is not for OPM to award a contract on behalf of the requesting agency.

Interagency Agreement (IAA) – A written agreement between federal agencies (or Components within a federal agency), which is part of an inter- or intra-agency transaction, for supplies and services to be provided by a servicing agency in support of a requesting agency. An IAA is required for assisted acquisitions and IRWAs. Specific formats of IAAs are negotiated between agencies, also known as Trading Partners.

*Intra-governmental Payment and Collection (IPAC)* – A Treasury based system to provide a standardized interagency fund transfer mechanism for Federal Program Agencies. Payments or collections are initiated by Federal agencies to settle the exchange of goods and services. (See Treasury Financial Manual, Chapter 4000 at <a href="https://tfm.fiscal.treasury.gov/v1/p4/c400.html">https://tfm.fiscal.treasury.gov/v1/p4/c400.html</a>).

# 3017.501-72 Policies applicable to direct and assisted interagency acquisitions.

Below are policies applying to direct acquisitions and assisted interagency acquisitions.

- (a) A DHS contracting officer is the signatory official for all interagency acquisitions (IAs).
- (b) All IAs must be authorized by statute. The statutory authority for placing orders against Federal Supply Schedules (FSS) contracts is 40 U.S.C. 501 and for government-wide acquisition contracts (GWAC) the authority is 40 U.S.C. 11302(e). For work performed by the Department of Energy's national laboratories the statutory authority is 6 U.S.C. 189. The Economy Act (31 U.S.C. 1535) is the statutory authority when more specific authority does not exist. When the Economy Act is the authorizing statute, contracting officers shall also follow FAR 17.502-2, HSAM 3017.502-2, and HSAM 3017.502-270.
- (c) IAs shall not be used to circumvent conditions and limitations imposed on the use of funds.
- (d) Appropriated funds used to pay for goods or services obtained using IA procedures (see HSAM 3017.502-170, HSAM 3017.502-171, and HSAM 3017.502-172) must:
  - (1) Meet an existing *bona fide* need of the fiscal year in which goods or services are acquired;
  - (2) Be properly obligated before the expiration of available funds; and
  - (3) Comply with any other applicable appropriations law principles.
- (e) Because IAs result in the award of a contract action (e.g., contract, order, modification), in addition to adhering to the applicable requirements of FAR Subpart 17.5, IAs must also comply with other applicable requirements of the FAR, HSAR, and HSAM. For example, IAs require market research, acquisition planning (see FAR Subpart 7.1 and HSAM 3007.1), compliance with FAR Subpart 7.3, Contractor Versus Government Performance and OMB Circular A-76,

and congressional notification. For assisted acquisitions, requesting and servicing agencies must document in the interagency agreement the party responsible for accomplishing required procurement activities and documentation (see HSAM 3017.502-171(c)).

- (f) When DHS appropriations statutes, other laws, or policy place prohibitions or restrictions on the use of funds or how DHS may procure supplies or services, those prohibitions and restrictions apply even when DHS issues orders against another agency's contract or when another agency provides acquisition assistance to DHS. Therefore, before placing an order against another agency's contract or signing an interagency agreement for an assisted acquisition, the DHS contracting officer shall review the HSAR and DHS class deviations to identify DHS contract clauses applicable to the requirement. When clauses apply to a particular requirement, the DHS contracting officer shall incorporate applicable clauses into the order for direct acquisitions or the interagency agreement for assisted acquisitions. If either the servicing agency or contractor disagrees with the inclusion of applicable DHS clauses, the DHS contracting officer cannot place the order or enter into the agreement for an assisted acquisition. For example:
  - (1) HSAR Class Deviation 15-01, Revision 1 *Safeguarding of Controlled Unclassified Information* applies to contracts and orders when (a) a contractor will have access to CUI, as defined in HSAR 3002.101; or (b) Federal information systems, which include contractor information systems operated on behalf of the agency, are used to collect, process, store, or transmit CUI.
  - (2) HSAR class deviation 13-01 applies to contracts and orders for the purchase of textiles (e.g., uniforms, tents, protective equipment (such as body armor), etc.).

3017.501-73 Reserved.

**3017.502** Procedures.

#### 3017.502-1 General.

- (a) Written agreement on responsibility for management and administration See HSAM 3017.502-171(c) for assisted acquisitions or when work will be performed by a DOE national laboratory or site see HSAM 3017.502-172(f).
- (b) Business-case analysis requirements for multi-agency contracts and governmentwide acquisition contracts. The business case, including the HCA recommendation and contracting activity legal counsel concurrence, and related acquisition documents, shall be forwarded to the Director, Strategic Solutions Office (SSO), Office of the Chief Procurement Officer (OCPO), for approval. Business cases shall be approved by the agency's Senior Procurement Executive (SPE), following coordination with the agency's Director of the Office of Small and Disadvantaged Business Utilization (OSDBU) and if the acquisition involves information technology the agency's Chief Information Officer. The contracting activity shall indicate whether the business case has been approved or canceled. For additional information on development of a business case, visit the SSO website at:

http://dhsconnect.dhs.gov/org/comp/mgmt/ocpo/SSPO/Pages/default.aspx.

# 3017.502-170 Direct Acquisitions.

- (a) Additional Requirements.
  - (1) Before placing an order against another agency's contract, the DHS contracting officer shall review materials about the other agency's contract and, as necessary, contact the servicing agency with questions about the vehicle, such as scope, terms and conditions, competition requirements, and ordering procedures.
  - (2) DHS contracting officers shall place orders in accordance with the servicing agency's instructions.
  - (3) The statutory authority permitting the use of another agency's contract shall be identified in the contract file. If the direct acquisition is authorized by the Economy Act, the applicable requirements in FAR 17.502-2, HSAM 3017.502-2, and HSAM 3017.502-270 must also be followed.
  - (4) DHS contracting officers shall comply with the Congressional Notification requirements of HSAM 3005.303 and HSAM Appendix D for orders or blanket purchase agreements funded with DHS multi-year or no-year funds.
- (b) Review and Approvals.
  - (1) Orders to be placed against other agencies' contracts are subject to the review and approval requirements of HSAM 3004.70 for task and delivery orders. Reviews and approvals shall be completed prior to placement of the order.
  - (2) The DHS CPO shall approve the use of another agency's contract that is not subject to the FAR prior to placement of an order (See HSAM 3004.7004).

### 3017.502-171 Assisted Acquisitions.

- (a) For interagency acquisitions with the Department of Energy (DOE) for work to be performed by DOE laboratories and site, follow HSAM 3017.502-172.
- (b) Because servicing agencies generally charge fees for providing acquisition services, the first choice for performing acquisition services is a Component's contracting office. Therefore, the contract file must reflect the contracting officer's rationale for obtaining acquisition assistance from another agency. The rationale may be included in other file documentation such as the acquisition plan, if one is required, or, when required, an Economy Act D&F.
- (c) Interagency Agreements.

- (1) Per FAR 17.502-1(a), all assisted acquisitions require a written interagency agreement that is signed by both parties before a servicing agency issues a solicitation.
- (2) Preparing an interagency agreement is a joint effort between the requesting and servicing agency. While each interagency agreement is tailored to the extent of acquisition assistance required and the complexity of the requirement, all interagency agreements must contain the elements enumerated in Appendix 2 of the Office of Federal Procurement Policy's (OFPP memo on Improving the Management and Use of Interagency Acquisitions, dated June 6, 2008). While there is no standard governmentwide form or format for interagency agreements, OFPP's memo includes a model, two part (Part A and B) agreement (see Appendix 3 of OFPP's memo) available for use. In addition, the Department of Treasury encourages the use of its two part form, FMS Form 7600 A and B, to help standardize business processes and data elements. Use of other agencies' forms such as Treasury's forms 7600 A and B (at https://www.fiscal.treasury.gov/g-invoice/resources.html#admin) or the Department of Defense DD Forms 448, Military Interdepartmental Purchase Request (at https://www.acg.osd.mil/dpap/dars/dfars/html/previous/dd0448.pdf), and 448-2, Acceptance of MIPR (at https://www.acq.osd.mil/dpap/dars/dfars/html/previous/dd0448-2.pdf), is acceptable provided the agreement contains all elements required by Appendix 2 of OFPP's memo and the accounting data required by the Department of Treasury. When contracting offices use another agency's form and the form is completed outside of a Component's contract writing system, contracting offices shall include the form as an attachment to the Component's interagency acquisition form. Only appropriately warranted contracting officers shall sign interagency agreements for assisted acquisitions.
- (3) When preparing an interagency agreement, include the general terms and conditions that govern the relationship between the requesting and servicing agencies to include the roles and responsibilities of each party (see Part A of OFPP's model agreement or Treasury's 7600A form). The DHS contracting officer prepares the general terms and conditions, in coordination with the DHS requiring office and the servicing agency. In assigning roles and responsibilities, the contracting officer shall use the checklist shown in Appendix 1 of OFPP's memo on Improving the Management and Use of Interagency Acquisitions.
  - (i) Per <u>OFPP's memo</u>, the requesting agency must retain the following responsibilities:
    - (A) Establishing a *bona fide* need in terms that are specific, definite and clear;
    - (B) Certifying that funds are appropriate for the designated purpose, meet time limitations, and are legally available for the specified acquisition;
    - (C) Identifying any acquisition laws, fiscal laws or related policies that are unique to the agency, or that restrict the agency; and

- (D) Providing the servicing agency with the correct funding agency/office codes needed for accurate reporting to the Federal Procurement Data System (FPDS).
- (ii) Per OCPO policy, DHS requiring offices and contracting officers are responsible for ensuring statements of work include no inherently governmental functions and for following the requirements of HSAM 3007.5, Inherently Governmental Functions (also see HSAM 3037.103 when obtaining acquisition assistance for contractor services).
- (iii) Other responsibilities concerning acquisition activities are a matter of negotiation between DHS and the servicing agency. These activities include:
  - (A) *Market Research*. All procurements require market research. For assisted acquisitions, DHS requiring offices are responsible for initiating market research to develop requirements documents. Servicing agencies may complete the market research with the support of the DHS requiring office.
  - (B) Acquisition Planning. Acquisition planning is required for all procurements. For assisted acquisitions, HSAM 3007.102 states that either DHS (the requesting agency) or the servicing agency may develop and approve the Acquisition Plan (AP) per the terms of the interagency agreement. If the agreement states that DHS prepares the AP, it must be completed and approved in accordance with HSAM Chapter 3007 and a copy retained in the contract file. If the servicing agency prepares the plan, the requesting agency provides support as per agreement between the parties and the interagency agreement must state where the AP is physically located.
- (iv) While the terms and conditions of each agreement vary, each agreement must include:
  - (A) The applicable DHS contract provisions and clauses.
  - (B) Security and suitability requirements of contractor employees and facilities if not identified in the statement of work.
  - (C) The requirement for the servicing agency to enter the DHS funding agency/office codes into FPDS when reporting any contract action (e.g., contract, order, modification) resulting from the interagency assisted acquisition.
  - (D) A statement identifying the agency responsible for costs associated with termination, disputes, and protests, including settlement costs, and a statement that the servicing agency shall obtain approval in writing from the

requesting agency to terminate a contract or order five business days prior to terminating a contract or order (see HSAM 3049.101(c)).

- (E) Per Appendix D of the HSAM, the contracting officer shall provide in ERA the estimated contract award details of the IAA at the time the agreement is signed by the DHS contracting officer and shall stipulate that the servicing agency **may** provide a Congressional Notification consistent with its agency policy. Also see paragraph 3017.502-171(d) for congressional notification requirements.
- (4) Agreements shall also demonstrate a *bona fide* need and include the financial information required to authorize the transfer and obligation of funds for both the acquisition and the assistance provided by the servicing agency in connection with the acquisition. Contracting officers shall ensure agreements include all of the funding information shown in <u>Block B.12 of OFPP's model agreement</u> and a statement on how the planned acquisition will be funded (i.e., direct cite or reimbursement). When using OFPP's or <u>Treasury's two part form</u>, this information is provided on Part B of the applicable form. Because Part B addresses the requirement and funding, the DHS requiring office prepares Part B, in coordination with its finance/budget office, the DHS contracting officer, and the servicing agency.
- (d) Congressional Notification. Interagency acquisitions for assisted acquisitions (excluding interagency acquisitions that will result in GWAC or MAC contract orders) with a total estimated value in excess of \$4 million (including options) or modifications that exceed \$4 million or cause an assisted acquisition to exceed \$4 million in value (including options) require congressional notification following the requirements of HSAM 3005.303 and HSAM Appendix D.
- (e) Contract files. DHS files for assisted acquisitions shall contain the fully executed copy of the interagency agreement. If using a two part form, both parts of the agreement are included in the file.
- (f) Periodic Reviews. Per OFPP's memo on Improving the Management and Use of Interagency Acquisitions dated June 6, 2008, agreements that exceed a year shall be reviewed annually to confirm the terms and conditions remain valid and that the parties are fulfilling its obligations. The contracting officer, in coordination with the requiring office, conducts the review and shall include a summary of the review in the IA file.
- (g) Review and Approvals.
  - (1) Interagency agreements shall be approved at least one level higher than the contracting officer and reviewed by legal when the total value of the interagency acquisition, inclusive of options and servicing agency fees, is estimated to exceed \$500,000. Approvals and reviews shall be accomplished before the agreement is transmitted to the servicing agency for signature and shall follow the requirements HSAM 3004,7002 and 3004,7003.

- (2) If an interagency agreement addresses multiple procurement actions that will be executed by separate orders (e.g., Part B documents), each order is subject to the review and approval requirements of paragraph (g)(1).
- (3) DHS CPO approval is required before transmitting any interagency agreement to a servicing agency not subject to the FAR (See HSAM 3004.7004).
- (4) Unless otherwise approved by the COCO, without re-delegation, the agreement period shall not exceed five years. If the agreement period is approved to exceed five years during the effective period of the IA, the contracting officer must amend the agreement to reflect this change and the COCO's approval must be documented in the file. For USCG, see HSAM 3016.5 and 3017.2 for limitations on task order or delivery order contracts.

## 3017.502-172 Work performed by Department of Energy national laboratories and sites.

Section 309(a)(1)(A) of the Homeland Security Act of 2002 (6 U.S.C. 189) authorizes DHS to use the unique expertise of the DOE national laboratories and sites in carrying out its mission on a work for others basis. Transactions between DHS and DOE under this authority are governed by an overarching Memorandum of Agreement dated February 28, 2003. DHS has determined that access to DOE Laboratories and Sites on a work for others basis constitutes an interagency assisted acquisition covered by FAR Subpart 17.5. DOE provides acquisition assistance by providing DHS access to their contractor operated national laboratories and sites. This is the extent of DOE's acquisition assistance. For example, DOE does not conduct market research, develop acquisition plans, or award new contracts on behalf of DHS. Therefore, given this unique statutory authority and the limited acquisition assistance DOE provides to DHS, when entering into an interagency agreements with DOE for the use of a DOE laboratory or site the following applies in lieu of the procedures at HSAM 3017.502-171, except as otherwise stated:

- (a) Section 309(a)(1)(A) of the Homeland Security Act of 2002 (6 U.S.C. 189) is the statutory authority for entering into agreements with DOE. Therefore, the requirements of FAR 17.502-2 and HSAM 3017.502-2 do not apply.
- (b) Per DHS Directive 143-04, Establishing or Contracting with Federally Funded Research and Development Centers (FFRDC) and National laboratories, requiring/program offices shall ensure the Office of National Laboratories (ONL) within the Science and Technology Directorate reviews all statements of work directed to DOE laboratories or sites before submitting a procurement request package to the Component contracting office. Documentation of ONL's review shall be included in the procurement request package.
- (c) Program offices shall submit the documentation required by HSAM 3004.7101 except as follows:
  - (1) Market research is required only to confirm the work to be performed by a DOE Laboratory is not work that can be performed by the private sector. The results of this

- market research may also serve to document the contracting officer's rationale for obtaining acquisition assistance from another agency consistent with FAR 4.801(b).
- (2) Acquisition plans are not required for interagency agreements with DOE national laboratories or sites. However, HSAM Appendix G *Individual or Class Checklist for Controlled Unclassified Information* (see HSAM 3007.103(e)(4)) shall be completed.
- (3) An Independent Government Cost Estimate is required using the contract rates of the applicable DOE laboratory or site.
- (4) Evaluation criteria/factors are not required.
- (d) Per OCPO policy, DHS requiring offices and contracting officers are responsible for ensuring statements of work include no inherently governmental functions and for following the requirements of HSAM 3007.5, Inherently Governmental Functions (also see HSAM 3037.103 when obtaining acquisition assistance for contractor services).
- (e) A written interagency agreement is required and shall be signed by both parties before work commences. Agreements shall demonstrate a bona fide need and include the financial information required to authorize the transfer and obligation of funds. Sample terms and conditions and statement of work for work performed by DOE laboratories and sites are available at the Science and Technology's Office of National Laboratories website.
- (f) The review and approval requirements of HSAM 3017.502-171(g) apply to interagency agreements for work to be performed by DOE national laboratories and sites.
- (g) DHS files for assisted acquisitions shall contain the fully executed copy of the interagency agreement. If using a two part form, both parts of the agreement are included in the file.
- (h) Congressional notification is required for interagency agreements with a total estimated value in excess of \$4 million (including options) or modifications that exceed \$4 million or cause an agreement to exceed \$4 million in value (including options). See HSAM 3005.303 and HSAM Appendix D for specific requirements.
- (i) Per OFPP's memo on Improving the Management and Use of Interagency Acquisitions dated June 6, 2008, agreements that exceed a year shall be reviewed annually to confirm the terms and conditions remain valid and that the parties are fulfilling its obligations. The contracting officer, in coordination with the requiring office, conducts the review and shall include a summary of the review in the IA file.

#### 3017.502-173 Assisted acquisitions with DHS as the servicing agency.

- (a) DHS shall not agree to provide acquisition services if:
  - (1) Accepting the request will prevent DHS from fulfilling its mission; or

- (2) The requesting agency does not provide all required procurement documentation or support in development of procurement documentation as agreed to by the parties. DHS shall not accept an interagency agreement that lacks information or specificity to such a degree that is not feasible to award or modify a contract or task/delivery order (i.e., "contractually obligate") within a reasonable time.
- (b) When DHS agrees to provide acquisition services, the DHS contracting officer shall process the procurement request for the resulting acquisition in accordance with DHS procurement policies and procedures and ensure applicable contract clauses of the requesting agency are included in the resulting contract action. When DoD is the requesting agency, DHS shall comply with DoD procurement requirements (see FAR Subpart 17.7, Interagency Acquisitions, Acquisitions by Nondefense Agencies on Behalf of the Department of Defense).
- (c) When DHS is the servicing agency for an interagency assisted acquisition, the DHS contracting officer shall:
  - (1) Assist in preparing the interagency agreement, in coordination with the requesting agency, in accordance with FAR 17.502-1(a). Review the requesting agency's documentation to include a copy of their acquisition plan (if prepared by the requesting agency) and the interagency agreement to ensure it includes the information required by Appendix 2 of OFPP's memo and the accounting data required by the Department of Treasury. DHS prohibits interagency acquisitions undertaken to circumvent any agency's regulations, policies, and/or procedures.
  - (2) Ensure the terms and conditions (typically provided in Part A) of the interagency agreement are clear and complete and includes, at a minimum, the following:
    - (i) The signature of the requesting agency official authorized to approve the IA;
    - (ii) A termination provision for the interagency agreement.
    - (iii) Identification of the contractor and contract number (as applicable);
    - (iv) A statement of work and the estimated cost (IGCE);
    - (v) Provisions for inspection and acceptance of the contractor's work;
    - (vi) Intellectual property provisions, if applicable;
    - (vii) Unique terms and conditions required by the requesting agency, if applicable, including unique requesting agency provisions and clauses;
    - (viii) Unique or specific security requirements including safeguarding sensitive but unclassified information;
    - (ix) Roles and responsibilities regarding contract functions, including contract administration; and

- (x) A positive affirmation that the requesting agency is not circumventing their own policy, procedures, and/or regulations by contracting with DHS.
- (xi) The requesting agency's FPDS-NG funding agency/office codes.
- (3) Ensure that the requesting agency complies with all legal and regulatory requirements applicable to the contract action, including, but not limited to:
  - (i) Performing acquisition planning (if completed by the requesting agency) to include any applicable clearance reviews in accordance with established approval thresholds:
  - (ii) Ensuring proper statutory authority for the contractual action;
  - (iii) Compliance with competition requirements of FAR Part 6;
  - (iv) Compliance with requirements under small business set-asides in FAR Subpart 19.5; and
  - (v) Performing contract administration (if performed by the requesting agency) duties such as preparing a quality assurance plan, voucher examination and past performance data collection and reporting as required by FAR 42.1502.
- (4) The DHS contracting officer shall ensure compliance with fiscal law including purpose, time, and amount and ensure the requesting agency's accounting information (typically included in Part B of the agreement) includes, at a minimum, the following:
  - (i) Billing data with the names and mailing addresses of both agencies' accounting offices;
  - (ii) A citation of the requesting agency's funding and appropriation data and validation of statutory or regulatory use of the funds, including disclosure of any special restrictions;
  - (iii) When using a two part agreement, a statement that the terms and conditions in Part A are incorporated by reference or attached to Part B. Work requested under an on-going contract must be within the scope of the contract. When DHS is the servicing agency, each procurement action executed in support of the interagency agreement must either include or incorporate by reference Part A of the agreement and forward a copy of Part B to the applicable DHS or Component budget office. The requesting agency's program office and financial/budget office shall maintain a copy of Part B; and
  - (iv) Any other documents necessary to support the statutory authority for the funds.

- (5) As needed, the DHS contracting officer shall coordinate with the requesting agency on proposal revisions.
- (6) When the requesting agency's requirement results in the award of a DHS contract, a delivery/task order, or a purchase order, the action will be processed by the DHS contracting officer like any other procurement action in PRISM/FPDS-NG or Component's contract writing system.

# **3017.502-2** The Economy Act.

- (c) Requirements for determinations and findings. The D&F shall be prepared following the format in Appendix V of the HSAM.
  - (2) The HCA is delegated the authority to designate other authorized officials to approve D&Fs; however, only DHS contracting officers may approve D&Fs in support of assisted acquisitions. The D&F shall be approved at least one level higher than the contracting officer when the total estimated value of the interagency acquisition, inclusive of options, is estimated to exceed \$500,000.

# 3017.502-270 Funding restrictions and requirements under the Economy Act.

(a) Deobligations of excess funds under the Economy Act. As required by the Economy Act, 31 U.S.C. 1535, Components must deobligate any fixed year funds at the end of their period of availability to the extent that the servicing agency did not perform or incur valid obligations under an assisted acquisition. Therefore, after all financial obligations of the requesting agency have been paid to the servicing agency, and there remains excess funds associated with an interagency assisted acquisition, the contracting officer shall request the requiring office submit a procurement request to deobligate excess funds. If excess funds result from a servicing agency accomplishing less work than initially planned, the requiring office should submit a revised statement of work and the contracting officer must amend the agreement to reflect the reduced effort.

#### 3017.504 Reserved.