

## **Inter-Agency Agreements and Contracts Different Ways to Procure Services**

The U.S. Department of Agriculture's Enterprise Applications Services Division (EAS) provides IT related services throughout the Federal Government under Inter-Agency Agreements (IAA) using Treasury Forms 7600-A and 7600-B. IAA's are not contracts. Instead, they are an alternative, often much more convenient way for Federal Agencies to procure services outside of traditional contracting processes.

Below are frequently asked questions and answers regarding IAAs.

Q – Does the FAR apply to IAA's?

A - Contracts are between commercial vendors and a Federal Government Agency. IAAs (sometimes called Reimbursable Work Agreements or RWA) are agreements between Federal Agencies and not bound by the same regulations as contracts. **The FAR does not apply to IAAs under The Economy Act** provided the agreement does not result in a new contract or contract order.<sup>1</sup> (see **Appendix 1 – The Economy Act**, for details)

Q – Do I need a contracting officer to approve and manage my IAA?

A - Only Federal Contracting Officers have the authority to contractually bind a U.S. Federal Government Organization<sup>2</sup>. This is not the case with reimbursable Inter-Agency Agreements (IAA). There is an approval process for IAAs. However, a contracting officer approval is not always part of that process<sup>3</sup>.

Q – Can a vendor submit a contract protest against an IAA?

A - Contracts with the Federal Government are subject to protests. Reimbursable agreements/IAAs are not contracts and therefore are not subject to contract protests.

Q – How can I justify using an IAA rather than a competitive contract?

A - IAAs can save significant time because no contract competition or sole source justification is required. Federal Agencies may enter into Inter-Agency Agreements without competition. IAAs may be used rather than contracts if it is deemed the goods or services cannot be provided as conveniently by a commercial enterprise<sup>4</sup>.

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<sup>1</sup> FAR Part 17.502-2 The Economy Act; <https://www.acquisition.gov/far/17.502-2>

<sup>2</sup> [https://www.law.cornell.edu/wex/government\\_contracts](https://www.law.cornell.edu/wex/government_contracts)

<sup>3</sup> <https://www.fiscal.treasury.gov/files/forms/form-7600a.pdf>

<sup>4</sup> 31 U.S. Code §1535 Agency Agreements <https://www.law.cornell.edu/uscode/text/31/1535>

Q – Do I need to inform all potential contract bidders of the same information exchanged with another Federal Agency during IAA discussions?

A - Because IAAs are not contracts, the communication restrictions surrounding an active contract solicitation do not apply. Federal organizations may communicate about a project with EAS, another Federal Organization, at any time, even if an active contract solicitation is in progress.

Q- Do I need to prepare all of the documents necessary for a contract solicitation when I enter into an IAA/Reimbursable Agreement with USDA?

A- Absolutely not! USDA's Enterprise Applications Services Division can work with you without a formal Statement of Work (SOW) or Performance Work Statement (PWS). Of course, each Agency has internal rules that must be followed. But USDA EAS does not require the requesting Agency to prepare any formal documents. USDA EAS even prepares the Treasury Forms 7600-A and 7600-B. Eliminating the time and effort to prepare contract related documents can save a significant amount of time and effort.

Q- How do I find out more?

A- Just send an email to our Business Development Team at [DISC.BD@usda.gov](mailto:DISC.BD@usda.gov).

## Appendix 1 – The Economy Act

### 17.502–2 The Economy Act.<sup>5</sup>

(a) The Economy Act (31 U.S.C. 1535) authorizes agencies to enter into agreements to obtain supplies or services from another agency. The FAR applies when one agency uses another agency's contract to obtain supplies or services. If the interagency business transaction does not result in a contract or an order, then the FAR does not apply. The Economy Act also provides authority for placement of orders between major organizational units within an agency; procedures for such intra-agency transactions are addressed in agency regulations.

(b) The Economy Act applies when more specific statutory authority does not exist. Examples of more specific authority are 40 U.S.C. 501 for the Federal Supply Schedules (subpart 8.4), and 40 U.S.C. 11302(e) for Governmentwide acquisition contracts (GWACs).

(c) *Requirements for determinations and findings.* (1) Each Economy Act order to obtain supplies or services by interagency acquisition shall be supported by a determination and findings (D&F). The D&F shall—

(i) State that use of an interagency acquisition is in the best interest of the Government;

(ii) State that the supplies or services cannot be obtained as conveniently or economically by contracting directly with a private source; and

(iii) Include a statement that at least one of the following circumstances applies:

(A) The acquisition will appropriately be made under an existing contract of the servicing agency, entered into before placement of the order, to meet the requirements of the servicing agency for the same or similar supplies or services.

(B) The servicing agency has the capability or expertise to enter into a contract for such supplies or services that is not available within the requesting agency.

(C) The servicing agency is specifically authorized by law or regulation to purchase such supplies or services on behalf of other agencies.

(2) The D&F shall be approved by a contracting officer of the requesting agency with authority to contract for the supplies or services to be ordered, or by another official designated by the agency head, except that, if the servicing agency is not covered by the FAR, approval of the D&F may not be delegated below the senior procurement executive of the requesting agency.

(3) The requesting agency shall furnish a copy of the D&F to the servicing agency with the request for order.

(D) *Payment.* (1) The servicing agency may ask the requesting agency, in writing, for advance payment for all or part of the estimated cost of furnishing the supplies or services. Adjustment on the basis of actual costs shall be made as agreed to by the agencies.

(2) If approved by the servicing agency, payment for actual costs may be made by the requesting agency after the supplies or services have been furnished.

(3) Bills rendered or requests for advance payment shall not be subject to audit or certification in advance of payment.

(4) In no event shall the servicing agency require, or the requesting agency pay, any fee or charge in excess of the actual cost (or estimated cost if the actual cost is not known) of entering into and administering the contract or other agreement under which the order is filled.

[75 FR 77735, Dec. 13, 2010, as amended at 77 FR 186, Jan. 3, 2012]

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<sup>5</sup> 48 CFR Ch. 1 (10–1–14 Edition) pg 396