



DEPARTMENT OF THE AIR FORCE
HQ WARNER ROBINS AIR LOGISTICS CENTER (AFMC)
ROBINS AIR FORCE BASE GEORGIA

FAR 17
POC: Sharon
Broughton
64-10
MAY 10 2001

MEMORANDUM FOR SEE DISTRIBUTION

FROM: WR-ALC/CC
215 Page Road Suite 269
Robins AFB GA 31098-1662

SUBJECT: Economy Act Determination and Finding (D&F)

1. The Economy Act provides authority for placement of orders by interagency acquisition, i.e., Military Interdepartmental Purchase Requests (MIPRs) issued outside of DoD. Each Economy Act order must be supported by a D&F, which explains why an interagency acquisition is in the best interest of the government. The D&F must be approved at a level no lower than a SES/Flag/General Officer in the requesting activity's chain of command. At WR-ALC, the Director of Contracting (WR-ALC/PK) is designated as the approving official. Detailed procedures for handling interagency acquisitions are found at AFFARS 5317.5.
2. In the past, we have frequently sent MIPRs to GSA without the requisite documents. Please ensure your personnel are aware of this requirement for a D&F, and no further MIPRs are issued to non-DoD agencies without the necessary documentation.
3. Orders for supplies or services may be placed with other agencies under authorities other than the Economy Act. Orders placed under these authorities are not subject to the requirements of the Economy Act and are set forth in AFFARS 5317.502-90. These additional authorities include:
 - a. Acquisitions from required sources as described in FAR Part 8 (such as National Industries for the Blind, National Industries for the Severely Handicapped, and Federal Prison Industries).
 - b. Acquisitions from Federal Supply Schedules pursuant to FAR 8.4 when the local Air Force activity acts as the ordering activity.
 - c. Coordinated acquisitions prescribed in DFARS Part 208.
 - d. Acquisitions of Information Technology through GSA's Federal Computer Acquisition Center, Federal Systems Integrations and Management Center and similar programs funded on a reimbursable basis through the Information Technology Fund, and approved by the Office of Management and Budget as part of the annual costs and capital plan for Information Technology Fund.

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e. Acquisitions of Information Technology through a multiagency contract if the basic contract was awarded pursuant to Delegation of Procurement Authority from GSA, and the contract specifically allowed multiagency ordering.

f. Other specific statutory authorities may be used to acquire supplies and services from another agency.

4. MIPRs, as well as Purchase Requests, for Advisory and Assistance Services (A&AS) must also contain a Determination/Decision Document approved by the local SES Board (see attachment 2).

5. Prior to preparing MIPRs, the ConConnect database should be queried to determine if there is a vehicle within AFMC that will satisfy the requirement. The website for ConConnect is <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/PK/pkp/pkpc/connect.htm>. ConConnect will be expanded in the future to include existing contracts for all activities within DoD. If it is determined that an existing vehicle within AFMC/DoD can meet the requirement, an Economy Act D&F will not be required.

6. The WR-ALC/LGM PR/MIPR point of contact is Mr. Sammy Dame, 62833, for requirement issues, and the WR-ALC/PKPB PR/MIPR point of contact is Ms. Sharon Broughton, 66132, for contract policy issues.



DENNIS G. HAINES
Major General, USAF
Commander

Attachments:

1. 5317.503-90, Air Force Determination Requirements
2. A&AS Determination/Decision Document

cc:

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5317.503-90 Air Force determination requirements.

(a) The decision by an Air Force activity to place an interagency order under the Economy Act with an agency outside the DOD, instead of contracting directly with a private source, shall be documented in a written Determination and Findings. The requiring activity shall prepare the D&F for approval at a level no lower than SES/Flag/General Officer in the requesting activity's chain of command. If an SES/Flag/General Officer in the requesting activity's chain of command is not available at the installation, the D&F will be approved by the wing or installation commander.

MODEL DETERMINATION AND FINDINGS

1. I have reviewed the requirement for [insert description of supply or service to be procured] that [insert Air Force requiring activity] intends to place with [insert agency] as an interagency order under the Economy Act. My review produced the following findings:

- a. The proposed acquisition is authorized under the authority of the Economy Act;
- b. The Air Force is legally authorized to acquire the supplies or services;
- c. Adequate funds are available;
- d. The action does not conflict with any other agency's authority or responsibility (see FAR Part 8);
- e. The supplies or services cannot be provided as conveniently and more economically by private contractors under an Air Force contract;
- f. The servicing agency has unique expertise or ability not available within the Department of Defense;
- g. The servicing agency will accept the order and can satisfy the requirement;
- h. The supplies or services are clearly within the scope of activities of [insert agency] and that agency normally contracts for (and/or produces in-house) those supplies or services for itself;
- i. The cost to the Air Force for the requirement, including the administrative fees charged by [insert agency] appear to be reasonable. The fees proposed to be paid to the servicing agency do not exceed the servicing agency's actual cost (or estimated costs if actual costs are unknown) of entering into and administering the contract or other agreement under which the order is filled;

j. The contract administration procedures related to [insert agency's] contract is adequate for Air Force requirements (or the order contains additional contract administration requirements that will result in contract administration procedures that comply with Air Force and DOD regulations and policies);

k. All approvals and authorizations required by Air Force and/or DOD policies for acquiring the supplies or services have been obtained;

l. The requirement is a bona fide need of the Air Force;

[Insert the following if the work will be performed by a Federally Funded Research and Development Center:]

m. The work will be performed by a Federally Funded Research and Development Center (FFRDC). Performance by the FFRDC will not place the servicing agency and its FFRDC in direct competition with private sources;

[Insert the following if the work was previously performed by Government personnel and will now be performed by a contractor under a servicing agency's contract (or if the work was previously performed under a contract:)]

n. The requiring activity has complied with the requirements of FAR Subpart 7.3.

2. Given the findings outlined above, I hereby determine that it is in the best interest of the Government to place an order for [insert requirement] with [insert agency] under the authority of the Economy Act.

**ADVISORY AND ASSISTANCE SERVICES (A&AS)
DETERMINATION/DECISION DOCUMENT (DDD)
FOR THE XXX PROGRAM**

SECTION 1: A&AS Requirements Description

a. Description of Requirement: *(Briefly discuss the requirement for A&AS. Provide any background information which might be helpful to the organization responsible to approve the DDD. State whether any A&AS described in this DDD will support initial contract award and proposal evaluation and analysis (ICAPEA). Because of the additional querying associated with ICAPEA requirements and the additional scrutiny that they receive, it may be easier to process a separate DDD for ICAPEA requirements.)*

b. A&AS Contract Man-Year Equivalents (CMEs): *(Identify the total number of CMEs and their estimated cost (if known). Identify the number of CMEs supporting ICAPEA requirements and their estimated cost (if known).)*

c. Types of Skills Needed: *(Identify the requirement by position title, series, grade, number of CMEs per fiscal year (FY), A&AS category (i.e., management and professional support services (MPS), studies, analyses, and evaluations (SAE), or engineering and technical services (ETS)), labor category, level, and experience. If the requirement is small, this information may be presented in paragraph format. If the requirement is large, consider arraying the information in a table or set of tables, similar to the samples below.)*

Organic:

Position Title:	Series:	Grade:	Man-Years:					Total:
			FY01	FY02	FY03	FY04	FY05	

Contractor:

A&AS Category:	Labor Category:	Level:	Experience:	Contract Man-Year Equivalents:					Total:
				FY01	FY02	FY03	FY04	FY05	

d. Period of Performance: *(Identify the duration of the A&AS contract.)*

Section 2: Availability of Organic Personnel: *(State the level at which the query was made, i.e., at the contract level, the task order level, or for a group of related task orders. Query organizations most likely to have people with the desired skills. For general (non-ICAPEA) A&AS, query at the requiring center and one other AFMC center. For A&AS*

in support of ICAPEA activities, query an additional, non-Air Force Federal organization, e.g., Army, Navy, Marine Corp, National Aeronautics and Space Administration, etc. Identify the date contacted, the organization, the name of the point of contact (POC), the DSN, and whether organic resources were available, as shown on the table below. If the A&AS is for a study, contact the Defense Technical Information Center to verify that there is no existing study that satisfies the particular study requirement.)

a. We have queried the organizations listed below. Organic resources with the required skills are not available to support this A&AS requirement.

	Date Contacted:	Organization:	POC:	DSN:	Resource Availability:
Within center					
Within AFMC					
Outside AF (for ICAPEA only)					

b. The Defense Technical Information Center has verified that there is no known study which satisfies the study requirement described in this DDD. (Delete this statement if not appropriate.)

Section 3: Cost Comparison: (If no organic resources are available, enter "Not applicable" in this section. Conduct the cost comparison only if organic personnel are identified in Section 2 and the A&AS requirement is estimated to be equal to or over \$100,000. To perform the cost comparison: (a) estimate the cost of performing the requirement with contractor personnel based on the information provided in Section 1; (b) develop the government estimate using current composite rates for military and civilian employees. See AFI 65-503, Air Force Cost and Planning Factors, Table 19-1 for military composite pay rate and Table 26-1 for civilian composite pay rate at: www.saffm.hq.af.mil . (Click on the Publications button in the lower left side of the screen, then click on AFI 65-503 on the lower right side of the screen, then scroll down to the appropriate table.) Thoroughly explain and justify your approach for estimating the cost of the contractor personnel. Add supporting documentation, as appropriate.)

Section 4: Additional Certifications: (The requiring activity must include the following statements in the DDD. By including these statements and submitting the DDD to the appropriate approval authority, the requiring activity is certifying to the approval authority that they are true.)

a. This A&AS effort will not circumvent personnel ceilings.

b. This A&AS effort will not replace displaced government personnel with A&AS contractors unless proven to be financially advantageous to the Federal Government. (If organic resources were available but the requiring activity determines in Section 3 that the contractor personnel will cost less, modify this statement as appropriate.)

c. This A&AS effort will not be performing inherently governmental functions as defined in OFPP Policy Letter 92-1 and FAR Section 7.501.

Subpart 5317.5 -- Interagency Acquisitions Under the Economy Act

5317.502-90 -- Air Force Requirements for Placing Orders.

- (a) The Economy Act permits a Federal Agency to order supplies and services from another Federal Agency under certain conditions. The Act was designed to promote economy in Government operations by permitting efficient use of Government resources, even though they may be in another agency. This eliminates duplication of effort to build expertise in several agencies and allows a Federal Agency to take advantage of another Federal Agency's substantial experience in a specific area. The Economy Act also promotes the economy that *results from consolidating requirements (i.e., quantity discounts and other tangible or intangible benefits)*.
- (b) Orders to purchase supplies or services under contracts entered into or administered by another agency (or for supplies/services produced in-house by the servicing agency), may be placed with other agencies under the Economy Act only if:
- (1) The purchase is appropriately made under an existing contract that the servicing agency entered into, before the requesting agency's order was placed, in order to meet the requirements of the servicing agency for the same or similar goods or services;
 - (2) The servicing agency is better qualified to enter into or administer the contract for such goods or services (or is producing the good or service in-house) because they possess capabilities or expertise not available within the Air Force;
 - (3) The servicing agency is specifically authorized by law or regulation to purchase the goods and services on behalf of other agencies; or,
 - (4) *The purchase is authorized by an executive order or specifically allowed elsewhere in the FAR.*
- (c) The Air Force shall not place an order with another agency unless adequate supporting documentation, including a Determination and Findings (D&F), is prepared. This supporting documentation shall be prepared and developed by the requiring activity. Supporting documentation and general information about the servicing agency's contract will be used in the preparation of the Determination and Findings described in 5317.503-90.
- (d) Interagency acquisitions are entered into by mutual agreement between the requesting agency and the servicing agency. If a requesting agency's order will interfere with the servicing agency's ability to meet its mission, the servicing agency may reject the order. The servicing agency can also reject the order if the

requested supply or service is not within the scope of activities normally performed by the agency, within the scope of work of a particular contract, or if the order lacks adequate funding or required supporting data.

(e) The Economy Act may not be used to circumvent the conditions and limitations imposed on the use of Government funds appropriated for the procurement (i.e., expiration of funds at the end of a fiscal year). This applies to conditions and limitations affecting either the requesting or the servicing agency.

(f) Orders for supplies or services may also be placed with other agencies under authorities other than the Economy Act. Orders placed under these authorities are not subject to the requirements of the Economy Act. These additional authorities include:

- (1) Acquisitions from required sources as described in FAR Part 8;
- (2) Acquisition from Federal Supply Schedules pursuant to FAR 8.4 when Air Force activities act as the ordering activity;
- (3) Coordinated acquisitions prescribed in DFARS Part 208;
- (4) Acquisitions of Information Technology through GSA's Federal Systems Integration and Management Center (FEDSIM) and Federal Computer Acquisition Center (FEDCAC), and similar programs funded on a reimbursable basis through the *Information Technology Fund*, and approved by Office of Management and Budget as part of the annual costs and capital plan for the Information Technology Fund.
- (5) Acquisition of Information Technology through a multiagency contract (often called GWACS) if the basis contract was awarded pursuant to Delegation of Procurement Authority from GSA, and the contract specifically allowed multiagency ordering;
- (6) Project Orders (41 U.S.C.23). Project orders are authorized for use when one Government agency wishes to procure a supply or service from another Government agency. DOD Directive 7000.14-R governs the use of project orders within the DOD. There are several conditions for use of the project order including the requirements that the servicing agency must be capable, be authorized, and produce the item or perform the service in-house. Only an incidental portion of a project order may be contracted-out by the servicing agency; and
- (7) Other specific statutory authorities may be used to acquire supplies and services from another agency.

5317.503-90 -- Air Force Determination Requirements.

(a) The decision by an Air Force activity to place an interagency order under the Economy Act with an agency outside the DOD, instead of contracting directly with a private source, shall be documented in a written Determination and Findings. The requiring activity shall prepare the D&F for approval at a level no lower than SES/Flag/General Officer in the requesting activity's chain of command. If a SES/Flag/General Officer in the requesting activity's chain of command is not available at the installation, the D&F will be approved by the wing or installation commander.

(b) The D&F shall be reviewed by the Air Force contracting officer who would normally have procured the requirement. The contracting officer will review the proposed D&F and supporting documentation as a "business advisor" to the approval authority. The content of the D&F will be consistent with the policies and procedures contained in the FAR. The ability of the local contracting office to procure the requirement under an Air Force contract will also be considered. Written comments will be provided to the approval authority to help in the decision to place the order with an agency outside the DOD.

(c) When assessing the cost of obtaining the supplies or services through an interagency agreement, the Air Force shall consider any administrative fees charged by the servicing agency as part of the total cost of the order. In accordance with Section 844 of the National Defense Authorization Act for fiscal year 1994, fees paid to the servicing agency shall not exceed the actual cost or, if actual costs are unknown, the estimated costs of entering into and administering the contract or other agreement under which the order is filled. The administrative cost of providing the supplies or services by normal Air Force contracting procedures shall also be considered.

(d) The requiring activity shall include with the Military Interdepartmental Procurement Request (MIPR) any documentation required to support the D&F. Examples include independent cost estimates and documentation of urgency of need. Copies of the documentation shall be retained with the requiring activity's file copy of the MIPR and provided to the servicing agency upon their request.

(e) If the work was previously performed by Government personnel and will now be performed by a contractor under a servicing agency's contract (or if the work was previously performed under a contract and will now be performed in-house by the servicing agency), the requiring activity must have complied with the requirements of FAR Subpart 7.3. This shall be documented in the D&F.

(f) The contracting office shall retain a record copy of each Economy Act D&F in a central file.

(g) The requiring activity shall prepare a D&F substantially the same as the model shown below. The D&F may be tailored to appropriately address the instant requirement.

Model Determination and Findings

1. I have reviewed the requirement for *[insert description of supply or service to be procured]* that *[insert Air Force requiring activity]* intends to place with *[insert agency]* as an interagency order under the Economy Act. My review produced the following findings:

- a. The proposed acquisition is authorized under the authority of the Economy Act;
- b. The Air Force is legally authorized to acquire the supplies or services;
- c. Adequate funds are available;
- d. The action does not conflict with any other agency's authority or responsibility (see FAR Part 8);
- e. The supplies or services cannot be provided as conveniently and more economically by private contractors under an Air Force contract;
- f. The servicing agency has unique expertise or ability not available within the Department of Defense;
- g. The servicing agency will accept the order and can satisfy the requirement;
- h. The supplies or services are clearly within the scope of activities of *[insert agency]* and that agency normally contracts for (and/or produces in-house) those supplies or services for itself;
- i. The cost to the Air Force for the requirement, including the administrative fees charged by *[insert agency]* appears to be reasonable. The fees proposed to be paid to the servicing agency do not exceed the servicing agency's actual cost (or estimated costs if actual costs are unknown) of entering into and administering the contract or other agreement under which the order is filled;
- j. The contract administration procedures related to *[insert agency's]* contract are adequate for Air Force requirements (or the order contains additional contract administration requirements that will result in contract administration procedures that comply with Air Force and DOD regulations and policies);
- k. All approvals and authorizations required by Air Force and/or DOD policies for acquiring the supplies or services have been obtained;
- l. The requirement is a bona fide need of the Air Force;

[Insert the following if the work will be performed by a Federally Funded Research and Development Center:]

m. The work will be performed by a Federally Funded Research and Development Center (FFRDC). Performance by the FFRDC will not place the servicing agency and its FFRDC in direct competition with private sources;

[Insert the following if the work was previously performed by Government personnel and will now be performed by a contractor under a servicing agency's contract (or if the work was previously performed under a contract:)]

n. The requiring activity has complied with the requirements of FAR Subpart 7.3.

2. Given the findings outlined above, I hereby determine that it is in the best interest of the Government to place an order for *[insert requirement]* with *[insert agency]* under the authority of the Economy Act.

5317.504-90 -- Air Force Ordering Procedures.

(a) The Air Force shall include complete contract administration requirements and contract audit responsibilities appropriate for the type of contract and scope of work on all orders placed outside of the Department of Defense.

(b) If it is necessary for the servicing agency to award a contract or modify an existing contract to accommodate the Air Force's order, the Air Force requiring activity shall supply all supporting data necessary to prepare the required contract documentation.

(c) The Air Force requiring activity shall also provide special contract terms or other requirements applicable to Air Force funds. This includes information such as special funds tracking and reporting requirements, additional contract administration requirements, special delivery or packaging instructions, a copy of the executed determination, and other supporting documents.

(d) Additional D&Fs are not required to incrementally fund an existing order or to *administratively modify an order, if the scope of work remains the same throughout the order's period of performance.*

(e) The servicing agency is responsible for complying with the Competition in Contracting Act when it awards the original contract. Therefore, the requesting agency is not required to compete the requirement between potential servicing agencies.

(f) Relationships with a servicing agency can involve one order or many orders over a long period of time. When using the servicing agency's contract to place and administer direct orders with a vendor, the requirements of the Economy Act still apply. Where the Air Force desires to enter into a long term, continuing relationship by placing orders with a servicing agency under the authority of the Economy Act, the requiring activity should ensure that the resulting interagency

agreement includes, in addition to any other requirements of this section, the following:

- (1) Enhanced management controls, as appropriate for the circumstances, to ensure that the interagency agreement is only used for its intended purpose(s). Such controls shall include a mechanism for periodic reassessment of the interagency agreement, at intervals not exceeding every five years, to determine its continuing need and relevancy. The review shall be conducted by the same personnel that review similar requirements that are being separately procured by the Air Force. The reassessment shall include review by a contracting officer to ensure that the agreement complies with appropriate business practices;
- (2) A well-defined scope of work that includes clear objectives, work areas, and, where appropriate, reports and deliverables; and
- (3) A definitive term of agreement.

(g) The following policy applies to orders placed with the Air Force as a servicing agency under the Economy Act:

- (1) The Air Force is not required to accept the requesting agency's order, if accepting the order will prevent the Air Force from fulfilling its mission or the requesting agency fails to provide appropriate supporting information, funding, and evidence of an appropriate level of requesting agency approval;
- (2) The Air Force shall process the order in accordance with normal internal policies and procedures for awarding and modifying contracts. This includes complying with the Competition in Contracting Act;
- (3) The Air Force contracting officer shall execute and issue all D&Fs or J&As required by Air Force regulations to place the order on contract, just as if the requirement was generated by an Air Force activity; and
- (4) Before allowing a non-sponsoring agency to use an FFRDC, the Air Force shall ensure that the work falls within the purpose, mission, general scope of effort, or special competency of the FFRDC. (See FAR 35.017; see also FAR 6.302 for procedures to follow when using other than full and open competition.) If the order does not conform with these requirements, the Air Force may not place the order with the FFRDC. The order also may not be placed with the FFRDC if the sponsoring agreement does not permit work from other than the sponsoring agency.

5317.590 -- Orders With Agencies Not Covered by the FAR.

In accordance with Section 844 of the National Defense Authorization Act for fiscal year 1994, orders may not be placed with agencies not required to comply with the FAR unless the purchase is approved in advance by the Air Force Senior Acquisition

Executive (SAF/AQ). This approval authority has been delegated to the Air Force Deputy Assistant Secretary (Contracting), SAF/AQC. Approvals will be accomplished by forwarding the D&F (and necessary supporting documentation) through SAF/AQCO for endorsement by the Air Force Deputy Assistant Secretary (Contracting), SAF/AQC. Prior to submittal to SAF/AQCO, the D&F must be reviewed by an Air Force contracting officer and coordinated by the SES/Flag/General Officer in the requiring activity's chain of command (see 5317.503-90 (a)).

Non-FAR Covered Agencies

The following are some of the Federal Agencies not covered by the FAR:

Independent Establishments (Per 5 U.S.C.104(1))

- (a) U.S. Postal Service;
- (b) Postal Rate Commission;
- (c) Government corporations other than wholly owned Government corporations under 31 U.S.C.9101(3) (i.e., mixed-ownership Government corporations under 31 U.S.C.9101(2)):
 - (1) Amtrak;
 - (2) The Central Bank for Cooperatives;
 - (3) The Federal Deposit Insurance Corporation;
 - (4) The Federal Home Loan Banks;
 - (5) The Federal Intermediate Credit Banks;
 - (6) The Federal Land Banks;
 - (7) The National Credit Union Administration Central Liquidity Facility;
 - (8) The Regional Banks for Cooperatives;
 - (9) The Rural Telephone Bank (after ownership conversion);
 - (10) The U.S. Railway Association;
 - (11) The Financing Corporation;
 - (12) The Resolution Trust Corporation;
 - (13) The Resolution Funding Corporation.

Per the Federal Property and Administrative Services Act of 1949 (Exemptions in Accordance With 40 U.S.C.474)

- (a) The President under Philippine Property Act;
- (b) The Resolution Trust Corporation;
- (c) U.S. Postal Service;
- (d) Central Intelligence Agency;
- (e) Joint Committee on Printing;

(f) U.S. Information Agency (but USIA public affairs office says it complies with the FAR)