

**Interagency Acquisitions –  
Section 865 NDAA FY 2009 – Preventing Abuse of Interagency Contracts**  
FAC 2005-47 published the interim rule for FAR case 2008-032 – Preventing Abuse of Interagency Contracts effective December 13, 2010.  
Changes to FAR 17.5

**Summary of Section 865 – Preventing Abuse of Interagency Contracts** (Pub. L. 110-417)

- Broadens scope of coverage to address all Interagency Acquisitions - 865 (b)(1)
  - FAR exception does not apply to orders of \$500,000 or less issued against Federal Supply Schedules - FAR 17.500
- Written agreement for contract administration – 865 (b)(1)(A)
  - FAR requires written agreement for assisted acquisitions only - FAR 17.502-1(b)
- Best procurement alternative determination – 865 (b)(1)(B)
  - FAR implementation describes this determination as “determination of best procurement approach” - FAR 17.502-1(a)
- Sufficient documentation for adequate audit – 865 (b)(1)(C) – FAR 17.502-1(b)(1)(ii)
- Business case analysis for multi-agency contracts for Economy Act – 865 (b)(2) – FAR 17.502-2(d)
- Agency reporting requirement by the senior procurement executive to Office of Management and Budget (OMB) – 865 (c) – FAR 17.504

**Other Than Economy Act**

FAR 17.5 through 17.504, except 17.502-2

**Economy Act**

FAR 17.5 through 17.504

- Apply Section 865, except business case analysis for multi-agency contracts, for all interagency acquisitions – see summary above for FAR cites for determination of best procurement approach, written agreement for contract administration, and documentation.
- Applies to all orders over \$500,000 – FAR 8.404(b)(2) & 17.500(b)
- Use ordering procedures – description, delivery, funds, payment provisions, acquisition authority – FAR 17.503
- Agree to procedures for resolution of disagreements between agencies – FAR 17.503
- Servicing agency will execute any needed J&A or D&F and comply with legal or regulatory requirements applicable to the contract award – FAR 17.503
- Use of FFRDC\* by a nonsponsoring agency is permitted if terms of FFRDC’s sponsoring agency permits it. (\*Federally Funded Research and Development Center) – FAR 17.503

- Apply Section 865 to include business case analysis for multi-agency contracts – see summary above for FAR cites for determination of best procurement approach, written agreement for contract administration, documentation and business case analysis. (OMB will develop additional guidance on the use of business cases.)
- Applies to all orders over \$500,000 – FAR 8.404(b)(2) & 17.500(b)
- Requesting agency will prepare D&F for use of Economy Act – provide copy to servicing agency – FAR 17.502-2(c)
- Use ordering procedures – description, delivery, funds, payment provisions [special payment provisions under Economy Act, FAR 17.502-2(e)], acquisition authority – FAR 17.503
- Agree to procedures for resolution of disagreements between agencies – FAR 17.503
- Servicing agency will execute any needed J&A or D&F and comply with legal or regulatory requirements applicable to the contract award – FAR 17.503
- Use of FFRDC\* by a nonsponsoring agency is permitted if terms of FFRDC’s sponsoring agency permits it – FAR 17.503