

INFORMATION PAPER

SUBJECT: Basics of Intra-DoD Contract Off-loads and Interagency Orders

1. PURPOSE: To provide the MMBL staff background on the terms and essential concepts of Contract Off-loads and Interagency Orders.

2. FACTS:

a. Interagency Orders obtain goods or services from a non-DoD agency via that agency's contract or directly from that agency's in-house resources. For example, we use an Interagency Order when we purchase expertise from NASA directly or expertise/computers from NASA's contractor through an existing NASA contract. Intra-DoD Contract Off-loads obtain contracting support from another DoD activity outside of TRADOC. For example, we use an Inter-DoD Contract Off-load to purchase through an existing CECOM or STRICOM contract.

b. The advantages of doing so are obvious: We get what we want quickly and without competition. We piggyback onto another agency's existing contract. For example, if CECOM has a requirements contract for up to 10,000 computers and we want this type of computer, we place an order through CECOM for 100 computers. CECOM places the order for us, charges us a fee, we pay CECOM and receive the computers. There is no request for proposals, evaluation of offers, award, or other contractual bothers.

c. The drawbacks are that these orders have been abused. In order to get something quickly we subvert the competitive process and pay a premium - the fee charged to us by the other government agency. Occasionally, we dump off millions at year-end to another agency because we have not planned properly to do our own, cheaper contracting. We save time but lose money. Like most abuses, this one received Congressional and DoD attention, and these actions are now very closely scrutinized.

d. Battlelabs use Off-loads and Interagency Orders frequently. TRADOC has recently developed policy governing these. Generally, the greater the dollar figure and the further one wanders from TRADOC to purchase goods and services, the greater the controls on purchases. Thus, a high dollar interagency purchase from DOE would be watched carefully, while a low dollar off-load purchase through ARL or STRICOM may be fairly easy and routine for repeat

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requirements. Because of past abuses, however, TRADOC and DoD have made initial Off-loads and Interagency Orders almost as difficult as regular procurements.

3. DISCUSSION: The basic division is between Intra-DoD Contract Off-loads and Interagency Orders.

a. Intra-DoD Off-loads. First time Intra-DoD Off-loads are like contracting without the receipt and evaluation of offers or contract awards. The rest is similar. For example, the TRADOC Contracting Activity may know of another command's contract, which would meet our requirement. If so, we generate determinations, prepare cost estimates, get approvals, write a justification and approval for other than full and open competition, draft a statement of work, and prepare a MIPR to be signed by the Contracting officer and Contracts attorney. This should not be too onerous because if we are purchasing the same service as another agency, the existing contract should already have this information. If it is hard - if we have to reinvent the wheel - this is a good sign that we are buying something other than what the other agency is purchasing, and off-loading is inappropriate.

(1) Battlelab directors may approve non-contract support received from an Intra-DoD agency up to \$250,000. Non-contract support is a product or service received directly from another agency rather than from that agency's contractor. Directors may also approve contract Off-loads up to 250,000.

(2) Subsequent Off-load purchases of the same goods or services do not require another Off-load package with all the paper generated the first time.

b. Interagency Orders. A purchase through or from any agency other than DA is an Interagency purchase. A complete procurement package must be generated with a justification and approval for other than full competition, statement of work, etc. There are DA acquisition letters and TRADOC formats to comply with. Purchase must be approved by TRADOC.

(1) Interagency Off-loads require GO/SES approval each time.

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(2) A complete procurement package must be generated for every purchase, even if the goods or services have been purchased before.

(3) Interagency Orders not involving contracting that meet certain conditions may be approved at the O-6 level. For example, if we are not buying a service from DOE's contractor but are buying the service from DOE itself, this is an Interagency Order not involving contracting.

4. CONCLUSION: Hundreds of Off-loads and orders worth billions of dollars are done every year. It is a relatively easy way to purchase services or products without duplicating the contracting efforts of other DA and federal entities. There is no objection to using the contracts of others. But expensive abuses have led to grater controls and oversight. These controls are still much less cumbersome than starting a procurement action from scratch.

5. POC is the Administrative Law Division, 4-7414/4668.

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