

Project Life Cycle Reimbursable Funding Perspective For Federal Agencies

Department of Energy (DOE) Oak
Ridge National Laboratory (ORNL)
Site Office (OSO)

by

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Secretary of Energy Legal Authority to Conduct Reimbursable Research and Technical Assistance

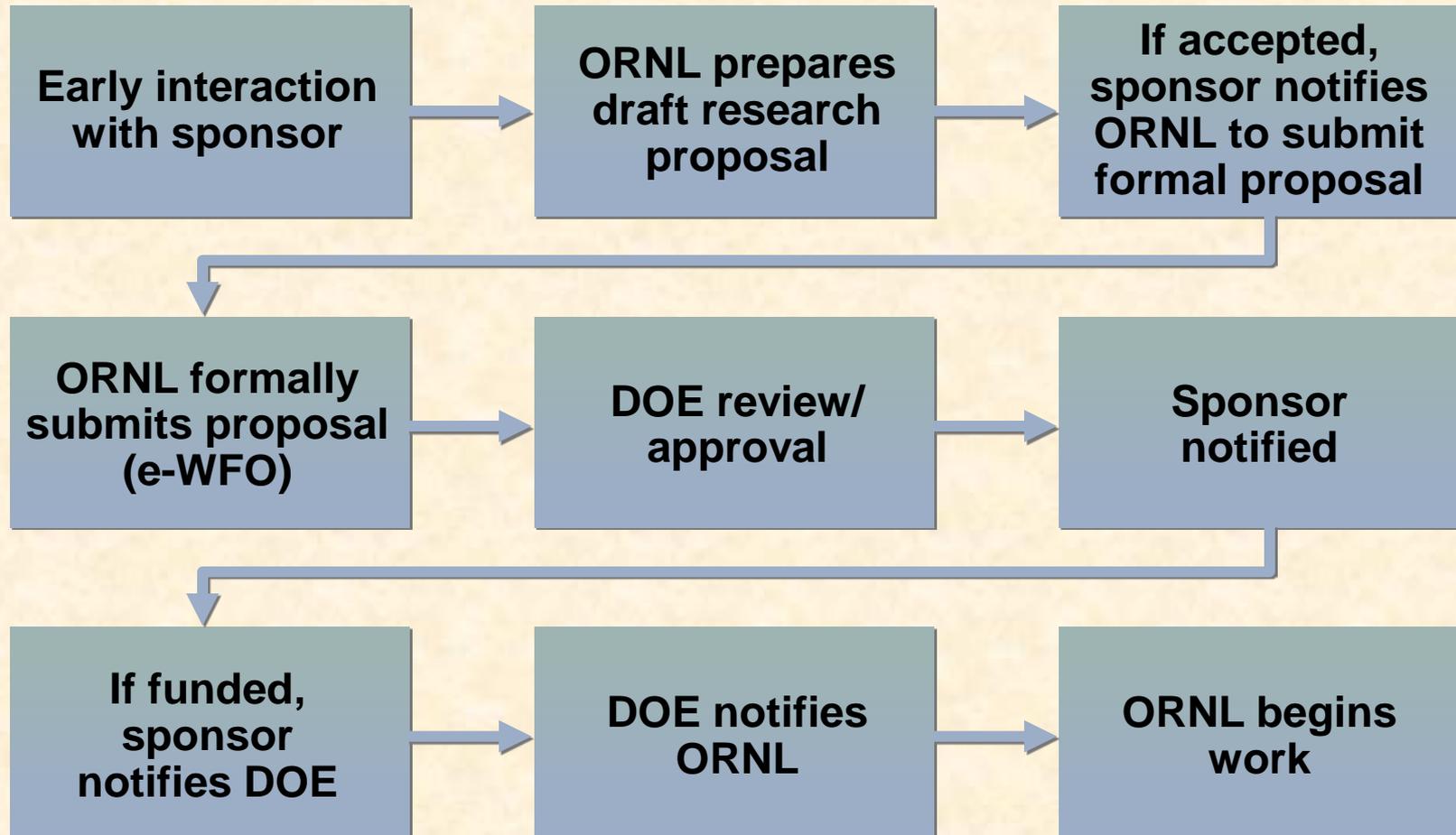
The research and other activities that may be conducted are those which the secretary is authorized to conduct by law, including research and activities authorized under the following provisions of law.

- **The Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.)**
- **The Energy Reorganization Act of 1974 (42 U.S.C. 5811 et seq.)**
- **The Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901 et seq.)**
- **Section 3137 of The Strom Thurmond National Defense Authorization Act of 1999 (Public Law 105-261)**
- **Section 636 of the Economy Act of 1932 (31 USC 1535)**

How Federal Agencies Do Reimbursable Work With DOE

- **An Interagency Acquisition (IA) is the normal vehicle for reimbursable specialized research or technical services from DOE by Oak Ridge National Laboratory (ORNL).**
- **In DOE, this is the Work For Others (WFO) Program.**
- **In DOD, this is called an Economy Act Order or Inter Service Support Agreement (ISSA).**
- **In civilian federal agencies, this is normally called an Inter Agency Cost Reimbursement Order (IACRO).**

Interagency Acquisition (IA) Overview



The IA Approval Process

- **DOE will accept IA from other federal agencies for reimbursable specialized research and technical services.**
- **Normal statutory authority for all federal agencies is the Economy Act of 1932 (31 USC 1535, as amended).**
- **Other statutes or regulatory authorities can be used if Economy Act is not appropriate (e.g., 42 USC 2451 Space Act of 1958 for NASA).**
- **IA process is shown in Federal Acquisition Regulation (FAR) Subpart 17.500.**

The IA Approval Process (cont.)

- **Requesting federal agencies must have a bona fide need (31 USC 1502) and obtain internal agency approval to do an IA.**
- **An IA is NOT a contract.**
- **DOE authorizes ORNL researchers to work with the other agency to define science or technical requirement at no cost to requesting agency.**
- **DOE must approve internal request from ORNL to do work for another federal agency.**
- **DOE will accept/negotiate IA done under OMB policy guidance.**

The IA Approval Process (cont.)

- **DOE Contracting Officer certification indicates the reimbursable work is consistent with the U.S. laws, DOE legislative authority and complies with DOE policy.**
- **An IA does not need to be announced in Federal Business Opportunities (U.S. Comptroller General ruling, Protest of Liebert Corporation, B-232234.5, April 29, 1991).**
- **To initiate action, the Federal agency will send a funding document giving a reimbursable appropriation citation to DOE-OSO for obligation.**
- **The Congressional restrictions or parameters on the federal agency's appropriation still apply as a reimbursable fund cite.**

The IA Approval Process (cont.)

- **DOE will obligate entirely the appropriation citation and return a signed certification to the Federal agency. This meets the criteria in 31 U.S.C. 1501(a) for a recordable obligation.**
- **Reimbursable funds are concurrently obligated to the ORNL monthly financial plan as the DOE Management & Operating contractor charged with executing the task assignment.**
- **If the Federal agency uses an Economy Act Order as the authority for sending the reimbursable funds to DOE, then the Federal Agency incurs valid obligations under the IA and meets USC Title 31 requirements (see 39 Comptroller General 317 (1959); 34 Comptroller General 418, 421-422 (1955)).**

The IA Approval Process (cont.)

- **Under 31 USC 1535, when DOE incurs a valid obligation during the period of availability of the appropriation and work performed or service rendered covers more than one fiscal year, then the ordering agency's obligation remains available to pay DOE from the annual appropriation for the particular fiscal year in which the work was performed or services were rendered (B-301561, June 14, 2004; 55 Comp. Gen. 1497, 1499 (1976)).**
- **DOE is not changing the obligational life of the Federal agency appropriation nor changing the five year expiration date of the obligation for expenditure (31 USC 1552).**

Project Execution Process

- **The federal agency determines the research or technical priority of their reimbursable funds.**
- **The federal agency performs technical oversight of the project and establishes deliverables, project reporting criteria, etc.**
- **All work is done on a full cost recovery basis to meet fiscal law requirements (31 USC 1301(a), et seq.).**
- **After 30 days, costs incurred by ORNL will be collected and a normal billing cycle will begin.**

Project Execution Process (cont.)

- **A periodic report will be prepared by the ORNL researcher and forwarded to the federal agency program manager who has technical oversight of this project. This report will address programmatic, technical, and financial issues.**
- **DOE will begin the process of “*earning the reimbursement*” by having ORNL invoice the Federal agency for the federal administrative charge and ORNL costs.**
- **Billing to the Federal agency designated paying agent will be done via the U.S. government’s Intergovernmental Payment and Collection (IPAC) System or other designated government system (e.g., DOD WAWF).**
- **The Federal agency is responsible for timely payment of the invoices.**

Project Closeout Process

- **When the federal agency determines that the project is complete, project closeout activities for each task will commence. Normal project reviews, equipment transfers or relocations, and validation of efforts will go on.**
- **These activities will include final billings, reconciliations, data and technology transfer, and task certifications.**
- **If there are Federal agency funds held by DOE that still remain available (not committed nor costed), these funds will be de-obligated and returned to the Federal agency.**
- **Routine audits of ORNL are done by DOE or DOE-designated auditors.**
- **Defense Contract Audit Agency reviews ORNL subcontractors.**

Summary

- **DOE has the legal authority and responsibility to help other federal agencies.**
- **Both agencies are leveraging the nation's significant investment in ORNL science and research for each other.**
- **Other federal agencies obtain first class or world class ORNL research or technical expertise.**
- **Reimbursable financial process is legal and appropriate.**
- **Proper control mechanisms exist.**
- **A reimbursable interagency acquisition is a flexible, efficient and legal manner to obtain necessary services.**