



DEFENSE HEALTH AGENCY
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DHA-IPM 23-006
September 19, 2023

SUBJECT: Proper Use of Non-Defense Health Agency Contracts and Interagency Acquisitions

References: See Attachment 1.

This Defense Health Agency-Interim Procedures Memorandum (DHA-IPM), based on the authority of References (a) and (b), and in accordance with the guidance of References (c) through (g), assigns responsibilities, and provides guidance and procedures for DHA Components and activities to request approval to acquire supplies or services over the micro-purchase threshold under a contract awarded or administered outside of the DHA Contracting Activity (DHACA). Other exemptions are listed in Attachment 2. Unless exempt or otherwise approved pursuant to the attached procedures, requiring activities may not independently acquire supplies or services outside of the DHACA, through either direct or assisted acquisitions, also referred to as contract offloading.

This DHA-IPM applies to the DHA Enterprise (Components and activities under the authority, direction, and control of the DHA) to include: assigned, attached, allotted, or detailed personnel. Acquisitions with a posted solicitation or sole source notification prior to issuance of this guidance are exempt from this policy.

This DHA-IPM is cleared for public release and is available on the Internet from the Health.mil site at: <https://health.mil/Reference-Center/Policies> and is also available to authorized users from the DHA SharePoint site at <https://info.health.mil/cos/admin/pubs/SitePages/Home.aspx>.

The proponent of this publication is the DHA head of the Contracting Activity (HCA). When Components or activities are unable to comply with this publication, the Component or activity may request a waiver. The waiver request must include a justification for why the procedures in this DHA-IPM cannot be followed, to include an analysis of the risk associated with not granting the waiver. The activity director or senior leader will submit the waiver request through their supervisory chain to the HCA or the HCA's designee for approval or disapproval.

This DHA-IPM is effective upon signature. It will expire 1 year from the date of signature if it has not been reissued or canceled before this date in accordance with Reference (c).



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Attachments:

1. References
2. Guidance and Procedures
3. DHA Form 344, Request for Use of a Contracting Activity Outside of DHA
4. Glossary

Distribution:

- Assistant Secretary of the Army (Manpower and Reserve Affairs)
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cc:

Principal Deputy Assistant Secretary of Defense for Health Affairs
Surgeon General of the Army
Surgeon General of the Navy
Surgeon General of the Air Force
Medical Officer of the Marine Corps
Director of the Joint Staff
Director of Health, Safety, and Work-Life, U.S. Coast Guard
Surgeon General of the National Guard Bureau

ATTACHMENT 1

REFERENCES

- (a) DoD Directive 5136.01, “Assistant Secretary of Defense for Health Affairs ASD(HA),” September 30, 2013, as amended
- (b) DoD Directive 5136.13, “Defense Health Agency (DHA),” September 30, 2013, as amended
- (c) DHA-Procedural Instruction 5025.01, “Publication System,” April 1, 2022
- (d) DoD Instruction 4000.19, “Support Agreements,” December 16, 2020
- (e) Federal Acquisition Regulation subpart 17.5 Interagency Acquisitions, current edition.
- (f) Defense Federal Acquisition Regulation Supplement subpart 217.5, current edition
- (g) DoD 7000.14-R, Volume 11A, “DoD Financial Management Regulation: Reimbursable Operation Policy,” November 2014, as amended

ATTACHMENT 2

Guidance and Procedures

1. Interagency acquisitions include the procedures by which an agency needing supplies or services (the requesting or ordering agency) obtains them through another federal government agency (the servicing or performing agency). This includes both direct and assisted acquisitions under the Economy Act (31 U.S.C. § 1535), non-Economy Act acquisitions, and acquisition support between DoD components. Acquiring supplies or services using other than a DHA contracting activity, as described above, is also commonly called contract “off-loading.”

a. Approval Authority. The approval authority for all off-loading requests is the DHA HCA or their designee.

b. Requiring Activities. Requiring activity (RA) shall acquire contracted requirements only through DHACA Contracting Offices (COs) unless otherwise approved in accordance with the procedures in this instruction and in accordance with References (d)-(f). Off-loading includes task, delivery, and call orders issued against other agency indefinite delivery contracts or blanket purchase agreements, unless issued by a DHACA CO.

(1) Requirements for Approval. Utilization of a non-DHA contract or support from a non-DHA contracting activity requires approval prior to sending any documentation to the outside contracting activity. The RA, i.e., Military Medical Treatment Facility (including Dental), DHA directorate, or other DHA component, must provide a sufficient justification in writing for approval. The RA will not utilize other contracting activities as a remedy for inadequate acquisition planning, to circumvent conditions and limitations imposed on the use of funds, or to circumvent the review and approval provisions of any DHA policies.

(2) All off-load requests for services or supplies/products will be reviewed and validated. The written justification shall be prepared using Attachment 3, DHA Form 344, **Request for Use of a Contracting Activity Outside of DHA.** The RA, in coordination with the designated Contracting Officer, is responsible for coordinating review and approval by the Chief of the Contracting Office (CoCO). If the RA disagrees with the CO and the CoCO determination, the request to off-load can be elevated to the Senior Contracting Official (SCO) for further consideration. If there is continued disagreement between the RA and DHACA’s contracting entities determination, the action shall be elevated to the HCA for final decision.

(3) Additional Interagency Acquisition Requirements. Every interagency transaction requires legal authority. The legal authority ensures there is no unlawful augmentation of Government funds or violation of the Anti-Deficiency Act.

(a) The most common interagency transaction authority used in DHA is provided for in the Economy Act, 31 United States Code (U.S.C.) 1535. This authority enables a government agency to order supplies and services from another Government agency when a more specific statutory authority does not exist, there are no current contracting vehicles for the acquisition,

and it is more economical to have another agency do the contracting. The Economy Act may not be used by an agency to circumvent conditions and limitations imposed on the use of funds.

(b) The Economy Act applies when more specific statutory authority does not exist. Various laws and statutes allow for a specific agency/activity to perform certain functions. Some common authorities include 40 U.S.C. 481(a) (3), General Services Administration (GSA) Multiple Award Schedules Program and 40 U.S.C. 501 for the Federal Supply Schedules.

(c) When the outside agency is other than the DoD, such as the Department of Energy, Health and Human Services, or any other non-DoD agency with the capability to contract on behalf of another agency, it is common for the supporting agency to add a fee or surcharge for their services. This is one of many considerations as to whether off-loading the requirement is beneficial to DHA.

(d) When a non-DHA contracting activity provides contract support to DHA, such contract support must be documented pursuant to an interagency agreement (IAA), e.g., FS Form 7600A, signed by both the requiring and servicing agency, and any other documentation required by Federal Acquisition Regulation (FAR) Subpart 17.5 or DFARS Subpart 217.5 (References (e) and (f)). The RA will also need to comply with DHA policy on interagency support agreements and all such agreements must be processed through the DHA Agreements and Partnerships Management Office (APMO) for approval.

(4) Responsibilities During Off-loaded Acquisitions. Teamwork and communication are critical to the success of off-loaded acquisitions. When approved to use a contracting activity other than a DHACA CO to place an order or award a contract on DHA's behalf, RAs must ensure the requirements are clearly defined and include measurable outcomes. Similarly, all parties to an off-loaded acquisition must ensure that the duties and responsibilities of contract administration and oversight are clearly assigned and correctly performed. DHA officials have limited ability to influence or direct how another agency executes or administers its contracts and is unable to intervene in the event of a dispute or problem with the contract.

2. REQUIREMENTS EXEMPT FROM OFF-LOAD APPROVAL

a. Facility construction and repair requirements that are planned for contract execution by U.S. Army Corps of Engineers (USACE) or Naval Facilities Engineering Command (NAVFAC), if a current support agreement or interagency agreement is in place and the proposed requirement falls within the scope of the agreement. The requestor must coordinate with the resource manager (RM) to process the funding document per the existing agreement.

b. Facility leases procured through USACE, NAVFAC, or GSA, if there is a current support agreement or IAA in place and the proposed requirement falls within the scope of the agreement. All new or renewed lease requirements must be processed through DHA facilities in accordance with their policies and procedures.

c. Defense Logistics Agency (DLA) Troop Support. Projects purchased through DLA Troop Support medical products contracts, i.e., ECAT or prime vendor program.

d. Micro-purchases, whether made for DoD by another agency or using another agency's contract or other agreement.

ATTACHMENT 3

Request for Use of Non-DHA Contract or Interagency Acquisition

The DHA Form 344 is available for download at the DHA Forms Management website at [DHA Forms Management](#).

GLOSSARY

ABBREVIATIONS AND ACRONYMS

CO	Contracting Office
CoCO	Chief of the Contracting Office
DFARS	Defense Federal Acquisition Regulation Supplement
FAR	Federal Acquisition Regulation
IAA	interagency agreement

DEFINITIONS

Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

Assisted acquisition. Defined in FAR Subpart 2.101, is a type of interagency acquisition where a servicing agency performs acquisition activities on a requesting agency's behalf, such as awarding and administering a contract, task order, or delivery order.

Contract. Defined in FAR Subpart 2.101, is a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the Government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include grants and cooperative agreements covered by 31 U.S.C.6301, *et seq.*

Direct acquisition. Defined in FAR Subpart 2.101, is a type of interagency acquisition where a requesting agency places an order directly against a servicing agency's indefinite-delivery contract. The servicing agency manages the indefinite-delivery contract but does not participate in the placement or administration of an order.

Economy Act order. The acquisition of supplies or services by one agency for another agency justified as being in the best interest of the government because it is more convenient and cheaper than directly contracting with a private source. See Section 1535 of Title 31, U.S.C.

Interagency agreement. Is a written financial agreement entered into between two Federal agencies, or major organizational units within an agency, which contains the terms and conditions governing an assisted acquisition or a direct acquisition.

Interagency acquisition. Defined in Subpart 2.101 of the FAR, is a procedure by which an agency needing supplies or services (the requesting agency) obtains them from another agency (the servicing agency), by an assisted acquisition or a direct acquisition. The term includes—

(1) Acquisitions under the Economy Act (31 U.S.C. 1535); and

(2) Non-Economy Act acquisitions completed under other statutory authorities, (*e.g.*, General Services Administration Federal Supply Schedules in subpart 8.4 and Governmentwide acquisition contracts (GWACs)).

Non-Economy Act order. The acquisition of supplies or services by one agency for another agency as justified by a specific statutory authority other than Section 1535 of Title 31, U.S.C.

Off-loading. When one agency buys goods or services under a contract entered and administered by another agency.

Requiring activity. The DHA component or activity charged with meeting a mission and delivering requirements. The requiring activity is responsible for requirement development, obtaining funding, and submitting requests through established contract support approval processes. The requiring activity is also responsible, in coordination with the requisite contracting activity, for ensuring there is adequate post-contract award oversight.