



AGREEMENT BETWEEN
THE DEPARTMENT OF THE ARMY
AND
THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Aug 60

Concerning Army Assistance in the Secondary
Administration of NASA Contracts

1. PURPOSE:

It is the purpose of this agreement to establish the policies and procedures under which the Department of the Army (hereinafter referred to as the ARMY), pursuant to Section 203(b)(6) of the National Aeronautics and Space Act of 1958, will perform procurement administration functions (as defined herein) requested by the National Aeronautics and Space Administration (hereinafter referred to as NASA) in support of contracts negotiated and executed by NASA. By the implementation of this agreement, it is intended to avoid duplication of effort and to achieve the most effective and economical utilization of ARMY and NASA resources in the accomplishment of the purposes of the National Aeronautics and Space Act of 1958.

2. ARMY SECONDARY ADMINISTRATION OF CONTRACTS PLACED BY NASA:

a. The ARMY agrees to provide, to the maximum extent possible within authorized personnel ceilings and other available resources, procurement administration functions as requested and

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authorized by NASA in support of NASA placed contracts. ARMY contracting officers functioning for NASA under the terms of this agreement will be designated "NASA Administrative Contracting Officers." As such they will perform the "procurement administration functions" illustrated by, but not specifically limited to, the following:

(1) PRE-CONTRACT EXECUTION FUNCTIONS:

- (a) Price analysis
- (b) Audit services
- (c) Pre-Award Surveys
- (d) Related assistance prior to and during

negotiations

(2) CONTRACT ADMINISTRATION, SUCH AS:

- (a) Security
- (b) Engineering (field processing of Engineering Change Proposals, technical data, etc.)
- (c) Property administration
- (d) Production (including preparation of Facility Capability Reports (FCR's))
- (e) Inspection, test and acceptance
- (f) Shipment
- (g) Termination and plant clearance
- (h) Contract auditing

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(i) Priorities, allocations and requirements

b. Unless otherwise provided in the NASA letter of request, and agreed to by the Commanding Officer of the Army installation to perform the work requested, NASA Administrative Contracting Officers will perform those procurement administration functions requested by NASA in accordance with the terms of the NASA contracts and applicable Army and Technical Service regulations. Any matters beyond the authority of the NASA Administrative Contracting Officer or which under Army regulations would be required to be referred to higher authority for advice or decision will be referred to the NASA contracting officer for action. In addition, the NASA Administrative Contracting Officer will refer all matters appealable under the Standard Disputes clause to the NASA contracting officer for final decision with his recommendation. The security aspects of NASA contracts will be handled in accordance with the detailed procedures or conditions set forth in the security agreement between the Department of Defense and NASA.

c. NASA will request these procurement administration functions by submitting a written request signed by a NASA contracting officer to the Commanding Officer of the appropriate Army Ordnance District or the comparable official if another Corps or Agency of the ARMY is involved. Information copies of

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the letter of request will be sent to the Chief of the Corps or Agency concerned. The NASA letter requesting performance by the ARMY of procurement administration functions will make appropriate reference to this agreement, specify the procurement administration functions which NASA desires the ARMY to perform, duly authorize the appropriate ARMY official to perform such functions on behalf of NASA, and enclose a copy of the contract to be administered. The ARMY will advise NASA if the requested services can be performed and, if so, the name of the NASA Administrative Contracting Officer.

d. Procurement administration functions requested for NASA contracts will be performed by the ARMY in prime and subcontractor plants and in universities and other nonprofit organizations. Arrangements will also be made by the ARMY with the other military departments, as appropriate, for the performance of procurement administration functions at subcontractor plants or organizations not serviced by the ARMY.

e. Procurement administration functions will be performed by the ARMY for NASA on a reimbursable basis in accordance with the provisions of the agreement between the Department of Defense and NASA concerning principles governing reimbursement of costs dated November 12, 1959.

f. Payment of the contractor will be accomplished by NASA

upon receipt of vouchers and requests for payment forwarded by the NASA Administrative Contracting Officer with appropriate recommendation, or as otherwise agreed upon between the ARMY and NASA. The NASA letter of request will specify how payment should be accomplished.

3. TECHNICAL DIRECTION:

NASA will have technical direction of NASA contracts for which the ARMY is performing procurement administration functions. NASA may assign technical representatives to contractors' plants or laboratories to provide direct liaison with NASA and technical guidance and assistance to the contractor and the ARMY. The ARMY will provide such engineering assistance as is requested by NASA and is available at contractors' plants or laboratories. In each case, NASA will provide its technical representatives, the ARMY and the contractor with a statement describing technical representative's duties and the extent of his authority and responsibilities. It is understood and agreed that the authority and responsibilities vested in the technical representative will not be exercised in a manner which impinges on the responsibilities of the NASA Administrative Contracting Officer.

4. FACILITIES:

a. When NASA, in connection with the performance of a NASA contract, desires the use of (i) property under the cognizance of the ARMY in the possession of a contractor, or (ii) property

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in the possession of or under the control of the ARMY, it will request and obtain prior ARMY consent to such use in writing. Such requests will be directed to the Chief of the Corps or Agency concerned. The ARMY will grant such consent on the same terms and subject to the same conditions as if such facilities were requested by another military department. The NASA contract will incorporate provisions which will reflect the conditions imposed by the ARMY in giving its consent and will be consistent with the applicable facilities contract.

b. Where a facilities contract of the ARMY exists, any additional NASA facilities may be provided to a contractor under that contract under a separate schedule whenever agreeable to NASA and the ARMY; provided, however, that the ultimate right to possession of any facilities paid for by NASA funds shall, unless otherwise agreed, be reserved to NASA in such ARMY facilities contract. Contractor requests for additional facilities to be financed by NASA will be forwarded by the appropriate NASA Administrative Contracting Officer to the NASA contracting officer with recommendations as to whether such additional facilities are necessary. Where new facilities are to be provided for a NASA contract which may be of use to the ARMY in the performance of any ARMY contract, arrangements may be made between NASA and the ARMY for the financing of such facilities on terms mutually agreeable.

5. MATERIALS AND GOVERNMENT-FURNISHED PROPERTY:

Unless otherwise agreed, materials, supplies and Government-furnished property to be provided under a NASA contract by the ARMY will be on a reimbursable basis in accordance with the DOD-NASA Agreement of November 12, 1959, concerning principles governing reimbursement of costs. Arrangements for the ARMY to furnish such items will be made, insofar as possible, in advance of the contractual commitment.

6. REVISIONS AND ADDENDA:

This agreement may be revised at any time by mutual consent of both parties. Addenda may be added to cover areas not adequately covered in the basic agreement. Either party may terminate this agreement upon reasonable notice.

7. EFFECTIVE DATE:

This agreement is effective as of 1 July 1960.

Walter M. Bruckner.
SECRETARY OF THE ARMY

Date 1 August 1960

Keith Gorman
ADMINISTRATOR, NATIONAL
AERONAUTICS AND SPACE
ADMINISTRATION

Date 17 July 1960

DEPARTMENT OF THE ARMY
Office of the Chief of Engineers
Washington, D. C. 20314

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ENGEBC-BC

Regulation
No. 1-1-7

17 March 1971

ADMINISTRATION

Transactions With National Aeronautics and Space Administration

1. Purpose. This regulation furnishes guidance for all transactions between the Corps of Engineers and the National Aeronautics and Space Administration (NASA).
2. Applicability. It is applicable to all Corps of Engineers installations and activities.
3. General. Separate formal agreements have been made with NASA by the Department of Defense, the Department of the Army, and the Corps of Engineers with reference to particular features of the logistical support to be rendered. These agreements are appended to this regulation. Certain interpretations, explanations, or modifications of these agreements are presented in this regulation, referenced to the appendix concerned. Agreements for furnishing logistical support to NASA, however, are predicated on the consent of the agency providing the support and since transactions between NASA and the Corps of Engineers may be non-recurrent and one of a kind, each must be carefully considered on an individual basis and all questions resolved by mutual written agreement prior to performance.
4. Reimbursement of Engineer Support. The Corps of Engineers will be reimbursed by NASA for all support costs not specifically excluded (i.e., free) by the appended agreements. The method for reimbursement is prescribed in Section II, AR 37-27. (See para 5a(3) below for Army Stock Fund reimbursement procedure.)
5. Agreements Considered. Referenced paragraphs refer to numbering in the document appended to this regulation.
 - a. Agreement Between the Department of Defense and the National Aeronautics and Space Administration: Concerning Principles Governing Reimbursement of Costs. (Appendix A).
 - (1) Ref paras 2A and 2C - Contracting officers will reach an agreement with NASA on the interpretation of "administrative costs", "procurement costs" and "special direct costs" on each individual contract prior to acceptance of responsibility.

This regulation supersedes ER 1-1-7, 3 January 1963

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(2) Ref para 2B - The "rent for use of facilities and equipment in connection with the performance of orders" is interpreted to apply to government-owned facilities and equipment. For example, private facilities and equipment now being rented by the Corps of Engineers, if used for a NASA order, would require reimbursement as a "procurement cost" of services as explained in the last sentence of para 2A.

(3) Ref para 2D - Army Stock Fund owned items may be shipped and billed to NASA as an established stock fund customer similar to the Navy or Air Force. Stock Fund items which may be eligible for transfer on a non-reimbursable basis in accordance with AR 755-2 may require reimbursement for transportation and handling costs. The provisions of AR 37-27 and AR 37-8 apply regarding the determination and assessment of accessorial charges. However, an exception to this policy will be made when Army Stock Fund items are furnished to a joint DOD-NASA project of mutual interest and benefit, as described in para 3 of the DOD-NASA Agreement. In cases of this kind, the Army Stock Fund will be reimbursed by the applicable departmental appropriations for items required in furtherance of the joint project.

(4) Ref para 2E - An agreement in advance on each contract on what is to constitute "special travel costs" will be made by contracting officers in connection with services covered in paras 2A, 2B, and 2C.

(5) Ref para 2F - This paragraph is supplemented by Appendix C to this regulation.

(6) Ref para 2H - See comment for para 2B. The services of the contractor, however, are subject to reimbursement under the last sentence of para 2A.

b. Agreement Between the Department of the Army and the National Aeronautics and Space Administration: Concerning Army Assistance in the Secondary Administration of NASA Contracts. (Includes letter formats) (Appendix B).

(Note: The above agreement does not apply to construction contracts, for which see Appendix C).

(1) Ref para 2a.

(a) The authority and responsibility of a NASA Administrative Contracting Officer (NACO) generally will be similar to that of a contracting officer's representative under the APP. In other words, the NACO will not be authorized to incur an obligation requiring the payment of funds to a contractor under a NASA contract, or agree to a reduction of an obligation under a NASA contract. However, in individual cases the NASA Contracting Officer may deem it appropriate to delegate authority to take such action.

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(b) Requests from NASA for services will not be refused if any means can be worked out to accomplish the services requested. Where the Commanding Officer of the Army procuring installation or activity for any reason does not feel that services requested by NASA can be furnished, the matter will be forwarded to the Chief of Engineers for referral to DCSLOG. In this connection DCSLOG has stated that orders may be accepted from NASA for those contract administration functions listed in para 2a of the DA-NASA Agreement without a specific dollar amount. This is an exception to para 15-264f(2)(b), AR 37-108, which includes the statement: "Before an order can be considered as firm and be recorded, it must be supported in terms of quantities and dollar amounts of items or services to be delivered". DCSLOG has also stated that for reporting purposes (RCS CSCAA-112(R4) - Status of Reimbursements) the amount of the orders received from NASA will be reported after the costs have been incurred and accumulated. Direct labor plus an authorized percentage of direct labor and travel expenses will be charged in accordance with paras 33e and f, AR 37-27. In addition, directly identifiable operation and maintenance of facilities costs specifically relatable to NASA (e.g. motor pool) will be charged. Other operation and maintenance of facilities costs not traceable to NASA will not be included. Billing for contract administrative functions listed in para 2a, DA-NASA Agreement, will be accomplished on SF 1080 and may be submitted monthly or quarterly to the NASA ordering installation. Both pre-contract and contract administration functions may be included on a consolidated 1080 provided they are separately identified by contract or order numbers.

(c) In those cases in connection with security, property administration, inspection and auditing where interchange arrangements are in effect with other military services and departments, such arrangements will be applicable to services being performed for NASA. The Army, in turn, will accept and perform such services for NASA when requested to do so by another military department.

(d) Shipping orders will be furnished by the NASA procuring installation. Bills of lading will also be furnished by the NASA procuring installation citing NASA funds.

(e) In connection with para 2a(2)(b) of the DA-NASA Agreement, this function will usually include the issuance of change orders and the negotiations of equitable adjustments thereunder. However, any negotiation which results in increases or decreases in prices under the contract will require approval of the NASA Contracting Officer, unless otherwise authorized by the NASA Contracting Officer in the letter requesting the work to be done, or in writing at a later date.

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(f) In connection with para 2a(2)(g) of the DA-NASA Agreement, the function of termination and plant clearance will not, unless specifically authorized by the NASA Contracting Officer, include issuance of notices of termination, approval of contractors' or sub-contractors' settlement proposals, or issuance of notices of settlement by unilateral determination. The NACO will conduct all termination activities in accordance with Section VIII of ASPR and departmental implementation thereof, except as stated above.

(2) Ref para 2b - This paragraph states that a NACO will perform those procurement administration functions requested by NASA in accordance with the terms of the NASA contract and applicable Army and Technical Service regulations. The term "Army Regulations" will, of necessity, be interpreted to include the ASPR and other regulations and directives applicable to procurement, promulgated by the Department of Defense, the Department of the Army and the Technical Service.

(3) Ref para 2c - Inclosed with Appendix B is a draft of a type of letter which Commanding Officers of Army installations and activities will receive from a NASA procuring office each time contract administration services are requested. This letter will be both a request to perform contract administration services and a delegation of authority to the Commanding Officer, with authority to redelegate, to act as a NASA Administrative Contracting Officer. Commanders of Army installations and activities are authorized to accept from NASA and perform those contract administration functions, as requested and authorized by NASA in support of NASA procurements, provided such functions fall within the scope of the Army-NASA Agreement. Further, Commanders of Army installations and activities are authorized to accept appointments as NASA Administrative Contracting Officers in accordance with para 2b of the Army-NASA Agreement. Also inclosed with Appendix B is a draft of a type of letter which will be received each time pre-contract execution functions are requested by NASA. Commanders of Army installations and activities are authorized to accept such requests and support NASA to the extent of the Army-NASA Agreement.

c. Cooperative Agreement Between the National Aeronautics and Space Administration and the Corps of Engineers, Department of the Army, on Construction. (Appendix C).

(1) Contracting for the NASA space programs will be in accordance with the applicable provisions of ER 1180-1-1.

(2) Ref para D5 - This paragraph, as it appears in the original agreement, has been superseded by Amendments 1 and 2 to Appendix C. The amendments provide that work will be performed on a reimbursable basis and define project costs. Automatic reimbursement procedures

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(military) as currently implemented in ER 37-345-10 apply in financing such work and overhead will be charged in accordance with ER 37-2-10.

6. Communications and Liaison. The Chief of Engineers desires that a helpful attitude be maintained and that the complete capability of the Corps be exploited when required to support NASA, with particular reference to acquisition of real estate, design and construction of facilities, engineering studies, laboratory investigations, consulting services, and mapping and geodesy. Although direct contacts may be made by NASA with the Corps of Engineers field elements, the Chief of Engineers wishes to be informed of any new requirements or problem areas so that activities in the various fields of interest may be coordinated. One copy of all work orders (NASA-Defense Purchase Request) received from NASA pertaining to acquisition of real estate or design and construction of facilities and of all reports to NASA on the status of funds, design and construction will be forwarded to OCE, ATTN: ENGMC-CM. One copy of all requests from NASA for assistance other than acquisition of real estate or design and construction of facilities and of all reports to NASA on such assistance, including periodic progress reports, will be forwarded to OCE, ATTN: ENGNA.

FOR THE CHIEF OF ENGINEERS:

3 Appendixes:
APP A - DOD NASA Agreement
APP B - DA NASA Agreement
APP C - OCE NASA Agreement


RICHARD F. McADOO
Colonel, Corps of Engineers
Executive

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NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Commanding Officer

Dear Sir:

I refer to the agreement entered into as of 1 July 1960, between the Secretary of the Army and the Administrator of the National Aeronautics and Space Administration (NASA), relating to the performance of contract administration functions by the Army in connection with NASA contracts. On behalf of NASA, and pursuant to paragraph 2 of the agreement, it is hereby requested that the Commanding Officer (appropriate Army Agency) perform contract administration functions for NASA in connection with NASA Contract No. _____ between NASA and (company name, city and state) for (purpose of the contract).

The contract administration functions requested to be performed, subject to the limitations hereinafter set forth, are the following:

(Specify the particular contract administration functions listed in paragraph 2.a of the Army-NASA Agreement.)

As a duly authorized contracting officer of NASA, I hereby appoint you a NASA administrative contracting officer (NACO) to perform the above listed functions under said contract and delegate to you, with power of further redelegation, all of the authority vested in the contracting officer, NASA, under said contract necessary to carry out these contract administration functions, subject to the following conditions and limitations:

(1) General. All conditions and limitations contained in the Army-NASA agreement referred to above shall apply except as otherwise provided below.

(2) Subcontracts and purchase orders. Subcontracts which, under the terms of the contract, require the written consent of the contracting officer, shall be handled as follows:

(a) The NACO, or his designee, will give such consent if, under Army procedures, he would be authorized to take final action with respect to that sub-contract. Prior to giving such consent, the NACO will obtain the technical concurrence of the technical representative of NASA at the contractor's plant or at such other place designated by the contracting officer, NASA.

(b) In all other cases not covered by (a) above, the NACO will forward subcontracts to the contracting officer, NASA, for his approval, together with the recommendations of the NACO and the technical representative of NASA thereon.

(3) Changes. Any minor change in contract terms which does not involve an increase in estimated cost or fixed fee (in the case of cost-plus-a-fixed-fee contract), or in the price (in the case of fixed price contracts), known as a Class 2 Change, will be directed by the NASA technical representative. Any change which involves an increase or decrease in the estimated cost or fixed fee or the price (as the case may be), known as a Class 1 Change, will be directed by the contracting officer, NASA. In both cases enumerated, the direction to the contractor will take the form of a change notice. Following issuance of such notice, the NACO will receive the contractor's cost proposal covering such change, will analyze the same, obtaining such cost analysis assistance as may be necessary from the cognizant audit activity, and will conduct preliminary negotiations with the contractor. The NACO will then transmit the proposal, with the NACO's comments and recommendations, to the contracting officer, NASA, who will conduct final negotiations with the contractor, if any are necessary, and issue an amendment to the contract to the contractor.

(4) Audit. Audits of NASA contracts for which contract administration functions have been requested by NASA will be performed by the cognizant audit agency office in accordance with audit procedures and requirements agreed to with NASA for the audit of NASA contracts.

(a) Reimbursement vouchers under cost-type contracts will be submitted by the contractor to the NACO for transmittal to the contracting officer, NASA, for payment, or other appropriate action. All vouchers, with the exception of the completion voucher will be noted by the contracting officer, NASA, as a "provisional payment." Upon payment, the NASA disbursing officer will forward copies of the paid voucher to the NACO and to the cognizant audit office. When any item of cost claimed by the contractor is disapproved by the contracting officer, NASA, or when any item of cost requires or is given specific approval as to nature and amount, a written notice setting forth the contracting officer's (NASA) action and basis therefor will be affixed to the copy of the voucher furnished the auditor and the NACO.

(b) Audit reports pertaining to each cost-type contract will be prepared by the auditor and submitted to the NACO for comment and recommendations to the contracting officer, NASA, with a copy to the NASA Audit Division, at a time or times when, in the opinion of the auditor or the contracting officer, NASA, such audit report is needed or desirable. Audit reports shall be submitted promptly and in accordance with contract terms, and shall be rendered no less than once yearly. A contract audit closing statement shall be prepared by the auditor upon receipt of the contractor's completion voucher. The contracting officer, NASA, will not process the contractor's completion voucher for payment prior to receipt and review of the contract audit closing statement.

(c) Upon receipt of the audit report, the contracting officer, NASA, will determine the allowability of all costs covered by the audit and take action on any other findings or recommendations of the audit report. Amounts determined by the contracting officer, NASA, to be unallowable will be deducted from the next succeeding voucher and a copy of the document setting forth this determination will be attached thereto. The cognizant audit office may be requested to furnish assistance to the contracting officer, NASA, on any matter concerning the negotiation, operation or administration of the contract, as well as with regard to any

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disputes concerning cost matters which fall under the clause of the contract entitled "Disputes."

(d) In addition to the above audits additional requests for audit services may be initiated by the NASA Audit Division.

(5) Inspection and Acceptance. (This paragraph may require substantial revision where NASA intends to perform much of the inspection itself). The Army will perform all inspection and acceptance under the contract, and will complete the DD Form 250 on behalf of the Government, furnishing in all cases a copy to the technical representative of NASA at the contractor's plant or at any other point designated by NASA. The technical representative shall have reasonable opportunity to observe the inspection procedures followed by the NACO.

(6) Contractor's Independent Research and Development. Costs attributable to the contractor's independent research and development programs will be submitted to the contracting officer, NASA, for approval.

(7) Patents. All questions arising under any of the patent and data provisions of the contract will be referred for handling to the contracting office NASA.

(8) Facilities. Requests for approval for the construction or purchase of additional facilities will be forwarded to the NASA contracting officer with recommendations as to whether approval should be granted.

This order and delegation shall be identified as order number _____
Costs incurred in the performance of the foregoing functions are authorized and will be reimbursed upon presenting a SF 1080 to this office. Detailed cost breakdown within a basic contract administration function (Par. 2a of the DA-NASA Agreement) is not required. As an example, manhours and travel need not be shown separately but will be included in the cost as one figure for each basic contract administration function.

It is contemplated that amendments and additions to the understandings reached hereunder may be required from time to time. Except where such amendments and additions are minor in character, they shall be accomplished through supplementary orders to you specifically amending this order. In other respects, a direct relationship between the contracting officer, NASA, and Army Personnel delegated authority to act as the NACO shall be maintained.

I would appreciate being advised as to whether receipt of this delegation of authority, upon the terms and conditions herein set forth, is acceptable to you.

Sincerely yours,

Accepted (Date)

(Signed)
Contracting Officer
NASA Agency

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Commanding Officer

Dear Sir:

I refer to the Agreement entered into as of 1 July 1960 between the Secretary of the Army and the Administrator of the National Aeronautics and Space Administration relating to the performance of contract administration functions by the Army in connection with NASA's contracts. On behalf of NASA and pursuant to Par. 2a(1) of the Agreement, it is hereby requested that the (appropriate Army Agency) perform the following pre-contract execution functions in contemplation of a possible award to the _____ Company: (Specify the particular pre-award function desired as listed in Par 2a(1) of the Army-NASA Agreement).

This order shall be identified as Order Number _____. Costs incurred in the performance of the foregoing are authorized and will be reimbursed upon presentation of Standard Form 1080 to this office. Detailed cost breakdown within a basic preaward function is not required on the SF 1080. As an example, man-hours and travel need not be shown separately but will be included in the cost as one figure for each basic function.

I would appreciate being advised as to whether this order, upon the terms and conditions herein set forth, is acceptable to you.

Sincerely yours,

(Signed)
Contracting Officer
NASA Agency

Accepted (Date)
