

CECW-PR  Regulation No. 1165-2-18	Department of the Army U.S. Army Corps of Engineers Washington, DC 20314-1000	ER 1165-2-18  1 Feb 89
	Water Resources Policies and Authorities  REIMBURSEMENT FOR NON-FEDERAL PARTICIPATION IN CIVIL WORKS PROJECTS	
	<b>Distribution Restriction Statement</b> Approved for public release; distribution is unlimited.	

DEPARTMENT OF THE ARMY  
U.S. Army Corps of Engineers  
Washington, D.C. 20314-1000

CECW-RR

Regulation  
No. 1165-2-18

1 February 1989

Water Resources Policies and Authorities  
REIMBURSEMENT FOR NON-FEDERAL PARTICIPATION  
IN CIVIL WORKS PROJECTS

1. Purpose. This regulation provides guidance on use of Section 215 of the Flood Control Act of 1968, as amended, to reimburse (i.e. credit, repay, or combination) a non-Federal public body for construction of part of an authorized Federal project. It establishes general policies, outlines procedures to be followed in preparing a Section 215 agreement with an eligible non-Federal entity, and provides guidance on the provisions of such an agreement. The actual reaching of an agreement depends, in addition to observance of this guidance, on HQUSACE judgments concerning budget priorities, as set forth in paragraph 4f. All projects specifically authorized by the Congress are subject to this Act and this regulation.

2. Applicability. This regulation is applicable to all HQUSACE elements and all field operating activities (FOAs) having civil works responsibilities.

3. References:

a. Section 215, Flood Control Act (FCA) of 1968, Public Law (P.L.) 90-483, as amended by Section 913, Water Resources Development Act (WRDA) of 1986, P.L. 99-662 and Section 12 of WRDA 1988, P.L. 100-676. (Appendix A)

b. Senate Document No. 10, 90th Congress, 1st Session, "Study of Federal Reimbursement Policy for Work by States and other Non-Federal Entities on Authorized Water Resources Projects." (Contains Secretary of the Army study prepared and submitted pursuant to Section 314 of the River and Harbor Act of 1965, P.L. 89-298.)

c. Section 221, FCA of 1970, P.L. 91-611, as amended by Section 912, WRDA of 1986, P.L. 99-662.

d. ER 1140-2-301

---

This regulation supersedes ER 1165-2-18, 1 November 1988

4. General Policy.

a. The specific limitations put upon the allotment of funds authorized by Section 215, as amended, indicate that only limited use should be made of this authority. It is, therefore, Corps of Engineers policy to recommend use of this authority only in cases that meet all of the following basic conditions: (1) the work, even if the Federal Government does not complete the authorized project, will be separately useful or will be an integral part of a larger non-Federal undertaking that is separately useful; (2) the work done by the non-Federal entity will not create a potential hazard; (3) approval of the proposal will be in the general public interest; (4) only work commenced after project authorization and execution of an agreement pursuant to this regulation will be eligible for reimbursement; (5) proposed reimbursement will not exceed what the District Engineer considers a reasonable estimate of the cost therefor if it were accomplished by the Corps of Engineers as a component of Federal project construction responsibilities.

b. Reimbursement for non-Federal work under Section 215 may take the form of cash reimbursement of the installation costs incurred by non-Federal interests or an equivalent reduction in the project contributions they would otherwise be required to make or, in appropriate cases, for a combination of the two. It is Corps policy that the non-Federal entities be initially compensated by crediting the value of their work against non-Federal contributions toward the Federal project required by the governing legislation. Reimbursement by a cash payment will be allowed only to the extent the value of their work exceeds the total of required non-Federal contributions against which credit may be given.

c. Credit for non-Federal work performed under Section 215 cannot be given against the flood control project requirement for the non-Federal sponsor to provide a 5 percent cash contribution toward total project costs during construction of the project. Credit can be given against all other requirements of local cooperation.

d. Notwithstanding Section 215(e), to the extent that non-Federal costs for project construction work are credited against the sponsor's local cooperation requirement to provide lands, easements, rights-of-way, relocations, and disposal areas (LERRD) for the authorized project, an equivalent financial responsibility for LERRD will shift to the Federal Government. Ordinarily, in such case, the Corps of Engineers will still look to the sponsor for provision of all LERRD requirements but, then, by agreement, will reimburse the sponsor for the related costs to the extent a Federal financial responsibility has been created.

e. Before finally approving any agreement under Section 215, the Assistant Secretary of the Army (Civil Works) will inform the Chairman (Senate and House), Subcommittee on Energy and Water Development, Committee on Appropriations, of the proposed arrangements. Such formal notification of the Committees will not, however, be necessary in cases where the Congress has appropriated funds for construction of the project.

f. Section 215 authority will not be used where it might appear to circumvent the intent of Congress. It will not, for example, be used to initiate work on projects to which either Congress or the President has indicated general opposition or for which they have refused to provide requested funds. Further, the likelihood that the project might be included in Army budget requests for construction appropriations (given the priority accorded to expected project outputs) will be a primary consideration.

g. Section 215(f) authorizes a specific allotment of funds to reimburse non-Federal entities for work accomplished under this section. No such specific allotment has been established, nor is one currently contemplated. Hence, any Section 215 agreement will provide that reimbursement is to be made, or credit given against required contributions, only when construction funds for the Federal project of which the non-Federal work constitutes a part are appropriated by Congress and allocated to the project.

h. Non-Federal work performed under a Section 215 agreement, standing alone, must be environmentally acceptable. Prior to construction, the requirements of the National Environmental Policy Act and other appropriate environmental statutes and executive orders must be satisfied. As is appropriate to each case, construction by a non-Federal entity will require the issuance of permits under the Clean Water Act, the River and Harbor Act of 1899 and/or the Marine Protection, Research and Sanctuaries Act of 1972, as amended. Any necessary State or local permits must also be obtained. (Costs associated with permit requirements are not subject to reimbursement.) A list of related laws which may apply and must be satisfied, when applicable, is set forth at 33 CFR Section 320.3.

i. The non-Federal entity will normally be required to develop the design memorandum, engineering plans, and specifications for the work it proposes to undertake. Subject to policies established in ER 1140-2-301, as modified in paragraph 5b, the District Engineer may provide engineering services with funds advanced by the non-Federal entity if he determines it to be impractical for the entity to obtain the services elsewhere. Non-Federal engineering and overhead costs for the part of the Federal project the non-Federal entity proposes to construct will be eligible for credit or reimbursement.

j. The agreement shall include local cooperation items required by the project authorization and reflect the provisions of Section 221, FCA of 1970, as amended.

k. Non-Federal costs in connection with LERRD which are local cooperation items required by the project authorization are not subject to reimbursement under a Section 215 agreement (and do not count against the Federal limitation respecting Section 215 reimbursement or credit). The costs for provision/accomplishment of any such LERRD, whether for convenience at the time or because they are of concurrent necessity for the construction work to be undertaken by the non-Federal entity under the Section 215 agreement, will be credited, to the extent appropriate, when the Federal project is undertaken, as local cooperation performed.

ER 1165-2-18  
1 Feb 89

1. Reimbursement of non-Federal work under Section 215 will not be considered for the Continuing Authorities Program covered in ER 1105-2-10.

5. Procedures.

a. Non-Federal entities desiring to obtain reimbursement under Section 215 for constructing part of an authorized Federal project should confer with the District Engineer and submit a written proposal to him. This proposal will form the basis for consulting, as needed, with HQUSACE and for deciding whether the proposal meets the policy criteria of paragraph 4, whether to continue under the procedures below, and in what sequence.

b. If Federal preconstruction planning funds are not available to the project and it is considered impractical for the non-Federal entity to prepare a partial design memorandum and/or plans and specifications, the draft agreement may propose that this work be accomplished by the Corps of Engineers through an advance of non-Federal funds for this purpose. Certain advances of funds will be necessary, in any event, to cover other costs which are required on the part of the Corps. Paragraph 11 of ER 1140-2-301 requires that requests to the Appropriations Committees for approval of advances of funds should normally be submitted to the Committees by non-Federal interests outside of Corps of Engineers channels. An exception to that procedure will be made in the case of Section 215 proposals in that the request for approval of related advances will be made a part of the Committee notification process for the overall Section 215 proposal referred to in paragraph 4e, above. Thus, proposed advances of funds for the following purposes will be clearly set forth in the draft agreement: (1) preparation of a partial design memorandum and/or plans and specifications, (2) Corps review of design scheduled for accomplishment by local interests, and (3) periodic and final inspections.

c. The District Engineer will submit for review an unsigned draft agreement to HQUSACE (CECW-RN). All agreements will be prepared for the signature of the Assistant Secretary of the Army (Civil Works).

d. Following review of the draft in HQUSACE and consultation with ASA(CW) staff, the District Engineer will be notified of any required changes and advised to negotiate a final agreement with the non-Federal entity. After signature of the agreement by the non-Federal entity, the District Engineer will forward three copies to HQUSACE (CECW-RN) for execution.

e. When Committee notification has been accomplished, if appropriate, and the agreement signed by ASA(CW), two copies of the fully executed agreement will be transmitted to the District Engineer who will, in turn, furnish one copy to the non-Federal entity.

f. The Division Engineer will review the (partial) design memorandum and, if it meets the relevant criteria in paragraph 4a, will submit it to HQUSACE (CEEC-EB) with recommendations on whether or not the work may proceed subject to credit and/or reimbursement under the agreement.

g. The Division Engineer will approve plans and specifications.

h. The non-Federal entity will award the construction contract or contracts (if the work is to be so accomplished).

i. The District Engineer will conduct periodic inspections.

j. Upon completion of the local work, the District Engineer will conduct a final inspection and will examine the cost data. If the District Engineer is satisfied that performance has been in accordance with the agreement, he will certify the maximum amount of credit or reimbursement to which the non-Federal entity may be entitled under the agreement.

6. Agreements. An agreement with a non-Federal entity for construction of project work under the provisions of Section 215 will:

a. Expire 3 years after the date of execution if the non-Federal entity has not yet commenced the work contemplated by the agreement.

b. State the time allowed for completion of the work. A reasonable time shall be allowed, but normally not over two construction seasons.

c. Fully describe the work to be accomplished by the non-Federal entity and specify the manner in which it will be carried out.

d. The agreement will specify that reimbursement by the Federal Government will not exceed the greater of \$3,000,000 or 1 percent of total project costs (or a lesser amount if, under a previous Section 215 agreement for other project work, a part of the statutory limitation has been used up).

e. Provide for necessary review of designs, plans, and specifications by the District Engineer.

f. Provide for examination and review of proposed contracts and for inspection of the work by the District Engineer for conformance with the terms of the agreement.

g. State fully the basis on which credit and/or reimbursement shall be determined, and provide for the final adjustment when the balance of the Federal project is constructed. If the improvement to be undertaken by the non-Federal entity includes work that will not become a part of the Federal project, the means of determining the part eligible for credit or reimbursement shall be fully defined.

h. State that any reimbursement shall depend upon appropriation of funds applicable to the project and shall not take precedence over other pending projects of higher priority.

i. Specify that credit or reimbursement for non-Federal work shall apply only to that work undertaken after execution of the agreement. The term "work" shall include needed engineering and design as well as actual construction.

ER 1165-2-18  
1 Feb 89

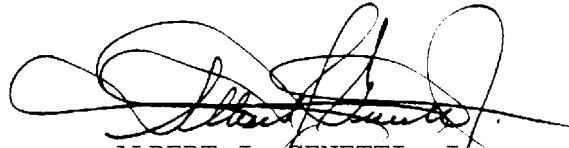
j. State that the agreement is not to be construed as committing the United States to reimbursement if the Federal project is not undertaken, or if the Federal project should be modified in such a way that the work performed by the non-Federal entity does not constitute a part thereof.

k. Contain applicable equal opportunity clauses from Federal Acquisition Regulations (FAR).

7. Format. Section 215 agreements should follow the model format presented in Appendix B, which embodies the policies set forth in this regulation and the requirements of Section 215 itself. This format may be modified to suit the specific case, as warranted. Deviations from the model must be explained in writing, in the transmittal forwarding the unsigned draft agreement to HQUSACE for review.

8. Amount of Credit and/or Reimbursement. The total amount of credit or reimbursement or credit and reimbursement combined shall equal the approved expenditures made by the non-Federal entity for work specified in the agreement, subject to the limitation cited in paragraph 4a(5), above.

FOR THE COMMANDER:



ALBERT J. GENETTI, Jr.  
Colonel, Corps of Engineers  
Chief of Staff

2 Appendices  
App A - Section 215,  
P.L. 90-483,  
As amended  
App B - Model Format,  
Section 215  
Agreements

APPENDIX A  
PUBLIC LAW 90-483, AS AMENDED

An Act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

\*\* \*\* \* \* \* \* \*

Sec. 215. (a) The Secretary of the Army, acting through the Chief of Engineers, may, when he determines it to be in the public interest, enter into agreements providing for reimbursement to States or political subdivisions thereof for work to be performed by such non-Federal public bodies at water resources development projects authorized for construction under the Secretary of the Army and the supervision of the Chief of Engineers. Such agreements may provide for reimbursement of installation costs incurred by such entities or an equivalent reduction in the contributions they would otherwise be required to make, or in appropriate cases, for a combination thereof. The amount of Federal reimbursement, including reductions in contributions, for a single project shall not exceed \$3,000,000 or 1 percent of the total project cost, whichever is greater; except that the amount of actual Federal reimbursement, including reductions in contributions, for such project may not exceed \$5,000,000 in any fiscal year.

(b) Agreements entered into pursuant to this section shall (1) fully describe the work to be accomplished by the non-Federal public body, and be accompanied by an engineering plan if necessary therefor; (2) specify the manner in which such work shall be carried out; (3) provide for necessary review of design and plans, and inspection of the work by the Chief of Engineers or his designee; (4) state the basis on which the amount of reimbursement shall be determined; (5) state that such reimbursement shall be dependent upon the appropriation of funds applicable thereto or funds available therefor, and shall not take precedence over other pending projects of higher priority for improvements; and (6) specify that reimbursement or credit for non-Federal installation expenditures shall apply only to work undertaken on Federal projects after project authorization and execution of the agreement, and does not apply retroactively to past non-Federal work. Each such agreement shall expire three years after the date on which it is executed if the work to be undertaken by the non-Federal public body has not commenced before the expiration of that period. The time allowed for completion of the work will be determined by the Secretary of the Army, acting through the Chief of Engineers, and stated in the agreement.



(c) No reimbursement shall be made, and no expenditure shall be credited, pursuant to this section, unless and until the Chief of Engineers or his designee, has certified that the work for which reimbursement or credit is requested has been performed in accordance with the agreement.

(d) Reimbursement for work commenced by non-Federal public bodies no later than one year after enactment of this section, to carry out or assist in carrying out projects for beach erosion control, may be made in accordance with the provisions of section 2 of the Act of August 13, 1946, as amended (33 U.S.C. 426f). Reimbursement for such work may, as an alternative, be made in accordance with the provisions of this section, provided that agreement required herein shall have been executed prior to commencement of the work. Expenditures for projects for beach erosion control commenced by non-Federal public bodies subsequent to one year after enactment of this section may be reimbursed by the Secretary of the Army, acting through the Chief of Engineers, only in accordance with this section.

(e) This section shall not be construed (1) as authorizing the United States to assume any responsibilities placed upon a non-Federal body by the conditions of project authorization, or (2) as committing the United States to reimburse non-Federal interests if the Federal project is not undertaken or is modified so as to make the work performed by the non-Federal public body no longer applicable.

(f) The Secretary of the Army is authorized to allot from any appropriations hereafter made for civil works, not to exceed \$10,000,000 for any one fiscal year to carry out the provisions of this section. This limitation does not include specific project authorizations providing for reimbursement.

\*\* \*\* \* \* \* \* \* \* \* \* \* \* \* \* \* \*

APPENDIX B  
MODEL FORMAT FOR SECTION 215 AGREEMENTS

THIS AGREEMENT entered into this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, by and between the DEPARTMENT OF THE ARMY (hereinafter referred to as the "Government") acting by and through the Assistant Secretary of the Army (Civil Works), and (NAME of non-Federal entity) (hereinafter referred to as the "Cooperating Agency") acting by and through \_\_\_\_\_,

WITNESSETH, THAT:

WHEREAS, a (identify type of project; e.g. flood control, navigation, beach erosion control, etc.) project (hereinafter referred to as the "Authorized Project") at (location of project) as described in (House/Senate) Document No. \_\_\_\_\_, \_\_\_\_th Congress, \_\_\_\_ Session, was authorized by Section \_\_\_\_ of the (name of authorizing legislation; e.g. Water Resources Development Act of 1986, Public Law 99-662); and

WHEREAS, the Cooperating Agency proposes to perform certain work (hereinafter referred to as the "proposed work") which falls within the work required under the Authorized Project; and

WHEREAS, performance of such work by the Cooperating Agency will (describe the advantages that are associated with non-Federal construction at this time); and

WHEREAS, Section 215 Of Public Law 90-483, as amended, provides that the Secretary of the Army may enter into an agreement to credit or reimburse the costs of certain works accomplished by states or political subdivisions thereof which later is incorporated into an authorized project, when it is determined that such credit or reimbursement is in the public interest; and

WHEREAS, the Secretary of the Army has determined that (CHOOSE ONE: providing the Cooperating Agency credit toward the value of required local coopertion for the project/reimbursing the Cooperating Agency/providing the Cooperating Agency reimbursement, including credit toward the value of required local cooperation for the project,) for the costs of the proposed work to be accomplished pursuant to this Agreement is in the public interest; and

WHEREAS, Section 215 of Public Law 90-483, as amended, limits Federal credit or reimbursement for a single project to no more than \$3,000,000 or 1 percent of total project costs, whichever is greater;

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE 1 - Work to be Accomplished. The Cooperating Agency shall (Fully describe the work to be accomplished the Cooperating Agency, referencing and attaching an engineering plan if necessary.)

ARTICLE 2 - Manner of Performing the Work. (Describe how work is to be carried out, i.e. by contract or other means).

ARTICLE 3 - Review of Designs, Detailed Plans and Specifications. No construction shall commence under this Agreement until the designs, detailed plans and specifications, and arrangements for prosecution of the work have been approved by the District Engineer, U.S. Army Engineer District, \_\_\_\_\_. Proposed changes in approved designs, plans, and specifications also must be reviewed and approved by the District Engineer in advance of the related construction.

ARTICLE 4 - Inspections. The District Engineer or his designee is authorized to inspect the work at any and all times.

ARTICLE 5 - Basis of Credit or Reimbursement. Subject to availability of appropriations and subject to the other limitations set forth in this Agreement, the Government shall (credit/reimburse) the Cooperating Agency for the costs of the proposed work work accomplished on the following basis: (Describe fully the basis on which the amount of credit and/or reimbursement shall be determined, providing for the final adjustment when the balance of the Authorized Project is constructed. If the proposed work to be undertaken by the Cooperating Agency includes work that will not become a part of the Authorized Project, the means of determining the part eligible for credit and/or reimbursement should be fully defined.)

ARTICLE 6 - Limitations on Credit or Reimbursement.

[IF THE PROPOSED WORK IS FOR A FLOOD CONTROL PROJECT, INCLUDE THE FOLLOWING: Credit for non-Federal work performed under this Agreement shall not be given against the requirement for the non-Federal sponsor of the Authorized Project to provide a 5 percent cash contribution during the period of construction of the Authorized Project.]

[IF CONGRESS HAS NOT YET APPROPRIATED FUNDS FOR CONSTRUCTION OF THE PROJECT, INCLUDE THE FOLLOWING: Until funds are appropriated for construction of the Project, this Agreement shall not be interpreted to signify any Federal participation in or commitment to the Project. The Project must compete with all other proposed construction projects for inclusion in the President's budget. Neither this Agreement nor actions taken as a result of this Agreement shall bind or commit the Administration to request or support funding for the Project, nor constitute any representation to that effect.]

(a) Any reimbursement for the work performed by the Cooperating Agency shall be dependent upon the appropriation of funds applicable thereto or funds available therefor, and shall not take precedence over other pending work of higher priority at the same or other improvement projects.

(b) Any work undertaken by the Cooperating Agency prior to the effective date of this Agreement shall not be subject to credit or reimbursement pursuant to this Agreement.

(c) No credit shall be given or reimbursement made unless and until the District Engineer, U.S. Army Engineer District, \_\_\_\_\_, has certified that the work subject to credit or reimbursement pursuant to this Agreement has been performed in accordance with this Agreement.

(d) This Agreement shall not be construed as either committing the Government to assume any responsibility placed upon the Cooperating Agency or any other non-Federal entity by the conditions of project authorization or any other applicable statute or regulation, or as committing the Government to reimburse the Cooperating Agency if the Authorized Project is not undertaken or is modified so as to make the work performed by the Cooperating Agency no longer an integral part of the Authorized Project.

(e) Credit or reimbursement shall not be made for any work which does not, in the judgment of the Government, conform to the description set forth in ARTICLE 1 above.

(f) The amount of credit or reimbursement, or combination thereof, to be provided by the Government to the Cooperating Agency shall not exceed the Government's estimate of what the cost of the proposed work would be if were to be accomplished by the Government as a component of the Authorized Project, or the Cooperating Agency's actual auditable costs for the proposed work, whichever is less. The Government's estimate is \$\_\_\_\_\_, which may be increased at the sole discretion of the Assistant Secretary of the Army (Civil Works).

(g) The amount of credit or reimbursement for which the Cooperating Agency may be eligible pursuant to this Agreement is not subject to interest charges, nor is it subject to adjustment to reflect changes in price levels between the time the proposed work is completed and the time that the credit or reimbursement is afforded.

(h) The amount of credit or reimbursement provided by the Government to the Cooperating Agency for the proposed work described herein, in combination with any credit or reimbursement provided pursuant to any other Section 215 agreements executed for the Authorized Project, shall not exceed the statutory limitation of three million dollars (\$3,000,000) or 1 percent of total project costs, whichever is greater.

(i) The term total project costs shall be understood to mean the sum of Federal and non-Federal first costs upon conclusion of the project construction actually and finally undertaken

ARTICLE 7 - Expiration of Agreement. This Agreement shall expire if the Cooperating Agency does not begin the proposed work within (insert time period; e.g. "one year") thereafter.

ARTICLE 8 - Prosecution of Work by Contract. In the event the cooperating Agency prosecutes the proposed work described herein by contract, all bids received and the proposed provisions of any contract shall be subject to review by the Government prior to contract award. Any such contract shall contain all of the applicable provisions required by Federal laws and regulations, including, but not necessarily limited to, applicable labor and equal opportunity provisions.

ARTICLE 9 - Additional Responsibilities of the Cooperating Agency. The Cooperating Agency shall:

(a) (List all items of local cooperation required by the project document and the following provision.)

(b) Comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, in acquiring lands, easements, and rights-of-way for construction and subsequent operation and maintenance of the proposed work, and inform all affected persons of applicable benefits, policies, and procedures in connection with said Act

ARTICLE 10 - Maintenance and Examination of Records.

(a) The Cooperating Agency shall keep books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to this Agreement to the extent and in such detail as will properly reflect total costs for the work herein. The Cooperating Agency shall maintain such books, records, documents, and other evidence for a minimum of three years after completion of construction of the work herein and resolution of all claims arising therefrom, and shall make available at the offices of the Cooperating Agency, at reasonable times, such books, records, documents, and other evidence for inspection and audit by authorized representatives of the Government.

(b) In the event that any of the proposed work is done by contract, the Cooperating Agency hereby agrees to include in any such contract a provision requiring the contractor and any subcontractor to agree to the same requirements of recordkeeping and record access set out in Article 10(a).

ARTICLE 11 - Federal and State Laws. The Cooperating Agency hereby agrees to comply with all applicable Federal and state laws and regulations, including, but not limited to, the provisions of the Davis-Bacon Act (40 U.S.C. Sec. 276a, et seq.); the Contract Work Hours and Safety Standards Act (40 U.S.C. Secs. 327-333); and Title VI of the Civil Rights Act of 1964 (42 U.S.C. Sec. 2000e, et seq.)

ARTICLE 12 - Officials Not to Benefit. No member or any delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom.

ARTICLE 13 - Covenant Against Contingent Fees. The Cooperating Agency warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Cooperating Agency for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this Agreement without liability or, in its discretion, to subtract from the reimbursement amount the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE 14 - Relationship of Parties. The parties to this Agreement act in an independent capacity in the performance of their respective functions under this Agreement, and neither party is to be considered the officer, agent, or employee of the other.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the authorized representative of the Department of the Army.

THE DEPARTMENT OF THE ARMY

THE COOPERATING AGENCY

BY: \_\_\_\_\_  
(signature)

BY: \_\_\_\_\_  
(signature)

\_\_\_\_\_  
(typed name)

\_\_\_\_\_  
(typed name)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_