

Robert_L_Raasch@Keane.com
12/19/2002 10:22:06 PM

Record Type: Record

To: David C. Childs A-76comments/OMB/EOP@EOP
cc:
Subject: Keane's A-76 Revision Comments

(Embedded image moved to file: pic04474.pcx)

410 Springhill Road, Suite 500, McLean, VA 22102
Telephone: 703-848-7200
Web: <http://www.keane.com>

December 19, 2002

Ms. Angela Styles
Administrator
Office of Federal Procurement Policy
Eisenhower Executive Office Building
Room 352
Washington, D.C. 20503

RE: Performance of Commercial Activities

Dear Ms. Styles:

We appreciate this opportunity to provide these comments on the November 19, 2002 "proposed revision to Office of Management and Budget Circular No. A-76, Performance of Commercial Activities" (67 Fed. Reg. 69769-69774). Keane Inc. is a \$1 billion information technology and operations improvement consulting company headquartered in Boston, Massachusetts.

OMB's proposed revisions to Circular A-76 are long overdue and represent a clear improvement over the current Circular. We applaud OMB for taking an important, initial step.

We particularly support the inclusion of a policy statement that all activities are "presumed to be commercial" unless specifically justified otherwise, as this reinforces and supports the longstanding policy of both Democrat and Republican Administrations to rely on the private sector for the provision of commercial goods and services. We also support the provisions that eliminate unfair competition under Agency-to-Agency arrangements. The revisions significantly restrict the current practice of permitting Federal agencies to obtain commercial work non-competitively from other Federal agencies and for state and local governments.

While the revisions contain many important improvements, we believe that additional changes must be made in order to achieve the vision of a fair, transparent, accountable, and effective process. Those areas include, but are not limited to, more equitable treatment of public and private sector offers, eliminating unnecessary restrictions on the use of real best value processes, making more broadly available the many acquisition strategy options offered by the FAR, and establishing clear timelines for further revisions.

We are especially concerned about the lack of attention to "unsolicited proposals" in the proposed revisions. Agencies should be required to consider unsolicited proposals under the Federal Acquisition Regulations without triggering the A-76 process. In an era when the government is appropriately seeking to foster more performance-based contracting, all solutions should be invited ? from those involving little technology to solutions that are far more sophisticated. The government then determines which solution meets a combination of performance and budget requirements. Under the proposed revision, the government is guaranteed to have the opportunity to bid even if the government does not have the technical capabilities to propose a more sophisticated approach. Thus, there will be no incentive for companies to propose unsolicited high-performance solutions. Indeed, the likely outcome of having the government always guaranteed a seat at the finalists' table is that performance requirement will be tied to the government's existing documented capabilities, rather than new, more innovative solutions. Companies that have invested in innovation and excellence will thus be strongly disincentivized to propose unsolicited top-quality, contemporary solutions since they would certainly have little or no chance of winning. Moreover, the government's laudable goal of fostering more performance-based contracting strategies will become ever more difficult to achieve.

Thank you for the opportunity to provide these comments. We look forward to working with OMB on efforts to improve the federal sourcing process. Should you have any questions, please feel free to contact my office at the telephone number below.

Sincerely,

Robert Raasch
Director of Strategic Practices

(See attached file: Keane A-76 Revision Comments.doc)

- pic04474.pcx
- Keane A-76 Revision Comments.doc