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To: David C. Childs A-76comments/OMB/EOP@EOP
cc:
Subject: Letter of Support

<<Federal Circular 76 support letter 121602.doc>>

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December 16, 2002

Mr. David C. Childs
Office of Federal Procurement Policy
Office of Management and Budget
725 17th Street, NW
New Executive Office Building-Room 9013
Washington, D.C. 20503

Dear Mr. Childs:

On behalf of STS Consultants, Ltd., a 500 person engineering and environmental consulting firm with offices in Illinois, Wisconsin, Michigan and Minnesota, I would like to comment on the proposed revisions to OMB Circular A-76. We applaud your office's positive efforts to restructure Circular A-76 to align it with Federal Acquisition Regulations (FAR). The proposed revisions provide a defensible process for the Administration's competitive sourcing policy, allowing the private sector to fairly compete for public contracts.

We are particularly supportive of the language to expand competition to include services provided under commercial interservice support agreements (ISSA). In the past, these types of agreements were typically off-limits to private industry, which has not allowed for efficiency, innovation and best value to taxpayers.

We also applaud your office's recognition of the importance of restricting Federal agencies from displacing private sector firms by providing services to state or local governments. Many Federal agencies continue to aggressively market their services to state, local and tribal governments, often by providing matching funds. Engineering companies simply cannot compete with agencies that offer partial project funding.

Lastly and again on behalf of STS, I urge OMB to fully recognize qualifications-based selection (QBS) procedures described in FAR Part 36 when writing the final rule for the A-76 revisions. I serve as Chairman the QBS Committee Chairman for ACEC WI Chapter. For many years there has been a conflict between Circular A-76 procedures and Federal law that mandates QBS for architectural and engineering ("A/E") services (40 USC § 541 et seq). This conflict should be addressed in the revised circular to ensure that the government selects the company that is most qualified/highest value to meet a project's needs. Since the proposed A-76 revisions are largely based

on the FAR, inclusion of an exemption for direct conversion of A/E services would align the new A-76 process more closely with FAR Part 36.

Again, we commend OMB for the clarity with which these revisions to Circular A-76 were developed and appreciate the opportunity to submit these comments.

Sincerely,

STS Consultants, Ltd.

Peter J. Harris
Government Services Manager