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

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December 17, 2002

Mr. David C. Childs  
Office of Federal Procurement Policy  
Office of Management and Budget  
725 17<sup>th</sup> Street, NW  
Washington, DC 20503

Dear Mr. Childs:

On behalf of my firm, Pennoni Associates, I am writing in support of several revisions to OMB Circular A-76 and several related policy documents that govern how the Federal Government obtains goods and services. Our company and its employees applaud the underlying premise behind these revisions, which is that all activities currently performed by the Federal government are presumed to be commercial in nature unless they are justified as inherently governmental.

Alignment of OMB Circular A-76 with the Federal Acquisition Regulations (FAR) is a very sound decision. With the exception of dealing with the procurement of Architectural-Engineering services that will be discussed later in this document, it will facilitate the Administration's competitive sourcing policy and ensure "apples to apples" comparisons in any resulting competition between the private sector and government agencies that are commercial in nature.

Leading edge companies such as ours provide the ideas, innovations, studies, designs, and related services upon which projects are based. These significantly impact life-cycle costs and ability to satisfy customers. We applaud the decisions to end "back door" inter- and intra-service agreements (ISSAS) that preclude our being considered and to restrict Federal agencies from aggressively marketing their services to our clients – state and local governments – often using the gambit of partial funding at taxpayer expense.

I call to your attention, however, a conflict between the revised Circular A-76 and the statutory requirements for the procurement of Architectural-Engineering services. The procurement of these unique services is done through "Qualifications Based Selection" (QBS) and not simply on the basis of cost, as prescribed under (40 USC Section 541 et seq.). An approach needs to be crafted to enable Federal agencies to compete in a manner consistent with the statute.

We strongly support the suggestions that are being made by our various industry organizations to address this matter consistent with statutory requirements. There is no justification for the Federal government to

have this costly and redundant capability when such are readily available from a more efficient and innovative private sector.

Our company and its employees applaud this courageous initiative to issue a revised OMB Circular A-76 and appreciate this opportunity to comment on them.

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Pennoni Associates is a professional engineering consulting firm of over 600 people in the Mid-Atlantic and New England regions. We have been providing consulting services to both public and private sector clients since 1966, and look forward to our continued success in the Federal government market in both Homeland Security and Department of Defense assignments.

Very truly yours,

PENNONI ASSOCIATES INC.

Anthony S. Bartolomeo, P.E.  
President