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To: David C. Childs A-76comments/OMB/EOP@EOP
cc:
Subject: Comments on Proposed A-76 Revisions

December 19, 2002

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

Dear Mr. Childs:

Pursuant to your request for comment, the Department of Health and Human Services (HHS) has reviewed the proposed revisions to OMB Circular No. A-76 and these are our consolidated official Department comments. The attached comments pertaining to Attachment C and Attachment D are the most important to the Department. In addition, several general, but overriding concerns follow:

We request HHS organizations undergoing review be permitted to continue with planned competitions and direct conversions reported in the Department's FY 03 Competitive Sourcing Plan, using current guidelines. We have a number of studies in progress, which are due to, be complete by September 30, 2003.

Although comprehensive, the range of proposed Interservice Support Agreement reviews may have the unintended consequence of supplanting OMB and Department efforts to centralize and consolidate like services. Such a wide-scale review could lead to sub-optimal utilization of scarce resources and directly conflict with other objectives designed to achieve government economy.

Elimination of the present streamlined review process gives pause for concern. While the newly proposed Business Case Analysis (BCA) Process may be considered a substitute, it is not a viable alternative to either direct conversion or the proposed standard competition process. The thresholds for entry and process accomplishment substantially mitigate the credibility of the BCA as a meaningful streamlined methodology.

Thank you for the opportunity to comment. Your efforts to totally revamp the present circular and review all comments received is truly appreciated. Bob Noonan or myself are always available for your questions and comments. Bob may be reached at (202) 205-4650 and I may be reached at (202) 690-6901.

Marc R. Weisman
Acting Deputy Assistant Secretary for

Grants and Acquisition Management

Enclosures