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Please respond to dmceng@pacbell.net

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

cc:

Subject: Proposed Revisions to OMB Circular A-76

December 12, 2002

Mr. David C. Childs

Office of Federal Procurement Policy  
Office of Management and Budget  
725 17<sup>th</sup> Street, NW  
New Executive Office Building-Room 9013  
Washington, D.C. 20503  
Dear Mr. Childs:

DMc Engineering is pleased to comment on the proposed revisions to OMB Circular A-76. I applaud your office for its positive efforts to restructure Circular A-76 to align it with Federal Acquisition Regulations (FAR). The proposed revisions will pave the way for the Administration's competitive sourcing policy, allowing the private sector to fairly compete for public contracts.

I am particularly supportive of the language to expand competition to now 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.

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

Sincerely,

**DMc ENGINEERING**

Derek J. McGregor, P.E., P.L.S.

Principal

DJM:nb