



18070 Letter

UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

B-202119

May 4, 1981

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Mr. William J. Maraist
Assistant Administrator for
Regulations
Office of Federal Procurement
Policy
Office of Management and Budget
Executive Office of the President

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Dear Mr. Maraist:

By letter of February 6, 1981, you requested our [comments on a draft segment of the Federal Acquisition Regulation covering ~~Subpart 7.3~~, Contractor Versus Government Performance]. The subpart prescribes policies and procedures for use in acquisitions subject to Office of Management and Budget Circular A-76, Policies for Acquiring Commercial or Industrial Products and Services Needed by the Government, and its Cost Comparison Handbook, Supplement No. 1.

At the outset we note that while Circular A-76 is controversial, and the procedures established to implement it have not been completely accepted by all interested parties, including us, we support the general policy of the circular. However, we believe sections 7.306(a) and (b) of the draft segment should be revised to clarify that bids and offers will be evaluated in accordance with the terms of the solicitation and applicable regulations, such as adjustments for prompt payment discounts or the Buy American Act, prior to being compared to the Government cost estimate of in-house performance.

We have no further comments to offer.

Sincerely yours,

Harry R. Van Cleve

Harry R. Van Cleve
Acting General Counsel

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