

of negotiated contracts as required by Public Law 87-653 which applies to the Department of Defense, the National Aeronautics and Space Administration, and the Coast Guard and by the Federal Procurement Regulations which apply to the remaining Federal agencies. Although the Federal Property and Administrative Services Act of 1949 has not been amended to require cost or pricing data, the General Services Administration has included a requirement for furnishing such data in the Federal Procurement Regulations similar to the requirement in Public Law 87-653. The General Services Administration determined, however, that the requirement should not be applied to architect-engineer contracts because of their special characteristics.

Representatives of the Department of Defense advised us that the cost or pricing data requirements of Public Law 87-653 are being applied without distinction as to whether or not architect-engineer services are involved. A representative of the General Services Administration advised us that consideration will be given to revising the Federal Procurement Regulations to provide for such application. We believe that cost or pricing data should be required by all agencies in contracting for architect-engineer services. The Bureau of the Budget advised us informally that it agrees with our views in the matter.

We also examined into the requirement of Public Law 87-653 that, in all negotiated procurements in excess of \$2,500, proposals be solicited from the maximum number of qualified sources consistent with the nature and requirements of the supplies or services to be procured and that discussions be conducted with all responsible offerors whose proposals are within a competitive range, price and other factors considered. The General Services Administration has included a similar requirement in the Federal Procurement Regulations. Although most of the construction agencies of the Government are subject to this requirement, they generally solicit a proposal only from the architect-engineer firm selected on the basis of technical ability. In our opinion, this negotiation procedure does not comply with the above statutory requirement.

Agency representatives advised us that they are opposed to the concept of soliciting multiple competitive proposals. The Department of Defense advised us that it believes that its present architect-engineer selection procedures constitute the maximum competition consistent with the nature and requirements of the services being procured. The Department of Defense also stated that, until the architect-engineer community demonstrates that it is prepared to countenance competition on price as well as on other factors, the Department, believing that it is complying with Public Law 87-653, would intend to proceed as before.

Representatives of the architect-engineer professional societies advised us of their belief that the legislative history of Public Law 87-653 constitutes substantial ground for concluding that the competitive negotiation requirements of the act were not intended to apply to architect-engineer services.

We find no present statutory basis which would exempt architect-engineer contracts from these requirements. Therefore, we are of the opinion that the present negotiation procedures and practices do not conform with these requirements. Recognizing, however, that the problem of how architect-engineer services can best be obtained is a complex one, we have advised the agencies that present procedures may be followed until the Congress has had an opportunity to consider the matter.

Although we are of the opinion that the procurement of architect-engineer services is and should be subject to the competitive negotiation requirements of Public Law 87-653, we think that, in view of past administrative practices in the procurement of such services, it is important that the Congress clarify its intent as to whether the competitive negotiation requirements of the law are to apply to such procurements. Should the Congress determine that it is not so intended, we believe that the law should be amended to specifically provide for an exemption for this type of procurement.

Absent a clarification of congressional intent, we are of the opinion that the Department of Defense should appropriately revise the Armed Services Procurement Regulation to reflect a proper implementation of Public Law 87-653. Also, we are of the view that the General Services Administration should similarly revise the Federal Procurement Regulations so as to ensure uniform procedures with reference to the procurement of architect-engineer services.

Further, we examined into the methods employed by Federal agencies to compute an estimate of the architect-engineer fee for purposes of negotiation. The most commonly used methods are the detailed analysis method and the