

Chairman PROXMIRE. Where we have competitive negotiations it would seem logical to provide that if the procurement is over a certain amount, say \$1 million, there you ought to apply the full rigors of insisting on getting accurate cost data.

Mr. WEITZEL. Without reference to the policy question, I think the law does leave some leeway because it says "the requirements of the subsection," with respect to the furnishing of a certification and so forth, "need not be applied to contracts or subcontracts where the price negotiated is based on adequate price competition," and so forth. It doesn't absolutely exempt them.

Mr. BAILEY. That is correct. It is permissive rather than mandatory.

FEES FROM ARCHITECTS AND ENGINEERS

Chairman PROXMIRE. Let me ask you this other question. This is a question which concerned me quite a bit on architects and engineers being picked on a competitive basis.

Business Week of November 25 has this item. It says:

The drive within the government to introduce price competition into fees for the services of architects and engineers has been stopped cold in Congress by an uprising of engineering professional societies. Merit, not price, should be the sole criterion for picking engineers.

And it quotes a Congressman as saying that:

As Chairman of a strategic subcommittee on Government activities, he is in a position to enforce his warning to the Comptroller General to quit trying to introduce the price issue. The General Accounting Office opposes the traditional flat 6 percent for most engineering services. New York engineer Richard S. Tatlow III took charge of the engineers' battle against the GAO. By last week his group had convinced, the Congressman, that the present provisions on the subject are "Taut, beautifully drafted statutes."

I stuck my neck out and introduced legislation along this line and, of course, it was received with great "joy" by the architects and engineers in Wisconsin who let me know how they felt. What can you say to resurrect my battered corpse?

Mr. STAATS. We have been involved in this subject for a considerable length of time. The issue is not as indicated in this article that you referred to, merit versus price. We think the Government is not getting all the merit that it needs under the present procedure, if we want to be blunt about it.

Chairman PROXMIRE. And as we look around at some of the architectural beauties of Washington, I think it is pretty easy to document that.

Mr. STAATS. The present procedure that is being followed, in brief, is that a single contractor will be selected based upon the knowledge of the contracting agency of this individual's background, experience, and perhaps his interest in that particular type of construction. Negotiations will be entered into, including price. If they cannot satisfactorily reach an agreement, then they select a second contractor, and so on. We became concerned with this problem as a result of a situation in a contract, I believe, with the National Aeronautics and Space Administration. The House committee concerned with NASA matters asked us to review the matter further, looking at this as a part of a broader problem because it was the committee's view that they could not deal with the situation in NASA except in the framework of the Government-wide policy. And they were correct. We made an extensive analysis of this problem and it was our conclusion