



Army Secretary Halts In-sourcing

By Jack Moore

Feb 4, 2011

The Army is halting ongoing in-sourcing plans, effective immediately, according to a memo from Army Secretary John McHugh released earlier this week.

In its place, McHugh said any plans to phase private contractor positions into in-house government ones would have to cross his desk.

“In an era of significantly constrained resources, the Army must approach the in-sourcing of functions currently performed by contract in a well-reasoned, analytically based and systemic manner,” he said in the memo.

So, going forward, all in-sourcing proposals must be “fully documented and justified,” the memo states. “Any proposal will include, at minimum, a manpower requirements determination, an analysis of all potential alternatives to the establishment of permanent civilian authorizations to perform the contracted work, certification of fund availability and a comprehensive legal review.”

The memo was first released by industry group the Professional Services Council, which has offered praise for McHugh’s plan, saying it represents the “right approach to in-sourcing,” in the words of PSC President and CEO Stan Soloway.

“We have said all along that all sourcing decisions for clearly commercial work — whether insourcing or outsourcing — must be done strategically with the best interests of the government mission and American taxpayer in mind,” he added.

©2011,Executive Mosaic LLC, ALL RIGHTS RESERVED