

## **New Insourcing Rules Go Down with Withdrawn Appropriations Bill**

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Yesterday, Senate Majority Leader Harry Reid (D-NV) was forced to pull the \$1.1 trillion fiscal 2011 Appropriations Omnibus bill off the Senate calendar. The bill's demise not only takes more than \$8 billion in earmarks, over \$1 billion in healthcare reform funding, and \$158 billion for the war in Afghanistan off the table, it also imperils new rules that would have required federal agencies to step up efforts to make sure certain kinds of jobs are not being contracted out to the private sector.

The provision (Section 741 of the bill) would have required agencies to report what they have done to convert jobs that were outsourced to contractors and bring them in-house for performance by federal employees. Such efforts would not only pertain to so-called inherently governmental functions, which are jobs that only federal employees can do, but also work considered "closely associated" with inherently governmental functions and even work deemed "critical" to an agency's mission.

Contractor trade groups quickly pounced on the provision, calling it an open invitation for wanton, indiscriminate insourcing which would kill jobs, cripple the government, and probably lead to dogs and cats living together and mass hysteria.

Contractors will probably be spared this disaster of biblical proportions. Aside from the scuttled appropriations bill, there is speculation that the new Congress will severely curtail the Obama administration's insourcing initiative. The opening salvo in the battle could take place in just a few weeks when the Office of Federal Procurement Policy (OFPP) releases new guidelines on work that should be performed by federal employees.