



Cut Defence Contractors to Save Money

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Before he retired, Lt.-Gen. Andrew Leslie recommended cutting back on the number of contractors working at DND to free up money for the future.

It seems there are those in the U.S. who are pushing for a similar effort. This is from the Project On Government Oversight:

This week, Defense Secretary Leon Panetta is poised to deliver his recommendations on at least \$450 billion in defense cuts over the next ten years, according to The New York Times. Although the paper outlines several important potential cuts (in a nifty multimedia chart), it fails to include on its list of targets something that should have a huge bull's eye: Department of Defense (DoD) service contractors.

According to the Pentagon's own analysis of personnel costs dated January 2011, service contractors are "increasingly unaffordable." That same analysis goes on to say that "the savings are here" and growth in spending on service contractors "has been unchallenged." The chart shows that former Defense Secretary Robert Gates' short-lived insourcing initiative only touched a tiny speck of the hundreds of billions the DoD spends each year on service contracting.

POGO found in its "Spending Less, Spending Smarter" report, that reducing spending on DoD service contractors by 15 percent would save about \$300 billion over ten years. In FY2010 alone, DoD service contractors cost taxpayers more than \$200 billion—\$50 billion more than the cost of all uniformed personnel. Also, POGO's analysis of 35 comparable job occupations fulfilled by federal employees and by government contractors found that, on average, contractors cost significantly more than federal workers.