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Official: Contractors Will Still Play 'a Vital Role'

By Joe Davidson

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The mix of government work done by federal employees and that done by outside contractors is out of balance, but the right balance doesn't necessarily mean having those employees do more of the contractors' work, the Obama administration planned to tell Congress Thursday.

"While contractors play, and will continue to play, a vital role, there are situations where the mix of work performed by our federal employees and contractors is out of balance – where agencies have contracted out functions that should be performed by federal employees," Daniel I. Gordon, the procurement policy administrator for the Office of Management and Budget, said in testimony prepared for a Senate Homeland Security and Governmental Affairs subcommittee.

But, he also said the administration does not anticipate that its plans to right that balance "will lead to a widespread shift away from contractors." In fact, he continued, "rebalancing does not require an agency in-source, to convert work from contract to in-house performance."

In addition to bringing some jobs back inside the government, rebalancing the mix could include maintaining sufficient federal staffing to manage the contractors, Gordon explained. President Obama's fiscal 2011 budget proposal includes \$158 million to build the government's acquisition workforce, which did not grow nearly as much as outside contracting during the Bush administration.

In his opening statement, Sen. Daniel K. Akaka (D-Hawaii) chairman of the federal workforce subcommittee, expressed particular concern about the use of contractors in the Department of Homeland Security. "More than seven years after DHS was created, the department remains too heavily reliant on contractors to provide services that are critical to the agency's mission," he said.

Akaka said that "the closer contractors come to supporting inherently governmental functions, the greater the risk of influencing the government's decision making process. However, the line between inherently governmental activities and commercial activities has been blurred."