

Customs, Border Bureau Forges Ahead on Insourcing

By Robert Brodsky

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Insourcing might be slowing down at many federal agencies, but at the Homeland Security Department's Customs and Border Protection bureau, the push to federalize private sector functions is picking up steam.

During a conference on Wednesday in Washington, Ken Ritchhart, deputy assistant commissioner for the Office of Information and Technology at CBP, said his unit planned to cut about 1,200 contractors and replace them with 1,000 new federal employees, according to media reports. The technology office employs more than 3,200 contractors.

The plan to use federal employees rather than contractors would save up to \$40,000 annually per worker, Ritchhart told attendees of an executive session hosted by the American Council for Technology-Industry Advisory Council, according to the reports. The office expects to save a total of \$40 million through its insourcing initiative, in part by relying on entry-level hires.

The insourcing initiative is already under way, Ritchhart reportedly told conference attendees. CBP has cut about 200 contract workers and hired 700 new IT staffers. The office's budget, meanwhile, has been reduced by more than \$300 million during the past two years.

A CBP spokeswoman did not respond to requests for comment about the proposed contractor cuts.

The Homeland Security Department traditionally has relied heavily on contractors. In 2010, DHS Secretary Janet Napolitano told the Senate Homeland Security and Governmental Affairs Committee the department employed about 200,000 contractors and 188,000 federal employees, excluding uniformed members of the Coast Guard.

Napolitano initiated a plan in 2009 to rebalance the department's workforce through aggressive insourcing and the elimination of several private sector functions. A spokesman was unable to provide recent data on the number of private sector functions that have been brought back in-house departmentwide.

Elsewhere, insourcing appears to have slowed down, in part due to a hiring freeze at Pentagon offices and agencies. But insourcing has been allowed to continue at the military services, which are exempt from the fiscal 2011 billet freeze.

Defense Secretary Robert Gates did not mention insourcing last week when he announced that the department had identified a total of \$154 billion in efficiencies over the next five years through cutting overhead, improving business practices and eliminating troubled programs.

Insourcing also could be falling out of favor with lawmakers. The 2011 Defense authorization bill President Obama signed earlier this month was stripped of several provisions that would have expanded insourcing opportunities, and the law included language prohibiting agencies from establishing an "arbitrary" insourcing goal or target. The Defense Department and the Government Accountability Office will be required to examine the governmentwide insourcing initiative.

Lawmakers have yet to introduce any legislation in the 112th Congress that would restrict federal insourcing. But several congressional panels are reportedly planning to look at whether the initiative is being implemented strategically.

The Office of Management and Budget's Office of Federal Procurement Policy is expected to issue final guidelines soon on work federal employees must perform.

