



## DoD Bills Put Focus on Acquisition and Insourcing

In defense authorization bills, Congress shows preference for insourcing; attempts to end quotas, limit cost-comparison factors

By Matthew Weigelt      Jun 21, 2010

Both the House and the Senate are attempting to take a more focused approach to acquisition reform in their respective versions of defense authorization bills, two industry experts today said.

Congress is addressing issues around insourcing in their respective versions of the fiscal 2011 National Defense Authorization Act, according to Stan Soloway, president and chief executive officer of the Professional Services Council.

The House passed its bill May 28. The Senate Armed Services Committee approved its version June 4, but the full Senate has yet to consider the legislation.

In a briefing today on both bills, Soloway pointed out several insourcing-related provisions in the House's version of the annual authorization bill. The House would prohibit the Defense Department from setting quotas for insourcing federal jobs. It would not allow DOD to consider the value of employer-sponsored health plans and retirement benefits provided by both DOD and private government contractors with regard to its insourcing decisions, which often are based on cost comparisons.

Furthermore, the House's bill would allow agency officials to give preference to insourcing.

Soloway said the provision would encourage insourcing of currently contracted out and new jobs. But the provision, offered as an amendment by Rep. John Sarbanes (D-Md.), lacks strategy and is unhelpful, Soloway said. It also contradicts the Obama administration's view on insourcing, he added.

In speeches and hearings, Office of Federal Procurement Policy (OFPP) Administrator Daniel Gordon and his staff have urged agency officials to be strategic about what work they insource. For instance, as OFPP ordered, agencies have drawn up strategic human capital plans for developing their acquisition workforces.

"The right answer isn't just throwing more numbers into the workforce," Joanie Newhart, OFPP's new associate administrator for acquisition workforce programs, said in May.

In general though, the administration said in May that it supported the House's passage of its authorization bill.

As for the legislation, Alan Chvotkin, executive vice president and counsel for the Professional Services Council, said Congress is looking for ways to speed up the procurement process but only in certain areas. Congress has already given DOD the authority to buy information technology faster. Now though, the Senate has proposed rapid acquisition authority for urgent operational needs. The House would allow DOD to more quickly buy in cases of combat and safety emergencies.

Chvotkin said the department might have a problem deep down in its acquisition procedures, if all of these individual purchasing segments need special authority.

"This could be a broader issue," he said.

Once the Senate passes its authorization bill, the House and Senate will set up a conference committee, which will work out the differences between the two bills. Once ironed out, the legislation will go to the president.