



Don't Cut Corners on Insourcing Transitions

Agencies need to transition positions without losing institutional knowledge

By Peter G. Tuttle

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In a recent article at the Huffington Post about the term “inherently governmental”, David Isenberg hit the nail on the head: “Trying to define the term is like trying to nail Jell-O to the wall; only nailing Jell-O is easier.”

But how the Office of Federal Procurement Policy finally defines the term — and how it crafts and implements the resulting policy — could have a significant effect on federal and contractor employees and organizations and the overall governance process.

The issue of who performs inherently governmental, critical and sensitive services is tremendously important to the federal acquisition community, the government, Congress and taxpayers. We collectively must trust that the right people are making and executing the right decisions and that they are doing it on behalf of taxpayers.

Essentially, the government created the current situation by its mismanagement of its human capital resources, its poor business practices, and its failure to use effective governance processes to ensure that the acquisition process retains a high level of trust. The policy in question is an indictment of government inefficiency rather than contractor abuses.

Nevertheless, the government needs to embrace and implement an effective governance structure to ensure that decisions are made only by those who have the authority to make them — not some shadow workforce or those without the proper authority.

Federal agencies can't simply hire their way out of this mess. The new hires probably will not have the skillsets and experience to perform the tasks that agencies need. Those workers need training and acclimation, which can take years. Agencies can't realistically expect to transition duties from contractors overnight without risking mission failure. Instead, they must develop common-sense plans to transition positions from contractors to in-house employees over time. And they need to establish some type of path for transitioning selected duties without losing the knowledge that exists in the organization or the people who already perform those functions.

One of the prerequisites for developing a strategic human resources or function transition plan is a top-down analysis of what activities an agency is performing versus what it should be performing to accomplish its mission. Over time, agencies have created and inherited functions and been assigned activities by Congress or the White House that might not be germane to their primary public goal.

One example is the operation of a franchise fund, in which an agency manages acquisition/procurement activities for other agencies. In some cases, that approach makes sense. But the functions have grown into their own revenue-generating operations as fee-for-service activities. Perhaps Congress should re-evaluate agency missions and eliminate those that do not directly contribute to the agency's performance of its primary public mission.

As OFPP officials state in their proposed policy letter, the success of this process of defining inherently governmental will depend a great deal on the “exercise of informed judgment by agency officials.” The translation: good management. Poor management at any number of government levels is exactly what got us where we are today.