



Federal Procurement Chief Says to NCMA: "Insourcing is Not a Goal"

12/10/2010

By Sean Tucker

"Let me say this clearly," the federal government's chief procurement officer said today, "Insourcing is not a goal."

White House Office of Federal Procurement Policy Administrator Daniel Gordon spoke to an audience of 700, most of them contracting officers and other government procurement officials, at the 29th Annual Government Contract Management Conference, hosted by the National Contract Management Association this afternoon. Speaking briefly before taking questions, he hit on a wide range of topics, but returned again and again to the theme that government needs to communicate more clearly with industry.

"Insourcing is a solution to a problem," Gordon said. "We need to be sure that, when we use contractors, we use them for work that is appropriate. They shouldn't be performing inherently governmental functions. But addressing that problem should not lead to massive insourcing."

Gordon does see a need to insource some positions. He explained, "Too often, I visit agencies and find that, in their IT programs, for instance, there is no federal employee who understands the agency's systems. Not one. That's not appropriate and safe for the government."

But, he concluded, "People have been telling stories that made it sound like, at some agencies, insourcing was a goal. It isn't."

Gordon celebrated what he called great progress the Obama administration has made in reforming federal contracting. "If you ask me if we've made enormous progress on every initiative I'd say no," he said, "but we are moving in the right direction after years of allowing the ship to move, and in some cases even directing it, in the wrong direction."

Gordon credits that success to a larger acquisition workforce. "I hear a lot of these complaints that we have a lot of new, inexperienced people," he said in response to an audience question.

"I want to stop and say 'whoa whoa whoa, wait a minute...we have lots of new people! For the first time in 15 years! If this is the biggest problem we have, let's celebrate that we finally have this problem!'"

Still, he admits, there is a lot of training that needs to be done. In 2011, he hopes to increase the training offerings, not just for Contracting Officers, but for Contracting Officer's Technical Representatives. "The COTR can't be effective as the eyes and ears of the contracting officer if he's overworked and undertrained," he said, "so we are beefing up the position, beefing up the training."

As for training new Contracting Officers, Gordon hopes to focus more attention on their work in the early phases of the solicitation process. "We've been too focused on the middle phase -- who should get the contract," he told the crowd. "In my opinion, that area is not where our greatest weakness is. That part of the process actually works reasonably well. Our greatest weakness is in the first phase -- acquisition planning, writing requirements, and in the third phase -- program management."

Part of the problem in those phases, Gordon says, is widespread government fear of communicating too much with contractors. "I worry that, from what I hear, we're doing the minimum we can get away with in terms of sharing information. We should be doing the maximum that we can get away with to share information with industry."

Gordon referred frequently to a planned OMB "mythbusting campaign," announced by federal Chief Performance Officer Jeffrey Zients last month. The campaign is aimed at clarifying, for contracting officials, what communications with industry are allowed.

He explained, "We are not asking for new regulations, we are not changing the FAR, because we strongly believe that existing guidance has been misapplied, and will allow us to communicate more with industry. It is very important to us to increase communication between industry and the government. But," he admitted, "It is a significant cultural change."