

GAO Faults Pentagon Data Measuring Insourcing

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Days before the release of the Obama administration's fiscal 2013 defense budget, the Pentagon's three-year effort to move more contractor work in-house drew criticism from auditors for lacking clear and internally consistent data measuring progress.

The Government Accountability Office, in an assessment released Thursday and required under the 2011 Defense Authorization Act, found that the Defense Department did not report how many contractor employees were moved into government staff positions because it does not keep such data. Pentagon officials told GAO they focus on services delivered by contractors and leave it up to contractors to determine the number of employees needed to do a job.

Defense officials do track the number of new civilian positions authorized as a result of the 2010 insourcing initiative, which is designed to better control functions deemed inherently governmental and to reduce the \$200 billion spent annually on contractors. But Congress, the auditors said, required the Office of the Undersecretary of Defense for Personnel and Readiness to report use of contractors in terms of full-time equivalents.

GAO also faulted the reliability of data that Defense managers assembled from components of the department. The Navy's Fleet Forces Command, for example, categorized 348 of 354 new insourcing authorizations as "inherently governmental when they should have been designated as exempt from private sector performance for continuity of infrastructure operations," auditors said.

Nor did the data collected on insourcing properly align with strategic workforce plans, GAO added. Such plans could well change in the coming budget year, according to outside analysts.

Finally, Defense managers acknowledged that they had "coded jobs by occupational series, such as budget analyst, while the insourcing report used function codes indicating broad areas of work, such as logistics." There is no crosswalk between the two, the report said.

Defense officials agreed that creating better metrics would help them continue using insourcing to find the right workforce mix to maintain readiness while assuring that all inherently governmental functions are performed by federal employees.

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