



# GAO Finds Civilian Agencies Slow to In-source Jobs

October 6, 2009

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Despite the push by the Obama administration, none of the top nine civilian agencies have drafted guidelines explaining how managers should bring work back into the government once contracted out to vendors.

The Government Accountability Office issued a report today evaluating how the civilian agencies that spent about 80 percent of all dollars on services are meeting the Congressional mandate. In the Omnibus Appropriations Act of 2009, lawmakers required civilian agencies to develop in-sourcing guidelines by mid-July 2009.

The Office of Management and Budget followed in July with guidance to agencies about the multi-sector workforce that addressed bringing work back into the government.

Auditors found only the State Department partially met the July deadline, by issuing preliminary guidelines on the multi-sector workforce, but did not address in-sourcing. State officials told GAO that it is running a pilot program that will finish in April 2010 and then it will issue guidelines.

Three other agencies—the departments of Energy and Homeland Security and NASA—drafted, but have not issued directives. Five others—the General Services Administration and the departments of Health and Human Services, Justice, Transportation and Veterans Affairs—still are working on draft guidelines. GSA told GAO that it planned on releasing its initial in-sourcing directive in October.

"Agency officials told us that they delayed their efforts to develop or issue guidelines as they were waiting for OMB's July guidance to ensure their guidelines were consistent, and some officials noted that they are waiting on additional direction from OMB, particularly as it relates to the definition of inherently governmental functions and when it is appropriate to outsource," GAO's report states. "Agency officials also identified a

number of challenges relating to in-sourcing such as the complexity of the issue within the broader context of managing the multi-sector workforce, the time and level of effort involved in coordinating relevant agency functions, and continued uncertainty about the meaning of key terms, such as 'consideration' and 'special consideration.'"

OMB told GAO it doesn't plan to approve agency guidelines, and would play a policy role through interagency working groups. The White House is defining what inherently governmental means.

"OMB advised us that the standing working group on multi-sector workforce management will provide ongoing support as the current special working groups complete their tasks and that OMB is continuing to provide information to agencies to address their inquiries," GAO states.

GAO found that there are several challenges to in-sourcing, including continued uncertainty around inherently government, how to do cost analyses and the definitions of consideration and special consideration as mentioned in OMB's guidance.

Auditors also say agencies need better data on certain types of service contracting and limited budgets and other resources constrain in-sourcing work.

GAO sent the report to the House and Senate appropriations committees and the Senate Homeland Security and Governmental Affairs Committee and the House Oversight and Government Reform Committee.

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