

Homeland Security Reviews Contractor-Federal Employee Balance

By Elizabeth Newell

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As part of a broad review of its operations, the Homeland Security Department will scrutinize large service contracts to ensure they do not include any inherently governmental work.

Effective immediately, officials will assess all DHS professional services contracts exceeding \$1 million before award or renewal to make sure contractors will not be assuming responsibilities suitable only for federal employees. "The additional review will help ensure there is an appropriate balance of contractors and government employees," DHS spokeswoman Amy Kudwa said.

The Bush administration's efforts to open 425,000 federal jobs to competition from the private sector led to complaints, particularly from federal employee unions, that inherently governmental or mission-critical work was being outsourced. President Obama's stance is markedly different. Budget documents released in mid-May indicate that Obama's team plans to expand the federal workforce by hiring several hundred thousand civilians during the next four years.

This shift is leading a number of agencies to review their use of service contracts. Notably, the Defense Department has announced it will replace service support contractors with more than 30,000 full-time government employees during the next five years. Setting a goal for in-sourcing, however, is generally the easy part, and Kudwa said Homeland Security is in the early stages of its initiative. The spokeswoman said details on how the reviews will be conducted will be available in the coming weeks.

The mandatory examination of service contracts was announced Thursday, along with four other major initiatives, as the second phase of Homeland Security's department-wide efficiency review. Projects range from relatively minor, such as relocating conferences to government facilities, to massive initiatives, such as conducting a top-to-bottom assessment of full- and part-time employees and contractors to improve workforce management. The review also led to a moratorium on controversial contractors for branding-related merchandise and logos.

"DHS is committed to streamlining our operations, increasing transparency and maximizing the use of taxpayer dollars," Homeland Security Secretary Janet Napolitano said in a statement. "I am proud of the initial successes of our efficiency review, which are already changing the culture at DHS and generating significant savings and efficiencies."

Initiatives are broken down into 30-, 60-, 90- and 120-day groups. In the next 60 days DHS plans to implement cost-saving programs such as increasing its use of blanket purchase agreements for office supplies, standardizing and consolidating employee training and orientation sessions, and improving energy efficiency at department facilities.

Napolitano is encouraging employees and offices to develop additional ways to save money, streamline operations and increase transparency.