

Federal Computer Week

Insourcing can Create Synergy Between Missions and Personnel

Insourcing is one tool agencies can use to build a strong organization that has the main missions in mind, experts say

By Matthew Weigelt
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When agencies consider bringing their work back in-house, they should not focus on the task as just a numbers game but instead plan strategically, according to several experts who spoke at a recent National Contract Management Association conference.

Agencies should not just insource a set number of employees, the experts agreed. Instead, insourcing is just one tool among many others that agencies can use to transform themselves into better organizations with a sharper focus on their primary missions, Mathew Blum, associate administrator at the Office of Federal Procurement Policy (OFPP) in the Office of Management and Budget, said at the conference on Nov. 5.

OFPP gave agencies a memo in July that described ways to analyze their needs and determine whether insourcing, or possibly outsourcing, is necessary to accomplish their mission, Blum said. The memo took a broad view of the multi-sector workforce, which is comprised of federal employees and contractors. Blum said OFPP didn't talk only about insourcing, although it could have. Instead it urges agencies to look at all different aspects of their agency.

"It's important to recognize that those are steps that come later in the process after you've done human-capital planning," he said.

Stan Soloway, president of the Professional Services Council and a participant with Blum on a panel, said this is a mission issue more than it is a problem with the numbers of federal employees and contractors.

"The first thing you need to do is figure out what your mission is," he said. "Then you back off that and work with the human-capital folks and others to find the best mix in which to do that."

"That's where the strategy starts," Soloway added.

As agencies figure out their employee needs, they have to compare costs based on experience and skill level, said Terry Raney, senior vice president and division group manager of the business management division at CACI International and panelist. But "it's not being done," Raney said.

Panelists Steven Schooner, associate law professor and co-director of the Government Procurement Law Program at The George Washington University, said the general costs of the private sector and what the public sector costs aren't comparable. There are many more not-so-obvious costs, such as future pensions, health care and paying for supplies for each federal employee.

Schooner said officials should think about whether it's more costly to hire a federal employee for a project that will be finished in a relatively short time or let a contractor finish it quickly.

Overall though, the experts were skeptical about whether agency officials will follow OFPP's memo and think strategically. "If people followed the memo that you all had put out," Soloway told Blum, "we'd have a very different discussion. We'd have a much more strategic process."

