



Is Competitive Sourcing Ready for a Comeback?

A new proposal breathes a little life into a long-dead procurement tool

By Matthew Weigelt Feb 18, 2011

A House bill now under debate to fund the federal government quietly harkens back to the President George W. Bush administration.

The Republican-led House has a provision in the fiscal 2011 Full-Year Continuing Appropriations Act (CR) allowing competitive sourcing and hosting competitions between companies and federal employees for government work, similar to the Office of Management and Budget Circular A-76.

While in control of Congress, Democrats stamped out competitive sourcing with a government-wide moratorium on the practice.

But this CR, H.R. 1, would lift the spending moratorium for fiscal 2011 through Sept. 30.

"No similar provision that I am aware of has been in any legislation from a Democratically controlled House. In fact, their bills all talked about not doing competitive sourcing," said Larry Allen, president of the Allen Federal Business Partners and former president of the Coalition for Government Procurement.

The CR would allow Defense Department officials to put up federal work for public-private competitions that include a most efficient organization and a cost-effective organization plan for the work. Inherently governmental functions would not be on the table for such a competition.

DOD's competitive sourcing officials would review the plans and could award the work to the private sector based on two points.

A company could receive the government work if it offers a plan that is either 10 percent or at least \$10,000 less than the federal employees' plan. But the legislation would prohibit the company from reducing employees' health benefits to gain a competitive advantage.

"The language looks very, very similar to the revised A-76 standards that [the Office of Federal Procurement Policy] promulgated during the Bush administration," Allen said. "It's consistent with that administration's policy and the policy of previous Republican administrations."

Robert Burton, former deputy OFPP administrator and now partner at the Venable law firm, said such competition is healthy for the procurement system. It emphasizes value for taxpayers' money.

However, the provision is very unlikely to remain in the Senate's version of the bill, Allen and Burton said. Senators, such as Barbara Mikulski (D-Md.), have stood in strong opposition to competitive sourcing. While a nice initiative in the House, "Senator Mikulski, among others, would have cardiac arrest over it," Allen said.

He predicted that the competitive sourcing initiative won't likely re-emerge in law for another two years after the next election.

