

# Pacific Daily News

## Navy Needs to 'In-source' More Jobs

By Manny Cruz • April 23, 2010

It does not seem plausible that the Navy on Guam will go for two to three years and not submit a plan to "in-source" the multimillion-dollar Navy Base Operation Support contract with government employees, as required and directed by the Department of Defense, Congress and even President Barack Obama.

On April 6, 2009, while introducing the fiscal 2010 DOD budget, Secretary of Defense Robert Gates announced an initiative to rebalance the DOD work force and reduce the percentage of contracted services. This initiative is commonly referred to as "in-sourcing" and is consistent with the DOD's congressionally mandated statutory requirements under the fiscal 2008 National Defense Authorization Act, as well as Obama's call for contracting reform in his March 4, 2009, memorandum.

Section 324 of the fiscal 2008 NDAA directed DOD to consider using federal civilian employees to perform new functions and functions currently performed by contractors. As directed, special consideration was to be given to: using DOD employees at any time during the previous 10 years; a function clearly associated with the performance of an inherently governmental function; what was performed pursuant to a contract awarded on a non-competitive basis; and that which has been performed poorly because of excessive costs or inferior quality.

Section 807 of the same act also required DOD to submit an annual inventory of the activities performed under service contracts and to review those contracts for unauthorized personal services, inherently governmental functions and functions closely associated with inherently governmental functions.

Apparently, in the absence of any reported compliance with the mandates of the NDAA, the Navy continued to award multimillion-dollar service contracts on Guam.

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On December 2008, the Navy awarded a \$72.7 million modification to a previously awarded cost-plus-award-fee contract to DZSP 21 to exercise the fourth option period for BOS services. The BOS services to be performed included general management and administration services, command and staff (public affairs services), public safety (safety and contingency), port operations, ordnance, galley, facilities management, sustainment, restoration/modernization, facilities services (potable water, wastewater, electrical and steam), base support vehicles and equipment, and environmental.

On or about June 23, 2009, the Alaska Native Corporation Chugach World Services Inc. was awarded a \$133.9 million firm-fixed-price and indefinite-delivery, indefinite-quantity contract by Commander Naval Forces Marianas to perform housing operations, maintenance services and change of occupancy maintenance services. The contract base period began in August 2009 with four option periods. For the contract base period (December 2009 to December 2010), CWSI was awarded \$12.9 million.

And, most recently, in December 2009, DZSP 21 was awarded a contract modification for the exercise of award option 1 in the amount of over \$88 million under a cost-plus-award-fee contract for BOS services for Joint Naval Forces Marianas, to include Andersen Air Force Base. This option period is from Jan. 1, 2010, to Dec. 31, 2010.

### **Outsourcing reliance**

From the examples above, it was very obvious that the Navy on Guam has grown increasingly reliant on contractor-provided manpower support supplied through service contracts. The outsourcing and downsizing of the thousands of federal civil service employees on Guam in the 1990s -- as a result of the closure and realignment of four Navy bases on Guam under BRAC and the increasing contractor work force -- was driven by various factors, including increased requirements resulting from overseas contingency operations due to the end of the Cold War, staffing limitations, hiring restrictions and budget cuts.

But with the multibillion-dollar military buildup now becoming a reality, it is high time for the DOD and the Navy to consider making amends to the people of Guam by seriously planning and making it possible for in-sourcing federal civil service workers in the Navy BOS contract and other related service contracts.

There are thousands of former Navy and Air Force civil service workers on Guam, many of whom voluntarily resigned or took the early-out incentives, or took the voluntary early retirement incentives when NAS Agana, FISC Guam, Naval Activities, Navy PWC and Navy

SRF were closed or realigned between 1995 and 2000. There are also thousands of former Guam residents who had to leave Guam to continue their federal civil service careers overseas or in the U.S. mainland, but are now ready and available to come home, if and when the opportunity arises.

It is interesting to note that in both the fiscal 2010 and 2011 DOD budgets, the Defense Department assured Congress it was on track to reduce the level of contracted support services from the current 39 percent of the DOD workforce to the pre-2001 level of 26 percent and to perform those services with full-time government employees. Over the next five years, DOD expects to hire 33,400 new civil servants to fill positions established as a result of in-sourcing contracted services.

So, why is the Navy on Guam not complying with the DOD directives and requirements? Why is the Navy on Guam not a bit interested in seeking out and hiring our former Navy and Air Force employees?

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