

## New Congress Could Put the Brakes on Insourcing

By Amelia Gruber

December 16, 2010

The 112th Congress is unlikely to let the Obama administration move full-speed ahead on its initiative to bring contractor jobs back in-house, a consultant and a Republican Senate staff member said on Thursday.

Jonathan Etherton, president and owner of the consultancy Etherton and Associates Inc. and a former Senate Armed Services Committee staffer, told an audience of contractors at a Coalition for Government Procurement breakfast he has heard at least three congressional panels plan to look at whether insourcing is being implemented strategically and whether agencies are focusing on critical positions.

Bill Wright, Republican staff director for the Senate Homeland Security and Governmental Affairs Ad Hoc Subcommittee on Contracting Oversight, noted insourcing is on the radar of ranking member Sen. Scott Brown, R-Mass. Brown is concerned the initiative is moving forward too quickly and without enough consideration of its effect on small businesses, Wright said during the breakfast discussion.

More generally, Brown is looking for ways to improve efficiency during times of mounting national debt, Wright said. The senator is developing an acquisition savings plan that could include expanding strategic sourcing, an approach in which agencies analyze purchasing trends and buy common commodities and services in bulk; rewarding high-performing acquisition teams; and promoting a more specialized acquisition workforce by requiring officials to obtain certifications in certain areas of expertise.

Much of the subcommittee's oversight work to date has been bipartisan, Wright added, and Brown is working with the administration on the efficiency initiatives.

Etherton noted, however, that Congress' overall relationship with the executive branch is likely to grow more adversarial in 2011 with Republicans in control of the House and lawmakers aggressively scheduling oversight hearings.

In addition to insourcing, Etherton said, the next Congress is likely to examine implementation of the 2009 Weapons System Acquisition Reform Act; the relationship between the Defense Contract Audit Agency and the Defense Contract Management Agency; the definition of inherently governmental work; how to best ensure adequate contractor controls against waste, fraud and abuse; and how Defense Department savings initiatives will affect the industrial base.

Wright predicted lawmakers also would focus on transparency surrounding contractor profit incentives and subcontractor performance; tracking contract-related earmarks; and enhancing competition and limiting risk through fixed-price arrangements.