

# **The Washington Times**

## **Outsourcing an Ally of Efficiency**

### **Opponents use cheap rhetoric that ignores reality, experience**

By Stanton Sloane

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With President Obama's state visit earlier this week to India, the role of the government contractor has become an easy target for outsourcing critics backing crowd-pleasing government cost-reduction initiatives. The critical work accomplished by this segment of American industry is being portrayed by some as unnecessary or worse.

The fact of the matter is that government contractors are indispensable and always have been. They are the marketplace of ideas and innovation that, in partnership with government, has powered our nation ahead of all others.

Outsourcing means enlisting experts from the private sector to perform work for the public sector - a job that the government can't do fast enough, lacks the resources to do properly or simply cannot do at all.

Clearing away layers of misleading rhetoric reveals outsourcing's prized dividend for taxpayers: lower costs for the government with increased overall productivity. That means more efficiency and a better value for all citizens concerned about the government's bottom line. Unfortunately, as our federal agencies are tasked with monitoring outsourcing but given little objective guidance to do so, the facts are being buried beneath fictions.

Without military officials working alongside scientists at the Massachusetts Institute of Technology, we never would have had ARPANet and its progeny, the Internet. Without innovative engineering at Lockheed, we would not have stealth technology. Without Ivan A. Getting and the Aerospace Corp., we'd be without GPS. Contractors are helping keep airborne the unmanned aerial vehicles patrolling Afghanistan and providing on-the-ground translation services for our troops. They are building our embassies in the most dangerous parts of the world

and guarding them after they're built. And in the case of Jeff Hart, who had been drilling water wells for the U.S. Army in Afghanistan, he was hired by the Chilean government to run the drill that delivered 33 trapped miners back into their families' arms.

Sadly, the debate over outsourcing has missed the mark, poisoned by ideological disdain for contractors despite the evidence that it is often far more cost-effective to hire outside than inside. Indeed, Defense Secretary Robert M. Gates recently noted that his department isn't "seeing the savings we had hoped from insourcing."

Here's one reason: It regularly costs us more as taxpayers for the government to hire an additional, permanent employee to solve many problems a contractor can do for a fraction of the cost and in less time. One big reason is benefits. As USA Today reported last year, a full-time government worker receives benefits worth nearly \$28,000 annually, versus a private-sector employee who receives a little more than \$16,000 a year.

Total compensation costs, at all levels of government, routinely outpace comparable figures in the private sector. U.S. Bureau of Economic Analysis data show that state and local government pay rates are increasing at a faster rate than comparable figures in the private sector.

In 2006, for the first time in generations, the California Department of Personnel Administration conducted a government-versus-private compensation analysis and found that in scores of areas, including clerical, accounting, analysis and electrical, government pay rates far exceeded the private sector's. What's more, the department found that a government "retiree eligible for the full employer health contribution in retirement secures an additional \$494,000 in compensation over 20 years," according to its Total Compensation Survey's Key Findings.

As with anything, finding the right balance is key. The answer isn't eliminating government's private-sector partners or relying entirely on the private sector for everything. In the most basic reading, the contractor is a fresh set of eyes and ears on a stubborn problem, a wise and practiced assist from experts who developed the technology now critical to government functions and a cheaper alternative to doing the work in-house.

The argument stacks up to more than a simple apples-to-apples comparison of the efficiencies of the private sector. Our government agencies often face what seem like intractable systems and logistics problems but generally need a fix that requires a fresh look and approach - the precise remedy offered by outsourcing.

The talented people housed inside federal contractors' facilities often have worked in government themselves and worked in various places beyond it as well. They have different perspectives and experiences. They're not just fearsomely efficient - although job security in the private sector is more closely linked to job performance - but they're also the fresh eyes that keep our agencies on top of their game. They're part of the key to our nation's history of successes, our deep record of out-innovating our adversaries and beating out our competition.

A blind swing at our contractors may satisfy the politics of some, but is only going to damage the fresh eyes and wise hands upon which we've long depended as the world's pre-eminent power.

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