



## Scorecard Adds Heat to Insourcing Debate

By Jason Miller

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A coalition of contractors, associations and citizen organization is using a newly-released report on Congressional voting to further make their case that the Obama administration's insourcing initiative is part of a broader problem.

The Business Coalition for Fair Competition (BCFC) says agencies are doing too many jobs that are commercial in nature, and the Obama administration's desire to bring jobs back into the government without competition is impacting private sector companies.

The coalition released its first scorecard ranking members of Congress on 10 votes taken on each side that included issues that relate to competition with the private sector.

"We tried to find votes where there was a clear choice to be made between government and private industry relying on the government or relying on free enterprise," said John Palatiello, president of the business coalition, during a press briefing Thursday in Washington. "We didn't have any pre-ordained outcome or have a goal or result we were looking for. What we wanted to do is to try to find the defining votes where the House or Senate was created with a fundamental question of reliance on the private sector versus reliance on the government. Or an issue where the question was will there be a level playing field between the public sector and the private sector? And it's really the issues that drove the votes we looked at and ultimately selected."

Among the 20 bills or provisions reviewed were the Recovery Act, Trouble Asset Relief Program and the Cybersecurity Enhancement Act. BCFC gave each member of Congress 10 points per vote that they determined met their criteria of promoting competition or free enterprise. Mostly, Republicans scored high and Democrats scored low.

Palatiello said too often this issue of competition is a partisan issue as the reason why the scorecard results came out like they did. He, however, said that the issues don't have to be split between parties. At the state government level, Palatiello said many times both parties work on reducing spending.

"I really believe that in this country we've lost sight of what the appropriate role for government is and what the appropriate role for private enterprise is in our nation," he said. "So this scorecard is partially an attempt to engage that debate and rebalance the debate so that we can build a public consensus of what we can expect the government do for us and what they should stay out of."

He said the government has about 850,000 jobs that are considered commercial in nature, meaning 45 percent of the workforce duplicates work done by the private sector. This includes making maps, cooking food, surveying land and several other examples, he said. The number of commercial jobs was last reported by the government in 2004 as part of the Bush administration rewrite of the A-76 circular.

Palatiello also said the insourcing initiative will only grow the federal workforce, in many positions that are commercial in nature.

BCFC's scorecard, however, elicited little support or agreement from federal experts.

"BCFC states as its goal to ensure level playing field and imposing only a level of regulation that would stop companies from injuring each other or their customers, I believe that is a narrow view of the role government ought to play," said Robert Tobias, director of Public Sector Executive Education at the American University in Washington and a former president of the National Treasury Employees Union. "A good example is the recent meltdown of financial markets. There was very little regulation in the financial markets and the damage was far beyond their competitors or customers."

He added competition among the public and private sector is healthy and should happen, but it's not an imperative for every contract or every job.

"The kind of jobs contracted out amount to somewhere around \$500 billion a year," he said. "That is compared to the \$150 billion a year agencies spend in salaries. We are talking about a huge amount of money that surpasses salaries. If federal employees were able to compete they would win."

Tobias also said that BCFC's assumption that the private sector is cheaper and better is erroneous based on several studies, including ones done by the Government Accountability Office.

"Only seven percent of the contracts are competed between federal employees and the private sector so that means 93 percent are competed just among the private sector," he said. "These folks who already have 93 percent without competition from the public sector are focusing in on trying to grab the additional seven percent."

Colleen Kelley, president of NTEU, said in an e-mailed statement that the business group wants to return to the days of outsourcing everything. Kelley said that practice misguided.

"The Obama administration is moving in a different, more reasoned and intelligent direction, instructing agencies to scrutinize carefully their contracts with the private sector and when it is the best interest of the taxpayers, bring the work back in to accountable federal employees," she said.

Angela Styles, a partner with the law firm of Crowell and Moring and a former administrator in the Office of Federal Procurement Policy for the last administration, said the BCFC report is part of the backlash against the Obama administration's decision to end public-private competitions.

"There were a lot of efforts in the 1990s and the early part of the Bush administration to really take a hard look at what jobs were commercial, how the government could manage more efficiently, if the private sector could do it better than they should be doing it, or if the government could do it better, then the government could do it," Styles said. "All that over the last several years has been shut down. You are seeing an ideological push to say that we have a really big government and we need a smaller government and the private sector should be doing more of that work."

Styles said the jobs need to reviewed by agencies on a case-by-case basis.

"These days even with the commercial jobs but really with all of the different functions of the federal government it's a blended workforce," she said. "The government has to figure out how to do this efficiently and well with a blended workforce. The real answer with most functions it's done with a blended workforce and the government has to figure out how to manage that blended workforce."

Additionally, Styles said insourcing is not as widespread as many in industry would think. She said the Defense Department is the most aggressive, but there is not centralized push by OFPP, or even specific governmentwide targets.

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