

The Latest on DoD In-sourcing

By Marjorie Censer July 15, 2010

Pentagon officials at a procurement conference at George Mason University in Fairfax Wednesday couldn't avoid the issue aggravating many small government contractors these days: in-sourcing.

Linda Oliver, acting director of the Pentagon's Office of Small Business Programs, said she has seen plenty of ire about the initiative, which seeks to move some contracted work in-house. Some industry advocates have complained the government hires away contractors' top employees.

"I have been yelled ... at about in-sourcing all across the United States," Oliver said.

She said agencies have trouble differentiating in-sourcing a position or role in their offices from in-sourcing particular contractors who already work in their offices.

"This whole problem is your fault," Oliver quipped. "If you didn't give us such good people, we wouldn't even think about in-sourcing."

On a more serious note, Stuart Hazlett, deputy to the Pentagon's top acquisition policy official, said the Defense Department's acquisition workforce has stayed roughly the same size for the 26 years he has worked there.

And, of the \$379 billion obligated by the Defense Department's acquisition workforce last year, \$18 billion went to engineering services and \$17 billion to program management -- areas that frequently qualify as inherently governmental. Hazlett stressed that it makes sense for the Pentagon to grow its acquisition workforce -- and in-sourcing is a piece of that.