

Federal Computer Week

Report: Think Twice Before In-sourcing Government Work

- By [Matthew Weigelt](#)
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A report says the Obama administration should be careful before taking jobs from contractors and giving them to agencies

The Obama administration and Congress should proceed cautiously as they attempt to take work away from contractors and hand it to agencies' employees, according to a report released today.

"A rush to in-source thousands of positions, while trying to take on ever more government programs, can end in disaster," wrote Raj Sharma, president of the Federal Acquisition Innovation and Reform Institute, in a report titled "The Move to 'In-sourcing'...Proceed with Caution."

Agencies should concentrate first on removing contractors from jobs already defined as inherently governmental and duties central to agencies' missions, the report states. At the same time, officials need to consider in-sourcing other jobs in longer-term phases, he wrote, adding that the government can handle the shifting load much easier in stages rather than all at once.

"Rushing to undo what has been in the making for years — perhaps decades — will be counterproductive," Sharma wrote.

Moreover, taking work from contractors must be done deliberately and based on facts, not innuendo and rhetoric, he wrote.

President Barack Obama often depicts contractors as taking advantage of the government. However, contractors are a major component of how the government operates, Sharma said, and they often perform work that requires specialized expertise.

"The current rhetoric that demonizes all contractors, instead of those few that are guilty of fraud and abuse, will only deter the best suppliers that we so badly need from competing for government business," he wrote.

He added that an essential component of success for Obama's plans for health care reform, energy independence and social innovation will be the technical expertise, innovation and scale that industry can bring.

Meanwhile, experts say experienced federal employees are attractive to private-sector companies, which often offer more to those employees than the government does. Also, a large number of government employees are nearing retirement, and agencies' acquisition jobs are remaining vacant because few people are seeking those jobs.

Obama's calls to join public service can only do so much to help find people to do the work, Sharma wrote. The government needs to reconsider its recruiting efforts, pay and professional development policies to make them competitive with the private sector before agencies dramatically in-source jobs.

"While it may be feasible to hire thousands of people during the current economic downturn, it will be difficult to retain this talent unless systemic human-capital issues are addressed," he wrote.

Sharma said officials should answer the following questions before bringing work in-house:

- Which positions should be in-sourced?

- How and when should they be in-sourced?
- What will attract the people needed to do the jobs once they are brought in-house?
- How will the government retain the employees who are doing the in-sourced jobs?

About the Author

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