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Thousands of Intel Jobs being In-sourced

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The government's 16 intelligence agencies have transferred thousands of contractor-performed jobs to federal employees in recent years to reduce the community's overreliance on contractors. And they intend to in-source thousands more, says the intelligence community's top personnel executive.

To accelerate those efforts, intelligence officials are pressing lawmakers to remove caps on staffing at intelligence agencies. Those staffing caps, which are classified, have prompted intelligence agencies to hire many more contractors than they would like, said Ronald Sanders, the top human resources official at the Office of the Director of National Intelligence (ODNI).

An internal 2008 staffing review conducted at ODNI's behest found that contractor employees make up 29 percent of the workforce at intelligence agencies, but those contractors cost the equivalent of 49 percent of the personnel budget.

In response, the Senate Select Committee on Intelligence passed a 2010 intelligence authorization bill July 17 that would force agencies to reduce their use of contractors by 5 percent next year. Details of the bill were made public last week.

The bill would allow intelligence agencies to create additional full-time positions if an intelligence agency chief decides that contractor-performed work should be done in house. The bill places no caps on the number of new employees hired as a result of in-sourcing, but said the number of new hires must equal the number of in-sourced positions.

A version of the bill being considered in the House does not contain that provision.

The Senate bill also would allow the intelligence community to exceed its staffing caps by 5 percent in order to do crucial jobs. The House bill would allow intelligence agencies to go 3 percent over staffing limits.

But Sanders wants those caps removed completely, and said intelligence agencies should be able to hire as many employees as they need as long as they stay within their personnel budgets.

"Simply because civilian employment was constrained … we used contractors because we were prevented from hiring civilians," Sanders said in an interview. "If those ceilings are either lifted or we get some relief, then we'll be able to find the right equilibrium."

The Senate authorization bill recommends ending the staffing caps in fiscal 2011. Before lifting those ceilings, the committee wants to review a study of intelligence agencies' long-term personnel requirements, which Sanders' office is expected to finish in September.

Sanders told *Federal Times* last week that the intelligence community intends to use contractors differently in the future. Until now, contractors have been hired as semi-permanent staff, largely because agencies have been constrained by staff ceilings.

In the future, though, intelligence agencies will use contractors as temporary auxiliary staff who can assist during surge periods — similar to the military's reserves — when additional people with specific, hard-to-find skills are needed.

The Office of the Director of National Intelligence is now finalizing a doctrine governing the proper role for contractors, which Sanders said would be done by Labor Day.

"Our proposed doctrine would treat contract personnel as reserves," Sanders said. "If an emergency happened tomorrow and we needed to surge, it takes time to surge with both military and civilian employees. You've got to hire, train and deploy them, and some say there's a five- to seven-year lead time."

That doctrine will not detail what jobs should be in-sourced or outline what the proportion of contractors to federal employees should be, Sanders said. That will be up to individual agencies, which he said would be in a better position to judge their workforce needs.

"It's unlikely that we'll come across an area that we'll say must be totally civilian or totally contractor," Sanders said.

Intelligence agencies will maintain a series of open-ended contracts with companies that will let agencies quickly bring on contract staff to deal with a crisis or pressing project, and then deactivate them when the need has passed, he said.

The intelligence community greatly beefed up its contracting staff after the Sept. 11 attacks, when it found the government downsizing of the late 1990s left it without enough skilled employees to do many crucial jobs, Sanders said.

Since then, intelligence agencies have hired contractors to interrogate prisoners, collect intelligence and analyze data. Contractors also perform support functions such as human resources and information technology.

Director of National Intelligence Dennis Blair said in January that he was worried about the size and cost of the contractor workforce and wanted to in-source as many jobs as possible. Blair said interrogations would be brought largely back in-house and agencies would use contractors only in special cases, such as when they needed to interrogate someone who speaks an obscure dialect.

In addition to encouraging in-sourcing of contract services, the Senate committee wants intelligence agencies to submit reports to Congress for all major systems acquisitions. The reports would include current acquisition costs for a system, a schedule for the system's completion and estimates of future costs to complete the system.

Where there are cost overruns exceeding 25 percent, the agencies would notify Congress within 90 days or face a funding freeze. The reporting provisions mirror the required reporting for major defense systems.