



Union Says Too Much Discretion in Outsourcing will Come with a Price

By Matthew Weigelt Oct 24, 2011

The Office of Federal Procurement Policy recently issued guidance to agencies on managing inherently governmental and critical functions. Senior writer Matthew Weigelt talked with two experts to get their take on what the term means and how they think the policy will affect public- and private-sector workers.

Colleen Kelley is national president of the National Treasury Employees Union, which represents 150,000 employees at 31 agencies and departments. Her comments are below.

FCW: How would you define the term “critical function”?

Kelley: Our long-standing position has been, and continues to be, that anything that’s a critical government function — as well as anything that’s closely associated — is one that should be performed by federal employees. And even the OFPP letter acknowledges that a critical function could also be inherently governmental.

If it’s critical, it’s inherently governmental, and it should not be done by anyone other than federal employees. We think that because if something is labeled as critical, it is inextricably linked to the agency’s mission. And if it’s that inextricably tied, then it should be in the hands of trained and accountable federal employees, not anybody else.

FCW: If federal employees don’t have the expertise to manage a critical function, will the work go back to a contractor?

Kelley: I guess that presupposes that federal employees don’t already have the substantive knowledge and skills they need to perform some of these functions. I don’t start the conversation there. I think probably in many cases they already do.

Even if they needed to acquire [those skills], I’m confident that federal employees could perform those tasks for the government as well as anybody else. Again, it seems to me the problem is that there just are not enough federal employees doing this work.

But I would not like to see [the OFPP] policy letter used by agencies to decide that they can still contract out a critical function. I think it’s the wrong direction to go in — to train federal employees to do the work and then only have them manage or oversee contractors who would later do the work.

I would think once you build the in-house expertise, you would want to use it.

FCW: In the coming years, how will decisions about critical functions affect the federal workforce?

Kelley: I think that depends in large part on how agencies exercise their discretion to identify something as inherently governmental or as a critical function.

If they abuse that discretion or if they miscalculate the agency’s ability to control its mission and operations in an effort to contract out as much as possible, they run the very serious risk of a significant loss of institutional knowledge, skill and experience that will hurt the agency and the public.

An agency’s loss of critical capabilities is devastating to the public interest and very difficult to undo.

Although OFPP has established certain requirements for agencies to avoid over-reliance on contractors and guarantee appropriate oversight, I remain concerned about the ability of the Office of Management and Budget to monitor how agencies are interpreting these requirements and to enforce them.

FCW: How will decisions about critical functions affect contractors in the long run?

Kelley: Again, it's very difficult to look into the future on a subject like this, but the guidance contemplates a more actively supervised contractor workforce.

Although I have serious questions about whether the process will work as outlined on paper, OMB must be hoping that it will lead to closer collaboration and fewer misunderstandings between agencies and contractors.