



What's the Ideal Ratio of Government Employees to Contractors?

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No one really knows, but the first step in figuring it out is to identify what the current ratio of feds to contractors is. And that's exactly what federal agencies, excluding the Department of Defense (DOD), will undertake in the spring according to a recent Office of Federal Procurement Policy (OFPP) memorandum. The analysis will help government agencies determine if they're getting the taxpayers' money worth out of contractors.

Federal News Radio is reporting that agencies will first have to inventory all of their service contracts; a procedure they will have to continue on an annual basis. The first cataloging of each agency's service contracts is due by the end of this year. The administration plans to release the information by Jan. 30, 2011.

Agencies will then have until the end of June 2011 to determine the current ratio of federal employees to contractors throughout various service sectors. According to Federal News Radio, "Federal officials should focus on professional and management services and information technology support services first, but also keep an eye on functional areas that their agency may be relying too much on contractors."

The latter includes, "policy review and development services, program evaluation services, intelligence services, systems engineering services, personal services contracts, automatic data processing support services and automated information systems services."

In addition to examining the current ratio of government employees to contractors, federal agencies are supposed to examine if they are over-relying on contractors or if contractors are performing inherently governmental or closely associated tasks, which the Obama administration clarified in a policy letter released earlier this year.

If an agency finds an inappropriate ratio or contractors performing tasks they shouldn't be, officials have until the end of next year "to report any actions taken to convert positions from contractors to federal employees."

The administration will also gradually require the service contract inventories to provide more detailed information on an agency's use of contract dollars, including "the number of first tier subcontractors, total dollar amount spent on services and how agencies are

using service contracts to meet their mission." One can only assume the federal government will provide this information to the public as well.

Most interestingly, this inventory process, according to OFPP, will set the stage for getting a total headcount of government contractors, which many transparency and good-government advocates consider the Holy Grail of government contracting information.

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