



## Administration Hopes for Ripple Effect from Outsourcing Policy

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Agencies consider which jobs are still suitable for contractors

Matthew Weigelt Mar 31, 2010

The Obama administration proposed policy to stop the outsourcing of government-only jobs also will pressure agencies to avoid contracting out work that is closely associated with the government-only work, according to some experts.

"We are examining the mix of work performed by contractors and by federal employees," Jeffrey Zients, chief performance officer and deputy director for management at the Office of Management and Budget, said during a press conference today. "We need to deliver the most effective and efficient government performance possible, and to do so we must recognize the proper role for each sector and draw on their skills appropriately."

The administration today released a proposed policy letter on inherently governmental functions, or work that cannot be outsourced to the private sector. The proposal also includes insight from officials on critical functions and work that is closely associated with the jobs only government employee can do.

"A strong workforce is essential to making long-term improvements in our contracting activities," Zients said.

Since the 1990s officials have concentrated on defining government-only work, but that focus has left out broader issues regarding critical jobs that federal employees should know how to do.

"This narrow focus has been cited as a cause of inadequate attention to maintaining a residual federal core capability when considering contractor performance of critical functions that are tied to an agency's mission," the new procurement policy letter states.

The policy letter defines a critical function as work central enough to the agency's operations that it should be reserved for government employees. The point is to have government employees maintain control of those operations. Moreover, a job is not a critical function if it would not expose an agency to failing its mission if a contractor does the work. Officials say agencies have become too reliant on contractors in recent years and don't have the in-house know-how to carry out those operations.

Under the new policy document, agency officials would be responsible for ensuring they have enough knowledgeable employees. When deciding about the job, officials must consider their mission, the job's complexity and the need for special skills, the letter states.

Before issuing a contract solicitation they would have to find if there was enough capability internally to do the work. And after a contract is awarded, agencies have to monitor a contractor's work, especially work closely associated to inherently governmental functions. They also need to find ways to avoid dependence on contractors to do those jobs and develop strategic employee personnel plans, the letter states.

One industry group said OFPP policy letter is fair and balanced, and doesn't pick winners and losers.

It's "founded in sound management strategy rather than ideology," said Stan Soloway, president and chief executive

officers of the Professional Services Council.

"Rather than focus on labels that serve only as code words for desired outcomes, the proposed policy offers a solid foundation on which agencies can make practical and necessary decisions," he said.

The National Treasury Employee's Union supports the policy too.

"The bottom line is ensuring that federal employees perform the essential work of government and that agencies have control over their missions and operations," said Colleen Kelley, the union's president.

The policy letter is open for comment through June 1.



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