

EXECUTIVE SUMMARY
OF
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A LEVEL PLAYING FIELD

PRESENTED TO THE
UNITED STATES GENERAL ACCOUNTING OFFICE
COMMERCIAL ACTIVITIES PANEL

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SAN ANTONIO, TEXAS

I thank you for the opportunity to address this distinguished panel as a federal employee and voice my general observations and the concerns of my rank and file agency employees. There is much inequity in the current outsourcing processes. I offer several points of interest on the level playing field concept for your consideration:

1. Contractors can and do challenge agency in-house bids. According to the current rules of engagement, the agency is not an “interested party” and cannot protest contractor bids. This demonstrates a contractor bias and exclusion of the federal employee workforce.

2. There are numerous agency rule changes that impact the MEO’s ability to assemble a quality bid. Contractors are sometimes impacted also, but their experts are much better equipped to assess these rule changes and determine the impact they may have on their bid. Agency decision-makers must be as consistent with the MEO as they are with the contractors.

3. Agency MEOs that are successful in their bid are periodically audited to ensure continued compliance of the contracted services. Contractors do not experience that same level of scrutiny. Agency MEOs should enjoy the same treatment as contractors. Agency employees wonder where their agency’s loyalty begins and ends. This is counterproductive in a workforce.

4. Alternatives, such as reorganization, are typically not exercised. Economies of scale could more fully be realized through this one alternative rather than wholesale outsourcing and direct conversion. Left to their own designs, federal employees know their business better than anyone else and could better formulate a truly cost effective organization.

5. Direct conversion takes away the option of the in-house organization to demonstrate its potential for efficiency and does not factor accountability for bad decisions. Agency decision-makers are not held truly accountable for bad conversions and cost the taxpayer more in the long run than whatever savings were projected.

6. Study costs most times overcome much of the potential savings that could be realized if an agency was allowed to reinvent the ways it does business. Funds are not allocated for the expenses associated with studies. Organizations must endure personnel losses for as much as three years. In addition, facility, infrastructure and equipment costs on top of the manpower shortages can negate much of the projected savings.

7. Contractors have a cadre of single-function outsourcing specialists while the agency is forced to use its existing contracting workforce augmented by hastily trained functional experts. Agency MEO personnel receive training, but it is, for the most part, inadequate to prepare employees to construct a quality bid without much personal investment and sacrifice. Agency functional representatives are experts in their areas, but many times experience shortfalls in bid preparation.