

SOURCING FAST FACTS

- Congress should continue the moratorium on the use of OMB Circular A-76 until OMB rewrites it to correct its many flaws, especially those that burden in-house cost calculations with double counting and other disadvantages in the cost comparison process.
- The moratorium should also continue until agencies comply with Congress's mandate that they inventory their service contracts so that the numbers and costs associated with the contractor workforce becomes known for purposes of budget planning and learning how much inherently governmental work has been improperly outsourced.
- Agencies should manage their in-house workforces by budgets and workloads—rather than arbitrary constraints, like caps, freezes, and cuts. If agencies have work to do and money to pay for that work, then they should be allowed to use federal employees if that would be consistent with law, cost, and policy.
- Hiring freezes and/or arbitrary constraints on the number of civilian federal employees force managers to use contractors, even when they cost more or the work is inherently governmental.
- If the Congress wants to reduce the cost of the federal government's overall workforce, it should decide which functions should no longer be performed and then reduce the relevant in-house and contractor workforces accordingly. Federal employees are the least expensive workforce the government employs. Replacing cost-effective federal employees with expensive contractors is a waste of taxpayer dollars.
- It is widely acknowledged that contractors cost more, particularly for long-term services; consequently, the quickest way for the Congress to reduce the cost of the federal government's overall workforce is to replace contractors with more cost-efficient federal employees.

