P.A. in the era of competitive sourcing: Quality, qualitatively

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In 2004, I got curious about the Bush Administration’s competitive sourcing initiative. I saw an institution struggling to inject the matter of worth and quality into a conversation on costs and quantifiable results.

Among President George W. Bush’s management initiatives, competitive sourcing was the most complex, most challenging, and most politicized, admitted Angela Styles, chief of procurement policy at the Office of Management and Budget (OMB), in 2002.

Styles had left OMB when I started my research but behind her the battle raged on how to subject thousands of federal commercial jobs for public-private competition under the rules of Circular A-76 and according to performance criteria set by the OMB Scorecard.

In competitive sourcing, if contractors can perform the job more efficiently than the government team, the work is outsourced and the affected employees are terminated or reassigned within the organization. Early in the Bush Administration the policy preference was for a limited duration of awards if the feds should win and re-competition to be held every five years.

As White House pressure on the agencies intensified, the anxiety with A-76 heightened. Here’s a glimpse of what I learned about bureaucracy in transition, particularly toward the business model, which may be of use to students mulling a career in public administration.

One is that bureaucracy is not a one-dimensional behemoth ignoring subtle and direct charges of inefficiency. It contains a multitude of voices and this multitude shows the layers of meaning through which any reform initiative is internally distilled. There were not only those who agreed or disagreed that competitive sourcing created savings, some also tried to understand the change process as they realized that the time for organizational learning was desperately short.

Consider a few arguments that I encountered: administrator X thought that employee willingness to be recognized for reasons other than performance, such as their loyalty and long tradition, Weberian notions that have become synonymous with bureaucracy. I was told, however, that for every case against using a contractor, a case can be made against federal employees.

Administrator X thought I mistakenly put the feds “in this cocoon, with the Boy Scout code: loyal, clean, reverent.” Administrator Y, in another agency, went beyond the bitter union-industry exchange in the press on that day and said that the anxiety with A-76 revolved around “very tricky” cost estimates, so that if the government competed with some proper costing for retirement, for example, and the contractor provided little or none, that would be a big cost advantage to the private sector, “not to mention a backdoor way of revising public pay scales.”

In the middle of these concerns, another one voiced the urgency for bureaucracy to adapt to the changing milieu. Robert Knauer, a noted A-76 expert, wrote in Government Executive in 2003 if the feds wanted to succeed against contractors, they should find the resources and internal skills instead of “relying on Beltway bandits” to prepare the bids on their behalf.

Knauer railed the feds to stop dragging their feet and ensure that the process worked to their advantage, saying, “Get all the training you can, and take the lessons learned over the last century to heart,” because in the process, “You may win.” Several others anonymously gave their views that space here is limited. I agreed or disagreed that competitive sourcing an interesting variant of civil service dominated by civil servants to threatening initiatives designed to compete with industry, and employer in return; agencies are not designed to compete with industry, and the missions they are given do not depend on being one, according to critics.

The government’s business model attempts to fix the bifurcation between traditional and commercial contracting by insisting that their end results ought to be the same—cost efficiency—and when it comes to performance of jobs that OMB regards as commercial, there really should be no distinction between civil servants and private contractors. Look inward and find something there to distinguish and defend yourself, in other words, because on the outside you all look the same.

This topic is complex and this article does not attempt to sort it out; I just wish to say that competitive sourcing is an important clue to public administration’s evolution. The 2006 National Academy of Public Administration’s assessment of A-76 jobs awarded to commercial contractors shows that agency life after competitive sourcing treads on so many unknowns, legally, financially, culturally.

Even if competitive sourcing wanes at the end of the Bush administration, the policy has already set into motion something none of the previous A-76 circulars achieved. A seed has been planted in the bureaucracy’s belly. Whether it ends up recreating public administration from the inside or dying in a stillbirth, it is something we need to keep our eyes on.