

- HOME
- Information Technology
- Management Issues
- Homeland Security
- Procurement
- Postal News
- Business Report
- Career Info
- Personal Finance
- Spotlight
- Commentary
- Weekly Poll

**True Blue.**  
Visit [www.fepblue.org](http://www.fepblue.org)



January 12, 2004

## OMB Needs Smarter Scorecard To Measure Competitive Sourcing

By HINDA STERLING and HERB SELESNICK

Before July, the Office of Management and Budget was pressing most agencies to compete 15 percent of their commercial jobs against the private sector by Sept. 30 and 50 percent by the end of the president's term, and it was grading agencies on their progress toward these targets.

OMB announced in July that it would eliminate governmentwide competition targets in response to mounting criticism from agencies, unions and Congress. Since then it has been negotiating individualized competition plans with each agency. This adjustment has not muted criticism of the administration's competitive sourcing initiative, however, for at least two reasons.

Under the revised criteria, OMB officials still grade agencies on uniform governmentwide numerical targets for competitions announced, completed and canceled, and they still focus on how much and how fast, without examining how effectively and with what benefit.

A more balanced and policy-relevant scorecard would also track the costs of studies performed under OMB's Circular A-76, as well as their anticipated and realized savings. In addition, it would report agencies' progress in deploying the best practices of competitive sourcing management. How effectively public-private competitions are planned and managed has much more to do with their value, transparency and fairness than how fast jobs are competed or how many jobs are competed.

There is a growing body of information on the "how" of competitive sourcing management. Agencies can access lessons learned and successful practices through the Internet, publications, forums, training and other sources. Unfortunately, this information is anecdotal, unorganized and not systematically correlated with the mandatory elements of OMB Circular A-76. As a consequence, agency learning curves have been longer and more gradual than necessary, and implementation of competitive sourcing has been more improvisational and less standardized than appropriate.

Agencies can significantly accelerate their deployment of competitive sourcing best practices by using benchmarked self-assessments to evaluate and improve their management of public-private competitions. More important, agencies can build value, fairness and trust in their competitive sourcing programs by actively embracing self-directed assessment and improvement activities that ultimately certify their excellence in competitive sourcing management.

Accountability for management excellence rests with members of the in-house teams that direct competitive sourcing programs, pull together performance work statements, prepare most-effective-organization bids and oversee contractor performance. For these teams, benchmarked self-assessment means periodically stepping away from their respective day-to-day responsibilities long enough — and with the aid of a best-practices instrument — to reflect systematically on how well they are managing these responsibilities, and developing informed plans for managing them even better.

No one person can know everything about how an agency has been administering its public-private competitions. Agency self-assessments should therefore be designed as team efforts in focused discussion groups. Assessment teams should strive for consensus on self-assigned ratings. The inevitable diversity around these ratings will reflect varied experiences with the competitive sourcing process throughout the agency. An objective self-assessment can be obtained by having an experienced competitive sourcing examiner work with each assessment team — someone who is well-versed in the A-76 rules and public-private competitions and not employed by the agency or one of its support contractors.

OMB plans to examine how well agencies plan and carry out their public-private competitions, and what progress they make in putting infrastructures in place for institutionalizing reasoned and responsible competitive sourcing. Now OMB should act on these stated intentions by bringing its progress measures in line with them. It can do so by adding a best-practices-deployment section to its regularly required reports, and by having agencies include in this new section summaries of their updated self-assessments against the best practices of competitive sourcing management.

Agencies manage what they are required to measure and report. A better balanced OMB scorecard would motivate agency performance that is more closely aligned with the administration's competitive sourcing policy goals and more broadly accepted within the various stakeholder communities.

**Hinda Sterling** and **Herb Selesnick** are senior partners of Sterling & Selesnick, Inc., a management consulting firm based in Salem, Mass.

Register today for:

FEDERAL TIMES  
**THIS WEEK**

[click here](#)

Subscribe now for the news you need today!  
**\$1 Week**  
FEDERALTIMES



Your Charity Needs Your Help



Make A Difference Help Someone Today.



[DefenseNews.com](http://DefenseNews.com)

[ArmyTimes.com](http://ArmyTimes.com)

[NavyTimes.com](http://NavyTimes.com)

[AirForceTimes.com](http://AirForceTimes.com)

[MarineTimes.com](http://MarineTimes.com)



It's Never Been So Easy To Extend A Helping Hand.

Please Support Your Charities