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To: David C. Childs A-76comments/OMB/EOP@EOP
cc:
Subject: A-76 Comments

Please find below and attached, comments by Andrew L. Stern, International President, Service Employees International Union, AFL-CIO submitted via e-mail by:

Stephanie Luongo
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December 19, 2002

Office of Federal Procurement Policy
Office of Management and Budget
725 17th Street, NW
New Executive Office Building
Room 9013
Washington, DC 20503

Dear Mr. Childs,

The Service Employees International Union (SEIU) has 1.5 million members who work in the health care, building services and public services industries - which includes federal, state and local government employees. The National Association of Government Employees (NAGE) and the International Brotherhood of Police Officers are both affiliate unions of SEIU. Our members not only provide vital services, but are also federal taxpayers. On behalf of all SEIU members, I write in response to the OMB Proposed Revision to Circular A-76, published on the federal register on November 19, 2002. SEIU is deeply concerned about this effort to expand the contracting out of governmental functions currently performed by federal employees dedicated to public service.

Expanding the privatization of services before addressing necessary reforms to our nation's current system of contracting out is particularly alarming. Federal departments are currently unable to provide the necessary oversight of privatized public services. The American public deserves a guarantee that their tax-dollars are well spent. According to a recent study by the GAO, several contractors won government contracts despite previous violations of labor, environmental and health and safety laws.

Compressing contract award decisions to a 12-month timeframe only increases the pressure on agencies and raises the possibility that short cuts and mishaps will continue in the contract process. Poorly handled contract awards continually end in wasteful decisions and higher costs to the public. This one-size fits all proposal fails to acknowledge the varying scope of government work eligible for contracting out.

Once a contract is awarded the accountability of that contractor to the agency and the public is virtually non-existent. Too often the lowest-bidder is awarded change orders and other mechanisms to subvert funding limitations. The hidden costs of contract administration also contribute to higher costs to taxpayers. There appear to be no repercussions for these hidden costs as ending the contract and bringing work back into the agency becomes a significant challenge involving reestablishing lost knowledge, skills and equipment. However, real costs of contracting out need to be consistently evaluated and a plan for bringing work back in-house in appropriate cases must be considered.

Additionally, the fact that important services such as direct care in our Veteran's Hospitals may be contracted out through direct conversion, causes us grave concern as these contracts essentially circumvent important standards and procedures. I urge you to reconsider the need for this type of exemption in such a critical field that handles our most honored citizens - our veterans.

Federal employees are a tremendous asset to the operation and security of this country. They deserve recognition for their important service instead of repeated threats to their committed public service. I thank you for the opportunity to comment on the proposed revision to OMB Circular A-76.

Sincerely,

Andrew L. Stern
International President
Service Employees International Union

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