



NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES

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CONTRACTING OUT H.R. 721/S. 1152 THE "TRAC" ACT

BACKGROUND

The Bush Administration has committed to forcing Executive Branch agencies to either compete or directly outsource 425,000 federal jobs over the next three years. Through guidance released last year, the Office of Management Budget also directs agencies to compete public-private competitions on or directly convert a minimum of 15 percent of all Federal positions considered commercial in nature (according to the Federal Activities Reform Act) by the end of fiscal 2003. All agencies will eventually be required to open at least 50 percent of "commercial" jobs to competition.

CURRENT STATUS

Currently two bills have been introduced in the 107th Congress to address the issue of public-private competition. H.R. 721, the Truthfulness, Responsibility and Accountability in Contracting (TRAC) Act, introduced by Representative Albert Wynn (D-MD) and its Senate companion (S.1152) introduced by Senator Dick Durbin (D-IL) would ensure that the business of the Federal government is conducted in the public interest and in a manner that provides for public accountability, efficient delivery of services, reasonable cost savings, and prevention of unwarranted government expenses.

The legislation addresses the following concerns with respect to contracting out:

- It would require agencies to track costs and savings from contracting out. Currently, agencies are assuming that promised savings from contractors are actually realized.
- It would prevent agencies from contracting out work without public-private competition. Almost all of the \$115 Billion worth of work performed annually by contractors is acquired with no public-private competition.
- It would allow agencies to hire additional Federal employees if they could perform the work more efficiently.

-It would require agencies to subject work done by contractors to the same level of public-private competition as work performed by Federal employees.

-The TRAC Act would require the Office of Personnel Management (OPM) and the Department of Labor to compare wages and benefits of Federal employees and then report back to Congress.

-H.R. 721 would place a temporary suspension on new contracting-out (except when essential to national security, patient care or to avoid extraordinary harm) until longstanding commitments to correct these inequities are fulfilled. S. 1152 would give agencies 180 days to meet the requirements of the TRAC Act.

NAGE POSITION

NAGE urges you to **cosponsor** H.R. 721; to correct the inequities of contracting out - please contact Michael Rioux in Representative Wynn's office at x-58699

NAGE urges you to **cosponsor** S. 1152; to correct the inequities of contracting out - contact Marianne Clifford Upton in Senator Durbin's office at x-42152