Discussion 1 week 5 outsourcing and inhouse operations

Business



Outsourcing and In-House Operations: Discussion Week 5 al Affiliation
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1. Discuss what you would consider to be an inherently governmental function in the context of government contracting. Explain why there would be a preference as to outsourcing and in-house operations in the areas of materials acquisition planning, resource allocation planning, and materials flow control.

Inherently governmental function is defined as " one that is ' so intimately related to the public interest as to require performance by Federal Government employees'" (Halchin, Manuel, Reese, & Schwartz, 2010, p. 5). There are a list of functions treated as inherently governmental as presented by OConnor (2007). These functions are crucial in nature and scope that core competencies of federal employees are needed for their undertaking and performance. According to O'Connor (2007), some of the functions included in the list are: (1) conducting criminal investigations; (2) commanding military forces; (3) conducting foreign relations and policy; (4) prioritizing Federal programs for budgetary purposes; among others. Accordingly, these functions are reviewed and modified, as deemed necessary, by the Office of Management and Budget (OMB) officials (OConnor, 2007).

As such, only when projects or programs are classified not within the inherently governmental function could other options through outsourcing could be resorted to. As emphasized, the option to outsource would only be justified when the cost of contracting services to private agencies or organizations is considerably lower than in-house services. Likewise, the decision to outsource or retain in-house transactions, is still governed by

policies and procedures outlined by the OMB.

2. Outsourcing and in-house operations are interactive elements of materials acquisition planning, resource allocation planning, and materials flow control. Argue whether or not inherently government functions should be outsourced. Support your argument with example(s). Then, offer an alternative based on your position.

One strongly believes that classifying functions as inherently government, by nature, should not be outsourced. For instance, one of the functions noted as inherently government is the "command of military forces, especially the leadership of military personnel who are members of the combat, combat support, or combat service support role" (OConnor, 2007, p. 109). In this particular situation, only the expertise and skills of federal officers are needed to perform the specific function. In no way would outsourcing serve the best interests of the military personnel to be commanded or directed, as noted.

In situations where inherently government functions are not effectively undertaken through in-house operations, the alternative would not be outsourcing or privatization. Only a review by the OMB would determine whether the function could be re-classified as not inherently governmental function. Only then could these be open for using other alternative options, which are still subject to the evaluation, review, and approval of the OMB. References

Halchin, L., Manuel, K., Reese, S., & Schwartz, M. (2010, October 1).

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