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Outsourcing & Managed Competition

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Definition

- ✘ **out-source**
- ✘ [out-sawrs, -sohrs]
- ✘ to contract out (jobs, services, etc.):
- ✘ verb (used without object) to obtain goods or services from an outside source:

Governments have turned to outsourcing as a way of accessing external expertise and delivering services more cost-effectively.

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Procurement's Value
Thoughts from a procurement mind -
Confucius Curt

- Agencies who outsource, value procurement highly...
- General view:
 - public sector is generally more efficient than it was when outsourcing was being introduced
 - Consequently, outsourcing offers smaller if any financial benefits

Perspective...


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Perspective


- **TEACHER: Glen, how do you spell 'crocodile?'**
GLEN: K-R-O-K-O-D-I-A-L'
TEACHER: No, that's wrong
- **GLEN: Maybe it is wrong, but you asked me how I spell it.**

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Who decides when to outsource?

- Procurement?
- Committees?
- Execs?
- Consultant?



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Outsources Opportunities

- PW
- Printing
- Trash services
- Street sweeping
- IT
- Snow removal
- ?

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How to outsource and procurement's responsibility in doing so (lessons learned)

- Notification of the selected firm
- Impacts to current employees
 - When to notify
 - Offer employment to employees?
 - Politics

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Is this true???

Is outsourcing a way of accessing external expertise and delivering services more cost-effectively?

- How do we know?
- Why is it?

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Managed Competition

- Huh?? What is it?


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– A TOOL FOR ACHIEVING EXCELLENCE IN GOVERNMENT ?

- It is for those who are not in favor of privatization per se' but want to insure that their costs are lower and their quality of services is improved.
- "Managed Competition" should provide an improvement in service quality while reducing costs and improving employee morale.


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Self confidence

- **TEACHER: Winnie, name one important thing we have today that we didn't have ten years ago.**
- **WINNIE: Me!**


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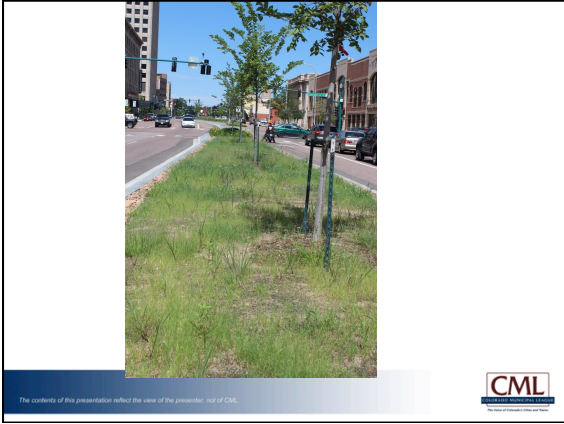


History of Managed Competition

- Hard to say
- Carrollton Texas
- Charlotte
- City of COS

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Different process

- In-house costs are compared with the market prices being paid for the same or similar services.
 - Evaluation team
 - Apples to Apples

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Are public agencies moving toward "Managed Competition?"

- Diminished public respect for government services
- Pressures from the private sector
- Political issues
- A force for change

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•Questions???

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