

CURRENT TRENDS OF OUTSOURCING PRACTICE IN GOVERNMENT AND BUSINESS: CAUSES, CASE STUDIES AND LOGIC

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ABSTRACT. The subject of outsourcing, A-76 studies and strategic sourcing are familiar terms in government and business. What lies behind the development of increasing activity in this area is an organizational field that legitimizes and perpetuates such activities. Justifications are provided in terms of cost savings, improved services and thereby, value to stakeholders. The following article provides examples of “field structuration” that contribute to the perpetuation of these forms of procurement practice. Literature research, interviews and participation as a contracts management professional provided input to the article.

INTRODUCTION

The purpose of this paper is to summarize current trends in outsourcing and reflect upon the recent developments as to causes, sources of promotion of the practice and estimation of what developments the future holds. In order to provide the reader with understanding of the roots of outsourcing, some background in the historical context will be provided. Considerations of the interaction between private industry and governmental entities in the promotion of the concept of outsourcing will be described.

The widespread use and promotion of outsourcing in the government and business sectors has been the subject of much debate over recent years. The proponents of outsourcing claim that it saves money and creates greater efficiencies through streamlining business processes. The critics say that outsourcing costs jobs for

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American citizens and causes the loss of employee benefits for those allowed to stay in their jobs while employed under the new contractor. The paper seeks to describe the current reasons for undertaking the step to outsource government work through a discussion of policies, published surveys and reported results.

While the origins of outsourcing have their roots in the United States back in the revolutionary war, the government defined and promoted the idea of outsourcing in the federal public sector in 1955 with the A-76 memorandum that stated that the government would utilize the private sector businesses to perform commercial activities.

The theoretical backdrop for understanding the popularity of outsourcing will be the institutional concept of organizational field and domain as described by Powell and DiMaggio (1991) and Scott (2001). Other factors include elite influence, competition, flow of innovation and professionalism in the construction of the organizational field that has made the practice of outsourcing the preferred practice among government and business.

Through a gradual evolution of the practice of outsourcing adopted by small businesses, then medium sized businesses to the granddaddy of global businesses enterprises, the role of the elite business/government manager seeking to maximize profit plays a fundamental role in the current state of affairs with the massive trends in outsourcing. In addition, the role of the business and procurement professionals in managing and implementing the worldwide agreements and operations involved in global sourcing is a key factor in its success.

As successes in cost-savings, increased benefits through outsourcing and increased efficiencies, are shared through the media, word of mouth and professional journals, a mind-set is created and reinforced through the power elites, the professionals and the citizenry that results in an organizational field that strongly endorses the outsourcing philosophy.

BACKGROUND OF BUSINESS OUTSOURCING

Early on, small businesses embraced outsourcing as a way to acquire specialized services in such fields as human resources, legal services and computer technology according to the literature. Outsourcing in these cases was also considered cost effective for price. Gradually,

medium sized businesses learned that outsourcing could be beneficial for their businesses as well. They realized that they could focus on their “core” specialty and turn over areas outside their specialty to other businesses that could more effectively handle areas such as information technology, payroll and others.

As the outsourcing trend evolved to the larger business sector, it was found that by outsourcing portions of their business functions to other companies, precious capital inflow could be obtained. Companies such as Boeing in Los Angeles, California, sold their data processing services to IBM Global Services and gained a substantial influx of capital. Another example is Lucent Technology seeking a buyer for two of its fabrication plants “to cut costs by contracting out manufacturing” (Ward, 2001, p. 31A). As a consequence of pursuing outsourcing agreements for manufacturing, the Lucent Technology Company has saved 90 percent of costs (Garrett, 2004).

Another consideration is that after the advent of Just-In-Time purchasing, procurement lead-times became shorter. Businesses had to respond to market demands more quickly. It no longer became cost effective to hire and train their business managers and employees in every nuance of new technology. Instead, businesses turned to temporary employees from temporary agencies to fill short-term specialized job needs (Felps, 2000).

A recent study by Accenture confirmed that almost half of the businesses surveyed have found outsourcing to be the leading supply chain reform that saves costs (“IT Spending Still Strong,” 2001). Although supply chain functions can be accomplished without engaging in outsourcing, cost-savings can be obtained through considering outsourcing selected functions. According to Copacino, “We’ve seen an increase in outsourcing in the economic downturn because it can often save companies significant costs, reduce fixed costs and assets, and create greater operating flexibility” (in Duffy, 2000, p. 47). The survey found that companies were outsourcing even nontraditional activities such as procurement, supply chain IT applications development and maintenance, and even supply chain planning to enhance effectiveness in these critical areas. The Internet was found to be extremely useful in the role it provided for visibility upstream and downstream in the (business) supply chain by providing connectivity and linkages among user activities/programs (Duffy, 2000).

As mentioned before, the scope of functions being outsourced increased to include previously thought “internal functions only.” These include the procurement function itself (Johnson, 1998). Another area of outsourcing is enterprise resource planning (ERP). Business managers seeking to gain an edge in marketing, management and technology now turn to specialists outside their organization for an inflow of the latest know-how.

A particularly fertile ground for outsourcing is the area of application service providers (ASPs). In order to avoid a large investment in technology and manpower to produce the data management services required today, businesses are finding that renting the service through specialized firms they can conserve precious capital. By renting an ERP package, companies gain access to complex technology that would otherwise be out of reach. While a core ERP application could cost a company \$1 million to \$5 million under a standard licensing agreement, a rental agreement normally cost \$400 to \$1,000 per user after setup (Greengard, 2000).

The primary motivation for outsourcing in most cases is the cost-savings to the business, however, improved services and access to technology often result, and figure into the equation. According to Stewart Clemantis, global managing partner for Accenture Finance Solutions, “cutting costs and enhancing productivity remain prime motivators, but it’s clear that some companies see outsourcing as a strategic weapon for change” (“Just in Time News,” 2003, p. 4).

BACKGROUND OF GOVERNMENT OUTSOURCING, COMPETITIVE SOURCING AND A-76

The Bush administration is currently promoting the use of “competitive sourcing”, its descriptor for the commonly used term “outsourcing”. In a memorandum dated May 29, 2003 entitled “Big Savings Expected from Competitive Sourcing Initiative: Contracting Overhaul Expands Public-Private Competitions for Providing Government Services,” the Office of Procurement Policy (2003) outlines the current revisions, comparisons to previous A-76 regulations and reported savings to date.

Most procurement civil servants consider the term “competitive sourcing” to be an acronym since this term is generally reserved to public private competitions by governmental units competing with the

private sector for specific functional areas. Outsourcing, under the A-76 OMB Memorandum, is a decision by the government to pursue the use of private business to perform the government's "commercial activities".

Outsourcing in the federal government began with the passing of the Bureau of the Budget Number 55-4 issued January 15, 1955 stating that the government would rely on the private sector for the provision of goods and services and thereby not compete with the private sector economy (Henry, 2004, p. 339). Through the years, various revisions have been made. Later, on March 3, 1966, this policy was expounded by the Office of Management and Budget (OMB) "Circular A-76, Performance of Commercial Activities." The policy was written to clarify that the government would "rely on competitive private enterprise to supply the commercial and industrial products and services it needs," although it constrains the government to perform its own "inherently governmental functions" (Henry, 2004, p. 341). In 1980, OMB Circular A-120 followed which reinforced the A-76 ruling regarding government's performance of inherently governmental functions. Other revisions occurred in 1967, 1979 and 1983 (OMB Memorandum dated May 29, 2003).

The agencies employ catchy phrases to rally the workforce around new concepts that management is promoting. In the early 1990s, the government used slogans and banners of "better, cheaper, faster." These cost-cutting initiatives evolved over time and gathered steam under the "Reinventing Government" program chaired by former vice-president Al Gore.¹ The Clinton administration, under guidance from the newly elected Republican Congress, expanded the A-76 competitive sourcing initiatives with actual targets established for outsourcing by agencies under the Federal Activities Inventory Reform Act (FAIR Act), passed in 1998.²

Under the Bush administration, the A-76 circular was revised to omit 18 pages of the "inherently governmental functions" limiting the scope of competitive sourcing activities. The Clinton Administration had an outsourcing champion in Vice President Gore in the early to mid 1990s. The Bush administration has taken outsourcing to the next level.

GOVERNMENT OUTSOURCING: GOING TO THE NEXT LEVEL

Following is an example of the government sector's outsourcing of facilities management of computer operations and military base activities. According to OMB A-76 implemented, government managers must target sections of their organization that could be performed more cost-effectively by the private sector. In each case, the government section under examination must create a Most Effective Organization (MEO) and compete with private sector companies to reach the most cost-efficient means of managing the government's work (Dempsey & Price, 2001)

In fact, the Federal Agencies and Inventory Reform Act, first enacted in the Clinton administration, and gaining steam under the Bush administration, requires agencies to identify categories of operations within their respective agencies that could be performed by the private sector. Then, these areas are compiled on a list and submitted to the Office of Management and Budget, which has set certain targets for outsourcing for some of the federal agencies, some of them up to 15 percent or higher. In its management capacity, OMB assigns grades to agencies based upon evaluation of the agencies attainment of their outsourcing goals.

In recent years, this has resulted in turning over entire base management support functions to private contractors. More often, the information technology sections have been outsourced after it has been determined that it can be conducted just as well for less cost by the private sector on a best value basis.

A recent article states that the Defense Department is moving beyond the traditional A-76 guidelines to engage in increasing levels of outsourcing. This may even include the areas of traditional "inherently governmental functions" such as procurement and others considered "strategic sourcing". These steps are needed to help the government achieve overall efficiencies and cost-savings to generate funds (Chelf & Reed, 2002).³

Examples of Savings and Benefits through Outsourcing Government IT Including State/Local Levels

The trend toward outsourcing computer functions includes commitments by state and local governments. The state of Virginia has made great strides in outsourcing computer and

telecommunications processes to achieve cost-savings. This is due in part to the fact that the past governor, Mark Warner, is a successful telecommunications business owner willing to lead the outsourcing efforts. The project anticipates saving \$37.4 Million during the first year and saving \$100 million over Warner's four-year term (Welsh, 2003).

Surprisingly, structural changes to the computer functions organizations are supporting the efficiencies obtained through outsourcing. In the case of the state of Virginia, these saving are to be achieved through combining three agencies and two boards into one organization to gather economies of scale. It will include the help desk function, e-procurement, ERP, and project management.

Fairfax County, Virginia, likewise achieved economies of scale and resultant cost-savings in IT by reorganizing and modernizing computer functions with an outsourcing partner. They put many more government services, such as licenses, and parks & recreations permits on-line. Through the cost-savings generated from this project, the government was able to continue its level of programs in a time of a declining budget.

In another example, the state of Wyoming outsourced its accounting system to American Management Systems (AMS) of Fairfax, Virginia. As it turned out, the costs for performing the services were the same if handled by the state agency or AMS. However, through outsourcing, they were able to generate a higher level of service, such as checking for computer bugs, hackers, and moving toward a web-based approach. This approach allowed major upgrades for the state internally (Robinson, 2002).

The state of Florida has an outsourcing champion in former Governor Jeb Bush. He seeks to outsource as many functions as he can to reduce costs and improve services (Emery, 2003).

Worldwide Trends in Government Outsourcing

According to a study by Accenture conducted in 22 countries with 130 respondents, governments worldwide are "bullish" about outsourcing. However, cost-savings is the number 7 reason cited among 15 choices. Five years ago, it would have been the primary reason. These days, the primary reason for outsourcing is improved speed or quality of services (Emery, 2003). According to the study,

100 of the respondents admitted to outsourcing IT business processes, such as web design, maintenance and customer relationship management. Seventy-four percent of governments outsource IT applications and 66% outsource IT infrastructure (Emory, 2003). Of the international response, it was found that the United Kingdom engaged in the most extensive outsourcing while leading the public-private partnership efforts (Emory, 2003)

Changing Emphasis in Outsourcing: Expanded to Include Naval Base Facilities Management

In addition to the computer operations side of facilities management, consider the aspect of military base operations facilities management outsourcing that has actively pursued privatization of government management/operations to save federal funds and generate efficiencies.

According to a *Navy News Release* on January 7, 2000, a contract was awarded to Raytheon Technical Services Guam for Base operations support in the amount of \$329 million over 7 ½ years. This award reportedly saved the Navy \$253 million over 7 ½ years. According to concerned Navy personnel, this was the most talked about outsourcing contract through the A-76 program. Personnel involved ranged all the way from the processing clerk, through the ranks of Navy personnel up to the Secretary of the Navy.

According to the Guam delegate to Congress, base operations were considered for outsourcing at both the Pensacola, Florida naval base, and the Guam base at the same time. The Pensacola base was considered a high-impact area, and the Guam base area was considered a low-impact area. Definitions of the terms “high-impact” and “low-impact” are internal Navy descriptors that seem to provide an edge over whether one is committed to outsource functions or not.

In the case of the Guam Base, what started as an A-76 study for the Public Works Center (PWC) was expanded by high ranking naval commanders to include a larger scope of other related base activities, ranging all the way from the provision of food to the management of nuclear warheads stored in Guam. According to the news release, affected activities included the following: administrative services, contingency preparedness, engineering and MRP, management services, buildings and structures maintenance/repair, transportation

services, environmental services, steam and demineralized water services, electrical services, potable water services, wastewater services, housing operations and maintenance, food services, family services center, morale, welfare and recreation services, supply services, ordnance services and waterfront operations.

Affected military and civilian personnel numbered 2,300. The American Federation of Government Employees, Local 1689, appealed the decision, but was denied by the Commander in Chief of the U.S. Pacific Fleet in his capacity as the Administrative Appeals Authority. The concerned congressional delegate from Guam stated in his testimony that the outsourcing decision wracked havoc on military and civilian life in Guam. Military housing was no longer provided free of charge and many local positions with the base were lost or replaced.

The entire A-76 process was fraught with stress and uncertainty on the part of Navy Base personnel on Guam. It started with the government's development of a Performance Work Statement (PWS) and Quality Management Plan (QAP). Next step was the management study to determine government costs to provide the scope of services with the creation of a most effective organization (MEO) or government in-house proposal. Then the concerned Navy personnel developed their in-house cost estimate. Following the in-house estimate, the Navy issued a request for proposals (RFP).

Once proposals were received to compare with the government estimate, the bids were evaluated by high ranking personnel. When the decision was made to award the contract to Raytheon, an outsourcing partner, the government union protested because many workers lost jobs, benefits or suffered a salary decline. As stated above, this protest was denied, and the government saved a quarter of a billion dollars compared to the in-house proposal by the MEO. In reality, the cost savings are being eroded due to "contract creep" (increasing costs during contract term). This is because the estimate of activities that were to be performed for base support was underestimated (Cruz, 2001).

According to the A-76 rules, the work is to be performed in-house, unless there is a savings of 10% of personnel costs or \$10 Million overall savings over the term of the contract. Clearly, the savings for this outsourcing operation were significant, ranging from \$250 million

to \$650 million, depending upon the source. While we can trumpet the cost efficiencies in budget terms, what about the effectiveness on the local economy? What were the true cost in terms of personnel and local economy? This question has yet to be quantified.

In contrast, the Navy personnel in Pensacola, Florida were successful in their bid to retain the PWC in-house because they hired a contractor to help them prepare their MEO, in-house cost estimate, transition plan and technical performance plan (Performance Work Center, 2004).

STRATEGIC IMPLICATIONS

The current thinking of government and business is that there can be cost-savings, efficiencies and economies of scale to be achieved through concentrating on core processes and outsourcing all other functions. Supply managers can contribute to their organizations by creating alliances and joint-improvement efforts with a small number of business critical suppliers. Of course, performance monitoring and measurement of results is necessary to achieving maximum benefit (Flynn & Farney, 2003).

While outsourcing is often used to save costs, reduce overhead and obtain specialized services, some business executives wonder about the consequent lack of control they may experience over their business functions. Will this necessitate a new method of management? Will a change in business culture be required? A recent Accenture study of over 300 Canadian executives in both the private and public examined these questions. The study found that the executives were focused on the short-term benefits of outsourcing to reduce costs. The researcher validates the short term focus of the executives, however, the strategic implications need to be addressed in order to move the company to be able to compete in a global market. Overall, it was found "outsourcing can provide a cost-effective and strategic way for organizations to focus on what they do best and position themselves for future change and growth" ("Cutting Costs in Canada," 2002)

At the Massachusetts Institute of Technology, their faculty anticipates that data programming will be outsourced on a large scale to India to the tune of 50 million jobs from the white collar West (i.e., United States, Canada, United Kingdom and Europe). India, with its

educational system modeled after Britain's, has produced many capable data programmers willing to work at a lower salary rate, as mentioned before (Peters, 2000).

Supply Chain Linkages

One of the National Association of Purchasing Management (NAPM) studies predicts that we will see an increase in the virtual supply chain based upon current trends and developments (Duffy, 2000). With the development of new web-based business functions and movement of operations such as accounting and insurance claims to out of state outsourcers or even out of country outsourcers, it looks like we are on our way to seek more and more outsourcing arrangements to obtain better technology and services through cost savings. However, we need to keep in mind the impact upon the local economy in the drive to achieve economies of scale and cost savings.

In *Purchasing Today*, under "Just in Time News" (August 2003), one news report discusses "Outsourcing as a Catalyst for Change." According to this news report, outsourcing is seen as a strategic weapon to restructure and transform business process, and produces ambitious plans for the future. Thereby, strategic outsourcing involves cost savings and more, such as improved technologies and services.

Maximizing Value to the Stakeholders

The question is how to define the stakeholders in the current outsourcing wave. The powers supporting outsourcing are the elite managers who own or manage the businesses or government functions. They receive benefits, either monetary or otherwise by saving money and improving efficiencies and service levels. The professionals in business, contract and supply management are the worker bees who make the outsourcing initiatives work at the national and global levels. Through the communication and publication of success stories in outsourcing that frequent the media (Richardson, 2001), the outsourcing practice become more prevalent in the government and business world as the concept becomes more acceptable.

Other considerations of stakeholders include the stockholders who stand to gain from increased profits in the company shares.

However, if we consider the operational level workers, i.e. the computer programmers, insurance claim processors and web designers or others, they stand to lose by having their jobs outsourced to India or elsewhere. Outsourcing to India increased by 60% in 2003, compared to the year before or in numerical terms, approximately 140,000 jobs (Thottam, 2004).

Not only is India actively pursuing to secure outsourcing contracts. There is new competition from the Philippines, South Africa, Ireland and Eastern Europe for the precious contracts that bring foreign investment and enterprise into their country. Some businesses report that by outsourcing the engineering jobs to India, management jobs are created in the U.S., specifically in the Silicon Valley, contributing to employment in the U.S., and the economy in general. However, the cost to the American citizens is the shrinking amount of entry-level jobs that new entrants to the work force use to gain experience to qualify for the higher levels (Thottam, 2004).

Theoretical Implications

Given the general acceptance of outsourcing in business and government and at all levels, including the micro (local and state), national and international arenas, there is the resulting cultural norm of outsourcing as form of doing efficient business. It affects the work culture in that employees can no longer count on company retirement as did their forefathers. Instead, they must save for their own retirement through vested 401(k) plans, invest wisely and transfer the savings from one job to another. They may expect to have many careers with different companies during their lifetime.

There is a growth in the training in the business and contract management professions to facilitate the knowledge to be applied by actors in the outsourcing process who act as agents of their organizations to achieve the targets set in terms of cost-savings, strategic alliances and better returns (Scott, 2001, p. 122). According to Scott (2001, p. 131), "institutional agents...- nation-states, professions and international associations - are usually regarded as important agents of normative and coercive influence on social life in many spheres. The picture is one of autonomous, albeit interdependent, collective social actors engaged in transactions and linked through dense networks of exchange and influence."

Furthermore, institutional structures can be seen as the organization's way of framing the decision making of the group. The institution interacts with others to shape and form processes as a result of interest-based activity (Scott, 2001, p. 135).

Creation of Organizational Field

An organizational field can be construed as an interdependent, and independent organizational set of activity that can be categorized as unique. The scope of activities is generally assumed a normal business or governmental activity once it is established as an organizational field (Scott, 2001, p. 136). It is the product of "exogenous" and "endogenous" factors resulting in the build-up and support of organizational structure to reinforce the process.

Given the above examples of normative acceptance and support of outsourcing operations throughout the government at all levels and in private industry as well, one can deduce that the practice has grown beyond cultural norms of *modus operandi* to the existence of a valid organizational field. Surveys indicate that large numbers of governmental organizations are "bullish" about outsourcing and intent to pursue it during the course of their operational activities.

Field boundaries are generally perceived as "a set of diverse organizations engaged in a similar function" (Scott, 2001, p. 137). Through the practice of outsourcing permeating federal, state and local governments in addition to the private industry global hegemony in factors of production, there arises an interdependence and relationship or common sharing of best practices among these groups.

At another level, consider the "belief systems" and "related practices" that pervade the organizational field resulting in "institutional logics" (Scott, 2001, p. 139). These logics are dominated by "content" or how to accomplish stated objectives and processes to accomplish such goals. The system also includes information about market "penetration, linkage and exclusiveness" (Scott, 2001, p. 139). These logics arising from cultural beliefs create "frame alignment" to structure the process of social change and provide legitimacy upon execution (Scott, 2001, p. 139).

Lest we forget, it is the "professionals" operating within the network to provide the results sought by the executive or

governmental elite. These professionals are interlinked through professional organizations, such as the Institute for Supply Management, Project Management Institute or the National Contract Management Association, to mention a few. The members are fed information by the organization to support the system logics of the organizational field. The professionals legitimize the activities through scientific management and measurement of accomplishment of goals.

In the case of the government, the Government Accountability Office (GAO) performs audits of governmental activities as one example of a governmental oversight office. In addition, many government agencies have personnel and departments devoted to internal audits. Private sector companies are monitored by research of the company itself, consultants and professional organizations.

Now consider the concept of “field structuration” that refers to the “*recursive* interdependence of social activities and structure” (Scott, 2001, p. 142). The emphasis on recursive alludes to the fact that unless social structures are reproduced they are not reinforced into viable institutional forms. This occurs through interdependent activities among organizations and establishment of patterns of organizational behavior.

Discussion

The focus now is on global sourcing for private business, not just computer operations, but business processes. For the government, there may be increased emphasis on the economic impact studies to the community economy on the effect of military base outsourcing if the constituents have their way. While laws are on the book to perform such studies, they are superficial at best, and need to be investigated in depth.

While business tends to go with strategic alliances for outsourcing, government needs to focus on “unbundling” the bundled requirements through set-asides for small and disadvantaged businesses. If more contracts were “unbundled”, there could be more participation by a broader span of the public such as small and minority owned businesses. While an increase of suppliers creates more of an investment and burden in contract management

activities, it does pay off in terms of greater employment and participation on more of the citizenry.

CONCLUSION

Given the massive exodus toward outsourcing that is permeating government at all levels, the push for competitive sourcing under President George W. Bush's Presidential Management Agenda has advanced the practice to new levels of public - private competition with business units in government and business competing based upon their perceived efficiencies.

The traditional reasons of seeking cost-savings and increased specialization have been expanded to include improved services at less cost, greater flexibility and strategic alliances with outsourcing partners as a move toward a catalyst for change. Witness a fundamental shift in the way Americans and others do business in government and private industry through the structuring of outsourcing arrangements.

Within the theoretical underpinnings of this arrangement is the concept of organizational field. Associated with this theoretical label includes cultural acceptance, rules or norms of behavior, boundary setting process, connection of logics, frame alignment and field structuration.

Through these themes, one can see the creation of new type of institutional arrangement that reproduces and reinforces the new behavior set of outsourcing instead of producing or processing in-house. By rationalizing the accomplishment of lofty goals through this behavior, the system becomes legitimized and validated as an acceptable and reasonable behavior for the organization.

Thereby, outsourcing as organizational process becomes the *modus operandi* for achieving excellence in service, cost-saving, new technologies, methods and strategic alignment of inter-organizational cooperation. The process has become state-of-the-art (to use a term from the 1970's and 1980's). Through the organizational transformation of business processes, a new set of governmental and industry body structures result. It is a new world of strategic alliances, global inter-linkages in the accomplishment of business matters and on a course for catalytic change through organizational outsourcing.

NOTES

1. The author can remember seeing slogans on the walls at GSA Headquarters in Washington, D.C. in 1994 in the form of a huge banner stating the government slogans of “faster, better, cheaper” with agency and division chiefs’ signatures around the edges. This theme was part of the reinventing government program under Vice President Al Gore.

Personal experience as a contract specialist with the U.S. General Services Administration (GSA), the agency often referred to as the “housekeeper” of the federal civilian government, I performed contract administration on a facilities management contract for the computers housing all of the rent for federal buildings. This important operation processed millions of dollars of federal funds. This was the concept of facilities management that was familiar to me at that time. Through contacts with the National Contract Management Association at the Aloha Chapter Meetings in Hawaii, I was exposed to a new concept of facilities management: the support functions for the Navy Bases overseas and statewide. To the Navy Contracting Officer, it can mean the operation of services the Navy provides in the form of base repairs, provision of family services, dining rooms, even the supervision of nuclear arsenal. In another context, facilities management can also refer to the providing of health care services to society, or even leisure services, or construction of transportation facilities. In the United Kingdom, the term “facilities management” may even apply to utilities services.

2. Also grades are assigned for progress toward e-government initiatives.
3. That is even more crucial after September 11th.

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