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NTEU Leader Criticizes IRS Decision To Contract Out Facilities Jobs Based On ‘Best Value’ Competition

Washington, D.C.—The leader of the union representing tens of thousands of Internal Revenue Service (IRS) employees today expressed her great disappointment at an agency decision to turn over to a private contractor the jobs of another 58 IRS employees at five agency service centers around the country as well as in its headquarters operation.

“This decision is a direct result of the pressure federal agencies are under from the White House and the Office of Management and Budget (OMB) to meet unofficial quotas in turning over as much work of the government as possible to the private sector,” said President Colleen M. Kelley of the National Treasury Employees Union (NTEU).

“What is particularly disturbing is that this competition was not awarded based on savings for taxpayers,” President Kelley said. “So-called ‘best value’ competitions are simply a way for agencies to hand work over to private contractors without having to demonstrate a clear savings to the public. This is bad for federal employees and bad for taxpayers because there is no proof and no accountability,” she noted.

The work at issue involves the Building Delegation function in the IRS’s Agency-Wide Shared Services (AWSS) Division. The function involves the operation and maintenance of buildings where the IRS has an agreement with the General Services Administration (GSA) requiring it to maintain facility services such as operations, repairs, scheduled preventive maintenance and equipment certifications. The employees will be off the rolls by March 2006.

“There are continued promises, both from private companies and the administration, that the contracted work will be done better and at less cost than federal employees can perform it—but there is

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Kelley Critical of IRS AWSS Contracting Decision —Add One

no evidence that contracting federal work has either of those results,” she added.

Federal contracting is conducted under rules for public-private job competitions contained in OMB Circular A-76, a document that was rewritten more than two years ago to heavily favor contractors, allowing the work to be awarded based on “best value” rather than cost. When the competition for the AWSS building delegation work was announced, there were 113 IRS employees involved in the function—but, reflecting the uncertainty generated in the federal workplace by these competitions, a number of building delegation workers left federal employment during the process.

Kelley said that NTEU worked hard and successfully for more than a year to put in place a variety of mitigation strategies to lessen the impact on affected employees. These include early-out and buyout opportunities, along with preferential consideration of building delegation employees for vacancies in the IRS.

NTEU also won a program of indirect buyouts under which impacted employees could fill the jobs of other IRS employees not affected by the A-76 decision but who chose to leave the agency. In addition, the mitigation agreement calls for outplacement assistance, external job search help, career counseling and more.

The union continues its lengthy dispute with the IRS over the possibility of a reduction-in-force affecting building delegation employees. The parties are still negotiating over the terms of the RIF and the matter is before the Federal Service Impasses Panel (FSIP).

President Kelley said the IRS AWSS decision to award the contract based on “best value” is further evidence of the need for congressional approval of legislative language in the pending Treasury-Transportation Appropriations bill that would require, among other important steps, a minimum savings from contracting of \$10 million or 10 percent; she urged federal employees to write to their member of Congress to express their concerns about the impact on government services of contracting out federal jobs.

NTEU is the largest independent federal union, representing 150,000 employees in 30 agencies and departments, including 94,000 in the IRS.