



Require Federal Agencies to Contract with the Private Sector for Construction Services Whenever Practicable

Issue Background:

Since the enactment of the Federal Activities Inventory Reform (FAIR) Act (Public Law 105-270) in 1998, less than 10 percent of the 850,000 positions in the federal government deemed commercial in nature have actually been reviewed. Use of a “Yellow Pages” test on the positions identified under the FAIR Act, if completed within five years, could reap annual savings of between \$20 billion and \$28 billion. Many of these jobs could be contracted out to the private market and provide good opportunities for the construction industry.

Key Points:

- *The Federal Government Should Not Take Jobs Away From The Private Sector.* It is the responsibility of the federal government to maintain key services to the American people. It should not, however, be in the businesses of taking work out of the private market.
- *Procurement of Construction Services Should Keep Competition Alive.* The legislation would implement a “Yellow Pages” test to make certain the government is not unfairly competing with the private sector and to assure that products and services are provided at the best value to the taxpayer. This “test” would require that if the Yellow Pages list several firms that currently provide services that the government is also providing, then the service should be subject to competition.
- *Such Legislation Does Not Mandate Privatization.* It gives Executive Branch agencies options to preserve those activities that only the government should do, while proposing competition with the private sector for those functions that are commercial.

NECA Position:

Congress should enact legislation requiring federal agencies to maximize the use of the private sector for the procurement of construction services whenever practicable. Such legislation would establish a standard “Yellow Pages” test to review commercial activity in the federal government.