



AMERICAN COUNCIL OF ENGINEERING COMPANIES  
*of Colorado*

ISSUE PAPER  
**Taxpayers Benefit from Government Outsourcing**

*Mitch Daniels, head of the federal Office of Management and Budget, states:*

***“If you can find it being offered by the private sector or in the yellow pages, then the government probably should not be doing it directly.”***

The American taxpayer benefits from the value and cost-savings realized when government out-sources **engineering, planning, design, and construction phase services** to the maximum extent practical. Government benefits from the innovation, high-quality service, on-time performance and accountability that it receives from the private sector.

Economic growth and innovation in our society is driven by the power of the private sector. The inherent government mission is of administration, regulation and enforcement. The role of government is to manage the process-including planning, budgeting, prioritizing, procuring and overseeing public projects-rather than to actually perform the work. In order to keep up with growing demand and changing environments, public agencies must employ additional cost-effective resources to ensure delivery of all necessary services, and outsourcing is one method of achieving the best value for each dollar invested.

Outsourcing is an effective tool that governments can use to deliver infrastructure projects while achieving performance improvements, providing taxpayers better value for their money, and capturing a broad range of benefits. Outsourcing is a competitive process that delivers the following benefits for governments:

- Achieve improved quality and compliance to standards;
- Accommodate fluctuating and peak work demands;
- Speed project delivery and meet deadlines;
- Gain access to expertise and technology;
- Improve efficiency;
- Spur innovations that improve the quality of services;
- Better manage risks by sharing liability; and
- Cut or contain costs with private sector efficiency.

The first seven benefits are often overlooked in the public debate, but research shows that they often drive the actual outsourcing decision. If managed properly, outsourcing with the private sector reduces costs and improves the quality of service.

-Excerpted from the Reason Public Policy Institute policy Study 272, September, 2000, and the Policy Brief, July 2003, and ACEC Policy Issue Statements.

*White Paper Adopted by ACEC/CO Board of Directors, January 27, 2004*