

## OUTSOURCING = BEST VALUE

Government agencies in BC are facing increasingly tight budgets and the need to efficiently allocate scarce resources is critical. In order that the taxpayers can receive the best possible services, agencies must focus on their core activities and seek to outsource others to private industry. Outsourcing is a proven method that will not only lower costs for government, but will also improve the quality of work done, and provide expertise and innovation. Outsourcing brings:

- **Focus on Core Competencies:** Contracting out construction services allow the government agency to focus on their core mandates, and provide better service to the taxpayer. Funding for education or health should be carefully allocated towards enhancing education and health, not used to compete with private industry.
- **Improved Accountability:** Outsourcing provides a direct source of accountability and responsibility by tying contractor compensation to the successful completion of projects within budget.
- **Reduced Standby Costs:** One of the key benefits of outsourcing is that it allows agencies to better accommodate fluctuating demand for labour, thereby reducing standby costs. It also removes the need to maintain its own machinery and equipment.
- **Lower Project Costs:** Just as private firms work harder to meet deadline, so also will they seek to run as efficient an operation as possible. After all, their very existence depends on maintaining competitive rates.
- **Flexibility:** Construction is a complicated enterprise. It is simply imprudent for a public owner to maintain, on in-house payrolls, every conceivable discipline and specialty that may be required to produce even a relatively simple structure or infrastructure project at any given time.

- **Faster Project Delivery:** Private firms have more at stake, and will work harder to meet deadlines. They know that their future jobs depend on being reliable and on time with present deadlines.
- **Improved Risk Management:** Outsourcing work to the private sector also means outsourcing the corresponding risks.
- **Supports Industry Development:** Contracting out public construction services stimulates the economy by supporting private enterprise which in turn creates work and opportunity for the community as well as a broader tax base.
- **Faster Project Delivery:** Private firms have more at stake, and will work harder to meet deadlines. They know that their future jobs depend on being reliable and on time with present deadlines.
- **Access to Expertise:** As private contractors are exposed to a wide variety of clients with often challenging projects, they bring unparalleled experience to their jobs.
- **Increased Innovation:** When private firms are required to compete for government contracts a climate is created that spurs new ideas and innovative thinking

The time has come for government to seek out the many advantages to outsourcing construction services. With Government funds in short supply, the only prudent action is to reach for the efficiencies of outsourcing. Those much needed dollars can go to the classrooms and patient services rather than millwork shops. Simply put, outsourcing equals the best value for the taxpayer.

Please visit the BC Construction Association website to review the industry position paper "[Outsourcing = Best Value for the Taxpayer](http://www.bccasn.com/)" at: <http://www.bccasn.com/>

