

**Minutes of the  
Free Market Protection and Privatization Board**

Thursday, October 9, 2014 - 2:00 p.m.

Room 20, House Building

State Capitol Complex

**Members present:**

Kimberley Jones (Chair), Rep. Johnny Anderson, Rep. Lynn Hemingway, Brian Gough (Vice Chair), Thomas Bielen, Randy Park, Manuel Torres, Russell Anderson, Al Manbeian, Bob Myrick, Rick Jones, and Steve Fairbanks

**Members absent:**

Sen. Howard Stephenson, Sen. Karen Mayne, Jacquie Nielsen, Louenda Downs and LeGrand Bitter

**Staff present:**

Cliff Strachan, Governor's Office of Management and Budget (GOMB)

Note: Additional information including related materials provided at the meeting and an audio recording of the meeting can be found at <http://gomb.utah.gov/operational-excellence/privatization-board/> and the Utah Public Meeting Notice Website (<http://www.utah.gov/pmn>).

**1. Welcome and Introductions**

Kim Jones chaired the meeting.

Louenda Downs, Jacquie Nielsen, and Sen. Karen Mayne are excused.

**2. Public Comment (10 minutes)**

**3. Board Business/Minutes**

**a. Minutes from August 14, 2014**

*Motion:* Bob Myrick moved to approve the minutes of the August 14, 2014 meeting. CARRIED

**b. Privatization Process Advisory Committee**

Cliff Strachan provided an update on Sequoia Consulting's progress, including the latest draft of the workbook. He introduced a new survey relevant to the Commercial Activities Inventory requirement and has begun preparing the accounting method for submission to Administrative Rules Committee. Due to serious illness to the principal consultant the section on Performance Contracting is not yet complete. Discussion of projects and next steps for process development.

Chair Jones talked about the need to get the message out, the communication component for the board, and do it with transparency. Mr. Strachan talked about the need to build trust with agencies to overcome agency resistance to reviews by the board.

**c. Report to Government Operations Interim Committee**

Mr. Strachan provided a draft report for the Board's consideration and requested comment. The report needs be delivered by November 1 and someone representing the board may be invited to appear at the committee's November meeting.

*Motion:* Steve Fairbanks moved to approve report for signing and sending to the interim committee.  
CARRIED

**4. Commercial Activities Inventory (CAI)**

**5. Review Privatization of an Activity**

**a. Total Cost of Ownership (TCO) Study re Payroll and DHRM**

Mr. Strachan reported that the TCO study was found to have some errors and is being revised. The full report should be available for the November meeting.

A request was made to invite the Department of Human Resource Management and Division of Payroll to present at the next meeting.

**b. Property Damage Subrogation**

Cliff Strachan reported on the activities of the working group and today's issuance of a Request for Information. Previously, this project was referred to as Third Party Liability. While a specific firm brought the idea to GOMB and certain legislators, the RFI has been issued openly and with specific notice to several firms. The working group includes staff from Risk Management, State Debt Collection, UDOT, and Salt Lake County.

A request was made to invite the Department of Risk Management and Office of State Debt Collection to present at the next meeting.

**6. Review Issues Concerning Agency Competition with the Private Sector**

**a. Competition Review Advisory Committee**

Mr. Strachan reported that he is gathering updated information from the State Office of Education now that the FY 2014 year end has closed. He's converting the information into the process developed by the Privatization Process Committee with Sequoia Consulting. He has also issued another survey to those local education authorities using a private sector vendor to better identify their costs.

**7. Other Business/Adjourn**

*Motion:* Bob Myrick moved to adjourn. CARRIED

Scheduled Board meetings:

- Thursday, November 13, 2014 at 2 pm in 20 House Building
- Thursday, December 11, 2014 at 2 pm in 20 House Building
- Thursday, January 8, 2015 at 2 pm in 20 House Building

Advisory Committees:

- Competition Review - TBD
- Privatization Process - TBD
- DTS Review - TBD