

# **Privatization Policy Board Annual Report Annual Report 2009**

## ***Issues Considered***

During the course of the year, several potential issues were brought the attention of the Board. Each issue is listed below, along, with the rationale for the Board's decision whether to review and report on the topic. A substantial amount of time was spent setting up and perfecting a "services/functions" survey to comply with the Board's responsibility to compile an inventory of "inherently governmental" and "commercial" activities.

### **Notary Public In-House Request**

- Who brought forward this request? Spencer Hadley from the Lieutenant Governors Office
- Selected for review and reporting? More information was requested to make a decision

Rationale: The Board is to be involved in any privatization issues that state agencies bring to its attention.

### **Board Review:**

Spencer Hadley presented to the board the current issues and future ideas the Lieutenant Governor's Office has regarding the Notary Public process:

Currently the notary testing services are contracted out through PSI Exams Online. The potential candidates take an online test and pay a fee that is split between PSI and the Lieutenant Governors Office. Within this process Spencer concludes that a duplication of services is being provided. The applicant takes the test and then sends their application to the Lieutenant Governors Office and then they have to repeat the process again. Through this process Spencer also claims that the applicants are almost being screened again. An in-house test would allow the Lieutenant Governors Office to not only have control over the test but also allow for the reduction or elimination of data entry that is currently being performed by staff.

At the conclusion of the meeting it was apparent that more research on how to incorporate or switch from a contract service to an in-house service would be done. Senator Goodfellow suggested that Spencer Hadley do more research and attend the next meeting.

### **Board Action:**

A follow-up meeting to discuss the additional research on this issue was never established.

### **Weber County Waste Disposal Site**

Rationale: The Board provides a forum for reviewing cases where privatization is considered and the proper steps need to be taken to ensure competitive results. Any time

a state agency permits then the board should be concerned and since the DEQ is allegedly involved it was appropriate to hear the matter. In this case Mr. Penrod alleged Weber County illegally entered into an agreement with Moulding & Son's Landfill, which has created an unfair monetary advantage, created a monopoly, and has effectively prohibited competition in the private sector. Ralph Bon for the Department of Environmental Quality also testified and brought General Council Raymond Wixom.

**Board Review:**

At its September meeting, the Board heard arguments from Mr. Penrod from Counterpoint and Mr. Wilson from Weber County whom also brought Mr. Taggart and Randy Moulding. Mr. Bon from the Department of Environmental Quality was also present to discuss the permit process needed to run a landfill.

Mr. Penrod's position was based on the following points:

- Stated that the agreement between Weber County and Moulding & Son's is illegal.
- That the arrangement created an unfair monetary advantage.
- The arrangement has ended in a monopoly, and effectively prohibited competition in the private sector.
- On three different occasions private enterprises have tried to contract with the County only to be denied.

Mr. Wilson's position was based on the following points:

- This is a legal matter that should not be seen before the board.
- Mr. Moulding owned ground that would facilitate C & D landfill. While Mr. Moulding and Mr. Laird, of Weber County, have a good relationship, there was no illegal transfer of money to facilitate the deal.
- Weber County is not bound by the Purchasing Ordinances when it purchases real estate to do a RFP or RFQ.
- The contract set up between the county and Mr. Moulding has the county in control of the tipping fee. So if Mr. Moulding were to pass this on to someone else they could not gouge the county for money. Therefore, there is no monopoly.

Mr. Bon explained the position of the DEQ and the process that they are going through to award permits to the landfill, owner and county. It is still an on-going investigation.

**Board Action:**

Being that this could turn into a legal matter the board thought that though it was within its jurisdiction to look at the privatization of the landfill they believed that a full investigation would not be warranted.

**Survey Used to Create an Inventory of Activities of State Agencies in Accordance with Utah Code 63I-4-301:**

With the budget cuts of Fiscal Year 2010 and Fiscal Year 2011 the Board encountered challenges in filling a Research Analyst position to send out a survey to create an inventory of activities provided by state agencies. Initially, a purchasing agent was directed to split time with their current duties and assist with the development and disbursing of the survey. Unfortunately, during the process this person chose to take a job outside of the public service arena. However, the Board was able to find a suitable solution for the Research Analyst position. The survey has been successfully sent out to and the inventory of services/functions is underway and set to be completed during the summer of 2010.