

**Minutes of the  
Free Market Protection and Privatization Board:  
Privatization Process Advisory Committee**

Tuesday, March 26, 2014, 2:00 PM  
Room 240, Capitol Building  
State Capitol Complex

**Present:**

Brian Gough (Chair), Rep. Lynn Hemingway, Kim Jones, and Russ Anderson

**Absent:**

Randy Simmons, Chad Whitlock

**Staff present:**

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

Note: Additional information including related materials 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**

Brian Gough called the first meeting of this advisory committee to order. Randy Simmons was excused.

Board members and guests from Sequoia Consulting Group introduced themselves.

**2. Board Business/Minutes**

**3. Sequoia Consulting Group - Ken Murray and Anita White**

Using a PowerPoint presentation to kick off the project, Dr. Ken Murray and Anita White talked the advisory committee members through an overview of the project for which they have been hired - to assist the board in developing a workable privatization process to identify and evaluate privatization opportunities. Dr. Murray and Ms. White inquired as to board expectations, discussed various forms of privatization and alternative service delivery, and discussed issues to be addressed, cost analysis, and performance measurement.

Discussion identified a need to avoid political pitfalls, address conflicts, result in action, achieve communication, and result in a road map ahead. Also noted were the lack of results since the board was established years ago along with a recognition that state agencies use more outsourcing and alternative delivery methods than many realize.

The process to be developed will provide a methodology that can be used throughout state government and beyond. Measures for success identified by the members included: understanding a collective clear path, knowing what has been done in other states and how successful those efforts were, finding opportunities despite agency noise, a recognition that the review process will be ongoing and subject to continual process improvement, that performance contracting may result in changing metrics, and a desire to prioritize on "low-hanging fruit".

Dr. Murray noted that the process will be written as a training manual of sorts - to enable the transfer of skills and processes. Either we transfer the skills as personnel and board members change or the state will need to start over or hire consultants to do the analysis required. The consultants intend to create the process as a template or tool. Dr. Murray and Ms. White added that industry standards such as the Institute of Internal Auditors' multiyear risk assessment tool can be used to identify value, the Committee of Sponsoring Organization's have a method to identify risk, and using those, the toolbox will include a matrix of mission criticality relative to performance.

In discussing what's next, advisory committee members were reminded of meetings already scheduled through August. The consultants will participate in those meetings electronically via video or telephone and via WebEx.

The consultants noted they met today with some state officials and are meeting tomorrow with several state agencies to better assess expectations, experience, and expertise in the alternative delivery of services.

Materials are shared on Google Drive with committee members, staff and the consultants.

#### **4. Other/Adjourn**

*Motion:* Kim Jones moved to adjourn. CARRIED

Scheduled meetings:

- Tuesday, April 29, 2014 at 2:30 PM in Room 240 Capitol Building
- Tuesday, May 27, 2014 at 2:30 PM in Room 240 Capitol Building
- Tuesday, July 8, 2014 at 2:30 PM in Room 240 Capitol Building
- Tuesday, August 19, 2014 at 2:30 PM in Room 240 Capitol Building

These meetings will include video conferencing or telephone participation.