

Draft Minutes
Commonwealth Competition Council
Monday, January 10, 2011, 10AM
Patrick Henry Building
East Reading Room - Richmond, Virginia 23219

Members present: Senator Emmett W. Hanger, Jr., Chairman
Geoffrey F. Segal, Vice Chairman
Carlos Del Toro
Howard P. Estes, Jr. Esq.
Delegate Thomas D. Rust

Members absent: Robert A. Archer
Senator R. Edward Houck
Delegate Timothy D. Hugo
Daniel R. Odio-Paez
David Von Moll

Vacancies: Five

Others present: Jerry J. Gentile, Executive Director
Cari Corr, DPB
Joe Damico, DGS
David A. Nims, DGS
Daniel Timberlake, DPB
Nancy K. Willson, APA

Notice of the meeting appeared on the Commonwealth Calendar on the Internet. Although a quorum was not present, Senator Hanger called the meeting to order at 10:05 AM. He presided over the meeting.

Welcome and Introductions

Senator Hanger welcomed all Commonwealth Competition Council (the Council) members and the public to the meeting. The Council introduced themselves. Two new Council members were present, Mr. Carlos Del Toro and Mr. Howard P. Estes, Jr. Esq. Mr. Carlos Del Toro is the President and CEO of SBG Technology Solutions. He was appointed to the Council by the Senate Committee on Rules. Mr. Howard P. Estes, Jr. Esq. is with Estes and Associates and was appointed by the Speaker of the House of Delegates.

Public Comment

None

Minutes

Because a quorum was not present, the minutes of the January 5, 2010, Council meeting were not presented for approval. Draft minutes appear on the Internet as soon as possible but not later than ten working days following the meeting in accordance with § 2.2-3707.1 of the Code of Virginia.

In addition, Commonwealth Competition Council minutes are posted in accordance with the above to the Council web page at <http://www.egovcompetition.com>.

Report on Commission on Government Reform and Restructuring – Michael Reynold

Mr. Michael Reynold, Director of the Commission on Government Reform and Restructuring (the Commission) and Deputy Director of Policy, Office of the Governor was invited by the Council to provide a report on Commission on Government Reform and Restructuring.

His presentation is attached and is made part of the minutes. Mr. Reynold stated that the Governor will issue a press release on VRS reform, consolidation of the Inspector General, and additional efforts for savings later this week. He added that the Commission is going to look at programs – what works and what does not. He said that there will be forthcoming legislation on the ABC and that legislation on teleworking will be announced January 10, 2011. The Commission is recommending that agencies consolidate reporting requirements and that Business One Stop be enhanced. In addition, they are looking at advisory commissions and boards to see which ones can be eliminated. Mr. Reynold remarked that DPB has been helpful in determining costs associated with these boards. The Commission is looking at elevating the Inspectors General as a watchdog for citizen complaints and is also looking at allowing employees to work 32 hours while retaining their benefits. In addition, the Commission is looking at ways for localities to lower their costs. Mr. Reynold requested that the Council provide their ideas on how the Commission can move forward. He stated that the Commission will be looking at other areas primed for privatization.

Mr. Del Toro asked if the Governor has looked at improving competition in procurement. Mr. Reynold responded that the Commission has examined this somewhat but that they will be looking at it further. Mr. Del Toro commented that we spend 50 percent of our time looking at things that do not result in savings. He recommended that the Commonwealth look at expanding competition of big contracts in order to achieve savings. Senator Hanger remarked that competition is a good area for the Council to examine. Mr. Reynold stated that transparency in government is key – if citizens know what is happening, that helps improve competition. Delegate Rust asked Mr. Reynold, “What are you looking at with expanding transparency?” Mr. Reynold responded that the Commission wants to look and see if there are ways to be more transparent i.e. a more user-friendly budget document. Mr. Reynold remarked that we want to encourage as much open government as possible. Senator Hanger thanked Mr. Reynold for his presentation.

Overview of proposed budget – Daniel Timberlake

Mr. Daniel Timberlake, Director of the Department of Planning and Budget (DPB) was invited by the Council to provide an overview of the proposed budget.

Before the presentation began, Senator Hanger commented that the subject of surplus property, identifying and disposing of it, was put on the back shelf some time ago but that it is a subject that would be good for the Council to examine.

Senator Hanger thanked Mr. Timberlake for continuing to house the Council within DPB, and Mr. Timberlake began his presentation. Mr. Timberlake stated that his presentation today is the same as his presentation to the Joint Meeting of Senate Finance, House Appropriations, and

House Finance on December 17, 2010. The presentation is attached and is made part of the minutes.

During the presentation, Senator Hanger asked if the cost savings were actually redirecting the money – taking money from the local government. Mr. Timberlake responded that some of the savings are achieved through redirecting costs.

Mr. Timberlake's presentation listed the sexually violent predator program at the Virginia Department of Behavioral Health and Developmental Services (DBHDS) as having additional costs. Mr. Estes remarked that Virginia may be able to improve their use of federal funds for this program. Mr. Timberlake stated that Virginia is most likely maximizing federal funds to their fullest potential with this program.

In regards to the increased costs associated with the revised Virginia Information Technologies Agency (VITA) rate structure, Mr. Del Toro remarked that Virginia should be careful about information technology rate structure i.e. we may not need new equipment as frequently as recommended. Mr. Timberlake stated that we have to cover our costs with their rates. He added that storage is the single fastest growing area of costs.

Mr. Timberlake explained the proposed change to the state employee's contribution to the Virginia Retirement System (VRS). Currently, Virginia pays the 5% employee share. With the proposed change, employees will pay that share but their pay will increase by 3%. The net loss to employees' take-home pay is 2%. In addition, the Governor is proposing to increase the employer share by 4% so more money will be going into the retirement system.

Senator Hanger thanked Mr. Timberlake for his presentation.

Enterprise wide fuel contract initiative update and conceptual enterprise solution for material surplus property – Joe Damico, Department of General Services

Mr. Joe Damico, Deputy Director of the Department of General Services (DGD) was invited by the Council to provide an update on the enterprise wide fuel contract initiative and a conceptual enterprise solution for material surplus property. The presentation is attached and is made part of the minutes.

Mr. Damico requested that the Council support their request to the General Assembly to ask DGS to explore a cooperative enterprise solution. Mr. Del Toro asked if DGS had collaborated with the federal government. Mr. Damico stated that their initial focus was on the state and local governments. DGS is working to get the word out to these governments regarding the availability of their solution. Mr. Estes asked if DGS offers these services to non-profits and Mr. Damico stated that they did. Senator Hanger stated that because there was not a quorum, the Council could not vote on supporting the request but that he could see if there is consensus. The Council concurred that the Council should support the DGS request to ask DGS to explore a cooperative enterprise solution. The Council requested that DGS report back to the Council on their progress in the fall of 2011.

Mr. Segal asked, "How do we advertise that the solution is available for state and local government?" and then he recommended that it be brought to governments as a toolkit solution for surplus property. Mr. Estes concurred that a toolkit approach would be good. He stated that many local governments call him asking for a solution such as this one.

Delegate Rust asked if Mr. Damico was asking the General Assembly to direct DGS to explore a cooperative enterprise solution. Mr. Damico responded that he was. He also said that a letter would suffice or if the General Assembly could at least raise awareness of the solution. He stated that it helps to market the solution if they have General Assembly support. Senator Hanger remarked that he would look at some budget language for this. Senator Hanger added that the Council could be engaged in the details of topics such as surplus property. He said that the Council could meet four times a year, but that the Council should first fill the five appointments. Mr. Del Toro recommended that the Council look at areas that are not being covered by the Governor's Commission on Government Reform and Restructuring. Senator Hanger remarked that the Council can look more into specifics and see if we can produce tangible results. He thanked Mr. Damico for his presentation.

New business

None

Adjournment

Senator Hanger asked if there was any other business. Since there was no response, he thanked everyone for their attendance and the meeting was adjourned at 12:10 PM.

Jerry J. Gentile
Department of Planning and Budget