

Accountable & Cost-Effective Procurement Is Critical To Successfully Outsourcing Public Services

A Report of the Florida TaxWatch
Outsourcing Task Force

March 2007



The purpose of this report is to provide Florida's state policy makers, and other statutory and constitutional bodies, with a summary of issues, concerns, and recommendations regarding outsourcing. Material in this report was developed from the practical experience of members of the Florida TaxWatch Outsourcing Task Force and a literature review.

The Task Force seeks to positively impact the current state government outsourcing framework and processes to encourage innovation, safeguard the interests of Florida taxpayers, and aid in reflecting a balance among government service requirements, state employees' experience, skills and rights to compete to provide services, and private sector concerns.

Outsourcing takes government services and pays an outside organization to perform some or all aspects of the service. The state remains responsible for the provision of affected services and maintains strategic management control.

Privatization transfers state-owned resources, services and responsibilities, in whole or in part, to private sector ownership and control. Typically the government eliminates associated assets and resources, for which it may be paid.

Although terms are often used interchangeably, this report will focus on outsourcing.

Changing Face of Service Delivery

In recent years, competition from emerging global economies has forced the private sector to devise more efficient methods to provide services. To meet these demands, businesses have begun to extensively outsource a wide array of their operations. Likewise, Florida government now must respond to increasing public needs and expectations through implementation of innovative methods to improve operational efficiency and effectiveness. In this environment, leaders, managers and their staff have looked to outsourcing selected programs as a means to improve services, help hold the line on costs, gain access to valuable skills, harness innovation, and enable agencies to focus on core missions.

While some services are inherently governmental and should be performed by public sector employees, there are a wide-array of services that may be more effectively provided through partnerships with the private sector. From information technology consulting to transportation and child welfare services, state agencies can rely on the private sector to provide assistance in improving the value of the services that they provide.

Florida government will never be a truly commercial buyer because of constitutional and statutory constraints, the need to be accountable for expenditure of public funds, and achievement of social and economic objectives.

Nonetheless, state government leaders, managers and staff can benefit from leveraging the expertise and resources of the private sector to address emerging trends and implement best practices toward better results in the interest of Florida's taxpayers.

To ensure future **outsourcing** initiatives are both cost-effective and meet end-user expectations, the state must develop processes that:

- Determine the current cost of providing the services proposed for outsourcing.
- Select the right programs and projects to outsource based on identified needs and achievable performance objectives;
- Insist that proposed services have defined business needs, project scope and desired business results;
- Choose private sector partners based on suitability, experience, qualifications and approach, as well as price and compliance;
- Assign experienced and qualified managers who are willing and able to work in a collaborative peer-to-peer relationship;
- Proactively manage to a common purpose, sharing risk and reward among all partners, using appropriate incentives and disincentives.

Florida TaxWatch Outsourcing Task Force

To help Florida in its efforts to achieve taxpayer benefits from successful outsourcing, Florida TaxWatch commissioned a Task Force composed of public and private sector leaders with specific expertise in outsourcing. The objective of the Task Force was to provide state policy makers with expert perspective on issues, concerns, and recommendations regarding government and commercial outsourcing practices. The Task Force members are listed in Appendix A.

The Task Force, assisted by Florida TaxWatch research staff, conducted an assessment of current procurement laws, regulations and government-wide policies. The Task Force received input on prior government and private sector outsourcing initiatives, both inside and outside of Florida, to identify what has worked well, and what has fallen short of desired outcomes. Information from state personnel and Task Force members, in addition to a review of relevant literature and research, forms the basis for conclusions and recommendations in this report.

Outsourcing Leadership

During the past decade, Florida has been a leader in expanding outsourcing to deliver government services. A July 1997 survey by the Council of State Governments ranked Florida first in the number of programs and services outsourced.

In August 2000, the Governor's Office of Policy and Budget issued guidelines for agencies to use in evaluating each program, service and activity to determine its worth and value to government and its citizens.¹ These guidelines also identified various characteristics of activities that could be improved through outsourcing, such as having previously been successfully outsourced in other states or subjected to repeated audit criticisms. In 2004, a Center for Efficient Government was created to act as an enterprise-wide gateway for best business practices in order to improve the way state agencies deliver services to Florida's citizens.²

¹ State of Florida, Guidelines for Introducing Competition into Government Services, August 2000

² Executive Order No. 04-45

In 2006, several statutory and constitutional entities were created whose mission includes oversight of government outsourcing:

- The **Council on Efficient Government** was statutorily established to improve the effectiveness of outsourcing initiatives by ensuring that agencies use best practices for each major initiative to outsource government services;³
- The **Government Efficiency Task Force** is a constitutional entity whose mission is to increase the efficiency and effectiveness of enterprise-wide activities, including outsourcing initiatives;⁴
- The **Government Accountability Act of 2006** includes requirements for business cases to include the full cost of providing activities that are proposed to be outsourced; and
- The **Taxation and Budget Reform Commission** is a constitutional entity that is tasked to identify and recommend issues to improve the way government delivers services to include the identification of measurable mission outcomes.

Characteristics of a Successful Outsourcing Initiative

Regardless of whether an outsourcing initiative is conducted by a public or private sector entity, successful outsourcing projects have an established governance structure that promotes a collaborative partnership among stakeholders who share the risks and rewards. Successful outsourcing projects also ensure that sufficient time and talent is invested in the development of a business plan that justifies the need to outsource, incorporates best business practices, and has a clearly defined scope. Finally, successful outsourcing initiatives are characterized by having performance-based contracts that include measurable performance outcomes and are used as the basis for contractor compensation.

Governance Structure

Comprehensive strategic governance is of the utmost importance for any medium to long term outsourcing initiative. Successful outsourcing initiatives have a governance structure that incorporates joint management to address organizational, operational, and in particular, relational issues such as joint conflict resolution, effective joint decision making and good communication. A good governance structure is expected to achieve the desired performance outcomes by creating a culture where the risks and rewards of the initiative are shared among all affected stakeholders.

Outsourcing governance must define the management organization, roles and responsibilities, the process and procedures, as well as the behavioral inter-organizational protocols between the government and its contractors. The governance structure should delegate responsibilities for the accomplishment of functions to individuals from both the government and private sector. Individuals should be empowered to make decisions according to the agreement with respect to each organization's policies, strategies and directions.

One size does not fit all. The specific governance structure to be deployed, its organizational arrangement, the processes and the breadth and depth of the relationship protocols should be

³ As specified in Chapter 2006-224, Laws of Florida.

⁴As specified in Chapter 2006-145, Laws of Florida.

specific to the outsourcing initiative. A well implemented governance structure is the necessary foundation for achieving the performance objectives of the outsourcing initiative. Furthermore, a well defined governance structure provides the foundation for efficient management of the services upon completion of the initiative.

Major elements of an effective governance structure include:

- Well understood and aligned, measurable expectations and interests;
- Defined relationships among government and contractor managers that govern the working relations between the parties and allow for proactive monitoring of the quality of the collaboration; and
- A governance code of conduct that provides guidelines to pave the way for teams to develop trust in each other, practice open communication and resolve conflicts in a productive fashions.

Business Plan

Successful outsourcing initiatives require business plans that achieve buy-in from leaders, managers and stakeholders by providing assurances that the initiative will improve service delivery and/or produce cost savings or contain future costs. These business plans incorporate rigorous market research and requests for information (RFI) to identify feasible alternatives and achievable levels of service. In addition, proposed services incorporate input from the consumers to help ensure a user friendly solution. Technical representatives and other project team members involved in process reengineering demonstrate their understanding of performance-based contracting by ensuring that the effectiveness of the redesigned process can be evaluated against measurable performance objectives throughout the entire outsourcing initiative.

A well-thought out business plan requires significant up-front investment of time and talent to:

- Document the current cost, including applicable administrative costs, of providing the proposed services to be outsourced;
- Perform market research that identifies performance-based requirements conducive to best value solutions;
- Provide a clearly defined scope of work that helps reduce changes requiring modification of a project's deliverables, costs or schedules; and
- Develop performance objectives and measures to track incremental progress and to document results of the initiative.

Contracts

The contracts for successful outsourcing initiatives are based on performance to the extent that it is feasible. Performance-based outsourcing is intended to achieve innovative solutions through public and private collaboration that focuses on mission outcomes rather than dictating the manner and processes by which a contractor's work is performed. These outcomes are measured and the contractor's compensation is based on the extent to which outcome measures are achieved.

Successful outsourcing initiatives include performance-based incentives where the risks and rewards are shared among all of the stakeholders through appropriate use of incentives and



disincentives. Contracts should balance the need for government to protect the public interest without including overly difficult terms and conditions that may scare off highly qualified contractors. The inclusion of performance-based incentives in contracts helps to produce a win-win outsourcing culture.

Contracts used in successful outsourcing initiatives also include termination clauses that reserve the right to re-compete or bring the service in-house before the contract has been completed. Continuous monitoring and evaluation is used throughout the initiative to measure performance, with the prospect of losing business if performance doesn't meet targets. In addition, contract provisions have disengagement requirements to facilitate transition of the terminated services to the government or the designated replacement vendor.

Recommendations to Improve Government Outsourcing

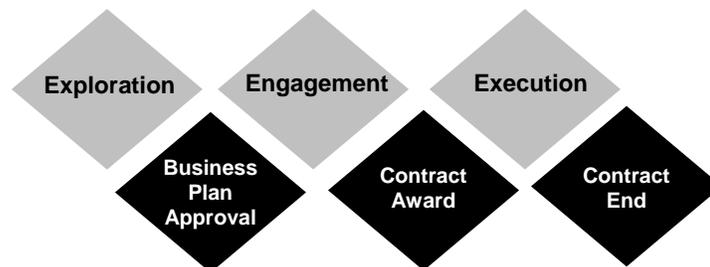
The Florida TaxWatch Task Force created the following model for the outsourcing of services into three phases, as displayed in Exhibit 1:

Exploration, which encompasses activities performed from initial concept through approval of a business case and authorization to proceed with an outsourcing initiative;

Engagement, which includes activities pertaining to vendor selection processes, such as development of the solicitation, proposal evaluation, contract development, negotiation, and award; and

Execution, which begins with execution of a contract to outsource, and encompasses all activities through acceptance of all contract deliverables.

Exhibit 1
Process to Outsource a Government Activity or Service



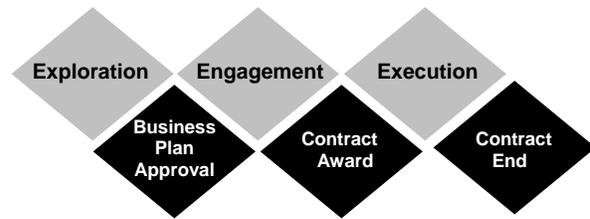
**Evaluation is an integral part of each phase.*

Source: Florida TaxWatch Analysis

The success of any process to outsource a government program, service or function is dependent on the proper execution of each of the above phases. The following describes each phase, and offers recommendations in order to help ensure that future projects to outsource Florida government activities and services are successful.

Exploration

This phase, which encompasses activities from initial concept through approval of a business case and authorization to proceed, focuses on determining whether a function, program, or service should be outsourced.



**Evaluation is an integral part of each phase.*

A decision to outsource requires approval of a business case that is based on needs, in-house and/or contracted resources to meet those needs, assessment of project expectations in terms of key benefits to be achieved, and at what likely costs.

The exploration phase of an outsourcing initiative culminates in the development of an approved business case. A successful business case should have the following characteristics:

- Outlines the **scope** of the proposed project;
- Describes the **rationale** for outsourcing;
- Demonstrates that the project's **feasibility** has been realistically analyzed; and
- Outlines a **strategy** for procuring, managing and implementing the project.

Recommendations

Scope: Project Description

1. Establish a centralized source of market research information to facilitate robust and efficient project planning. This market research capability should monitor outsourcing initiatives by governments and commercial buyers, collect publicly available information, and maintain a database of information on best practices regarding similar outsourcing initiatives.
2. Identify measurable outputs and associated outcomes for the services and activities.
3. Develop and use full cost accounting to determine the current cost of providing the services proposed for outsourcing.
4. Document the current process to perform each service and activity including inefficiencies and specific issues that need to be addressed.
5. Provide formal education and training in performance-based contracting to all project team members.
6. Document the proposed process to include how it addresses each identified deficiency in the current process.
7. Provide an appropriate avenue for private sector participation in initiative development.
8. Obtain determination by an objective party, with no financial interest in the initiative of any services or activities that are inherently governmental in nature and should be excluded.
9. Identify and involve stakeholders throughout the entire process to include leadership and end-users.
10. Use Requests for Information (RFIs) to increase opportunities for information exchange with potential suppliers.

Rationale: Project Justification

1. Identify the project performance metrics to determine return on investment and project success.
2. Justify the business need for outsourcing.
3. Identify other alternatives in terms of the project's technical, cost, and political feasibility, and projected process or programmatic improvement and benefits.
4. Explain why the reengineered function or service should not be performed internally.
5. Consider providing employees the opportunity to present alternatives for providing the identified function or service themselves.

Feasibility: Project Risk and Reward Analysis

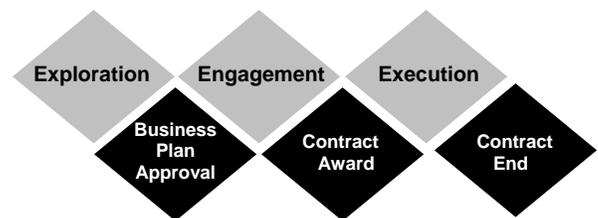
1. Identify legal, financial, and technical risks that are reduced or mitigated by accomplishing this outsourcing effort.
2. Identify risks associated with moving forward with the outsourcing initiative and associated mitigation approach.
3. Determine if the project has strong support from executive and legislative leadership.
4. Determine if there is a competitive marketplace.

Strategy: Project Implementation

1. Explain a transition management strategy.
2. Determine the need to establish a governing group of affected stakeholders.
3. Identify appropriate incentives that are based on measurable outcomes.

Engagement

This phase covers the period from approval of a business case through completion of the solicitation document, evaluation of vendor responses and vendor selection, where applicable.



**Evaluation is an integral part of each phase.*

It is a critical step toward ensuring a fair, transparent and competitive process for procurement of services for the state. This phase includes developing a contract which is the basis for managing a project, for ensuring vendor accountability, and for linking performance to deliverables according to guidelines established in the business case.

The engagement phase also includes building the right teams, creating communication and project management plans, analyzing the system environment, and developing and distributing the competitive solicitation documents.

Recommendations

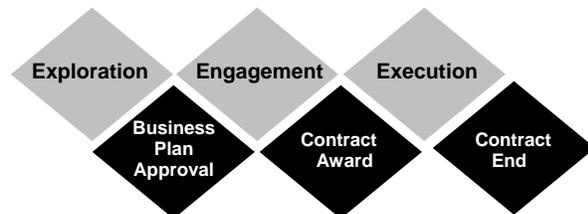
1. Ensure that the procurement team includes personnel who have the necessary experience and skills to perform the roles of project manager, contract manager, subject matter expert, business expert, purchasing expert, and legal counsel.

Florida TaxWatch Outsourcing Task Force

2. Determine the appropriate procurement method based on the availability of qualified contractors and whether multiple solutions may exist.
3. Develop a communications plan to continually educate and inform all stakeholders, including affected employees, other agencies, interest groups, the Legislature, and the press, on the status of the project and how it will specifically impact each stakeholder.
4. Establish a governance model that:
 - a) Details the agency/contractor relationship and identifies ongoing roles and responsibilities of both parties;
 - b) Identifies decision making processes and approvals that will occur throughout the project lifecycle; and
 - c) Ensures appropriate stakeholder involvement by establishing the necessary governing bodies (committees, boards) to conduct activities, evaluate results, and make approval recommendations.
5. The solicitation should clearly define requirements and include in the scope of services requirements to respond to possible contingencies such as disaster preparation and recovery.
6. Document the project schedule and budget for both the procurement process and the project itself. This enables critical project time and cost constraints to be communicated with potential providers and helps ensure that vendor proposals are aligned with project objectives.
7. To the maximum extent possible, base contract provisions on achievement of performance objectives that include measures for individual performance, organizational performance, and societal-level outcomes.
8. Ensure that selected contractors are qualified to perform the proposed service.
9. Tie vendor compensation directly to differences between expected and actual performance.

Execution

This phase monitors how well the government/vendor team meets the requirements of a contract. It encompasses all activities and dealings between the



**Evaluation is an integral part of each phase.*

parties, from contract award until completion and acceptance of work, or until the contract is terminated, disputes are resolved, and final payment is made.

The focus of this phase is to obtain products and services, of requisite quality, on time and within budget. Contract management starts with developing a clear, concise performance-based statement of work to the extent possible, and preparing a contract management plan that cost effectively measures the contractor's performance and provides documentation to pay accordingly.

Contract management varies according to the project, ranging from acceptance of a delivery and payment, to extensive involvement by program, audit and procurement officials throughout the contract term. Factors influencing the degree of contract management include the nature of the work, the type of contract, and the experience and commitment of personnel involved.

This phase of the outsourcing initiative also includes continuance of the transition management program to identify and address potential implications the proposed outsourcing initiative will

have on all affected parties from state employees to public consumers. Transition management focuses on educating participants on new processes and procedures, knowledge transfer, managing the contractor relationship, and managing the project to customer satisfaction. Transition management is critical to the overall success of any outsourcing project. All constituents must be shown that outsourcing can provide benefits to the state.

Post-implementation monitoring and evaluation is most critical to outsourcing of continuing services, where the primary purpose of the arrangement is outsourcing functions or services that a government agency previously performed, and for which the agency continues to be responsible.

Recommendations

1. Promote collaborative partnerships to meet common objectives and goals throughout the lifecycle of the project by matching government and contractor staff according to roles and responsibilities.
2. Determine the satisfaction of all stakeholders throughout the entire project lifecycle. A process to continually assess management, employee, customer and consumer satisfaction helps maintain buy-in of the initiative and provides opportunities for stakeholders to identify process improvements.
3. Provide employee cross training to help ensure continuity of knowledge. Training will help make employees comfortable with the new business operation, and often will generate innovative ideas to improve process efficiencies over the life of the contract.
4. Ensure that the transition plan communicates the impact that the outsourcing initiative will have on affected stakeholders.
5. Assess project success and contractor performance evaluated against contractual obligations and baseline performance data from the business case.
6. Establish an Ombudsman to advocate for and protect the interests of the consumers and ensure any concerns are addressed throughout the initiative and that the results of the initiative meet their expectations.
7. Utilize the services of a third party advisor and/or IV&V review, to provide contract oversight services for large outsourcing initiatives.
8. Evaluate the final project outcomes against the proposed outcomes to identify areas for ongoing continual improvement in governmental service delivery.



Conclusion

State governments are continually challenged to deliver services more effectively and efficiently, while striving to enhance social progress and foster prosperity for its citizens. Florida has an unprecedented opportunity to improve the delivery and value of the services that it provides to taxpayers through increased use of proper and successful outsourcing.

However, for outsourcing to realize its fullest potential as a tool to meet the ever increasing demands of taxpayers for better government performance, Florida's policy makers and managers need to make a commitment to improve upon past initiatives. The Florida TaxWatch Outsourcing Task Force believes that the success of future outsourcing initiatives can be assured by adhering to the following principles:

- **Select** the right programs and projects to outsource based on identified needs and achievable performance objectives;
- **Choose** private sector partners based on suitability, experience, qualifications, and approach; as well as price and compliance;
- **Utilize** experienced and qualified managers who are willing and able to work in a collaborative peer-to-peer relationship with contractors; and
- **Share** the risks and rewards of achieving common objectives that are based on measurable outcomes.

Appendix A

Florida TaxWatch Outsourcing Task Force Members

Task Force Chair

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Dr. Roger Kaufman

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Dr. Earle Klay

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Client Executive
Florida State and Local Government
IBM Corporation
Florida TaxWatch Board Member

Frederick J. Springer

Bryant Miller Olive PA

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Appendix B

Annotated List of Review Literature

Commonwealth Competition Council. Commonwealth of Virginia. 13 Mar. 2007
<<http://www.egovcompetition.com/>>.

The Commonwealth Competition Council is an independent advisory body within the executive branch of Virginia's state government. The CCC works to find better and less costly ways to provide government services for Virginia's citizens. Efforts are focused on reducing the size and scope of government activity, especially in areas where the services or products of government can best be provided by the private sector. This website houses much information including several online resources.

Council on Efficient Government. 2007. Department of Management Services, State of Florida. 13 Mar. 2007
<http://dms.myflorida.com/other_programs/council_on_efficient_government>.

This website housed under Florida's Department of Management Services provides information about and a description of the Council on Efficient Government created by the Florida Efficient Government Act of 2006 including mission, meetings, members and resources.

Davis, Ian. "The Biggest Contract." The Economist. May 26, 2005.

This is an opinion paper by Ian Davis, worldwide managing director of McKinsey & Company. This article discusses the role of business in society in the context of two seemingly opposing view points: the business of business is business vs. social corporate responsibility.

Draft Report of the Acquisition Advisory Panel to the Office of Federal Procurement Policy and the United States Congress, 2006. 13 Mar. 2007
<<http://www.acquisition.gov/comp/aap/documents/DraftFinalReport.pdf>>.

The Federal Government is the single largest buyer in the world. This is the comprehensive draft report of the Acquisition Advisory Panel, which was authorized by Section 1423 of the Services Acquisition Reform Act of 2003. The Panel's statutory charter is to review and recommend any necessary changes to acquisition laws and regulations as well as government-wide acquisition policies with a view toward ensuring effective and appropriate use of commercial practices and performance-based contracting.

Enterprise Information Technology, Senate Review and Study. Committee on Governmental Operations. Florida Senate, 2007. 13 Mar. 2007
<http://www.flsenate.gov/data/Publications/2007/Senate/reports/interim_reports/pdf/2007-140golong.pdf>.

This interim report of the Florida Senate Committee on Governmental Operations analyzes some of the challenges IT presents for Florida. The report recommends options for a more effective enterprise IT governance structure.

Further Contracting Enhancements Would Help DCF Correct Vendor Noncompliance. Office of Program Policy Analysis & Government Accountability, Report No. 07-72, The Florida Legislature. 2006. 13 Mar. 2007 <<http://www.oppaga.state.fl.us/reports/pdf/0672rpt.pdf>>.

This OPPAGA report examined the contract management and accountability structures of the Florida Department of Children and Families, including whether the department is adequately monitoring and managing its outsourced functions and services. OPPAGA provides recommendations to further strengthen its accountability systems in order to enhance its ability to identify and resolve vendor compliance problems.

A Guide to Best Practices for Contract Administration. Office of Federal Procurement Policy. 1994. 13 Mar. 2007 <http://www.acquisition.gov/comp/seven_steps/library/OFPPguide-bp.pdf>.

This guide by the Office of Federal Procurement Policy contains best practices in contract administration and covers roles and responsibilities; reviewing and processing vouchers; and contract closeout.

Guidelines for Introducing Competition into Government Services. Office of Policy and Budget, Executive Office of the Governor. State of Florida, 2000. 13 Mar. 2007 <http://dms.myflorida.com/media/purchasing/purchasing_directors/opb_guidelines_for_introducing_competition_into_government_services_aug_2000_pdf>.

Florida's Office of Policy and Budget provides key reasons and recommendations for agencies to consider for introducing competition to ensure their customers receive the most effective and efficient service possible, to modify the delivery of programs/services/activities and to reduce costs.

Highlights of a GAO Forum: Federal Acquisition Challenges and Opportunities in the 21st Century. United States Government Accountability Office. 2006. 13 Mar. 2007 <<http://www.gao.gov/new.items/d0745sp.pdf>>.

This document summarizes the proceedings of a forum convened by the United States Government Accountability Office and Comptroller General in order to identify and discuss the key issues confronting the federal acquisition community. Discussion was framed around three broad categories: 1) Determining who should perform the business of government in a constantly changing environment; 2) Ensuring the federal workforce has the capacity and capability to manage contractor operations effectively; and 3) Managing for results and accountability in a contractor-dependent environment. Participants identified best practices and underscored the importance of creating an organizational culture that will support ongoing improvement in the acquisition process.

Kaufman, Roger. "Defining and Delivering Measurable Value: A Mega Thinking and Planning Primer." Performance Improvement Quarterly 18 (2005): 6-16. 13 Mar. 2007 <http://www.ispi.org/publications/piqtocs/Vol18-3/Vol18_03_06.pdf>.

This article provides the basic concepts for thinking and planning Mega in order to define and deliver value to internal and external partners.

Kaufman, Roger, Geraldo Flowers, Ingrid Guerra, and Neil S. Crispo. "Thriving - Not Just Surviving: New Realities for Tomorrow's Public Service Executive." International Public Management Review 3 (2002): 68-83. 13 Mar. 2007 <<http://www.ipmr.net/>>.

The United States has the economic engine that the rest of the world typically envies. In spite of criticism from both the political right and left, the public service system has played a major role in helping to bring our economy to success. The public management literature carries spirited debates on whether service is improving or otherwise. However, even with disagreement over service philosophy and huge economic and social diversity, the public sector provides unparalleled opportunities to many citizens. This work argues that while our current successes are enviable, simply continuing what we do now in the public sector, even while making organizations more efficient, will likely fail to meet the challenges of the future.

Keys to Collaboration: Building Effective Public-Private Partnerships. The National Association of State Chief Information Officers (NASCIO) Corporate Leadership Council (CLC). NASCIO, 2006. 13 Mar. 2007 <<http://www.nascio.org/publications/documents/NASCIO-Keys%20to%20Collaboration.pdf>>.

This brief of the National Association of State Chief Information Officers Corporate Leadership Council explores the role of public-private partnerships in the increasingly technology-driven public sector and incorporating concepts such as the importance of communication and trust in successful public-private partnerships, principles of public and private sector collaboration and keys to successful management processes.

Local Choices: A Strategic Guide for Local Government on Managed Services. Center for Digital Government. 13 Mar. 2007 <http://www.centerdigitalgov.com/publications.php?pub_id=29>.

Written as a guide for local government officials, this publication of the Center for Digital Reform examines lessons learned and technology sourcing strategies for local governments and provides key steps for implementation and evaluation.

Privatization Survey, Final Report Submitted to Oklahoma State Regents for Higher Education. MGT of America, Inc. 2001.

In October 2000, based on the recommendation of the Privatization Committee, and with the encouragement of the Governor's Office and the Director of State Finance, the Oklahoma State Regents for Higher Education (OSRHE) contracted with MGT of America, Inc. to conduct a privatization study of the business affairs and auxiliary enterprises activities of the institutions of the State System. The study was designed to a) provide an analysis of the extent to which privatization has been evaluated and implemented by higher education institutions within Oklahoma; b) analyze and address additional opportunities for privatization within Oklahoma higher education; c) work with higher education in Oklahoma to identify the best candidates, institutions, and opportunities for further privatization; d) develop a set of procedures that will assist Oklahoma colleges and universities in evaluating possibilities for outsourcing or privatization; and e) meet with all public higher education institutions within Oklahoma to determine privatization opportunities and hindrances to privatization. The research provides detailed check lists and time tables, a sample generic RFP, an extensive literature review, as well as a complete glossary of relevant terms.

Steps Have Been Taken to Enhance State Acquisition Management, But Further Improvement is Needed. Office of Program Policy Analysis & Government Accountability, Report No. 06-35, The Florida Legislature. 2006.
13 Mar. 2007 <<http://www.oppaga.state.fl.us/reports/pdf/0635rpt.pdf>>.

In Fiscal Year 2004-05 Florida state agencies purchased more than \$6.4 billion in goods and services. Of the \$3 billion spent on non-construction related goods and services, slightly over half was exempted from the state's competitive purchasing processes. The Department of Management Services and state agencies have taken steps to increase the value of goods and services purchased through state-level term contracts and related initiatives. However, further improvements are needed, especially for acquisitions of complex services. OPPAGA recommends that the Legislature take steps to 1) increase the volume of purchases made through competitive processes; 2) require agencies to develop a process to record information on all purchases in the state's Financial Management Information System, which will enhance the state's ability to use strategic sourcing practices; and 3) require agencies to develop more complete business cases for major complex acquisitions by mandating analyses of associated procurement and contract management requirements.

A Strategic Guide for Local Government on: Outsourcing. Center for Digital Government. 13 Mar. 2007 <<http://media.centerdigitalgov.com/reg2view/Outsourcing.pdf>>.

Written as a guide for local government officials interested in learning about technology outsourcing, this Center for Digital Government report provides key steps for evaluation and implementation. The first half is a primer on outsourcing. The second half identifies the broad phases that jurisdictions employ for outsourcing.

This Florida TaxWatch *Special Report* was written by
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About Florida TaxWatch

Florida TaxWatch is a statewide, non-profit, non-partisan taxpayer research institute and government watchdog that over its 28-year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Its mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies, and programs, and to increase the productivity and accountability of Florida Government.

Florida TaxWatch's research recommends productivity enhancements and explains the statewide impact of economic and tax and spend policies and practices on citizens and businesses. Florida TaxWatch has worked diligently and effectively to help state government shape responsible fiscal and public policy that adds value and benefit to taxpayers.

This diligence has yielded impressive results: in its first two decades alone, policymakers and government employees implemented three-fourths of Florida TaxWatch's cost-saving recommendations, saving the taxpayers of Florida more than \$6.2 billion -- approximately \$1,067 in added value for every Florida family, according to an independent assessment by Florida State University.

Florida TaxWatch has a historical understanding of state government, public policy issues, and the battles fought in the past necessary to structure effective solutions for today and the future. It is the only statewide organization devoted entirely to Florida taxing and spending issues. Its research and recommendations are reported on regularly by the statewide news media.

Supported by voluntary, tax-deductible memberships and grants, Florida TaxWatch is open to any organization or individual interested in helping to make Florida competitive, healthy and economically prosperous by supporting a credible research effort that promotes constructive taxpayer improvements. Members, through their loyal support, help Florida TaxWatch bring about a more effective, responsive government that is accountable to the citizens it serves.

Florida TaxWatch is supported by all types of taxpayers -- homeowners, small businesses, large corporations, philanthropic foundations, professionals, associations, labor organizations, retirees -- simply stated, the taxpayers of Florida. The officers, Board of Trustees and members of Florida TaxWatch are respected leaders and citizens from across Florida, committed to improving the health and prosperity of Florida.

With your help, Florida TaxWatch will continue its diligence to make certain your tax investments are fair and beneficial to you, the taxpaying customer, who supports Florida's government. Florida TaxWatch is ever present to ensure that taxes are equitable, not excessive, that their public benefits and costs are weighed, and government agencies are more responsive and productive in the use of your hard-earned tax dollars.

The Florida TaxWatch Board of Trustees is responsible for the general direction and oversight of the research institute and safeguarding the independence of the organization's work. In his capacity as chief executive officer, the president is responsible for formulating and coordinating policies, projects, publications, and selecting professional staff. As an independent research institute and taxpayer watchdog, Florida TaxWatch does not accept money from Florida state and local governments. The research findings and recommendations of Florida TaxWatch do not necessarily reflect the view of its members, staff, distinguished Board of Trustees, or Executive Committee, and are not influenced by the positions of the individuals or organizations who directly or indirectly support the research.

Florida TaxWatch Values:

◆ Integrity ◆ Productivity ◆ Accountability ◆ Independence ◆ Quality Research





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