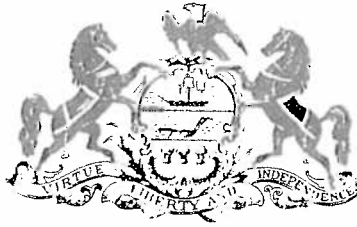


SETH GROVE, MEMBER
196TH LEGISLATIVE DISTRICT

52A EAST WING
PO BOX 202196
HARRISBURG, PA 17120-2196
PHONE: (717) 783-2655
FAX: (717) 772-9869

WESTGATE PLAZA
1550-C KENNETH ROAD
YORK, PA 17408
PHONE: (717) 767-3947
FAX: (717) 767-9857

E-mail: sgrove@pahousegop.com
Web Site: RepGrove.com



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
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MEMORANDUM

To: All House Members
From: Representative Seth Grove
196th Legislative District
Date: January 5, 2011
Subject: Co-sponsorship – Establishing the Council on Efficient Government (Former HB 2768)

In the near future, I will reintroduce House Bill 2768 from the 2009-2010 session to create a Council on Efficient Government. The Council would consist of volunteers of private enterprise whose goal would be to ensure each state agency focuses on its core mission and delivers goods and services effectively and efficiently by leveraging resources and contracting with private sector vendors to provide goods and services effectively to reduce the cost of government.

Additionally, the council will evaluate for feasibility, cost effectiveness, and efficiency of business cases to be outsourced before a state agency proceeds with any outsourcing of goods or services over \$10,000,000. If enacted, this bill would also address business cases and their outsourcing. A business case is a tool that supports planning and decision making to determine the effects a particular decision will have on profitability and show how the decision will alter cash flows over a period of time and its effect on costs and revenue. This includes decisions about buying, bringing products to market, vendor selection and project funding and implementation. Business cases are generally designed to examine the financial consequences of a decision and the important non-financial outcomes.

In FY 2008-2009, Florida's CEG reviewed 23 business cases with a total value of approximately \$225 million and total cost savings and/or cost avoidance of more than \$31 million. Twenty-two of these business cases were to continue outsourcing an agency project or service while one business case proposed to insource a previously outsourced activity. Evaluation of this business case showed the decision to insource the service would save the agency approximately \$2.3 million over a four-year period.

If you would like to cosponsor this legislation, please contact Lisa Burkholder at lburkhol@pahousegop.com or 717-783-2655. Thank you for your consideration.

Previous Cosponsors:

Clymer, Creighton, Denlinger, Gabler, Harris, Kauffman, Murt, Pyle, Rock, Stern and Swanger