



# COMMONWEALTH of VIRGINIA

Office of the Governor

Sandra D. Bowen  
Secretary of Administration

November 4, 2005

(804) 786-1201  
Fax: (804) 371-0038  
TTY: (804) 786-7765

The Honorable Mark R. Warner  
Governor of Virginia

and

The General Assembly of Virginia

I am pleased to submit this report in response to the provisions of Section 2.2-203.2:1 of the Code of Virginia directing the Secretary of Administration to annually report to the Governor and the General Assembly on the number of state jobs eliminated in the previous fiscal year due to privatization of commercial activities to a commercial source. This is the first report pursuant to House Bill 2557 approved by the 2005 session of the General Assembly and signed into law as Chapter 476 of the 2005 Acts of Assembly.

For the fiscal year ending June 30, 2005, this is to advise that there were no state jobs eliminated due to privatization. Future reports will be made pursuant to the provisions of the legislation and will be reported on or before November 30.

I would be pleased to respond to any questions you may have following a review of the attached report.

Sincerely,

A handwritten signature in black ink that reads 'Sandra D. Bowen'. The signature is fluid and cursive, with a large initial 'S'.

Sandra D. Bowen

Attachment

**CHAPTER 476**

*An Act to amend the Code of Virginia by adding in Article 2 of Chapter 2 of Title 2.2 a section numbered 2.2-203.2:1, relating to the Secretary of Administration; report on state jobs eliminated due to privatization.*

[H 2557]

Approved March 21, 2005

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 2 of Chapter 2 of Title 2.2 a section numbered 2.2-203.2:1 as follows:

*§ 2.2-203.2:1. Secretary to report state job elimination due to privatization.*

*On or before November 30 of each year, the Secretary shall report to the Governor and the General Assembly on the number of state jobs eliminated in the immediately preceding fiscal year due to the privatization of commercial activities to a commercial source. As used in this section, "commercial activities" and "commercial source" shall mean the same as those terms are defined in § 2.2-2620.*

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## Code of Virginia

### § 2.2-2620. Definitions.

As used in this article, unless the context requires a different meaning:

"Commercial activity" means performing services or providing goods that can normally be obtained from private enterprise.

"Commercial source" means any business or other concern that is eligible for a contract award in accordance with the Virginia Public Procurement Act (§ 2.2-4300 et seq.).

"Competitive process" means the process approved by the Council to determine the most cost-effective privatization technique.

"Council" means the Commonwealth Competition Council.

"Fully allocated cost" means a cost that includes all direct personnel costs, materials and supplies, equipment, capital and equipment depreciation costs, rent, maintenance and repairs, utilities, insurance, travel, operations overhead, and general administrative overhead as these terms are defined in the Council's "Compete" cost comparison program.

"Managed competition" means a competitive process between a state agency and the private sector in which (i) the state agency submits its own proposal after completing the fully allocated cost of the commercial activity and (ii) the proposal is based on its most efficient proposed organization to compete with a private sector bid or proposal for the provision of the commercial activity.

"Privatization" means a variety of techniques and activities that promote more involvement of the private sector in providing services that have traditionally been provided by government. It also includes methods of providing a portion or all of select government-provided or government-produced programs and services through the private sector.

"State agency" means any board, council, authority, department, agency, or institution of the Commonwealth that employs state or nonstate personnel.

(1995, c. 815, § 9-341; 1998, c. 881; 2001, c. 844.)

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# Commonwealth of Virginia Executive Department

## Report of Number of State Jobs Eliminated Due to Privatization of Commercial Activities to a Commercial Source

### Fiscal Year 2005

Office of Administration	0
Office of Agriculture and Forestry	0
Office of Commerce and Trade	0
Office of Education	0
Office of Finance	0
Office of Health and Human Resources	0
Office of Natural Resources	0
Office of Public Safety	0
Office of Technology	0
Office of Transportation	0
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Total	0