Offshoring and Procurement: Positioning for the Future

Executive Summary

In an era of downsizing and uncertain economic times, the outsourcing of services is a growing—and controversial—cost saving strategy. State procurement officials are increasingly being asked to address this issue, especially concerning offshore outsourcing, as it relates to both internal business functions as well as vendor subcontracting of state contracts. Procurement officials are being asked to offer guidance on real cost savings, benefits and costs, and other implementation issues. Most states are just at the beginning stage of being able to answer these questions.

In this brief, NASPO:

- Reviews how offshore outsourcing has become a significant issue for procurement officials
- Discusses key burdens associated with offshoring activities for procurement professionals
- Examines recent increasing state and federal legislation on the issue, and other ways states are responding
- Provides high level recommendations to assist procurement officials when they are asked to provide information or guidance to government executives.

Clearly, this issue is receiving wide public and legislative attention. For example:

At the state level:
- In 2003, four bills in four different states were introduced
- In 2004, over 200 bills in forty different states were introduced
- As of June 2005, over 125 bills related to outsourcing had been introduced

At the federal level:
- The Thomas-Voinovich Amendment, which became law as part of a federal omnibus appropriations act on January 23, 2004, banned certain federal overseas contracts
- As of May 2005, eighteen bills and resolutions had been introduced within Congress
However, states’ legislative proposals on offshore outsourcing do raise several potentially serious legal concerns, including constitutional questions and potential violations of foreign treaty obligations. Procurement officials should be broadly aware of these issues.

Regardless of potential legal challenges, states are seeking to come up with approaches to measure the effects of offshoring or determine other costs and benefits. They include:

° Forming special task forces or commissions to examine the practice
° Partnering with other government agencies to analyze the impact of offshoring
° Developing surveys or questionnaires to gather data within their RFP documents

This brief also briefly touches upon developing trends in the private sector on offshoring. Recent reports suggest that major companies and organizations have begun to realize that the process of offshoring may be much more complicated than originally expected and they could be returning their offshore business operations back to the United States.

Finally, this brief also offers a few high level recommendations for procurement officials to consider when asked to provide information to legislators and other officials who may introduce or inquire about offshore/outsourcing legislation. These include:

° Reach out to other government agencies to obtain information (economic development offices and public universities often have information and tools relating to the overall cost of losing local jobs through economic competition; the federal government also has a number of agencies that have studied offshoring, including the United States GAO, the Department of Commerce and the Labor Department.
° Maintain a good relationship with your state comptroller or state auditor. Many state comptrollers and auditor offices have looked at the issue of offshoring. A recent report, performed by the California State Auditor, is referenced in this brief.
° Consider requiring your suppliers to provide offshoring information or other assistance as part of the RFP process.
° Share solutions and best practices with fellow procurement officials in other states.
Introduction

In an era of downsizing and uncertain economic times, many state procurement officials are finding themselves faced with some hard questions. Noting private sector trends, more government managers are asking themselves: Should we be in this business? That is, should governments be running their own IT operations, customer service centers, mail centers, or even procurement offices? Alternatively, should government consider outsourcing—turning over responsibility, in whole or in part, of an internal business function to an outside service provider? This action is also commonly referred to as “privatization.”

Within the broader context of government privatization, procurement officials confront a specific and controversial form of outsourcing. This form is offshore outsourcing, or relocation of business processes to a lower cost location, usually overseas. All sectors of jobs can be outsourced, although most familiar are customer service, IT and call service operations. Once thought to affect only industrial workers, outsourcing’s impact is being increasingly felt by engineers, IT professionals, accountants, pharmaceutical researchers and technical writers. For the purposes of this brief, we are limiting the discussion of “outsourced” operations to the service sector as opposed to commodities (i.e., manufactured goods). Appendix II provides a representative listing of business processes that companies have considered for offshore outsourcing.

Offshore outsourcing has become a significant issue for public procurement officials in a number of ways. The most obvious and perhaps most burdensome problem is the added political pressure and administrative burden to report upon and monitor such activity within government contracts. In recent years, many newspaper headlines have reported about state contract vendors that offshore processes to third party vendors in other countries. These headlines have led to increased pressure on local, state and federal politicians from voters and labor unions to regulate or restrict the practice. Procurement officials become involved because the state contract vendor is usually hired through the procurement process to perform the task or provide a service. On the one hand, procurement officials are pressured with the demand to maximize scarce resources; on the other hand, they face political scrutiny and criticism based on the perception that American jobs are being sent overseas.

Pros and Cons of Offshoring

NASPO itself does not have a position “for” or “against” offshoring. Within procurement’s overall responsibility to provide best value to taxpayers in a larger policy

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context, procurement officials do have a responsibility to assist policy makers to understand the issues involved.

The issue of offshore outsourcing is entrenched within the ongoing discussion over free trade and jobs. However, the idea of "loss of jobs" protectionism isn't new. As shown in the chart below, every recent decade has seen structural transformation of the U.S. job economy. In the 1960’s, rapid automation created a wave of anxiety across the U.S. workforce. During the 1970’s and 80’s, Japan rose steadily in the automotive and electronics industries. In the 1990’s, NAFTA scared many workers who feared their jobs would flee to a Mexican company.

![Time Line of Modern Offshore Outsourcing](image)

Source: E-Business Strategies

Although there are arguments for both the positive and negative effects of offshore outsourcing, the net impact on the states or even that of the national economy is yet to be fully determined. Private sector companies are increasingly outsourcing offshore as a global sourcing or global delivery strategy. Proponents argue that global sourcing allows U.S. companies to remain competitive by concentrating on core business functions, developing new ideas and products and reducing operating costs. The most obvious benefit touted by a private company is lower corporate costs which boost corporate profits and raises investor confidence. For example, compared to a U.S. call center, offshoring has been shown to save companies up to 50% in operational expenses. Other benefits such as an educated, English-speaking labor pool, low employee turnover, and complementary time zones have all been touted to make offshoring attractive to the businesses within the private sector.

Offshoring also has its proponents within state governments. They tout offshore outsourcing as a tool to increase efficiency and conserve resources. In their opinion, placing limitations on competition for government contracts increases overall

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procurement costs.\(^8\) This spring, Colorado State Senator Deanna Harris withdrew her bill which would have prohibited state contract work from being performed overseas after fiscal analysis showed the legislation would raise costs between $28 million and $74 million dollars. \(^9\)

On the other side of the issue, opponents of offshoring argue that the most obvious impact of offshoring is the loss of domestic jobs. Over the past three years, the U.S. has lost between 2.5 and 3 million manufacturing and service jobs.\(^10\) Forrester Research predicts that domestic employers will move 3.3 million white collar service jobs overseas in the next 15 years.\(^11\) As evidenced by past events, the U.S. economy has typically discarded jobs and rehired when the economic outlook improved. Opponents point out that if a job is sent overseas, the laid off worker will not receive a call to come back to work because the job doesn’t exist anymore.\(^12\) Furthermore, opponents also believe that if the trend of offshoring expands from lower skilled jobs to highly skilled jobs—a key component of the economic infrastructure—the U.S. may lose its global competitive advantage.\(^13\)

**Legislative Reaction**

Last year alone, forty states introduced over 200 bills dealing with the issue of offshoring.

Offshore outsourcing has emerged as a politically charged debate for many at the federal and state levels. The increasing concern of lawmakers can be easily confirmed by the volume of bills relating to offshoring introduced over the course of the past three years.

For example, in 2003, four states introduced four bills specifically related to offshore outsourcing. None of these bills were passed however, during 2004, forty states introduced over 200 bills to restrict offshore outsourcing. Of the 200 bills introduced, five became law and three Governors vetoed bills: in California (five bills), Maryland (one) and Massachusetts (one). In addition to the five laws enacted in 2004, Governors in nine states also implemented Executive Orders related to offshoring.\(^14\) By June of 2005, forty states had introduced 125 bills to limit offshore outsourcing. As of the end of June

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\(^11\) Ibid.

\(^12\) Ibid.


2005, five of these bills limiting various outsourcing activities became law. The following link is available to access all offshoring bills proposed in 2004 and 2005.

Offshore outsourcing laws fall into four common categories:

1) State bans on performing public contract work overseas – these bills most often require contract work to be performed within the continental U.S. or restrict only persons authorized to do work in the U.S. to perform the contract.

2) State bills restricting call centers and sending data overseas—these bills prohibit customer service or sales centers from possessing financial or personal information without permission from the client. The call or sales center employee may also be required to disclose his or her location, employer and name if requested by the client. These laws are often referred to as “Consumer Right to Know” acts.

3) In-state or U.S.-based company preferences in state contracting—while not an outright prohibition on offshore outsourcing, these laws operate largely for the same effect. Clauses barring work to expatriate corporations—corporations that move their headquarters offshore to avoid paying taxes—have also been seen within this type of legislation.

4) State tax and budgetary incentive bills—this legislation attempts to limit the amount of tax incentives to private business unless they restrict outsourcing.

Legislation relating to offshore outsourcing is not limited to the state level. Congress has also introduced and debated many bills on the subject over the past few years. As of May 2005, seventeen congressional bills and resolutions have been introduced this year related to offshore outsourcing. In 2004, Congress introduced over thirty bills relating to outsourcing, one being the Thomas-Voinovich Amendment, which became law as part of a federal omnibus appropriations act on January 23, 2004, and banned certain federal overseas contracts. Additionally, the fiscal 2004 spending package required contractors winning public-private job competitions to work within the U.S. unless federal employees previously performed the jobs overseas.

**Issues for State Procurement Officials**

Government managers must ensure that they review all options internally and entirely to determine if citizens are better served by offshore outsourcing. Restrictive outsourcing laws become an issue for the procurement profession because procurement officials are now charged with the administrative burden of researching prospective vendors to

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15 Ibid.
16 National Foundation for American Policy [www.nfap.net](http://www.nfap.net)
ensure compliance with their respective outsourcing law(s). Procurement staff may also be charged with ongoing investigative work to ensure that contractors are meeting their obligations. In addition to standard vendor performance monitoring activities, agencies also face increased demands of determining and monitoring savings of offshore outsourcing initiatives. Additionally, many state procurement laws require contract awards to be automatically given to the lowest bidder. Therefore, there is a credible concern in regards to the ability to save taxpayer dollars when the lowest bidder on a state contract just happens to be a company that outsources some of its business functions overseas.

All of these activities are both time consuming and cumbersome tasks for many procurement officers already faced with limited resources. So, what actions are procurement officials taking to head off some of these potential problems? Based upon a NASPO survey, directors in different states have developed a number of different approaches on the issue.

**What States are Doing**

According to the survey administered to the members of NASPO, five procurement directors responded that they currently have procurement preferences or encouragements for vendors to keep work in the U.S. or within the borders of their state. When asked if their state had established a methodology to determine the fiscal impact of outsourcing legislation (enacted or proposed), most of the survey respondents replied “no.” On the federal side, Congress recently directed the United States Government Accountability Office (GAO) to determine what the existing data reveal about the extent of offshoring in the federal and state governments. The GAO concluded that although there are anecdotal accounts of state governments using offshore contracts, no comprehensive data or studies of the extent to which state governments use these contracts are available.

To gather this data, several states are developing different methodologies to arrive at those figures.

Several states during the 2005 legislative season passed new laws establishing studies or commissions examining the subject of offshoring. For example, the State of Washington adopted ESCR 8407 in April 2005, which established a joint taskforce to study the performance of Washington state contracts outside the U.S. Maine’s legislation, LD 471, was signed by the Governor on May 12, 2005, and requires “the necessity of collecting information on the State’s contracting and outsourcing practices.” The State of New Jersey passed a resolution in July, AR 184, to create the

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19 Survey responses and individual state data will be available to NASPO state members only via a password-protected website. Individual survey responses or data will not be circulated outside of NASPO and are intended only for NASPO’s internal purposes. However, aggregate information may be circulated publicly in order to provide information about general trends within the states.

“Outsourcing and Offshoring Commission” to, among other things, “study ways to reduce outsourcing and offshoring in the State.”

Some states are partnering with other government agencies to analyze the impact of offshoring legislation. For example, the State of Missouri has indicated that it has enlisted the help of its Economic Development department to determine the fiscal impact of outsourcing legislation within the state.

Procurement officials are also directing their attention to whether contractors and subcontractors outsource any of their business functions. To address this concern, several states have developed or are in the process of developing surveys or questionnaires to gather data within their RFP documents. For example, the State of Vermont includes an Offshore Outsourcing Questionnaire within its RFPs to measure vendor outsourcing activities (see Appendix I). Although no formal tool has been developed to determine the fiscal impact, Vermont has the ability to take into consideration when making an award “the interests of the state relating to the economy of the state and the need to maintain and create jobs in the state.”

Other states, such as Iowa, require vendors to provide a statement prior to contract award if they or any of their subcontractors will be involved in conducting offshore work. Similarly, the State of Kansas has recently included the following language within several IT-based service contracts as a pilot project:

**Off-Shore Sourcing:** Each bidder must provide certification of the location where the contracted services are to be performed, and whether the bidder contemplates any of the work necessary to provide the contracted services being performed at a site outside the United States. In its evaluation of proposals, the State of Kansas may give preference to bidders who certify they will not perform, or engage subcontractors to perform, services at a site outside the United States.

If during the term of the contract, the contractor or subcontractor has certified that work will be performed in the United States and proceeds to shift work outside of the United States, the contractor shall be deemed in breach of contract, unless the Division of Purchases shall first have determined in writing that extraordinary circumstances require the shift of work or that a failure to shift the work would result in economic hardship to the State of Kansas.

**OVERVIEW OF “POLICY”:**

- No state agency shall award a contract to a vendor who contemplates performing work (or having a subcontractor perform work) pursuant to the contract at a site outside the United States, or does not provide disclosures as required above, unless one of the following conditions is met:
  - The vendor or its subcontractor provides a unique good or service; the particular good or service is deemed mandatory for the purposes of the purchasing agency; and no comparable domestically-provided good or service can adequately duplicate the unique features of the good or service provided by the vendor or its subcontractor; or
  - The vendor or its subcontractor is a foreign firm hired to market Kansas services or products to a foreign country; or
  - A significant and substantial economic cost factor exists that outweighs the economic impact of providing the function or professional services within the United States, such that a failure to use the vendor or subcontractor’s services would result in economic hardship to the State of Kansas; or
  - The vendor or its subcontractor maintains a significant business presence in the United States and only performs a trivial portion of work under the contract outside of the United States.
Continuing Trends

Economic indicators that have perhaps led state legislatures to enact restrictive outsourcing legislation have not improved significantly within the past six months. This suggests that offshoring legislation will continue to be of great interest at both the state and federal level in 2006. Procurement officials should expect to assist government managers in answering the difficult questions of “Can someone else really do a better job?” and “Does a potential savings of taxpayer dollars in the short-term outweigh potential negative economic outcomes in the long-term?” Our survey indicates that nearly all of the state procurement directors have seen offshoring legislation within their state.

Court Challenges

The states’ legislative proposals on offshore outsourcing raise several potentially serious legal concerns. First, any state legislative proposal that requires work to be performed exclusively in the U.S. may effectively regulate commerce between a state and a foreign country by prohibiting work from being performed in a foreign country. Under the U.S. Constitution, only the federal government may regulate foreign commerce. Consequently, any state legislation that regulates foreign commerce may be subject to legal challenge because individual states lack the authority to regulate in this area.

Second, state laws that allow local or in-state preferences in the award of government contracts may violate the Commerce Clause of the U.S. Constitution, which generally prohibits states from restricting interstate commerce. These laws may also violate the Privileges and Immunities Clause, which prohibits the laws of one state from discriminating against the citizens of another state. For example, the Supreme Court of the United States has held that Alaska could not limit jobs on its oil pipelines to state residents based on this constitutional provision. Such legislation may also be challenged as interfering with an individual’s right to travel freely from one state to another in order to find work.

In addition to the potential legal obstacles that state legislation may face based on the U.S. Constitution, federal attempts to restrict offshore contracting must also be in accord with the various requirements contained in international treaties that the United States has signed. Some commentators have noted that the federal legislation mentioned earlier may be subject to legal challenge on the grounds that it conflicts with the World Trade Agreement.

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23 Ibid.
24 Ibid.
The Thomas-Voinovich Amendment bans certain federal overseas contracts. This law may violate U.S. trade obligations under the World Trade Organization's (WTO) Government Procurement Agreement because the agreement prohibits member countries from treating domestic firms less favorably on the basis of "the country of production of the good or service being supplied." Arguably, the Thomas-Voinovich Amendment, as applied, may fail to comply with the non-discrimination and national treatment principles of the agreement, which may result in an adverse finding by a WTO dispute settlement body.25

Prohibitions on state contract work being performed overseas are the most legally suspect category of proposed outsourcing legislation, since courts would likely find that such measures improperly intrude on the federal foreign affairs power and violate the U.S. Constitution's Foreign Commerce Clause.26 In an August 2004 report, Services Offshoring: Background and Implications for California, the Public Policy Institute of California argues that legislation aimed at limiting state contracts performed offshore may "run afoul of" the WTO Agreement on Government Procurement and a similar provision in the North American Free Trade Agreement (NAFTA). The institute states that if the legislation violates these agreements, countries that have been discriminated against may be entitled to retaliate by issuing trade sanctions against the United States. Such sanctions would cost U.S. jobs by putting U.S. companies at a competitive disadvantage abroad. Further, the institute concludes that “although countries are not likely to retaliate if only California limits offshoring, California is part of a broader state-level movement, and a large portion of the California workforce either depends on foreign trade or works for foreign-owned companies.” Thus, policymakers have to weigh the gains and losses: if they restrict offshoring, they keep some jobs but may lose export markets and jobs from foreign-owned companies. However, if they leave offshoring alone, they maintain those export markets and jobs from abroad but lose other certain jobs.27

State and federal measures that restrict or ban sending U.S. consumers' financial, medical, or other related personal information overseas may also be unenforceable under the doctrine of preemption. Existing federal laws, including the Fair Credit Reporting Act, the Health Insurance Portability and Accountability Act of 1996, and the Gramm-Leach-Bliley Act of 1999, already address the treatment of certain types of consumer information and permit the sharing of consumer information among affiliated entities without regard to geography and provide mechanisms for recourse against U.S. corporations for failing to take appropriate measures to guard consumer information.28

**Marketplace Insight**

26 Ibid.
Recent reports suggest that major companies and organizations have begun to realize that the process of offshoring is much more complicated than originally expected. Although lower cost is the most commonly cited reason for offshore outsourcing, a recent survey of outsourcing trends among leading businesses and organizations discovered that “instead of lowering costs and simplifying operations, outsourcing often introduces complexity, increased cost, and friction...requiring more senior management attention and deeper management skills than anticipated.” As a result, many CEOs stated they have returned or are planning to return their offshore business operations back to the U.S. Additionally, another study of offshoring confirmed that many companies actually incur higher costs during their first year of an offshoring venture.

The following chart demonstrates the initial motivation behind the offshoring decision and the actual experiences of the organization.

<table>
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<th>Source: Deloitte Consulting, 2005</th>
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**The Rationale for Outsourcing is at Odds with Market Experience**

<table>
<thead>
<tr>
<th>Each participant named the items below as a major driver of the outsourcing decision</th>
<th>However, in many cases, the participants’ outsourcing experiences have not measured up to their expectations</th>
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<tr>
<td>Cost Savings: 78%</td>
<td>...but 38% of those participants have paid additional/unexpected costs for services they believed were included in contracts</td>
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<td>Best Practices: 57%</td>
<td>...but 31% of those participants stated vendors became compliant once contracts were in place</td>
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<td>Flexibility: 35%</td>
<td>...but commentary revealed that outsourcing added a level of rigidity because contracts are binding and vendors may not accommodate last minute changes or requests</td>
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<td>Focus on Core/Strategic: 35%</td>
<td>...but only 4 of those participants had misaligned functions as non-strategic and ultimately brought those thought leadership jobs back in-house</td>
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<td>Access to High-Caliber Labor: 22%</td>
<td>...but only 1 of those participants experienced greater than expected vendor employee turnover and realized the knowledge base they paid for was fleeting</td>
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<td>Transfer Risk to Vendor: 22%</td>
<td>...but commentary revealed that vendors are unable to fully absorb the costs of business loss, leaving the organization responsible for paying the bill</td>
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<td>Lack of Expertise In-House: 16%</td>
<td>...but 64% of those participants found that their vendors did not have the capabilities to provide the expected level of quality and cost savings, resulting in the participants’ decision to bring operations back in-house</td>
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This feedback could be very important for procurement officials to consider when determining the true cost of offshoring a business function as opposed to performing it within the state or country. The implication is that companies may initially underestimate costs of offshoring, which may result in a later contract modification (increase in cost).

**Summary/Next Steps**

Offshoring continues to be a complicated issue. The recent growth of offshoring activities has created considerable debate in both the public and private sector.

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30 Ibid.

regarding the advantages and disadvantages of the practice. Whether the outcomes of offshoring prove to be beneficial or detrimental to federal, state and local economies, offshoring appears destined to be a hot topic for years to come. The key for procurement officials will be to become educated on the issue and to be prepared to offer legislators and other government officials useful information.

Through its survey, NASPO has identified several tools that procurement officials are developing in order to determine and understand the fiscal impact of offshoring practices within state contracts. The research contained within this brief is intended to be useful for procurement directors when asked to provide such information to legislators and other officials who may introduce or inquire about offshore/outsourcing legislation. Clearly, however, actual methodologies and replicable tools are at the early stages of development. In the meantime, NASPO suggests the following high level recommendations for procurement officials:

° **Reach out to other government agencies to obtain information.** In-state resources such as economic development offices and public universities often have information and tools relating to the overall cost of losing local jobs through economic competition. The federal government also has a number of agencies that have studied offshoring and can also provide significant data on the subject. These agencies include the Government Accountability Office, the Department of Commerce and the Department of Labor.

° **Maintain a good relationship with your state comptroller or state auditor.** Many state comptrollers and auditor offices have looked at the issue of offshoring within their respective states. A recent report, performed by the California State Auditor, is referenced within this brief.32

° **Consider requiring your suppliers to provide offshoring information or other assistance as part of the solicitation process.**

° **Maintain communication with fellow procurement officials in other states.** As evidenced in this brief, states often struggle with similar issues. Therefore, keeping in touch with one’s peers could offer potential solutions to shared problems.

Acknowledgements

This issue brief was prepared under the guidance of NASPO’s Emerging Issues Committee, Dianne Lancaster (OR), Chair. It was written by NASPO Senior Project Coordinator Rebecca Randall.

32 See supra note 26.
The committee wishes to thank the states who replied to its survey on offshore outsourcing and who provided resources and information in preparing this document.

*NASPO is the National Association of State Procurement Officials and represents the directors of the central purchasing offices in all 50 states, the District of Columbia, and the territories of the United States. For more information on NASPO, please visit [www.naspo.org](http://www.naspo.org)*

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Apprendix I. State of Vermont Outsourcing Questionnaire

**Offshore Outsourcing Questionnaire**

Vendors must indicate whether or not any services are or will be outsourced under the terms of any agreement with the State of Vermont. Indicate N/A if not applicable.

**Services:**

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<th>Proposed Service to be Outsourced</th>
<th>Bid Total or Contract Estimate</th>
<th>Represents what % of total Contract Dollars</th>
<th>Outsourced Dollars</th>
<th>Outsourced Work Location (Country)</th>
<th>Subcontractor</th>
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If any or all of the services are or will be outsourced offshore, Vendors are required to provide a cost estimate of what the cost would be to provide the same services onshore and/or in Vermont.

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<th>Proposed Service to be Outsourced</th>
<th>Bid Total or Contract Estimate if provided Onshore</th>
<th>Bid Total or Contract Estimate if provided in Vermont</th>
<th>Cost Impact</th>
<th>Onshore Work Location</th>
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Name of Bidder

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Signature of Bidder

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Date

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Appendix II: List of Business Process Offshore Outsourcing Services

**Banking Services**
- Account opening services
- Account information capture
- Customer queries
- Check clearing
- Check payment reconciliation
- Statement processing
- ATM reconciliation
- Investment account management
- Management reporting
- Loan administration
- Credit debits card services
- Check processing
- Collections
- Customer Account Management

**Mortgage Services**
- Application verification & processing
- Disbursals and collections
- Payment reconciliation
- Account information updates
- Mortgage loan servicing

**Finance Services**
- Document management
- Billing
- Shareholder services
- Claims processing
- Accounts receivable
- Accounts payable
- General ledger
- Accounting services
- Treasury Operations
- Management

**Credit Card Services**
- Application screening/card issuance
- Customer account management
- Collections and customer follow-up

**Asset Management Services**
- Account creation
- Account maintenance
- Transfers and additions
- Dividend payments
- Brokerage payments
- MIS reporting
- Customer service

**Insurance Services**
- Policy Owner services
- Claims processing
- Transaction & Re-insurance
- Accounting
- Statutory reporting
- Annuities processing
- Benefit administration
- Customer information capture
- Risk assessment & premium computation
- Policy processing and account monitoring
- Claims management
- Payment reconciliation

**Healthcare**
- Medical transcription services

**Customer Care**
- Customer service
- Customer analysis
- Call centers
- Customer information services
- Customer relationship management

**Human Resources**
- Payroll & benefits processing
- Training & development
- Retirement investment & benefits
- Management

**Sales and Marketing Services**
- Telemarketing services
- Direct marketing & sales campaign

**Web-Related Services**
- Website design
- Website management
- Site personalization
- Site marketing
- Search engine directory
- Optimization & positioning
- Catalog/content management
- Web analysis
- Database design
- Web security services
- Back-office systems
- Web enablement of legacy applications
- Electronic bill presentment & payment
- Graphics/animation
- Web-based email processing
- Web-based Help Desk
- Web-based Chat Support
- E-Learning
- E-Publishing

**Hiring & staffing**
- Recruitment screening
- Administration and relocation
- Payroll processing
- Compensation administration
- Benefits planning
- Administration & regulating compliance