STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

3RD CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 699 By: Dunlap of the Senate

and

Bryant of the House

3RD CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to state government; enacting the Oklahoma Privatization of State Functions Act; stating purpose; defining terms; requiring state agencies to perform certain duties prior to privatization; providing for notification; requiring assistance; providing for compliance monitoring; providing for notice of intent to seek requests for proposals; prohibiting certain activity; prohibiting certain conduct; requiring certification of certain information in writing; providing for codification; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 595.1 of Title 74, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Privatization of State Functions Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 595.2 of Title 74, unless there is created a duplication in numbering, reads as follows:

It is hereby declared that the purpose of the Oklahoma Privatization of State Functions Act is to set guidelines for the privatization of state services in order to ensure that, if approved, the privatization of state services is cost effective and in the best interest of the citizens of this state.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 595.3 of Title 74, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Agency" means an agency, board, commission or other entity of state government organized within the executive department of state government, exclusive of the University Hospitals Authority with respect to transactions occurring on or after July 1, 1997 and prior to July 1, 1998; and

2. "Privatize" means to enter into contract for the performance of a duty or function imposed upon the agency by law or which the agency is authorized to perform.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 595.4 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Before any agency can contract to privatize a function, program, service, unit or division, the agency must allow its employees the opportunity to submit proposals for improving the operations, efficiency or organization of the entity being considered for privatization.

B. The privatization process shall begin with:

1. Notification to employees impacted by the proposed privatization by the agency of its intent to privatize a function, program, service, unit or division of the agency;

2. A specific statement that employees have an opportunity to submit proposals to the agency; and

3. Notification by the agency simultaneously with the notice required pursuant to paragraph 1 of this subsection, to the Governor's Office and the Director of the Office of State Finance of the agency's intent to privatize a state function.

C. The agency shall provide reasonable assistance to its employees as they develop proposals to be considered.

D. The Director of the Office of State Finance shall be responsible for monitoring compliance by state agencies of the requirements of this section.

E. Proposals submitted by agency employees to the agency shall be considered before a determination is made on seeking nonemployee bids to privatize a function, program, service, unit or division of the agency.

F. After an agency has decided to privatize a function, program, service, unit or division and has met the requirements of subsection E of this section, the agency shall notify the Director of State Finance of its intent to solicit bids by interested parties. Prior to solicitation of bids from other interested parties, the agency shall notify the Governor, President Pro Tempore of the Senate, and Speaker of the House of Representatives of the agency's intent to solicit bids and a statement that the agency has given the opportunity to its employees to submit proposals pursuant to this section prior to the decision to privatize.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 595.5 of Title 74, unless there is created a duplication in numbering, reads as follows:

Except as otherwise provided by this subsection, any state officer or employee who exercises discretionary or decision-making authority in awarding a privatization contract shall be prohibited for a period of two (2) years from the date that the privatization contract is awarded from becoming an officer or employee of a business organization which is a party to any privatization contract with the state agency in which the state officer or employee exercised such discretionary or decision-making authority.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 595.6 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Each agency deciding to privatize an agency function, program, service, unit or division shall certify in writing to the Governor that:

1. The provisions of this act and all other applicable laws regarding the privatization of the respective state functions have been complied with;

2. The quality and cost of the services to be provided by the selected bidder are likely to exceed the quality and cost benefit standards for the state function as formerly delivered by regular agency employees or, if applicable, compared to proposals from agency employees; and

3. The proposed privatization contract is otherwise in the best interest of the public.

B. A copy of the proposed privatization contract shall be available at the Department of Central Services for public inspection.

SECTION 7. This act shall become effective July 1, 1997.

SECTION 8. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

46-1-1714 WHT