STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

SENATE BILL 1004 By: Leftwich

AS INTRODUCED

An Act relating to state government; amending Section 4, Chapter 281, O.S.L. 1999 (74 O.S. Supp. 1999, Section 589), which relates to the Oklahoma Privatization of State Functions Act; requiring agencies to make cost determination; requiring agencies to make presence of competitive market determination; clarifying language; providing notification to the Director of the Department of Central Services; providing consultant services to employees; providing proposals be considered simultaneously; deleting notification to the Director of the Office of State Finance; deleting certain agency notification and statements; deleting certain certification language; requiring agency consider full cost of privatization; requiring certification; providing notice; and providing an effective date.

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

SECTION 1. AMENDATORY Section 4, Chapter 281, O.S.L. 1999 (74 O.S. Supp. 1999, Section 589), is amended to read as follows:

Section 589. A. Before any agency can contract to privatize a function, program, service, unit or division, the agency must determine the fully allocated cost of the current service delivery system. In addition the agency must determine the existence of an adequate number of vendors to assure the presence of a competitive market. If the decision is made to pursue privatization, 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~~ include:

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 Director of the Office of State Finance and the Director of the Department of Central Services of the agency's intent to privatize a state function.

C. The agency shall provide its employees with a consultant to help prepare the employee proposal or training on proposal preparation. In addition, the agency shall provide the employees information about the delivery of services to its employees as they develop proposals to be considered. This information shall include revenue expenditure data, wage and salary data, and inventory of the supplies, equipment, and facilities associated with the program being privatized.

D. Proposals submitted by agency employees ~~to the agency~~ shall be considered ~~when a determination is made on seeking nonemployee bids to~~ simultaneously in the bid or proposal process with nonemployee bids and proposals when a determination is made to privatize a function, program, service, unit or division of the agency.

E. ~~After an agency has decided to privatize a function, program, service, unit or division and has met the requirements of subsection D 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. The agency shall also certify that the provisions of this act and all other applicable laws regarding the privatization of the respective state functions have been complied with~~ When evaluating bids and proposals from private vendors and employees, the agency shall consider the full cost of privatizing the function, program, service, unit, or division including, but not limited to, the cost of contract implementation and monitoring and transitional costs.

F. Before executing a contract with a private vendor to privatize a function, program, service, unit or division, the agency must certify that the privatization is at least ten percent (10%) below the cost of state operation and that it maintains quality services.

G. The agency shall certify to the Department of Central Services that the provisions of this act and all other applicable laws regarding the privatization of the respective state functions have been complied with. The Department of Central Services shall notify the Director of State Finance, the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives of the results of the competitive process and compliance with the laws regarding the privatization of state functions.

SECTION 2. This act shall become effective November 1, 2000.

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