

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

SENATE BILL 1469

By: Leftwich

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 2001, Section 589, which relates to the Oklahoma Privatization of State Functions Act; requiring agencies to make cost determination; requiring certain report; clarifying language; providing notification to the Director of the Department of Central Services; requiring proposals be considered simultaneously; deleting certain agency notification language and statements; deleting certain certification language; requiring agency consider full cost of privatization; requiring agency to establish certain plan; requiring the agency to obtain certain information; requiring payment be linked to performance; allowing for reduction of agreed amount upon a budget shortfall; requiring certification; requiring notification; requiring promulgation of rules; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2001, 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. If the decision is made to pursue privatization, the agency shall allow its employees the opportunity to submit proposals for improving the operations, efficiency or organization of the entity being considered for privatization. Such agency shall also make a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives regarding performance data and cost reports of privatizing the function, program, service, unit or division by February 1 of each year.

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 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. The agency shall establish a detailed plan on how to return the privatized function, program, service, unit or division to the state if there is a contract cancellation.

G. The agency shall require the following information prior to making a contract to privatize a function, program, service, unit or division:

1. Financial stability of the vendor, past and present litigation, and past government contract performance information;  
and

2. Sufficient detail on how the vendor will perform the contract, to include staffing and equipment information.

H. Any contract with a vendor to privatize a function, program, service, unit or division shall require that the contractor's payment be linked to performance. Further, the contract shall provide that the amount agreed upon in the contract may be reduced if the agency experiences a budget shortfall.

I. 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 the Office 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.

J. The Department of Central Services shall promulgate any rules necessary to implement the provisions of this section.

SECTION 2. This act shall become effective November 1, 2002.

48-2-2215

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