

STATE OF OKLAHOMA

1st Session of the 49th Legislature (2003)

SENATE BILL 333

By: Leftwich

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 2001, Section 589, which relates to privatization; requiring agency to certify the quality of privatized services; requiring agency to certify annual cost savings; requiring bid and contract to establish wage rate; requiring contract to specify offered employee benefits; requiring contractor to offer certain employment; requiring contractor to comply with certain policies; requiring agency to prepare certain written estimate; requiring certain contractors to pay certain minimum compensation; providing for codification; 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 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 Director

of the Office of State Finance 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 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. The agency shall further certify in writing to the Governor, President Pro Tempore of the Senate, and Speaker of the House of Representatives, upon awarding a contract, that the quality of the services to be provided by the winning bidder is likely to satisfy the quality requirements which equal or exceed the quality of services which could be provided by regular agency employees. The state agency shall also certify to the Governor, President Pro Tempore of the Senate, and Speaker of the

House of Representatives that the estimated annual savings will be equal to twenty-five percent (25%) or greater on contracts valued at Twenty-Five Thousand Dollars (\$25,000.00) or less and that at a minimum the annual savings on contracts valued at Five Hundred Thousand Dollars (\$500,000.00) or more shall be Fifty Thousand Dollars (\$50,000.00).

F. Every bid for a privatization contract and every privatization contract shall include provisions specifically establishing the wage rate for each position, which shall not be less than the federal minimum wage rate. Every bid and contract shall also specify whether the contractor will provide health, retirement, vacation or other benefits.

G. Every privatization contract shall contain provisions requiring the contractor to offer available employee positions pursuant to the contract to qualified regular employees of the agency whose state employment is terminated because of the privatization contract and who satisfy the hiring criteria of the contractor. Every contract shall also contain provisions requiring the contractor to comply with a policy of nondiscrimination and equal opportunity for all persons, and to take affirmative steps to provide equal opportunity for all persons pursuant to Section 840-2.9 of this title.

H. Every agency which is considering privatizing some of its functions shall prepare a comprehensive written estimate of the costs of regular agency employees providing the subject services in the most cost-efficient manner. The estimate shall include all direct and indirect costs of regular agency employees providing the subject services including, but not limited to, pension, insurance and other employee benefit costs.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 589A of Title 74, unless there is created a duplication in numbering, reads as follows:

A contractor who enters into a contract with a state agency to privatize a function, program, service, unit or division of a state agency, shall compensate its employees working on such contract at a rate no less than the prevailing wage, including benefits, paid to state employees who would otherwise perform such privatized work.

SECTION 3. This act shall become effective November 1, 2003.

49-1-113

SJ

6/12/2015 7:48:34 PM