

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

House Bill 710 (Montgomery County Delegation and Prince George's
County Delegation)
Environmental Matters Education, Health, and Environmental Affairs

Maryland-National Capital Park and Planning Commission - Service Contracts
MC/PG 117-07

This bill prohibits, under specific conditions, the Maryland-National Capital Park and Planning Commission (M-NCPPC) from soliciting a service contract valued at more than \$75,000 that will adversely affect commission employees unless the contract saves the commission a specified amount over current or projected expenditures. The bill provides for exceptions, assistance for any commission employee adversely affected by such contracts, and legal redress if the commission fails to comply with the bill's provisions.

Fiscal Summary

State Effect: None.

Local Effect: The bill could limit the ability of M-NCPPC to solicit service contracts that provide savings over the cost of services currently performed by commission employees. The net effect is expected to be minimal. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: The bill could, to a limited extent, restrict the ability of small businesses to receive contracts to perform certain services for M-NCPPC.

Analysis

Bill Summary: The bill defines adverse affects on a commission employee as:

- the elimination of more than two bargaining unit positions that are authorized, fully funded, and either occupied or have been vacant for less than 90 days; or
- reduced hours, pay grade, base pay, or fringe benefits for more than five bargaining unit employees.

The contracting restrictions apply only to contracts solicited as part of a management plan specifically intended to adversely affect bargaining unit employees.

The value of contracts subject to the bill's provisions is adjusted every two years based on increases in the Consumer Price Index for all Urban Consumers (CPI-U) for the Washington-Baltimore metropolitan area.

The bill specifies conditions under which service contracts would be exempt from the bill's provisions.

Before the commission solicits a service contract covered by this bill, the commission's Secretary-Treasurer must certify the commission has:

- considered other alternatives;
- consulted with the bargaining unit representative; and
- demonstrated that it will save at least \$200,000 or 20% of the estimated net present value of the cost of the service contract.

In conducting its cost comparison, the commission must assume that the contractor will pay its employees the living wage designated by Montgomery or Prince George's County, whichever is less. It must also consider appropriate indirect overhead costs and any costs associated with unemployment compensation or outplacement assistance for displaced workers.

In the event that the commission awards a service contract that adversely impacts an employee, it must develop a formal plan of assistance for affected employees, including efforts to transfer or place those employees in vacant commission positions for which they are qualified and giving them preference for vacant positions with the service contractor. The bargaining unit may submit a proposal in response to the service contract solicitation.

If the commission fails to comply with any of the bill's provisions, the bargaining unit may file an appeal seeking reimbursement of damages on behalf of affected employees with the State Office of Administrative Hearings. However, noncompliance with the

bill's provisions is not grounds for invalidating a contract that the commission has otherwise validly awarded.

Current Law: There are no restrictions on the commission's ability to award service contracts that may adversely affect commission employees.

Background: M-NCPPC is a bi-county agency empowered by the State in 1927 to acquire and administer a regional system of parks within the Maryland-Washington Regional District and administer a general plan for the physical development of the area. In 1970, M-NCPPC became responsible for managing the Prince George's County public recreation program. M-NCPPC is governed by a 10-member commission with 5 members appointed by the county executive of Prince George's County and confirmed by the county council, and 5 members appointed by the Montgomery County Council with the approval of the county executive.

The Municipal and County Government Employees' Organization is the collective bargaining agent for approximately 650 commission employees.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery County, Prince George's County, Department of Legislative Services

Fiscal Note History: First Reader - March 26, 2007
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