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By: Senators Feldman, Benson, Currie, Guzzone, King, Madaleno, Manno, McFadden, Ramirez, and Rosapepe

Introduced and read first time: February 4, 2015

Assigned to: Finance

A BILL ENTITLED

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State Personnel - Service Contracts - Reporting and Audit Requirements

- 3 FOR the purpose of altering the definition of "service contract", for purposes of provisions 4 of law governing procurement contracts for certain services, to include services 5 provided within a State-owned facility; requiring that certain units submit a certain 6 demonstration to a certain exclusive representative under certain circumstances; 7 requiring that certain units meet with a certain exclusive representative to discuss 8 certain alternatives under certain circumstances; requiring that certain service 9 contracts be subject to an audit to determine compliance with certain requirements; 10 requiring that certain audits be completed before the expiration of an initial term of 11 certain service contracts; requiring that a certain audit finding be made available to 12 the public; requiring a unit in the Executive Branch of State government that has 13 an independent personnel system to adopt certain rules and regulations; and 14 generally relating to service contracts, reporting requirements, and audits of service 15 contracts.
- 16 BY repealing and reenacting, with amendments,
- 17 Article – State Personnel and Pensions
- Section 13-401 and 13-405 18
- Annotated Code of Maryland 19
- 20 (2009 Replacement Volume and 2014 Supplement)
- 21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 22 That the Laws of Maryland read as follows:

Article - State Personnel and Pensions

13-401. 24

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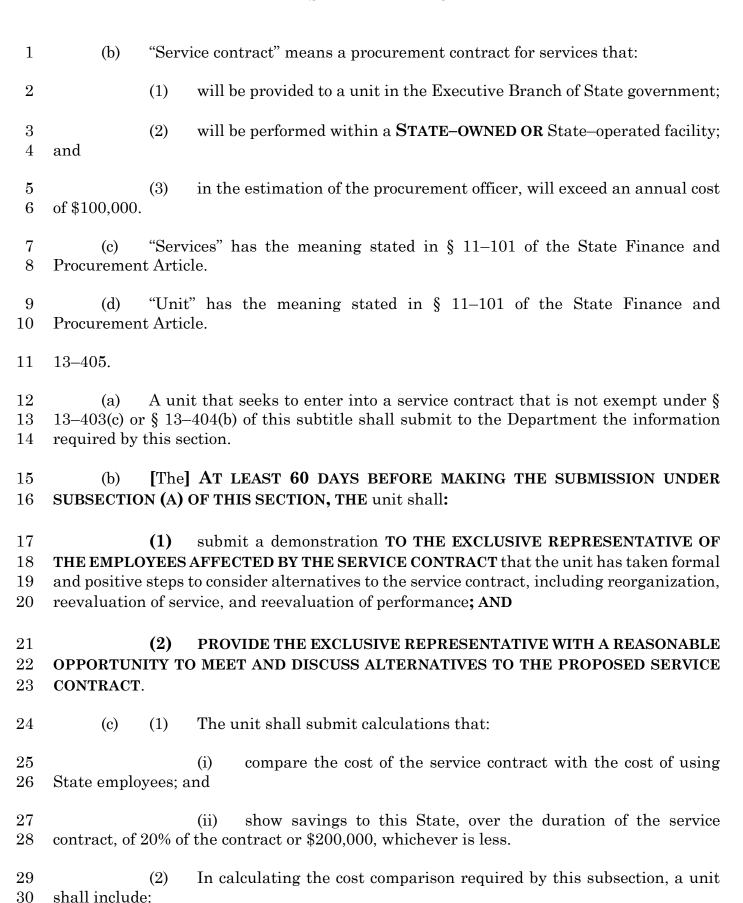
In this subtitle the following words have the meanings indicated. (a)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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1	(i) direct costs, including fringe benefits;			
2 3 4 5	(ii) indirect overhead costs, including the proportional share of existing administrative salaries and benefits, rent, equipment costs, utilities, and materials, but only to the extent that those costs are attributed solely to the service in question and would not exist if the service were not performed by State employees;			
6 7 8	(iii) any continuing or transitional costs that would be directly associated with contracting for the services, including unemployment compensation and the cost of transitional services; and			
9 10 11	(iv) additional costs of performance of the services by State employees, including salaries and benefits of additional staff and the cost of additional space, equipment, and materials needed to perform the services.			
12 13	(d) (1) The unit shall submit a formal plan of assistance for all State employees who will be adversely affected by the service contract.			
14	(2) The plan of assistance shall include:			
15 16	(i) efforts to place affected employees in vacant positions in the unit or in another unit;			
17 18	(ii) provisions in the service contract, if feasible, for the hiring by the contractor of displaced employees; and			
19 20	(iii) prior notification to affected employees in accordance with § 13–218.1 of the State Finance and Procurement Article.			
21 22 23	(E) (1) (I) A SERVICE CONTRACT SHALL BE SUBJECT TO AN AUDIT OF BOOKS, ACCOUNTS, OR RECORDS TO DETERMINE COMPLIANCE WITH PROJECTED COST SAVINGS UNDER SUBSECTION (C) OF THIS SECTION.			
24 25 26	(II) THE AUDIT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE COMPLETED PRIOR TO THE EXPIRATION OF THE INITIAL TERM OF THE SERVICE CONTRACT.			
27 28	(2) AUDIT FINDINGS FROM AN AUDIT CONDUCTED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE MADE AVAILABLE TO THE PUBLIC.			
29 30 31	SECTION 2. AND BE IT FURTHER ENACTED, That any unit in the Executive Branch of State government with an independent personnel system shall adopt rules or regulations similar to the provisions of Section 1 of this Act.			

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect

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October 1, 2015.