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**By: Delegate Poole**

Introduced and read first time: February 9, 1996  
Assigned to: Commerce and Government Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Procurement - Service Contracts - Standards for Privatization**

3 FOR the purpose of establishing standards and procedures for procurement of services  
4 that are currently provided by a unit of State government; requiring an invitation for  
5 bids under this Act to contain certain information; requiring the Board of Public  
6 Works to make a certain certification before approving a contract under this Act;  
7 prohibiting certain State employees from accepting certain employment for a  
8 certain period of time; and generally relating to proposed procurement contracts for  
9 services currently provided by State government.

10 BY adding to

11 Article - State Finance and Procurement  
12 Section 12-110  
13 Annotated Code of Maryland  
14 (1995 Replacement Volume and 1995 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article - State Government  
17 Section 15-503  
18 Annotated Code of Maryland  
19 (1995 Replacement Volume)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article - State Finance and Procurement**

23 12-110.

24 (A) THIS SECTION APPLIES TO A PROPOSED PROCUREMENT CONTRACT FOR  
25 SERVICES THAT ARE CURRENTLY PROVIDED BY A UNIT UNDER ITS PUBLIC  
26 AUTHORITY.

27 (B) (1) A CONTRACT UNDER THIS SECTION SHALL BE BASED ON  
28 COMPETITIVE SEALED BIDS.

29 (2) AN INVITATION FOR BIDS UNDER THIS SUBSECTION SHALL:

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1 (I) STATE THE WAGES TO BE PAID UNDER THE CONTRACT;

2 (II) REQUIRE THE CONTRACTOR TO:

3 1. PROVIDE HEALTH INSURANCE FOR EMPLOYEES WHO  
4 WORK MORE THAN 20 HOURS PER WEEK;

5 2. STATE THE CONTRACTOR'S NEUTRALITY CONCERNING  
6 AN EMPLOYEE'S RIGHT TO COLLECTIVE BARGAINING;

7 3. OFFER JOBS TO QUALIFIED EMPLOYEES OF THE UNIT  
8 WHO WILL BE TERMINATED AS A RESULT OF THE CONTRACT; AND

9 4. COMPLY WITH STATE AND FEDERAL LAW REGARDING  
10 EMPLOYEE RIGHTS, EQUAL EMPLOYMENT OPPORTUNITY, AND  
11 NONDISCRIMINATION; AND

12 (III) PROVIDE PAID HOLIDAYS, ANNUAL LEAVE, AND SICK LEAVE  
13 FOR EMPLOYEES AT THE SAME RATE THAT APPLIES TO STATE EMPLOYEES.

14 (3) WAGES PAID UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION SHALL  
15 BE THE LESSER OF:

16 (I) THE AVERAGE PRIVATE SECTOR WAGE FOR COMPARABLE  
17 WORK, AS DETERMINED BY THE DEPARTMENT OF FISCAL SERVICES; AND

18 (II) IN THE STANDARD PAY PLAN, THE STEP 1 WAGE WITHIN THE  
19 GRADE AT WHICH THE POSITION WOULD BE CLASSIFIED IF THE JOB WAS  
20 PERFORMED BY A PUBLIC EMPLOYEE.

21 (4) HEALTH INSURANCE PROVIDED UNDER PARAGRAPH (2)(II)1 OF THIS  
22 SUBSECTION SHALL INCLUDE IMMEDIATE FAMILY MEMBERS OF THE EMPLOYEE,  
23 AND THE EMPLOYER CONTRIBUTION SHALL BE THE SAME PORTION AS THAT PAID  
24 BY THE STATE FOR ITS EMPLOYEES.

25 (C) IF A CONTRACT IS PROPOSED UNDER THIS SECTION, THE AFFECTED UNIT  
26 SHALL PREPARE A STATEMENT OF ITS INTERNAL COSTS TO PROVIDE THE SERVICE  
27 UTILIZING PUBLIC EMPLOYEES.

28 (D) BEFORE AWARDING A CONTRACT UNDER THIS SECTION, THE BOARD OF  
29 PUBLIC WORKS SHALL CERTIFY THAT:

30 (1) THE QUALITY OF SERVICES TO BE PROVIDED BY THE CONTRACTOR  
31 WILL BE AT LEAST EQUAL TO THE QUALITY OF SERVICES PROVIDED BY THE UNIT;

32 (2) THE CONTRACTOR HAS NO RECORD OF NONCOMPLIANCE WITH ANY  
33 FEDERAL OR STATE LAW OR REGULATION; AND

34 (3) AWARD OF THE CONTRACT IS IN THE PUBLIC INTEREST.

35 **Article - State Government**

36 15-503.

37 (a) This section does not apply to members of the General Assembly.

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1 (b) An official or employee may not be employed by an entity that is a party to a  
2 contract that binds or purports to bind the State if:

3 (1) the duties of the official or employee include matters substantially  
4 relating to or affecting the subject matter of the contract; and

5 (2) the contract binds or purports to bind the State to pay more than \$1,000.

6 (C) (1) THIS SUBSECTION APPLIES TO A CONTRACT GOVERNED BY § 12-110  
7 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

8 (2) AN INDIVIDUAL WHO HAS MANAGEMENT RESPONSIBILITIES WITHIN  
9 A UNIT OF STATE GOVERNMENT MAY NOT, FOR A PERIOD OF 1 YEAR FROM THE  
10 TERMINATION OF STATE EMPLOYMENT, ACCEPT EMPLOYMENT FROM A PERSON  
11 WHO IS AWARDED A CONTRACT UNDER § 12-110 OF THE STATE FINANCE AND  
12 PROCUREMENT ARTICLE TO PERFORM SERVICES THAT WERE FORMERLY  
13 PERFORMED BY THE UNIT THAT EMPLOYED THE INDIVIDUAL.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 October 1, 1996.