

## HB 506 -- Oversight of Public Privatization Contracts

Sponsor: Lowe (44)

This bill establishes the Public Service Accountability Act, which requires most public bodies to analyze costs and benefits of privatizing any service valued at \$25,000 or more. The public body must prepare a statement of services proposed to be the subject of the privatization contract that includes the specific quantity and standard of quality which will be used to solicit sealed bids. The bill contains requirements for the bidding procedure. A comprehensive written estimate of the cost of a privatization contract and the cost of regular public employees providing the services must be prepared. A contract can only be granted when the cost differential is more than a 10% savings. Minimum wages for the privatization contract are established, and no contract may exceed two years in length. Privatization contractors must offer employment positions to qualified agency employees whose jobs are eliminated as a result of the contract. The bill specifies other considerations for the awarding of a privatization contract. Certain restrictions are placed on the hiring of a subcontractor and the guidelines for the contractor to follow during the length of the privatization contract. Remedies for violation of this law are specified in the bill. Funds of a public body may not be used to support or oppose unionization.

A "privatization contract" is defined as an agreement, or a combination or series of agreements, by which a nongovernmental person or entity agrees with a public body to provide services which are substantially similar to and in lieu of services which have been provided, in whole or in part, by regular employees of a public body.

The bill contains an emergency clause.