

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 950

7 H.P. 741

House of Representatives, March 1, 1983

8 Referred to the Committee on State Government. Sent up for concurrence
9 and ordered printed.

10 EDWIN H. PERT, Clerk

Presented by Representative McGowan of Pittsfield.

11 STATE OF MAINE
12

13
14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE
16

17 AN ACT to Establish the Least Cost
18 Principle.
19

20 Be it enacted by the People of the State of Maine as
21 follows:

22 5 MRSA §1742-B is enacted to read:

23 §1742-B. Least cost principle; implementation

24 1. Policy. It is the policy of this State that
25 state agencies shall make every effort to improve,
26 construct or make major repairs or alterations to
27 public facilities at the least cost to the State.

28 2. Proposed improvements; list. Prior to the
29 submission of its budget for the subsequent budget
30 period, each public agency shall prepare and file
31 with the Commissioner of Finance and Administration a
32 list of every public facility improvement known to

1 the agency that the agency seeks to fund in the bud-
2 get period, identifying each improvement by name and
3 estimating the total costs. If the agency intends to
4 perform the work using its own equipment and person-
5 nel on a project estimated to cost more than \$25,000,
6 then the agency shall also indicate how the decision
7 conforms to the policy stated in subsection 1. The
8 list of proposed improvements is a public record and
9 may be revised periodically by the agency.

10 3. Records to be kept on projects costing more
11 than \$25,000. Whenever a state agency improves, con-
12 structs or makes major repairs or improvements to a
13 public facility with its own equipment or personnel
14 estimated to cost more than \$25,000, the agency shall
15 keep and preserve a full, true and accurate account
16 of the costs of performing the work, including all
17 engineering and administrative expenses and a reason-
18 able estimate of the total cost, including investment
19 cost of equipment used. The final account of the
20 costs will be a public record.

21 4. Model cost accounting guidelines. On or
22 before December 31, 1983, the Commissioner of Finance
23 and Administration, in consultation with informed
24 persons' from the public and private sector, shall
25 promulgate model cost accounting guidelines for use
26 by public agencies as required by subsection 3.

27 STATEMENT OF FACT

28 The purpose of this bill is to establish a proce-
29 dure for assuring that improvements, repairs and con-
30 struction of public facilities, when undertaken by
31 employees of that agency, are made in the least
32 costly way to the State.

33 1332021983