

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1206

H.P. 880

House of Representatives, March 6, 2003

An Act To Encourage Responsible Employment Practices

Reference to the Committee on State and Local Government suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Speaker COLWELL of Gardiner.
Cosponsored by Senator EDMONDS of Cumberland and
Representatives: BUNKER of Kossuth Township, DAVIS of Falmouth, KETTERER of
Madison, Senators: GAGNON of Kennebec, MAYO of Sagadahoc.

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

2
4 **Sec. 1. 5 MRSA §1816-A, sub-§2, ¶I** is enacted to read:

6 I. An equivalent basis for cost comparison between state
8 employee and private contractor provision of services is
10 calculated, as established by rules adopted by the State
12 Purchasing Agent pursuant to Section 1825-B, subsection 11,
14 and it is determined that the private contractor provides
16 the best value.

18 **Sec. 2. 5 MRSA §1825-B, sub-§11** is enacted to read:

20 **11. Rulemaking; unfair competition.** State departments and
22 agencies may not achieve cost savings due to cost differentials
24 that derive from a bidder's failure to provide health and
26 retirement benefits to its employees. The State Purchasing Agent
28 shall adopt rules governing the purchase of services and the
30 awarding of grants or contracts to establish a basis for bid
32 price and cost comparison among businesses that provide health
34 and retirement benefits to their employees and those that do not
36 provide these benefits. The rules must include a methodology for
38 calculating bid price and cost differentials for services
40 provided by businesses and state employees due to the provision
42 of health and retirement benefits for employees. The rules must
44 adjust the bid prices to establish an equivalent basis for bid
46 price and cost comparison among businesses when awarding
48 contracts and between businesses and state employees when
50 determining whether or not a contract is permitted under this
 section. These rules must apply to all state departments and
 agencies. Rules adopted pursuant to this subsection are routine
 technical rules as defined in chapter 375, subchapter 2-A.

Sec. 3. Effective date. Section 1 of this Act takes effect on
July 1, 2004.

SUMMARY

40 This bill requires the State Purchasing Agent to adopt rules
42 to establish a fair basis for bid price comparison among
44 businesses that provide health and retirement benefits and those
46 that do not provide these benefits. It also requires that,
48 before a state agency or department may contract personal
50 services out to a private contractor, it must establish an
 equivalent basis for cost comparison for businesses that do not
 provide health insurance or retirement benefits. Personal
 services contracting is not permitted unless a private contractor
 provides the best value.