

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 146

Government Performance Audit Select Committee Substitute Adopted 2/23/93

Short Title: GPAC/Privatization of State Services.

(Public)

Sponsors:

Referred to: Rules and Operation of the Senate.

February 15, 1993

A BILL TO BE ENTITLED

1 AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT
2 PERFORMANCE AUDIT COMMITTEE TO BEGIN THE ADOPTION AND
3 IMPLEMENTATION OF A POLICY FOR CONTRACTING OUT TO THE
4 PRIVATE SECTOR SERVICES TRADITIONALLY PERFORMED BY STATE
5 EMPLOYEES.
6

7 The General Assembly of North Carolina enacts:

8 Section 1. Prior to March 15, 1994, the Office of State Budget and
9 Management shall develop and propose to the General Assembly a policy and a
10 program for contracting out to the private sector services traditionally performed by
11 State employees. The policy shall define the goals and objectives of a program for
12 contracting out to the private sector, identify a strategy for implementation of the
13 program, and assign responsibility for administration of the program to the Office of
14 State Budget and Management.

15 The program to implement the policy shall consist of the following
16 components:

- 17 (1) The identification of the current functions and activities performed by
18 the State that have the greatest potential to benefit from contracting
19 out. In making this determination, the Office of State Budget and
20 Management shall consider whether (i) the service is available in the
21 private sector, (ii) the demand for the service is increasing, decreasing,
22 or remaining constant, (iii) management of the proposal can ensure
23 quality, and (iv) outside cost is less expensive.

- 1 (2) A framework for determining whether the identified functions should
2 be contracted out. This framework shall provide for (i) a study of the
3 identified function by a task force made up of at least one
4 representative of the Division of Purchase and Contract and one
5 representative of each agency that will be using the service, (ii) the
6 identification of direct service costs, overhead costs, and general
7 administrative costs of the function being performed, (iii) the
8 identification of the annual, one-time, and other costs to the State of
9 contracting out, (iv) the disposition of any State assets used in the
10 current process, and (v) the determination of whether contracting out
11 of the function would be financially beneficial.
- 12 The Office of State Budget and Management shall not implement the policy
13 or any new program without the approval of the General Assembly.
- 14 Sec. 2. This act is effective upon ratification.