

HOUSE RESEARCH

Bill Summary

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Section

1 Privatization of Public Services.

Subd. 1. Definitions. “Municipality” means a county, town, city, school district or other municipal corporation or political subdivision of the state authorized by law to enter into contracts.

(d) “Privatization contract” means an agreement between a municipality and private contractor for the private contractor to provide services substantially similar to and in place of services previously provided by public employees, or if new services, those that could be provided by public employees.

Also defines “employee of a private contractor,” “public employee,” “services,” and “subcontractor.”

Subd. 2. Application. Applies to privatization contracts for \$25,000 or more, but not to temporary and nonrecurring contracts that do not result in public employee displacement, or services of supervisors, professional employees, or confidential employees.

Subd. 3. Municipality’s determination to privatize; procedure. Requires the municipality to prepare a comprehensive written description of the services it is considering privatizing, including estimated costs of having municipal employees provide the service. Requires notice to exclusive representatives, if any. Requires the solicitation of proposals to follow procedures in the Uniform Municipal Contracting Law.

Section

Subd. 4. Private contractor's proposal requirements. Lists required elements of a proposal.

Subd. 5. Municipality's analysis of proposals. Specifies factors the municipality must consider in evaluating proposals.

Subd. 6. Municipality's certification. Lists findings the municipality must make before entering into a privatization contract.

Subd. 7. Private contract term. Limits a privatization contract term to two years.

Subd. 8. Wage rates. Requires the minimum wage rate for the private contractor to be the average wage rate for the classification of municipal employees whose duties are most similar, plus benefits.

Subd. 9. Affirmative action standards; no displacement. Requires the private contract to at least meet the same affirmative action standards as the municipality. A privatization contract cannot cause the displacement of municipal employees.

Subd. 10. Use of public money. Prohibits a private contractor from using money paid to it by a municipality to support or oppose unionization or union activities.

Subd. 11. Data practices. Provides that all data relating to a privatization contract are public data and requires data associated with the contract to be submitted to the appropriate auditor.

Provides that section 13.05, subdivision 11, applies. It states:

“(a) If a government entity enters into a contract with a private person to perform any of its functions, the government entity shall include in the contract terms that make it clear that all of the data created, collected, received, stored, used, maintained, or disseminated by the private person in performing those functions is subject to the requirements of this chapter and that the private person must comply with those requirements as if it were a government entity. The remedies in section 13.08 apply to the private person under this subdivision.

(b) This subdivision does not create a duty on the part of the private person to provide access to public data to the public if the public data are available from the government entity, except as required by the terms of the contract.”