

HCS HB 1676 -- COMPETITIVE GOVERNMENT ACT

SPONSOR: Bearden

COMMITTEE ACTION: Voted "do pass" by the Committee on Budget by a vote of 13 to 8.

This substitute creates the Competitive Government Act which, beginning in Fiscal Year 2005, requires all agencies to submit to the Office of Administration every other year a list of their activities that could be performed by the private sector. The Office of Administration and the State Competition Council, when established, will review the list and consult with the agencies involved. The Commissioner of the Office of Administration in coordination with the council will establish the necessary rules.

Agencies will prepare a competitive sourcing plan as prescribed by the council and select one or more activities from the published list to undergo competition. When determining whether to contract with the private sector, the costs of procuring the service will be compared with the full costs to the agency including quality assurance, technical monitoring, and all overhead costs.

The substitute also provides that interested parties can challenge an omission or inclusion of a particular activity on the list, which will receive an administrative review.

Winning bidders will enter into a performance-based contract with the agency and provide administration and performance reports to the public annually. These reports will be posted on the agency's web site.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that the bill will reduce the costs of government programs. Contracting with businesses already having knowledge and skills for required services can reduce costs and be more efficient.

Testifying for the bill were Representative Yates; Missouri Chamber of Commerce and Industry; and World Wide Technology.

OPPOSERS: Those who oppose the bill say that the bill will take jobs away from state employees and will cost the state more money in the long run.

Testifying against the bill were Carpenters' District Council of Kansas City; Carpenters' District Council of Greater St. Louis;

American Federation of State, County, and Municipal Employees;  
and Missouri AFL-CIO.

OTHERS: There was no opposition voiced to the committee.

Marc Webb, Legislative Analyst