

In subsection (c)(2)(i) of this section, the phrase "preference stated in § 12-402 of this subtitle" is substituted for the former phrase "public's interest in having the particular function performed directly by the State government", for consistency and brevity.

Defined terms: "Departments" § 12-401

"Service contract" § 12-401

"Services" § 12-401

"Unit" § 12-401

12-405. INFORMATION BY UNIT.

(A) IN GENERAL.

A UNIT THAT SEEKS TO ENTER INTO A SERVICE CONTRACT THAT IS NOT EXEMPT UNDER § 12-403(C) OR § 12-404(B) OF THIS SUBTITLE SHALL SUBMIT TO THE DEPARTMENTS THE INFORMATION REQUIRED BY THIS SECTION.

(B) CONSIDERATION OF ALTERNATIVES.

THE UNIT SHALL SUBMIT A DEMONSTRATION THAT THE UNIT HAS TAKEN FORMAL AND POSITIVE STEPS TO CONSIDER ALTERNATIVES TO THE SERVICE CONTRACT, INCLUDING REORGANIZATION, REEVALUATION OF SERVICE, AND REEVALUATION OF PERFORMANCE.

(C) COST COMPARISON.

(1) THE UNIT SHALL SUBMIT CALCULATIONS THAT:

(I) COMPARE THE COST OF THE SERVICE CONTRACT WITH THE COST OF USING STATE EMPLOYEES; AND

(II) SHOW SAVINGS TO THIS STATE, OVER THE DURATION OF THE SERVICE CONTRACT, OF 20% OF THE CONTRACT OR \$200,000, WHICHEVER IS LESS.

(2) IN CALCULATING THE COST COMPARISON REQUIRED BY THIS SUBSECTION, A UNIT SHALL INCLUDE:

(I) DIRECT COSTS, INCLUDING FRINGE BENEFITS;

(II) INDIRECT OVERHEAD COSTS, INCLUDING THE PROPORTIONAL SHARE OF EXISTING ADMINISTRATIVE SALARIES AND BENEFITS, RENT, EQUIPMENT COSTS, UTILITIES, AND MATERIALS, BUT ONLY TO THE EXTENT THAT THOSE COSTS ARE ATTRIBUTED SOLELY TO THE SERVICE IN QUESTION AND WOULD NOT EXIST IF THE SERVICE WERE NOT PERFORMED BY STATE EMPLOYEES;

(III) ANY CONTINUING OR TRANSITIONAL COSTS THAT WOULD BE DIRECTLY ASSOCIATED WITH CONTRACTING FOR THE SERVICES, INCLUDING UNEMPLOYMENT COMPENSATION AND THE COST OF TRANSITIONAL SERVICES; AND