

(a) A unit that seeks to enter into a service contract that is not exempt under § 13-403(c) or § 13-404(b) of this subtitle shall submit to the Department the information required by this section.

(b) 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) (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

(iv) additional costs of performance of the services by State employees, including salaries and benefits of additional staff and the cost of additional space, equipment, and materials needed to perform the services.

(d) (1) The unit shall submit a formal plan of assistance for all State employees who will be adversely affected by the service contract.

(2) The plan of assistance shall include:

(i) efforts to place affected employees in vacant positions in the unit or in another unit;

(ii) provisions in the service contract, if feasible, for the hiring by the contractor of displaced employees; and