



1 contractor, as defined in this section, as well as an employee of a subcontractor or an independent  
2 contractor that provides supplies or services to a private contractor.

3 (3) "Services" includes, with respect to a private contractor, all aspects of the provision of  
4 services provided by a private contractor pursuant to a privatization contract, or any services  
5 provided by a subcontractor of a private contractor.

6 (4) "Person" includes an individual, institution, federal, state, or local governmental  
7 entity, or any other public or private entity.

8 (5) "Privatization contract" is an agreement or combination or series of agreements by  
9 which a nongovernmental person or entity agrees with an agency to provide services, valued at  
10 one hundred thousand dollars (\$100,000) or more, which are substantially similar to and in lieu  
11 of, services heretofore provided, in whole or in part, by regular employees of an agency.

12 (6) "Privatization contractor" is any contractor, consultant, subcontractor, independent  
13 contractor or private business owner that contracts with a state agency to perform services which  
14 are substantially similar to and in lieu of services heretofore provided, in whole or in part, by  
15 employees of an agency.

16 **37-2.3-4. Fiscal monitoring of privatization contracts.** – Each private contractor shall  
17 file a copy of each executed subcontract or amendment to the subcontract with the agency, which  
18 shall maintain the subcontract or amendment as a public record, as defined in the access to public  
19 records act.

20 (1) Audits. Privatization contracts shall be subject to audit or review, as defined by the  
21 American Institute of Certified Public Accountants, by the office of the auditor general at the  
22 discretion of the auditor general. Any audit or review shall be conducted in compliance with  
23 generally accepted auditing standards.

24 (2) Access. All privatization contracts shall include a contract provision specifying  
25 language that provides public access to the complete contract.

26 (3) Fiscal accountability. As part of the budgetary process, each state agency shall  
27 provide an addendum to their submitted budget request listing all privatization contracts; the  
28 name of each contractor, subcontractor, duration of the contract provided and services provided;  
29 the total cost of each contract(s) for the prior year; and the projected number of privatization  
30 service contracts for the current and upcoming year, the total cost of each contract(s) for the prior  
31 year; the estimated costs of each contract(s) for the current and upcoming year. The addendum  
32 for each agency shall also contain a summary of contracted private contractor employees for each  
33 contract, reflected as full-time equivalent positions, their hourly wage rate, and the number of  
34 private contractor employees and consultants for the current and previous fiscal year. The

1 [addendums shall be open records.](#)

2 SECTION 2. Section 42-90-1 of the General Laws in Chapter 42-90 entitled "Disclosure  
3 of Names of State Government Consultants" is hereby amended to read as follows:

4 **42-90-1. Public disclosure required.** -- (a) All departments, commissions, boards,  
5 councils, and other agencies in the government of the state shall prepare and submit to the  
6 secretary of state quarterly a list containing:

7 (1) The name of any person who performed legal, medical, accounting, engineering, or  
8 any other professional, technical or consultant service to the department, commission, board,  
9 council, or agency on a contractual basis during the previous quarter; and

10 (2) The amount of compensation received by each consultant during the previous  
11 quarter.

12 [\(b\) All departments, commissions boards, councils and other agencies in the government](#)  
13 [of the state shall prepare and submit to the secretary of state on an annual basis a contracting](#)  
14 [report containing:](#)

15 [\(1\) copies of all contracts or agreements by which a nongovernmental person or entity](#)  
16 [agrees with the department, commission board, council or agency to provide services, valued at](#)  
17 [one hundred thousand dollars \(\\$100,000\) or more, which are substantially similar to and in lieu of](#)  
18 [services heretofore provided, in whole or in part, by regular employees of the department,](#)  
19 [commission, board, council or agency; and](#)

20 [\(2\) a budget analysis of each contract reported pursuant to subsection 42-90-1\(b\)](#)  
21 [containing the cost of each contract for the prior, current and next year; and the number of private](#)  
22 [contractor employees reflected as full-time equivalent positions with their hourly wage rate, and](#)  
23 [costs of benefits for each job classification for the current and previous year.](#)

24 ~~(b)~~ (c) The secretary of state shall compile, publish, and make available for public  
25 inspection all lists [and contracting reports](#) prepared in accordance with this chapter.

26 SECTION 3. This act shall take effect upon passage.

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LC00292/SUB A  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC PROPERTY AND WORKS --  
GOVERNMENT OVERSIGHT AND FISCAL ACCOUNTABILITY REVIEW ACT

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1           This act would establish the government oversight and fiscal accountability review act. It  
2 would also increase the reporting requirements of government agencies regarding outside  
3 contracts or agreements valued at \$100,000 or more.

4           This act would take effect upon passage.

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LC00292/SUB  
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