

1999 BILL 203

Third Session, 24th Legislature, 48 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 203

PRIVATIZATION ACCOUNTABILITY ACT

MRS. MacBETH

First Reading ✓
Second Reading
Committee of the Whole
Third Reading
Royal Assent

BILL 203

1999

PRIVATIZATION ACCOUNTABILITY ACT

(Assented to _____, 1999)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Definitions

1 In this Act,

- (a) “bid” means an offer made by a person in response to a solicitation which, if accepted by the Government, would create an agreement between the person making the offer and the Government;
- (b) “bidder” means a person making a bid;
- (c) “contracting out” means a delegation or any other arrangement transferring the delivery or the responsibility for the delivery of a Government program or service to a person who is not part of the public service of Alberta;
- (d) “contractor” means a person that has entered into a contract with the Government pursuant to a privatization and who is not part of the public service of Alberta;
- (e) “divestment” means the disposal or sale of the ownership, control or financial responsibility of or for a Government program or service to a person who is not part of the public service of Alberta;
- (f) “privatization” means the divestment or the contracting out of a Government program or service;
- (g) “privatization profile” means a plan that provides an

assessment of the potential for and impact of a privatization;

- (h) "solicitation" means material circulated by the Government, or by an agent of the Government, to a prospective bidder in furtherance of a privatization and includes an invitation to bid, a tender, request for proposal, or common purpose procurement.

Information
prior to
privatization

2 Before a privatization occurs, the Minister responsible for the Government program or service which is the subject of the privatization, shall lay before the Legislative Assembly if it is then sitting or, if it is not sitting, make public in accordance with the *Government Accountability Act*, the following:

- (a) a privatization profile;
- (b) a projection of the impact of the privatization on Government revenues and expenses;
- (c) a cost-benefit analysis setting out the anticipated costs and benefits of the privatization;
- (d) a description of any fee-for-service costs that will be charged to or incurred by consumers under the privatization.

Solicitation

3 A solicitation relating to a privatization shall include

- (a) a description of the Government program or service,
- (b) the goals and objectives to be achieved through privatization, and
- (c) an invitation to submit a bid for the Government program or service.

Contract

4(1) A contract between the Government and a contractor shall include

- (a) a complete description of the programs and services to be provided by the contractor;
- (b) the roles and responsibilities of the Government and the contractor;

- (c) measurable standards of performance or expectations to be achieved by the contractor within specific time frames for any funding provided by the Government;
- (d) a dispute resolution mechanism to resolve disputes between the Government and the contractor;
- (e) a provision that would allow Albertans to share in the percentage of the profits achieved by the privatization over a specified period of time;
- (f) a termination mechanism in the event the contractor fails to meet performance standards or expectations established through the contract.

(2) The Minister responsible for the Government program or service which is the subject of a privatization, shall lay before the Legislative Assembly if it is sitting or, if it is not sitting, shall make public in accordance with the *Government Accountability Act*, all contracts concluded between the Government and a contractor relative to the privatization.

Contract
monitoring

5(1) A contractor shall be required to submit to the Government

- (a) a 3-year business plan indicating the results to be achieved, the cost, and any other information that the Government considers appropriate;
- (b) quarterly progress reports comparing actual performance results to desired results in the business plan, the cost, and any other information that the Government considers appropriate;
- (c) an annual report comparing actual performance results to desired results in the business plan, the cost, methods to improve program or service delivery in future years, and any other information that the Government considers appropriate.

(2) The Minister responsible for the Government program or service which is the subject of a privatization shall lay before the Legislative Assembly if it is sitting or, if it is not sitting, shall make public in accordance with the *Government Accountability Act*, copies of the 3-year business plan, quarterly progress reports and annual reports relating to the operation of the Government program

or service.

(3) The Government may carry out periodic on-site examinations to verify contractor performance.

(4) The Government may conduct an independent review of the Government program or service which is the subject of a privatization, including auditing of the contractor's records and periodically asking consumers to rate the contractor's performance.