

Bill No. 28-06
Concerning: Procurement – Health
Insurance Preference, Wage
Requirement
Revised: 5-22-06 Draft No. 2
Introduced: June 20, 2006
Expires: December 20, 2007
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Perez and Andrews and Council President Leventhal

AN ACT to:

- (1) require the Director of Procurement to adopt certain preferences for certain contractors and potential contractors who offer an adequate level of health insurance coverage to their employees;
- (2) authorize the Director of Procurement to require certain bidders and offerors to submit certain information regarding employee health insurance;
- (3) require the Chief Administrative Officer to perform certain audits to measure compliance with certain wage requirements; and
- (4) generally amend County procurement law.

By adding

Montgomery County Code
Chapter 11B, Contracts and Procurement
Section 11B-26A, Health insurance analysis; price preference

By amending

Chapter 11B, Contracts and Procurement
Section 11B-33A, Wage requirements

| | |
|------------------------------|--|
| Boldface | <i>Heading or defined term.</i> |
| <u>Underlining</u> | <i>Added to existing law by original bill.</i> |
| [Single boldface brackets] | <i>Deleted from existing law by original bill.</i> |
| <u>Double underlining</u> | <i>Added by amendment.</i> |
| [[Double boldface brackets]] | <i>Deleted from existing law or the bill by amendment.</i> |
| * * * | <i>Existing law unaffected by bill.</i> |

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Chapter 11B is amended by adding Section 11B-26A and**
2 **amending Section 11B-33A as follows:**

3 **11B-26A. Health insurance analysis; price preference.**

4 (a) Every bidder or offeror for a contract for services valued at more than
5 \$50,000 must submit sufficient information, on a form distributed by the
6 Director, showing the nature and value of any health insurance coverage
7 that the bidder or offeror provides or intends to provide to its
8 employees.

9 (b) The information submitted under subsection (a) must show:

10 (1) all health insurance coverage options offered to employees during
11 the current benefit year;

12 (2) the cost-sharing, if any, of premiums between employee and
13 employer, and any required deductibles or co-payments;

14 (3) the percentage of each major category of employee who opted for
15 employer-provided health insurance in the current and most
16 recent benefit years; and

17 (4) any other information that the Director under applicable
18 regulations requires to administer this Section.

19 (c) Based on the information submitted under this Section and any other
20 information available to the Director, the Director must assess whether:

21 (1) the coverage options available to employees are reasonably
22 comparable to the coverage options then available to County
23 employees;

24 (2) the cost of coverage is reasonable in light of the compensation
25 range for each major category of employee; and

26 (3) more than 50% of each major category of employee has opted to
27 obtain employer-provided health insurance in the current benefit
28 year.

29 (d) If the Director finds that a bidder or offeror has achieved each of the
30 criteria listed in subsection (c), the Director must award a 10% price
31 preference on the pending contract to that bidder or offeror.

32 (e) Any award, or failure to make an award, by the Director under this
33 Section may be protested under Section 11B-36.

34 **11B-33A. Wage requirements.**

35 * * *

36 (h) Enforcement.

37 * * *

38 (2) The Chief Administrative Officer must enforce this Section,
39 perform random audits and any other audit necessary to do so,
40 and investigate any complaint of a violation. In each fiscal year
41 the Chief Administrative Officer must audit for compliance with
42 this Section, for each using Department or office, contracts that in
43 the aggregate amount to at least 5% of the total dollar value of all
44 covered contracts in force during that year.

45 * * *

46 **Sec. 2. Effective Date.** Section 11B-26A, inserted by Section 1 of this Act,
47 applies, effective January 1, 2007, to any contract for which the County government
48 released a solicitation on or after October 1, 2006. Section 11B-33A, as amended by
49 Section 1 of this Act, applies to any contract in force when this Act takes effect and
50 any contract entered into on or after the date this Act takes effect.

51 *Approved:*

52

George L. Leventhal, President, County Council

Date

53 *Approved:*

54

Douglas M. Duncan, County Executive

Date

55 *This is a correct copy of Council action.*

56

Linda M. Lauer, Clerk of the Council

Date