

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 833 Cedar Key Water & Sewer District/Competitive Bidding Procedures
SPONSOR(S): Kendrick
TIED BILLS: None **IDEN./SIM. BILLS:** None

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Local Affairs (Sub)</u>	<u>8 Y, 0 N</u>	<u>Smith-Boggis</u>	<u>Highsmith-Smith</u>
2) <u>Local Government & Veterans' Affairs</u>	<u>18 Y, 0 N</u>	<u>Smith-Boggis</u>	<u>Highsmith-Smith</u>
3) <u>State Administration</u>	<u></u>	<u>Williamson</u>	<u>Everhart</u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

This bill amends the charter of the Cedar Key Special Water and Sewerage District (District) in Levy County to remove current procedures for competitive bidding for contracts by the District. As such, the District will be subject to the competitive bidding requirements found in general law.

According to the Economic Impact Statement, no fiscal impacts are anticipated for either fiscal year 2003-04 or 2004-05.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0833c.sa.doc
DATE: April 9, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain: Not applicable.

B. EFFECT OF PROPOSED CHANGES:

Background

Current law requires a county, municipality, special district, or other political subdivision of the state (collectively referred to as local governments) seeking to construct or improve a public building, structure, or other public construction works to competitively award to a licensed contractor each project that is estimated to have total construction project costs of more than \$200,000. For electrical work, local governments must competitively award a licensed contractor each project that is estimated to have a cost of more than \$50,000.

The Cedar Key Special Water and Sewerage District in Levy County was created by chapter 63-1569, L.O.F. The District's charter currently provides for an elected five member Board of Commissioners. The District is required to advertise and request bids on all work done in construction, reconstruction, improvement, or enlargement of the water supply and distribution or sewage system in which the expenditure is more than \$1000, or for the purchase of chemicals or water supplies exceeding \$1500.

Effect of Bill

This bill amends the charter of the Cedar Key Special Water and Sewerage District (District) in Levy County to remove current procedures for competitive bidding for contracts by the District. In the absence of specific competitive bidding procedures within the District's special acts, provisions in general law apply.

C. SECTION DIRECTORY:

Section 1. Amends s. 10 of chapter 98-473, L.O.F., repealing the competitive bidding procedures and reserving the section number.

Section 2. Provides an effective date of upon becoming a law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 23, 2003

WHERE? Chiefland Citizen, Chiefland, Levy County, Florida

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN? Not applicable.

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

III. COMMENTS

A. CONSTITUTIONAL ISSUES: None.

B. RULE-MAKING AUTHORITY: None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The attorney for the District stated the following reasons for repealing the District's competitive bidding procedures:

- The language is unclear. It is not clear what is meant by "construction, reconstruction, improvement or enlargement of the [systems]."
- There is no exception made for emergency situations.
- The Florida Legislature has, by general law, established certain situations where competitive bidding must be followed by the District.
- There is nothing in the Special District laws in chapter 189, F.S., or elsewhere in Florida law, requiring the District's charter contain competitive bidding requirements.
- It is the intent of the District to adopt by resolution competitive bidding requirements that are clear and tailored to the District's needs, and which allow for emergency purchases where necessary to protect the public health. Such adoption by resolution would allow the District to amend the requirements in response to changed circumstances without resort to the Legislature for an amendment to the charter.¹

Over the past three years, the District's financial reporting statements indicate construction in progress at \$37,378 (1999), \$721,826 (2000), and \$785,292 (2001). It is unclear if the totals are the result of one contract or a number of combined contracts. As such, it is uncertain whether such projects would have been subject to the competitive bidding requirements found in general law.

IV. AMENDMENT/COMMITTEE SUBSTITUTE CHANGES

None.

¹ Letter dated February 11, 2003 from Mr. John K. McPherson, Esq., attorney for the District.