HB 601 CS 2005 CS

## CHAMBER ACTION

The State Administration Council recommends the following:

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## Council/Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to professional services acquisition; amending s. 287.055, F.S.; revising certain definitions; defining the term "negotiate"; providing additional criteria for processing bids to purchase professional services that exceed certain threshold amounts; requiring the agency to reject proposals and reinitiate procurement pursuant to competitive selection under certain circumstances; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

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18 19 Section 1. Paragraphs (d) and (g) of subsection (2), paragraph (a) of subsection (3), and paragraph (c) of subsection (4) of section 287.055, Florida Statutes, are amended, and paragraph (l) is added to subsection (2) of said section, to read:

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287.055 Acquisition of professional architectural, engineering, landscape architectural, or surveying and mapping  $$\mathsf{Page}\,1\,\mathsf{of}\,3$$ 

CODING: Words stricken are deletions; words underlined are additions.

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24 services; definitions; procedures; contingent fees prohibited; penalties. --

> DEFINITIONS. -- For purposes of this section: (2)

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- "Compensation" means the total amount paid by the agency for professional services regardless of whether stated as compensation or stated as hourly rates, overhead rates, or other figures or formulas from which compensation can be calculated.
- A "continuing contract" is a contract for professional services entered into in accordance with all the procedures of this act between an agency and a firm whereby the firm provides professional services to the agency for projects in which construction costs do not exceed \$1 million, for study activity when the fee for such professional service does not exceed \$50,000, or for work of a specified nature as outlined in the contract required by the agency, with no time limitation except that the contract must provide a termination clause. Firms providing professional services under continuing contracts shall not be required to bid against one another.
- "Negotiate" or any form of that word means to conduct legitimate, arm's length discussions and conferences to reach an agreement on a term or price. For purposes of this section, the term does not include presentation of flat-fee schedules with no alternatives or discussion.
  - (3) PUBLIC ANNOUNCEMENT AND QUALIFICATION PROCEDURES .--
- (a)1. Each agency shall publicly announce, in a uniform and consistent manner, each occasion when professional services must be purchased for a project the basic construction cost of which is estimated by the agency to exceed the threshold amount Page 2 of 3

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provided in s. 287.017 for CATEGORY FIVE or for a planning or study activity when the fee for professional services exceeds the threshold amount provided in s. 287.017 for CATEGORY TWO, except in cases of valid public emergencies certified by the agency head. The public notice must include a general description of the project and must indicate how interested consultants may apply for consideration.

- 2. Each agency shall provide a good faith estimate in determining whether the proposed activity meets the threshold amounts referred to in this paragraph.
  - (4) COMPETITIVE SELECTION. --

- service contract for a project the basic construction cost of which is estimated by the agency to be not in excess of the threshold amount provided in s. 287.017 for CATEGORY FIVE or for a planning or study activity when the fee for professional services is not in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO. However, if, in using another procurement process, the majority of the compensation proposed by firms is in excess of the appropriate threshold amount, the agency shall reject all proposals and reinitiate the procurement pursuant to this subsection.
  - Section 2. This act shall take effect July 1, 2005.