A bill to be entitled

An act relating to public project construction; amending s. 255.05, F.S.; providing additional requirements for payment and performance bonds; prohibiting conditioning certain bonds on performance of or payment for certain services; creating s. 255.103, F.S.; providing a definition; authorizing agencies to select construction-management or program-management entities to be responsible for certain construction project activities; providing requirements and authority for such entities; providing an effective date.

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

Section 1. Paragraph (c) is added to subsection (1) of section 255.05, Florida Statutes, to read:

255.05 Bond of contractor constructing public buildings; form; action by materialmen.--

(1)

- (c)1. The amount of the bond shall equal the contract price, except, for a contract in excess of \$250 million, if the state, county, municipality, political subdivision, or other public entity finds that a bond in the amount of the contract price is not reasonably available, the public owner shall set the amount of the bond at the largest amount reasonably available, but not at less than \$250 million.
- 2. For a construction-management or design-build contract, if the public owner does not include in the bond amount the cost

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of design or other nonconstruction services, the bond may not be conditioned on performance of such services or payment to persons furnishing such services. Notwithstanding paragraph (a), such a bond may exclude persons furnishing such services from the classes of persons protected by the bond.

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Section 2. Section 255.103, Florida Statutes, is created to read:

255.103 Construction-management or program-management entities.--

- (1) The term "agency" as used in this section means a county, municipality, special district as defined in chapter 189, or other political subdivision of the state.
- (2) An agency may select a construction-management entity, pursuant to the process provided by s. 287.055, that would be responsible for all scheduling and coordination in both design and construction phases and would be generally responsible for the successful, timely, and economical completion of the construction project. The construction-management entity shall consist of or contract with licensed or registered professionals for the specific fields or areas of construction to be performed, as required by law. The construction-management entity may retain necessary design professionals selected under the process provided in s. 287.055. At the option of the agency, the construction-management entity, after being selected, may be required to offer a guaranteed maximum price or a guaranteed completion date, in which case, the construction-management entity shall secure an appropriate surety bond pursuant to s. 255.05 and shall hold construction subcontracts. If a project,

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as defined in s. 287.055(2)(f), solicited by an agency under the process provided in s. 287.055 includes a grouping of substantially similar construction, rehabilitation, or renovation activities as permitted under s. 287.055(2)(f), the agency may require the construction-management entity to provide for a separate guaranteed maximum price and a separate guaranteed completion date for each grouping of substantially similar construction, rehabilitation, or renovation activities included under the project.

(3) An agency may select a program-management entity, pursuant to the process provided by s. 287.055, that would act as the agent of the public agency and would be responsible for schedule control, cost control, and coordination in providing or procuring planning, design, and construction services. The program-management entity shall consist of or contract with licensed or registered professionals for the specific areas of design or construction to be performed, as required by law. The program-management entity may retain necessary design professionals selected under the process provided in s. 287.055. At the option of the agency, the program-management entity, after being selected, may be required to offer a quaranteed maximum price or a guaranteed completion date, in which case the program-management entity shall secure an appropriate surety bond pursuant to s. 255.05 and shall hold design and construction subcontracts. If a project, as defined in s. 287.055(2)(f), solicited by an agency under the process provided in s. 287.055 includes a grouping of substantially similar construction, rehabilitation, or renovation activities as

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permitted under s. 287.055(2)(f), the agency may require the program-management entity to provide for a separate guaranteed maximum price and a separate guaranteed completion date for each grouping of substantially similar construction, rehabilitation, or renovation activities included under the project.

Section 3. This act shall take effect July 1, 2007.