

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: CS/HB 1063 Canaveral Port District, Brevard County

SPONSOR(S): Community & Military Affairs Subcommittee; Goodson

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Community & Military Affairs Subcommittee	14 Y, 0 N, As CS	Duncan	Hoagland
2) Economic Affairs Committee			

SUMMARY ANALYSIS

The Canaveral Port District (CPD) in Brevard County is an independent special district, which is governed by the Canaveral Port Authority (CPA) comprised of five elected commissioners. The CPA represents the five port regions within the county and has jurisdiction over all fiscal and regulatory policies and operations of the port.

The authority is authorized to issue construction, improvement, repair, building, goods, supplies, and materials contracts for projects that do not exceed \$50,000 without public notice. Currently, if there is reasonable expectation that the cost(s), under section 1 of article XVII of the CPA's charter relating to contracts and competition, for any construction, improvement, repair, building, goods, supplies, and materials cost between \$10,000 and \$50,000, then the port manager or a designee must:

- Obtain at least three telephonic bid offers to perform such work or furnish such property from at least three independent persons or business entities responsible in the subject business endeavor under consideration.
- Make a record of the offers.
- After obtaining and recording such offers, award the contract to the lowest responsible bidder of those solicited.

This bill increases the CPA's authority to issue a contract for amounts from \$50,000 to \$100,000, before the need to advertise in a newspaper of general circulation.

The bill also increases the reasonable expectation amount to between \$10,000 and \$100,000. Therefore, the port manager will be required to follow the prescribed bid procedures for said projects for contracts greater than \$10,000 but less than \$100,000.

According to the Economic Impact Statement, no fiscal impacts are anticipated for either fiscal year 2011-12 or 2012-2013.

The bill has an effective date of upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The Canaveral Port District (CPD) in Brevard County is an independent special district, which is governed by the Canaveral Port Authority (CPA) comprised of five elected commissioners. The CPA represents the five port regions within the county and has jurisdiction over all fiscal and regulatory policies and operations of the port.

The CPA has the power and authority, by majority vote, to lease lands, personal properties, and facilities for a period not to exceed 10 years; or encumber personal properties and facilities for not more than \$1 million, and for a period not to exceed five years in order to secure the note or notes of the authority. The CPA must also advertise in a newspaper of general circulation, published within the district, stating the terms and amount to be paid when it plans on spending more than the \$1 million cap and will be unable to secure the note or notes of the district for a period of more than five years. The charter provides a method of petition and referendum by qualified electors if the authority exceeds the specified limitation.

The authority is authorized to issue construction, improvement, repair, building, goods, supplies, and materials contracts for projects that do not exceed \$50,000 without public notice. Additionally, if there is reasonable expectation that the cost(s), under section 1 of Article XVII of the CPA's charter relating to contracts and competition, for any construction, improvement, repair, building, goods, supplies, and materials cost between \$10,000 and \$50,000, then the port manager or a designee must:

- Obtain at least three telephonic bid offers to perform such work or furnish such property from at least three independent persons or business entities responsible in the subject business endeavor under consideration.
- Make a record of the offers.
- After obtaining and recording such offers, award the contract to the lowest responsible bidder of those solicited.

Effect of the Bill

This bill increases the CPA's authority to issue a contract for amounts from \$50,000 to \$100,000, before the need to advertise in a newspaper of general circulation.

The bill also increases the reasonable expectation cost range to between \$10,000 and \$100,000. Therefore, the port manager will be required to follow the prescribed bid procedures for said projects for contracts greater than \$10,000 but less than \$100,000.

B. SECTION DIRECTORY:

Section 1 Amends ss. 1 and 2 of Article XVII of ch. 2003-335, L.O.F., amended by ch. 2004-472, L.O.F., increasing the CPA's authority to issue a contract without advertising and increasing the reasonable expectation cost range to between \$10,000 and \$100,000.

Section 2 Provides an effective date of upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 30, 2011

WHERE? Florida Today, Brevard County

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

According to the Economic Impact Statement, no fiscal impacts are anticipated for either fiscal year 2011-12 or 2012-2013.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 23, 2011, the House Community & Military Affairs Subcommittee adopted an amendment to correct a scrivener's error on line 41. Current law, pursuant to ch. 2004-472, L.O.F., provides that in the event it is reasonably expected that the cost amount of a contract for construction, improvements, and supplies "shall be greater than \$10,000 ~~\$5,000~~ but less than \$50,000 ~~\$15,000~~" then the port manger must follow specific bidding procedures. The bill as drafted showed the lower amount of "\$5,000" as current law.