Bill No. CS/HB 279 (2020)

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

	 (1/1)
ADOPTED AS AMENDED	 (Y/N)
ADOPTED W/O OBJECTION	 (Y/N)
FAILED TO ADOPT	 (Y/N)
WITHDRAWN	 (Y/N)
OTHER	

Committee/Subcommittee hearing bill: State Affairs Committee Representative Smith, D. offered the following:

### Amendment (with title amendment)

Remove everything after the enacting clause and insert: Section 1. Subsection (3) of section 218.80, Florida Statutes, are amended to read:

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218.80 Public Bid Disclosure Act.-

9 Bidding documents or other request for proposal issued (3) 10 for bids by a local governmental entity, or any public contract 11 entered into between a local governmental entity and a 12 contractor shall disclose each permit or fee which the contractor will have to pay before or during construction, and 13 shall include the dollar amount or the percentage method or the 14 unit method of all permits or fees which may be required by the 15 16 local government as a part of the contract and a listing of all 486707 - h0279 - Strike.docx Published On: 2/26/2020 7:22:57 PM

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17 other governmental entities that may have additional permits or 18 fees generated by the project. If the request for proposal does 19 not require the response to include a final fixed price, the 20 local governmental entity is not required to disclose any fees 21 or assessments in the request for proposal. However, at least 10 22 days prior to requiring the contractor to submit a final fixed 23 price for the project, the local governmental entity shall make 24 the disclosures required in this section. Any of the local governmental entity's permits or fees that which are not 25 disclosed in the bidding documents, other request for proposal, 26 or a contract between a local government and a contractor shall 27 28 not be assessed or collected after the contract is let. No local 29 government shall halt construction under any public contract or 30 delay completion of the contract in order to collect any permits or fees which were not provided for or specified in the bidding 31 32 documents, other request for proposal, or the contract.

33 Section 2. Subsection (1) of section 255.20, Florida
34 Statutes, is amended to read:

35 255.20 Local bids and contracts for public construction 36 works; specification of state-produced lumber.-

(1) A county, municipality, special district as defined in chapter 189, or other political subdivision of the state seeking to construct or improve a public building, structure, or other public construction works must competitively award to an appropriately licensed contractor each project that is estimated 486707 - h0279 - Strike.docx

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42 in accordance with generally accepted cost-accounting principles to cost more than \$300,000. For electrical work, the local 43 44 government must competitively award to an appropriately licensed 45 contractor each project that is estimated in accordance with 46 generally accepted cost-accounting principles to cost more than 47 \$75,000. As used in this section, the term "competitively award" 48 means to award contracts based on the submission of sealed bids, 49 proposals submitted in response to a request for proposal, 50 proposals submitted in response to a request for qualifications, or proposals submitted for competitive negotiation. This 51 52 subsection expressly allows contracts for construction 53 management services, design/build contracts, continuation 54 contracts based on unit prices, and any other contract 55 arrangement with a private sector contractor permitted by any 56 applicable municipal or county ordinance, by district 57 resolution, or by state law. For purposes of this section, cost 58 includes employee compensation and benefits the cost of all 59 labor, except inmate labor, and the cost of equipment and the 60 cost of direct materials to be used in the construction of the 61 project including materials purchased by the local government, 62 and other direct costs, plus a factor of 20 percent for 63 management, overhead, and other indirect costs. Subject to the provisions of subsection (3), the county, municipality, special 64 district, or other political subdivision may establish, by 65

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66 municipal or county ordinance or special district resolution,67 procedures for conducting the bidding process.

68 Notwithstanding any other law, a governmental entity (a) 69 seeking to construct or improve bridges, roads, streets, 70 highways, or railroads, and services incidental thereto, at a 71 cost in excess of \$250,000 may require that persons interested 72 in performing work under contract first be certified or 73 qualified to perform such work. A contractor may be considered 74 ineligible to bid if the contractor is behind by 10 percent or 75 more on completing an approved progress schedule for the 76 governmental entity at the time of advertising the work. A 77 prequalified contractor considered eligible by the Department of 78 Transportation to bid to perform the type of work described 79 under the contract is presumed to be qualified to perform the 80 work described. The governmental entity may provide an appeal process to overcome that presumption with de novo review based 81 82 on the record below to the circuit court.

(b) For contractors who are not prequalified by the Department of Transportation, the governmental entity shall publish prequalification criteria and procedures prior to advertisement or notice of solicitation. Such publications must include notice of a public hearing for comment on such criteria and procedures prior to adoption. The procedures must provide for an appeal process within the authority for making objections

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90 to the prequalification process with de novo review based on the 91 record below to the circuit court within 30 days.

92 (C) The provisions of this subsection do not apply: 93 1. If the project is undertaken to replace, reconstruct, 94 or repair an existing public building, structure, or other 95 public construction works damaged or destroyed by a sudden unexpected turn of events such as an act of God, riot, fire, 96 flood, accident, or other urgent circumstances, and such damage 97 or destruction creates: 98

99

a. An immediate danger to the public health or safety;

b. Other loss to public or private property which requiresemergency government action; or

102

c. An interruption of an essential governmental service.

103 2. If, after notice by publication in accordance with the 104 applicable ordinance or resolution, the governmental entity does 105 not receive any responsive bids or proposals.

3. To construction, remodeling, repair, or improvement to
a public electric or gas utility system if such work on the
public utility system is performed by personnel of the system.

109 4. To construction, remodeling, repair, or improvement by
110 a utility commission whose major contracts are to construct and
111 operate a public electric utility system.

5. If the project is undertaken as repair or maintenance of an existing public facility. For the purposes of this paragraph, the term "repair" means a corrective action to

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115 restore an existing public facility to a safe and functional 116 condition and the term "maintenance" means a preventive or 117 corrective action to maintain an existing public facility in an 118 operational state or to preserve the facility from failure or 119 decline. Repair or maintenance includes activities that are 120 necessarily incidental to repairing or maintaining the facility. Repair or maintenance does not include the construction of any 121 new building, structure, or other public construction works or 122 any substantial addition, extension, or upgrade to an existing 123 124 public facility. Such additions, extensions, or upgrades shall 125 be considered substantial if the estimated cost of the 126 additions, extensions, or upgrades included as part of the 127 repair or maintenance project exceeds the threshold amount in 128 subsection (1) and exceeds 20 percent of the estimated total 129 cost of the repair or maintenance project using generally 130 accepted cost-accounting principles that fully accounting 131 account for all costs associated with performing and completing the work, including employee compensation and benefits, the cost 132 133 of direct materials to be used in the construction of the 134 project including materials purchased by the local government, 135 and other direct costs, plus a factor of 20 percent for 136 management, overhead, and other indirect costs equipment cost and maintenance, insurance costs, and materials. An addition, 137 extension, or upgrade shall not be considered substantial if it 138 139 is undertaken pursuant to the conditions specified in 486707 - h0279 - Strike.docx Published On: 2/26/2020 7:22:57 PM

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140 subparagraph 1. Repair and maintenance projects and any related 141 additions, extensions, or upgrades may not be divided into 142 multiple projects for the purpose of evading the requirements of 143 this subparagraph.

144 6. If the project is undertaken exclusively as part of a145 public educational program.

146 7. If the funding source of the project will be diminished 147 or lost because the time required to competitively award the 148 project after the funds become available exceeds the time within 149 which the funding source must be spent.

150 8. If the local government competitively awarded a project 151 to a private sector contractor and the contractor abandoned the 152 project before completion or the local government terminated the 153 contract.

154 9. If the governing board of the local government complies 155 with all of the requirements of this subparagraph, conducts a 156 public meeting under s. 286.011 after public notice, and finds by majority vote of the governing board that it is in the 157 158 public's best interest to perform the project using its own 159 services, employees, and equipment. The public notice must be 160 published at least 21 days before the date of the public meeting at which the governing board takes final action. The notice must 161 identify the project, the components and scope of the work, and 162 the estimated cost of the project using generally accepted cost-163 accounting principles that fully accounting account for all 164

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165 costs associated with performing and completing the work, including employee compensation and benefits, the cost of direct 166 167 materials to be used in the construction of the project 168 including materials purchased by the local government, and other 169 direct costs, plus a factor of 20 percent for management, 170 overhead, and other indirect costs equipment cost and maintenance, insurance costs, and materials. The notice must 171 172 specify that the purpose for the public meeting is to consider whether it is in the public's best interest to perform the 173 174 project using the local government's own services, employees, and equipment. Upon publication of the public notice and for 21 175 176 days thereafter, the local government shall make available for 177 public inspection, during normal business hours and at a 178 location specified in the public notice, a detailed itemization 179 of each component of the estimated cost of the project and 180 documentation explaining the methodology used to arrive at the 181 estimated cost. At the public meeting, any qualified contractor or vendor who could have been awarded the project had the 182 183 project been competitively bid shall be provided with a 184 reasonable opportunity to present evidence to the governing 185 board regarding the project and the accuracy of the local 186 government's estimated cost of the project. In deciding whether it is in the public's best interest for the local government to 187 perform a project using its own services, employees, and 188 equipment, the governing board must consider the estimated cost 189 486707 - h0279 - Strike.docx

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190 of the project fully accounting for all costs associated with 191 performing and completing the work, including employee 192 compensation and benefits, the cost of direct materials to be used in the construction of the project including materials 193 purchased by the local government, and other direct costs, plus 194 195 a factor of 20 percent for management, overhead, and other 196 indirect costs, and the accuracy of the estimated cost in light 197 of any other information that may be presented at the public meeting and whether the project requires an increase in the 198 199 number of government employees or an increase in capital 200 expenditures for public facilities, equipment, or other capital 201 assets. The local government may further consider the impact on 202 local economic development, the impact on small and minority business owners, the impact on state and local tax revenues, 203 204 whether the private sector contractors provide health insurance 205 and other benefits equivalent to those provided by the local 206 government, and any other factor relevant to what is in the 207 public's best interest. A report summarizing completed projects 208 constructed by the local government pursuant to this subsection 209 shall be publicly reviewed each year by the governing body of 210 the local government. The report shall detail the estimated 211 costs and the actual costs of the projects constructed by the 212 local government pursuant to this subsection. The report shall 213 be made available for review by the public. The Auditor General

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# 214 <u>shall review the report as part of his or her audits of local</u> 215 <u>governments.</u>

216 10. If the governing board of the local government 217 determines upon consideration of specific substantive criteria 218 that it is in the best interest of the local government to award 219 the project to an appropriately licensed private sector 220 contractor pursuant to administrative procedures established by 221 and expressly set forth in a charter, ordinance, or resolution of the local government adopted before July 1, 1994. The 222 criteria and procedures must be set out in the charter, 223 224 ordinance, or resolution and must be applied uniformly by the 225 local government to avoid awarding a project in an arbitrary or 226 capricious manner. This exception applies only if all of the 227 following occur:

228 a. The governing board of the local government, after 229 public notice, conducts a public meeting under s. 286.011 and 230 finds by a two-thirds vote of the governing board that it is in the public's best interest to award the project according to the 231 232 criteria and procedures established by charter, ordinance, or 233 resolution. The public notice must be published at least 14 days 234 before the date of the public meeting at which the governing 235 board takes final action. The notice must identify the project, the estimated cost of the project, and specify that the purpose 236 for the public meeting is to consider whether it is in the 237 238 public's best interest to award the project using the criteria

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and procedures permitted by the preexisting charter, ordinance, or resolution.

b. The project is to be awarded by any method other than a competitive selection process, and the governing board finds evidence that:

(I) There is one appropriately licensed contractor who is
uniquely qualified to undertake the project because that
contractor is currently under contract to perform work that is
affiliated with the project; or

(II) The time to competitively award the project will jeopardize the funding for the project, materially increase the cost of the project, or create an undue hardship on the public health, safety, or welfare.

c. The project is to be awarded by any method other than a competitive selection process, and the published notice clearly specifies the ordinance or resolution by which the private sector contractor will be selected and the criteria to be considered.

d. The project is to be awarded by a method other than a competitive selection process, and the architect or engineer of record has provided a written recommendation that the project be awarded to the private sector contractor without competitive selection, and the consideration by, and the justification of, the government body are documented, in writing, in the project

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263 file and are presented to the governing board prior to the 264 approval required in this paragraph.

265 11. To projects subject to chapter 336.

266

(d) If the project:

267 1. Is to be awarded based on price, the contract must be 268 awarded to the lowest qualified and responsive bidder in 269 accordance with the applicable county or municipal ordinance or 270 district resolution and in accordance with the applicable contract documents. The county, municipality, or special 271 district may reserve the right to reject all bids and to rebid 272 273 the project, or elect not to proceed with the project. This 274 subsection is not intended to restrict the rights of any local 275 government to reject the low bid of a nonqualified or 276 nonresponsive bidder and to award the contract to any other 277 qualified and responsive bidder in accordance with the standards 278 and procedures of any applicable county or municipal ordinance 279 or any resolution of a special district.

280 2. Uses a request for proposal or a request for 281 qualifications, the request must be publicly advertised and the 282 contract must be awarded in accordance with the applicable local 283 ordinances.

3. Is subject to competitive negotiations, the contractmust be awarded in accordance with s. 287.055.

(e) If a construction project greater than \$300,000, or \$75,000 for electrical work, is started after October 1, 1999, 486707 - h0279 - Strike.docx

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is to be performed by a local government using its own employees in a county or municipality that issues registered contractor licenses, and the project would require a contractor licensed under chapter 489 if performed by a private sector contractor, the local government must use a person appropriately registered or certified under chapter 489 to supervise the work.

294 (f) If a construction project greater than \$300,000, or \$75,000 for electrical work, is started after October 1, 1999, 295 is to be performed by a local government using its own employees 296 297 in a county that does not issue registered contractor licenses, 298 and the project would require a contractor licensed under 299 chapter 489 if performed by a private sector contractor, the 300 local government must use a person appropriately registered or 301 certified under chapter 489 or a person appropriately licensed 302 under chapter 471 to supervise the work.

303 (g) Projects performed by a local government using its own 304 services and employees must be inspected in the same manner 305 required for work performed by private sector contractors.

306 (h) A construction project provided for in this subsection 307 may not be divided into more than one project for the purpose of 308 evading this subsection.

309 (i) This subsection does not preempt the requirements of 310 any small-business or disadvantaged-business enterprise program 311 or any local-preference ordinance.

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(j) A county, municipality, special district as defined in s. 189.012, or any other political subdivision of the state that owns or operates a public-use airport as defined in s. 332.004 is exempt from this section when performing repairs or maintenance on the airport's buildings, structures, or public construction works using the local government's own services, employees, and equipment.

(k) A local government that owns or operates a port identified in s. 403.021(9)(b) is exempt from this section when performing repairs or maintenance on the port's buildings, structures, or public construction works using the local government's own services, employees, and equipment.

324 A local government that owns or operates a public (1) 325 transit system as defined in s. 343.52, a public transportation 326 system as defined in s. 343.62, or a mass transit system 327 described in s. 349.04(1)(b) is exempt from this section when 328 performing repairs or maintenance on the buildings, structures, 329 or public construction works of the public transit system, 330 public transportation system, or mass transit system using the 331 local government's own services, employees, and equipment.

(m) Any contractor may be considered ineligible to bid by the governmental entity if the contractor has been found guilty by a court of any violation of federal labor or employment tax laws regarding subjects such as safety, tax withholding, workers' compensation, reemployment assistance or unemployment

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337 tax, social security and Medicare tax, wage or hour, or 338 prevailing rate laws within the past 5 years.

339 Section 3. Subsection (4) of section 336.41, Florida340 Statutes, is amended to read:

341 336.41 Counties; employing labor and providing road 342 equipment; accounting; when competitive bidding required.-

(4) All construction and reconstruction of roads and
bridges, including resurfacing, full scale mineral seal coating,
and major bridge and bridge system repairs, to be performed
utilizing the proceeds of the 80-percent portion of the surplus
of the constitutional gas tax shall be let to contract to the
lowest responsible bidder by competitive bid, except for:

349 (a) Construction and maintenance in emergency situations,350 and

(b) In addition to emergency work, construction and reconstruction, including resurfacing, mineral seal coating, and bridge repairs, having a total cumulative annual value not to exceed 5 percent of its 80-percent portion of the constitutional gas tax or \$400,000, whichever is greater, and

(c) Construction of sidewalks, curbing, accessibility ramps, or appurtenances incidental to roads and bridges if each project is estimated in accordance with generally accepted costaccounting principles to have total construction project costs of less than \$400,000 or as adjusted by the percentage change in the Construction Cost Index from January 1, 2008,

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363	for which the county may utilize its own forces. Estimated total
364	construction project costs must include all costs associated
365	with performing and completing the work, including employee
366	compensation and benefits, the cost of direct materials to be
367	used in the construction of the project including materials
368	purchased by the local government, and other direct costs, plus
369	a factor of 20 percent for management, overhead, and other
370	indirect costs. However, if, after proper advertising, no bids
371	are received by a county for a specific project, the county may
372	use its own forces to construct the project, notwithstanding the
373	limitation of this subsection. Nothing in this section shall
374	prevent the county from performing routine maintenance as
375	authorized by law.
376	Section 4. This act shall take effect July 1, 2020.
376 377	Section 4. This act shall take effect July 1, 2020.
	Section 4. This act shall take effect July 1, 2020.
377	Section 4. This act shall take effect July 1, 2020.
377 378	
377 378 379	TITLE AMENDMENT
377 378 379 380	<b>TITLE AMENDMENT</b> Remove everything before the enacting clause and insert:
377 378 379 380 381	<b>TITLE AMENDMENT</b> Remove everything before the enacting clause and insert: An act relating to local government public construction
377 378 379 380 381 382	TITLE AMENDMENT Remove everything before the enacting clause and insert: An act relating to local government public construction works; amending s. 218.80, F.S.; revising disclosure
377 378 379 380 381 382 383	TITLE AMENDMENT Remove everything before the enacting clause and insert: An act relating to local government public construction works; amending s. 218.80, F.S.; revising disclosure requirements for bidding documents and other requests for
377 378 379 380 381 382 383 384	TITLE AMENDMENT Remove everything before the enacting clause and insert: An act relating to local government public construction works; amending s. 218.80, F.S.; revising disclosure requirements for bidding documents and other requests for proposals issued for bids by a local governmental entity and
377 378 379 380 381 382 383 384 385 386	TITLE AMENDMENT Remove everything before the enacting clause and insert: An act relating to local government public construction works; amending s. 218.80, F.S.; revising disclosure requirements for bidding documents and other requests for proposals issued for bids by a local governmental entity and public contracts entered into between local governmental
377 378 379 380 381 382 383 384 385 386	TITLE AMENDMENT Remove everything before the enacting clause and insert: An act relating to local government public construction works; amending s. 218.80, F.S.; revising disclosure requirements for bidding documents and other requests for proposals issued for bids by a local governmental entity and public contracts entered into between local governmental entities and contractors; amending s. 255.20, F.S.; revising the

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387 term cost to include specified information; requiring the 388 governing board of a local government to consider estimated 389 costs of certain projects that account for specified costs when the board is making a specified determination; requiring that a 390 391 local government that performs projects using its own services, employees, and equipment provide a report to the local governing 392 board with certain information; requiring that the Auditor 393 General review the report as part of his or her audits of local 394 governments; amending s. 336.41, F.S.; requiring estimated total 395 396 construction projects for certain projects to include specified 397 costs; providing an effective date.

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