1	A bill to be entitled
2	An act relating to local government public
3	construction works; amending s. 218.80, F.S.;
4	providing disclosure requirements for certain
5	documents and contracts under the Public Bid
6	Disclosure Act; amending s. 255.20, F.S.; revising
7	provisions relating to estimating public construction
8	works project costs; requiring such costs to include
9	employee compensation and benefits and other specified
10	direct and indirect costs; requiring the governing
11	bodies of local governments to annually review certain
12	reports; providing reporting requirements; requiring
13	the Auditor General to review such reports as part of
14	his or her audits of local governments; amending s.
15	336.41, F.S.; revising provisions relating to
16	estimating total construction project costs; requiring
17	such costs to include employee compensation and
18	benefits and other specified direct and indirect
19	costs; providing an effective date.
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21	Be It Enacted by the Legislature of the State of Florida:
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23	Section 1. Subsection (3) of section 218.80, Florida
24	Statutes, is amended to read:
25	218.80 Public Bid Disclosure Act
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26 Bidding documents or other request for proposal issued (3) 27 for bids by a local governmental entity, or any public contract 28 entered into between a local governmental entity and a 29 contractor shall disclose each permit or fee which the 30 contractor will have to pay before or during construction, and 31 shall include the dollar amount or the percentage method or the 32 unit method of all permits or fees which may be required by the 33 local government as a part of the contract, and a listing of all other governmental entities that may have additional permits or 34 35 fees generated by the project. If the request for proposal does not require the response to include a final fixed price, the 36 37 local governmental entity is not required to disclose any fees 38 or assessments in the request for proposal. However, at least 10 39 days prior to requiring the contractor to submit a final fixed price for the project, the local governmental entity shall make 40 the disclosures required in this section. Any of the local 41 42 governmental entity's permits or fees that which are not 43 disclosed in the bidding documents, other request for proposal, 44 or a contract between a local government and a contractor shall 45 not be assessed or collected after the contract is let. No local 46 government shall halt construction under any public contract or delay completion of the contract in order to collect any permits 47 48 or fees which were not provided for or specified in the bidding documents, other request for proposal, or the contract. 49 50 Section 2. Subsection (1) of section 255.20, Florida

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51 Statutes, is amended to read:

52 255.20 Local bids and contracts for public construction 53 works; specification of state-produced lumber.-

54 A county, municipality, special district as defined in (1) 55 chapter 189, or other political subdivision of the state seeking 56 to construct or improve a public building, structure, or other 57 public construction works must competitively award to an 58 appropriately licensed contractor each project that is estimated 59 in accordance with generally accepted cost-accounting principles to cost more than \$300,000. For electrical work, the local 60 government must competitively award to an appropriately licensed 61 62 contractor each project that is estimated in accordance with 63 generally accepted cost-accounting principles to cost more than 64 \$75,000. As used in this section, the term "competitively award" 65 means to award contracts based on the submission of sealed bids, 66 proposals submitted in response to a request for proposal, 67 proposals submitted in response to a request for qualifications, 68 or proposals submitted for competitive negotiation. This 69 subsection expressly allows contracts for construction 70 management services, design/build contracts, continuation 71 contracts based on unit prices, and any other contract 72 arrangement with a private sector contractor permitted by any applicable municipal or county ordinance, by district 73 74 resolution, or by state law. For purposes of this section, cost includes employee compensation and benefits the cost of all 75

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76 labor, except inmate labor, and the cost of direct equipment and 77 materials to be used in the construction of the project 78 including materials purchased by the local government, and other 79 direct costs, plus a factor of 20 percent for management, 80 overhead, and other indirect costs. Subject to the provisions of 81 subsection (3), the county, municipality, special district, or 82 other political subdivision may establish, by municipal or 83 county ordinance or special district resolution, procedures for conducting the bidding process. 84

85 Notwithstanding any other law, a governmental entity (a) seeking to construct or improve bridges, roads, streets, 86 87 highways, or railroads, and services incidental thereto, at a cost in excess of \$250,000 may require that persons interested 88 89 in performing work under contract first be certified or qualified to perform such work. A contractor may be considered 90 ineligible to bid if the contractor is behind by 10 percent or 91 92 more on completing an approved progress schedule for the 93 governmental entity at the time of advertising the work. A 94 prequalified contractor considered eligible by the Department of 95 Transportation to bid to perform the type of work described 96 under the contract is presumed to be qualified to perform the 97 work described. The governmental entity may provide an appeal 98 process to overcome that presumption with de novo review based on the record below to the circuit court. 99

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(b) For contractors who are not prequalified by the

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Department of Transportation, the governmental entity shall 101 102 publish prequalification criteria and procedures prior to 103 advertisement or notice of solicitation. Such publications must 104 include notice of a public hearing for comment on such criteria 105 and procedures prior to adoption. The procedures must provide 106 for an appeal process within the authority for making objections 107 to the prequalification process with de novo review based on the 108 record below to the circuit court within 30 days.

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(c) The provisions of this subsection do not apply:

110 1. If the project is undertaken to replace, reconstruct, 111 or repair an existing public building, structure, or other 112 public construction works damaged or destroyed by a sudden 113 unexpected turn of events such as an act of God, riot, fire, 114 flood, accident, or other urgent circumstances, and such damage 115 or destruction creates:

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

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

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c. An interruption of an essential governmental service.

120 2. If, after notice by publication in accordance with the
121 applicable ordinance or resolution, the governmental entity does
122 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.

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

129 If the project is undertaken as repair or maintenance 5. 130 of an existing public facility. For the purposes of this 131 paragraph, the term "repair" means a corrective action to 132 restore an existing public facility to a safe and functional 133 condition and the term "maintenance" means a preventive or corrective action to maintain an existing public facility in an 134 135 operational state or to preserve the facility from failure or decline. Repair or maintenance includes activities that are 136 137 necessarily incidental to repairing or maintaining the facility. Repair or maintenance does not include the construction of any 138 139 new building, structure, or other public construction works or 140 any substantial addition, extension, or upgrade to an existing public facility. Such additions, extensions, or upgrades shall 141 142 be considered substantial if the estimated cost of the 143 additions, extensions, or upgrades included as part of the 144 repair or maintenance project exceeds the threshold amount in 145 subsection (1) and exceeds 20 percent of the estimated total 146 cost of the repair or maintenance project using generally 147 accepted cost-accounting principles that fully accounting account for all costs associated with performing and completing 148 the work, including employee compensation and benefits, the cost 149 of direct materials to be used in the construction of the 150

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project including materials purchased by the local government, and other direct costs, plus a factor of 20 percent for management, overhead, and other indirect costs equipment cost and maintenance, insurance costs, and materials. An addition, extension, or upgrade shall not be considered substantial if it is undertaken pursuant to the conditions specified in subparagraph 1. Repair and maintenance projects and any related additions, extensions, or upgrades may not be divided into

159 multiple projects for the purpose of evading the requirements of 160 this subparagraph.

161 6. If the project is undertaken exclusively as part of a162 public educational program.

163 7. If the funding source of the project will be diminished 164 or lost because the time required to competitively award the 165 project after the funds become available exceeds the time within 166 which the funding source must be spent.

167 8. If the local government competitively awarded a project 168 to a private sector contractor and the contractor abandoned the 169 project before completion or the local government terminated the 170 contract.

9. If the governing board of the local government complies with all of the requirements of this subparagraph, conducts a public meeting under s. 286.011 after public notice, and finds by majority vote of the governing board that it is in the public's best interest to perform the project using its own

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services, employees, and equipment. The public notice must be

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188 189 published at least 21 days before the date of the public meeting at which the governing board takes final action. The notice must identify the project, the components and scope of the work, and the estimated cost of the project using generally accepted costaccounting principles that fully accounting account for all costs associated with performing and completing the work, including employee compensation and benefits, the cost of direct materials to be used in the construction of the project including materials purchased by the local government, and other direct costs, plus a factor of 20 percent for management, overhead, and other indirect costs equipment cost and maintenance, insurance costs, and materials. The notice must specify that the purpose for the public meeting is to consider

190 whether it is in the public's best interest to perform the 191 project using the local government's own services, employees, 192 and equipment. Upon publication of the public notice and for 21 days thereafter, the local government shall make available for 193 194 public inspection, during normal business hours and at a 195 location specified in the public notice, a detailed itemization 196 of each component of the estimated cost of the project and 197 documentation explaining the methodology used to arrive at the estimated cost. At the public meeting, any qualified contractor 198 or vendor who could have been awarded the project had the 199 project been competitively bid shall be provided with a 200

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201 reasonable opportunity to present evidence to the governing 202 board regarding the project and the accuracy of the local 203 government's estimated cost of the project. In deciding whether 204 it is in the public's best interest for the local government to 205 perform a project using its own services, employees, and 206 equipment, the governing board must consider the estimated cost 207 of the project fully accounting for all costs associated with 208 performing and completing the work, including employee 209 compensation and benefits, the cost of direct materials to be 210 used in the construction of the project including materials 211 purchased by the local government, and other direct costs, plus 212 a factor of 20 percent for management, overhead, and other 213 indirect costs, and the accuracy of the estimated cost in light 214 of any other information that may be presented at the public 215 meeting and whether the project requires an increase in the 216 number of government employees or an increase in capital 217 expenditures for public facilities, equipment, or other capital 218 assets. The local government may further consider the impact on 219 local economic development, the impact on small and minority 220 business owners, the impact on state and local tax revenues, 221 whether the private sector contractors provide health insurance and other benefits equivalent to those provided by the local 222 government, and any other factor relevant to what is in the 223 224 public's best interest. A report summarizing completed projects constructed by the local government pursuant to this subsection 225

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226 <u>shall be publicly reviewed each year by the governing body of</u> 227 <u>the local government. The report shall detail the estimated</u> 228 <u>costs and the actual costs of the projects constructed by the</u> 229 <u>local government pursuant to this subsection. The report shall</u> 230 <u>be made available for review by the public. The Auditor General</u> 231 <u>shall review the report as part of his or her audits of local</u> 232 governments.

233 10. If the governing board of the local government 234 determines upon consideration of specific substantive criteria that it is in the best interest of the local government to award 235 236 the project to an appropriately licensed private sector 237 contractor pursuant to administrative procedures established by 238 and expressly set forth in a charter, ordinance, or resolution 239 of the local government adopted before July 1, 1994. The 240 criteria and procedures must be set out in the charter, 241 ordinance, or resolution and must be applied uniformly by the 242 local government to avoid awarding a project in an arbitrary or capricious manner. This exception applies only if all of the 243 244 following occur:

a. The governing board of the local government, after public notice, conducts a public meeting under s. 286.011 and 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 criteria and procedures established by charter, ordinance, or resolution. The public notice must be published at least 14 days

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before the date of the public meeting at which the governing board takes final action. The notice must identify the project, the estimated cost of the project, and specify that the purpose for the public meeting is to consider whether it is in the public's best interest to award the project using the criteria 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.

269 c. The project is to be awarded by any method other than a 270 competitive selection process, and the published notice clearly 271 specifies the ordinance or resolution by which the private 272 sector contractor will be selected and the criteria to be 273 considered.

d. The project is to be awarded by a method other than a competitive selection process, and the architect or engineer of

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276 record has provided a written recommendation that the project be 277 awarded to the private sector contractor without competitive 278 selection, and the consideration by, and the justification of, 279 the government body are documented, in writing, in the project 280 file and are presented to the governing board prior to the 281 approval required in this paragraph.

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11. To projects subject to chapter 336.

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(d) If the project:

284 Is to be awarded based on price, the contract must be 1. 285 awarded to the lowest qualified and responsive bidder in accordance with the applicable county or municipal ordinance or 286 287 district resolution and in accordance with the applicable contract documents. The county, municipality, or special 288 289 district may reserve the right to reject all bids and to rebid 290 the project, or elect not to proceed with the project. This 291 subsection is not intended to restrict the rights of any local 292 government to reject the low bid of a nonqualified or 293 nonresponsive bidder and to award the contract to any other 294 qualified and responsive bidder in accordance with the standards 295 and procedures of any applicable county or municipal ordinance 296 or any resolution of a special district.

297 2. Uses a request for proposal or a request for 298 qualifications, the request must be publicly advertised and the 299 contract must be awarded in accordance with the applicable local 300 ordinances.

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301 3. Is subject to competitive negotiations, the contract
302 must be awarded in accordance with s. 287.055.

303 If a construction project greater than \$300,000, or (e) 304 \$75,000 for electrical work, is started after October 1, 1999, 305 is to be performed by a local government using its own employees 306 in a county or municipality that issues registered contractor 307 licenses, and the project would require a contractor licensed under chapter 489 if performed by a private sector contractor, 308 309 the local government must use a person appropriately registered or certified under chapter 489 to supervise the work. 310

If a construction project greater than \$300,000, or 311 (f) 312 \$75,000 for electrical work, is started after October 1, 1999, is to be performed by a local government using its own employees 313 314 in a county that does not issue registered contractor licenses, 315 and the project would require a contractor licensed under chapter 489 if performed by a private sector contractor, the 316 317 local government must use a person appropriately registered or 318 certified under chapter 489 or a person appropriately licensed 319 under chapter 471 to supervise the work.

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

323 (h) A construction project provided for in this subsection 324 may not be divided into more than one project for the purpose of 325 evading this subsection.

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

(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.

(1) A local government that owns or operates a public 341 342 transit system as defined in s. 343.52, a public transportation 343 system as defined in s. 343.62, or a mass transit system 344 described in s. 349.04(1)(b) is exempt from this section when 345 performing repairs or maintenance on the buildings, structures, 346 or public construction works of the public transit system, 347 public transportation system, or mass transit system using the local government's own services, employees, and equipment. 348

349 (m) Any contractor may be considered ineligible to bid by350 the governmental entity if the contractor has been found guilty

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351 by a court of any violation of federal labor or employment tax 352 laws regarding subjects such as safety, tax withholding, 353 workers' compensation, reemployment assistance or unemployment 354 tax, social security and Medicare tax, wage or hour, or 355 prevailing rate laws within the past 5 years.

356 Section 3. Subsection (4) of section 336.41, Florida 357 Statutes, is amended to read:

358 336.41 Counties; employing labor and providing road 359 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:

366 (a) Construction and maintenance in emergency situations,367 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

373 (c) Construction of sidewalks, curbing, accessibility
 374 ramps, or appurtenances incidental to roads and bridges if each
 375 project is estimated in accordance with generally accepted cost-

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376 accounting principles to have total construction project costs 377 of less than \$400,000 or as adjusted by the percentage change in 378 the Construction Cost Index from January 1, 2008,

- 380 for which the county may utilize its own forces. Estimated total 381 construction project costs must include all costs associated with performing and completing the work, including employee 382 compensation and benefits, the cost of direct materials to be 383 384 used in the construction of the project including materials 385 purchased by the local government, and other direct costs, plus 386 a factor of 20 percent for management, overhead, and other 387 indirect costs. However, if, after proper advertising, no bids 388 are received by a county for a specific project, the county may 389 use its own forces to construct the project, notwithstanding the 390 limitation of this subsection. Nothing in this section shall 391 prevent the county from performing routine maintenance as 392 authorized by law.
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Section 4. This act shall take effect July 1, 2020.

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