

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

BILL: SB 1694

INTRODUCER: Senator Fine

SUBJECT: Prohibited Preferences in Government Contracting

DATE: March 17, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	White	McVaney	GO	Pre-meeting
2.			AEG	
3.			FP	

I. Summary:

SB 1694 revises preferences that a governmental body can consider during its awarding of procurement contracts. Specifically, the bill prohibits preferential treatment on the basis of the racial and ethnic identity of the vendor or its subcontractors. The bill eliminates governmental programs that specifically support minority businesses and repeals the preferences given to minority business in procurement, as well as agency reporting duties and the government bodies relied on to enforce these preferences.

The bill likely has a negative fiscal impact on qualifying minority business enterprises and potentially positively impact other small businesses.¹

The bill will likely have a cost-saving effect on state and local government.

The bill takes effect July 1, 2025.

II. Present Situation:

Procurement Generally

Part I of ch. 287, F.S., provides “a system of uniform procedures to be utilized by state agencies in managing and procuring commodities and contractual services” to protect the public by promoting “fair and open competition,” thereby reducing the appearance and opportunity for favoritism and misconduct.²

¹ See *infra* section VII. Related Issues.

² Section 287.001, F.S.

Procurement of Commodities and Services

Chapter 287, F.S., regulates state agency procurement of personal property and services. The term “agency” is defined broadly to mean any unit of the executive branch of state government.³ The Department of Management Services (DMS) is responsible for overseeing state purchasing activity, including professional and contractual services, as well as commodities needed to support agency activities.⁴

Section 287.017, F.S., establishes the following purchasing categories, which are threshold amounts linked to other requirements in ch. 287, F.S.:

- Category One: \$20,000.
- Category Two: \$35,000.
- Category Three: \$65,000.
- Category Four: \$195,000.
- Category Five: \$325,000.

Competitive-Solicitation

With certain exceptions,⁵ the procurement of commodities or contractual services in excess of Category Two, \$35,000, requires agencies to use a competitive solicitation process.⁶ Any form of competitive solicitation must be made available simultaneously to all vendors, must include the time and date for the receipt of bids, proposals, or replies, and must include all contractual terms and conditions applicable to the procurement.⁷ Agencies may use a variety of methods, depending on the cost and characteristics of the needed good or service, the complexity of the procurement, and the number of available vendors, including:

- Single source contracts,⁸ used when an agency determines that only one vendor is available to provide a commodity or service at the time of purchase;
- Invitations to bid (ITB),⁹ used when an agency determines that standard services or goods will meet needs, wide competition is available, and the vendor’s experience will not greatly influence the agency’s results;
- Requests for proposals (RFP),¹⁰ which are used when the procurement requirements allow for consideration of various solutions and the agency believes more than two or three vendors exist who can provide the required goods or services; and
- Invitations to negotiate (ITN),¹¹ which are used when negotiations are determined to be necessary to obtain the best value and involve a request for highly complex, customized, mission-critical services, by an agency dealing with a limited number of vendors.

³ Section 287.012(1), F.S. The term “agency” is defined as “any of the various state officers, departments, boards, commissions, divisions, bureaus, and councils and any other unit of organization, however designated, of the executive branch of state government. “Agency” does not include the university and college boards of trustees or the state universities and colleges.”

⁴ See ss. 287.032 and 287.042, F.S.

⁵ Section 287.057(3)(e), F.S.

⁶ Section 287.057(1), F.S.

⁷ *Id.*

⁸ Section 287.057(3)(c), F.S.

⁹ Section 287.057(1)(a), F.S.

¹⁰ Section 287.057(1)(b), F.S.

¹¹ Section 287.057(1)(c), F.S.

Procurement of Public Works and Property Contracts

Chapter 255, F.S., provides the procurement process for public construction works. A public works project is an activity that is paid for with any state-appropriated funds and that consists of the construction, maintenance, repair, renovation, remodeling, or improvement of a building, road, street, sewer, storm drain, water system, site development, irrigation system, reclamation project, gas or electrical distribution system, gas or electrical substation, or other facility, project, or portion thereof owned in whole or in part by any political subdivision.¹²

Current law specifies construction services procurement procedures for public property and public owned buildings.¹³ The DMS is responsible for establishing by rule procedures to:¹⁴

- Determine the qualifications and responsibility of potential bidders prior to advertising for and receiving bids for building construction contracts.¹⁵
- Award each state agency construction project to the lowest qualified bidder.¹⁶
- Govern negotiations for construction contracts and contract modifications when such negotiations are determined to be in the best interest of the state.¹⁷
- Enter into performance-based contracts for the development of public facilities when those contracts are determined to be in the best interest of the state.¹⁸

State contracts for construction projects that are projected to cost in excess of \$200,000 must be competitively bid.¹⁹ A county, municipality, special district, or other political subdivision seeking to construct or improve a public building must competitively bid the project if the estimated cost is in excess of \$300,000.²⁰

Preferences for Certain Vendors

Chapter 287, F.S., grants an agency discretion in setting criteria for the award of a contract via competitive solicitation. For example, s. 287.057(1)(b)4., F.S., which governs the award of a contract via a RFP, provides that the “contract shall be awarded in writing to the *responsible*^[21] and *responsive*^[22] vendor whose proposal is determined... to be the most advantageous to the state, taking into consideration the price and other criteria set forth in the request for proposals.” Similarly, for an ITN, s. 287.057(1)(c)4., F.S., requires an agency to “award the contract to the

¹² Section 255.0992(1)(b), F.S.

¹³ See ch. 255, F.S.

¹⁴ Section 255.29, F.S.

¹⁵ Rules 60D-5.004, F.A.C.

¹⁶ Rule 60D-5.007, F.A.C.

¹⁷ Rule 60D-5.008, F.A.C.

¹⁸ Rule 60D-5.0082, F.A.C.

¹⁹ See s. 255.0525, F.S.; see also Rules 60D-5.002 and 60D-5.0073, F.A.C.

²⁰ Section 255.20(1), F.S. For electrical work, local governments must competitively bid projects estimated to cost over \$75,000.

²¹ Section 287.012(25), F.S., defines “responsible vendor” to mean a vendor who has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance. This definition includes the financial capacity of the vendor.

²² Section 287.012(27), F.S., defines “responsive vendor” to mean a vendor that has submitted a bid, proposal, or reply that conforms in all material respects to the solicitation.

responsible and responsive vendor that the agency determines will provide the best value to the state.” In contrast, s.287.057(1)(a)4, F.S., mandates that under the ITB system, contracts are “awarded to the responsible and responsive vendor who submits the lowest responsive bid.” Chapter 287, F.S., however, mandates agencies give special consideration – preference – to certain types of contracts and contractors. For example, agencies must grant preferences to commodities manufactured, grown, or produced within Florida;²³ “All American” and “Genuine Florida” meat and meat products;²⁴ Florida businesses;²⁵ drug-free workplaces;²⁶ and foreign manufacturers with over 200 employees in the state.²⁷

Chief Financial Officer (CFO) and Department of Financial Services

As provided in the State Constitution,²⁸ the CFO is the chief fiscal officer of Florida and is responsible for settling and approving accounts against the state and keeping all state funds and securities.²⁹ The CFO is a member of the Cabinet.³⁰ The CFO, using generally accepted auditing procedures for testing or sampling, must examine, audit, and settle all accounts, claims, and demands, whatsoever, against the State, arising under any law or resolution of the Legislature, and issue a warrant directing the payment out of the State Treasury of such amount as he or she allows thereon.³¹

The CFO must submit at least quarterly a report from the Florida Accounting Information Resource Subsystem identifying the disbursements which agencies made to small businesses, as defined in the Florida Small and Minority Business Assistance Act of 1985; to certified minority business enterprises in the aggregate; and to certified minority business enterprises broken down into categories of minority persons, as well as gender and nationality subgroups. This information must be made available to the agencies, the Office of Supplier Diversity, the Governor of Florida, the President of the Senate, and the Speaker of the House of Representatives. Each agency is responsible for the accuracy of information entered into the Florida Accounting Information Resource Subsystem for use in this reporting.³²

Disadvantaged, Small, and Minority Businesses

Chapters 287 and 288, F.S., set forth Florida’s statutory scheme for small and minority owned business assistance. A “small business” is defined as an independently owned and operated business concern that employs 100 or fewer permanent full-time employees, has a net worth of not more than \$3 million, and an average net income of not more than \$2 million. A “minority business enterprise” (MBE) is defined as a “small business” which is domiciled in Florida and is at least 51% owned by minority persons. A “minority person” means a lawful, permanent

²³ Section 287.082, F.S. *See also* s. 287.0823 (same but for food commodities purchased by a state agency, a state university, a Florida College System institution, or any contracted food service provider thereof).

²⁴ Section 287.0822, F.S.

²⁵ Section 287.084, F.S.

²⁶ Section 287.087, F.S.

²⁷ Section 287.092, F.S.

²⁸ FLA. CONST. Art. IV, s.4(c).

²⁹ Section 17.001, F.S.

³⁰ FLA. CONST. Art. IV, s.4(a).

³¹ Section 17.03(1), F.S.

³² Section 17.11(2), F.S.

resident of Florida who is an African American, a Hispanic American, an Asian American, a Native American, or an American woman.³³

The Office of Supplier Development

The Office of Supplier Diversity, now renamed as the Office of Supplier Development (Office),³⁴ operates within the DMS. The Office assists Florida small businesses, including MBEs as well as women- and veteran-owned, in becoming suppliers of commodities, services, and construction to the state government.³⁵ In addition to other statutory powers and functions, the Office has the duty to adopt rules to determine what constitutes a “good faith effort” to meet minority business enterprise procurement goals, create a certification program for MBEs, and monitor agencies’ compliance with procurement goals.³⁶

According to the DMS, the Office currently operates as “a specialized team that helps Florida’s small businesses.”³⁷ The Office provides Florida small businesses with education, outreach, and technical assistance wanting to do business with the state. Accordingly, the Office “plays an integral role in ensuring the small business vendor community is strong, viable, and able to provide goods and services to the State of Florida.”

The Florida Advisory Council on Small and Minority Business Development

The Florida Advisory Council on Small and Minority Business Development assists the Secretary of the DMS with his or her duties to minority businesses and economic and business development.³⁸ The Council has various powers and duties, including: researching and reviewing the role of small and minority businesses in the state’s economy; reviewing issues and emerging topics relating to small and minority business economic development; studying the ability of financial markets and institutions to meet small business credit needs and determining the impact of government demands on credit for small businesses; assessing the reasonableness and effectiveness of efforts by any state agency or by all state agencies collectively to assist minority business enterprises; and advising the Governor, the Secretary of DMS, and the Legislature on matters relating to small and minority business development that are of importance to the international strategic planning and activities of the state.³⁹

Last year, DMS recommended this Council be repealed from statute.⁴⁰

³³ Section 288.703, F.S.

³⁴ See Dep’t of Management Services, *Office of Supplier Development*, https://www.dms.myflorida.com/agency_administration/office_of_supplier_diversity_osd (last visited Mar. 11, 2025).

³⁵ 8 FLA. PRAC., CONSTR. LAW MANUAL s. 5:22 *Minority and disadvantaged business enterprise requirements* (2023-2024 ed.). For powers and duties of the Office, see s. 287.09451, F.S.

³⁶ Section 287.09451(4), F.S.

³⁷ Dep’t of Management Services, *Senate Bill 1532 Analysis* (Mar. 11, 2025), at 10 (on file with the Senate Committee on Government Oversight and Accountability) [hereinafter DMS Analysis of SB 1532].

³⁸ Section 287.0947(1), F.S.

³⁹ Section 287.0947(5), F.S.

⁴⁰ DMS Analysis of SB 1532, *supra* n. 37 at 11.

Minority Business Certifications

The Office creates and publishes a list of vendors of certified MBEs based on uniform criteria established by the Minority Business Certification Task Force (Task Force).⁴¹ A certified MBE must perform a useful business function other than acting as a conduit to transfer funds to a non-minority business. A “useful business function” is defined as a business function which results in the provision of materials, supplies, equipment, or services to customers.⁴² The DMS recommended the dissolution of the Task Force, asserting “the Task Force is defunct with its mission is completed.”⁴³

A statewide and interlocal agreement on certification of business concerns for the status of a MBE has been enacted by statute and entered into with all jurisdictions or organizations legally joining them.⁴⁴ The certification criteria approved by the task force and adopted by the DMS must be included in a statewide and interlocal agreement and, accordingly, executed according to the terms of the agreement.⁴⁵ A business that is certified under the provisions of the statewide and interlocal agreement is be deemed a certified minority enterprise in all jurisdictions or organizations where the agreement is in effect.⁴⁶

It is unlawful, and subject to criminal liability, for any individual to falsely claim to be a MBE for purposes of qualifying for certification with any governmental certifying organization as a MBE.⁴⁷ Such false representations qualify as a breach of contract.⁴⁸

As of November 2024, there are a total of 4,304 certified MBEs.⁴⁹

Minority Business Enterprise Procurement Goals

Agencies must consider the use of price preferences, weighted preference formulas, or other preferences for construction contracts as determined to be appropriate by the Office to increase minority participation.⁵⁰ MBEs may qualify for the following advantages in state contracting:

- Set aside programs,⁵¹ which allow government entities to aside commodities and services contracts for competitive sealed bidding only among certified MBEs or only among bidders who agree to use certified MBEs as subcontractors.⁵² Before a contract may be reserved for solicitation only among certified minority business enterprises, the agency head must find

⁴¹ Section 287.0943(1), (2) and (6), F.S.

⁴² Section 287.0943(2)(e)3., F.S.

⁴³ DMS Analysis of SB 1532, *supra* n. 37 at 11.

⁴⁴ Section 287.09431, F.S.; 8 FLA. JUR. 2D BUSINESSES AND OCCUPATIONS s. 20 *Business assistance to small and minority business enterprises, generally; set asides of contracts; Small Business Development Center* (2025).

⁴⁵ Section 287.0943(2)(g), F.S.

⁴⁶ Section 287.0943(2)(i), F.S.

⁴⁷ Section 287.094(1), F.S.

⁴⁸ Section 287.094(2), F.S.

⁴⁹ DMS Analysis of SB 1532, *supra* n. 37 at 10.

⁵⁰ Section 255.102, F.S.; 43 FLA. JUR. 2D PUBLIC WORKS AND CONTRACTS s. 6 *Generally* (2025).

⁵¹ Set aside programs are intended to be used to redress present effects of past discriminatory practices and are subject to periodic reassessment to account for changing needs and circumstances.

⁵² Section 287.057(8) and (9), F.S.

that such a reservation is in the best interests of the state⁵³ and, before receiving bids, estimate the expected amount of the contract based on fair market values and may reject bids above that value.⁵⁴

- Price preference program, which, similar to the one for small and Florida businesses,⁵⁵ permit preference for MBEs where bid are otherwise equal.⁵⁶ Any county, municipality, community college, or district school board is statutorily authorized to set aside up to 10% or more of the total amount of funds allocated for the procurement of personal property and services for the purpose of entering into contracts with minority business enterprises.⁵⁷

In addition to state agencies and local bodies that otherwise must abide by procurement guidelines, statutory authority encourages the following entities to make similar preferences or recognitions to MBEs in procuring contracts: the state lottery,⁵⁸ the Central Florida Expressway Authority,⁵⁹ water management districts,⁶⁰ brownfield redevelopment projects,⁶¹ and the Board of Governors of the State University System.⁶²

Construction Contracts & Florida A.G.C. Council, Inc. v. Florida, 303 F. Supp. 2d 1307 (N.D. Fla. 2004)

The Florida Associated General Contractors Council challenged the spending goals for minority- and women-owned business in certain industry categories, including construction in s. 287.09451, F.S., in federal district court in 2004. The Court held that the implementation of mandatory specific percentage and spending goals for minority- and women-owned business was unconstitutional.⁶³ It is unclear how far reaching the holding is, however the implication of dicta indicates that the manner in which the DMS asserts the Office currently functions is likely permissible under the holding.⁶⁴ Through the Office, however, the state continues to encourage small businesses, including minority- and women-owned small businesses, to participate in construction contracts.

⁵³ Section 287.093, F.S.; 8 FLA. PRAC., CONSTR. LAW MANUAL s. 5:22 *Minority and disadvantaged business enterprise requirements* (2023-2024 ed.). See also *Eng'g Contractors Ass'n of S. Fla. Inc. v. Metro. Dade Cnty.*, 122 F.3d 895 (11th Cir. 1997) for discussion of constitutionality.

⁵⁴ Section 287.057(8)(b), F.S. All determinations are subject to s. 287.09451(5), F.S., which requires agencies procuring contracts costing in excess of \$195,000, to forward a notice to the Office of Supplier Diversity who then determines whether the procurement method will “allow opportunities for minority business enterprises;” if not, the Office proposes alternatives that, if the agency disagrees with, there is an available protest process.

⁵⁵ See *supra* discussion of Preferences for Certain Vendors, p. 3-4.

⁵⁶ Sections 287.057(8)(c), (9), and (12) F.S.; see also s. 287.09451(4), F.S.

⁵⁷ Section 287.093, F.S.

⁵⁸ Section 24.113, F.S.

⁵⁹ Section 348.754, F.S.

⁶⁰ Sections 373.1135 and 373.607, F.S.

⁶¹ Section 373.607, F.S.

⁶² Section 1001.706, F.S.

⁶³ See s. 287.09451(4)(n) and (6), F.S.

⁶⁴ Compare *Florida A.G.C. Council, Inc. v. Florida*, 303 F. Supp. 2d 1307, 1312, 1315-1316 (N.D. Fla. 2004) with DMS Analysis of SB 1532, *supra* n. 37 at 10 (under ‘Current OSD Program Overview’). In particular, *Florida A.G.C., Inc.* specifically indicates that the state could have used “race-neutral means... such as simplification of bidding procedures, relaxation of bonding requirements, and training and financial aid for disadvantaged entrepreneurs of all races [which] would open the public contracting market to all those who have suffered the effects of past discrimination,” 303 F. Supp. 2d at 1315, which DMS asserts the Office does.

As a result of the holding *Florida A.G.C. Council, Inc.*, the state and Florida Associated General Contractors Council entered into a settlement agreement in February 2004. Under this agreement, the state agreed, for a period of 99-years, to abstain from using racial or gender specific set-asides, preferences, and quotas in construction contracts. While the state operationally functions according to the settlement agreement, construction procurement statutes have not been updates to reflect the changes by the settlement agreement.⁶⁵

The Florida Small and Minority Business Assistance Act

Under the Florida Small and Minority Business Assistance Act,⁶⁶ all state agencies must timely provide the Florida Small Business Development Center Procurement System with all formal solicitations for contractual services, supplies, and commodities. The Small Business Development Center coordinates with Minority Business Development Centers to compile and distribute this information to small and minority businesses requesting such service for the period necessary to familiarize the business with the market represented by state agencies. On or before February 1 each year, the Small Business Development Center must provide the Department of Commerce with a report on utilization of the statewide contracts register. The report must include, among other information, information relating to the number of solicitations by state agencies and the method of distribution of the solicitations, the total number of businesses using the services, the percentage of those businesses owned and controlled by minorities, and the percentage of service-disabled veteran business enterprises using the service.

III. Effect of Proposed Changes:

Section 1 amends s. 287.05701, F.S., to update considerations prohibited in procurement to forbid an awarding body⁶⁷ from giving preference to a vendor on the basis of race or ethnicity of the vendor or associate. Additionally, the awarding body cannot permit vendors to use such considerations in awarding subcontracts.

Sections 2-28 amend or repeal other sections of the Florida Statutes to delete references to preferences for minority business enterprise.

Procurement Relating to Public Property and Publicly Owned Buildings

Section 4 repeals s. 255.101, F.S., which encourages county officials, boards of county commissioners, school boards, city councils, city commissioners, and all other public officers of state boards or commissions to contract with minority business enterprises (MBEs) in public works contracts.

Section 5 repeals s. 255.102, F.S., which directs agencies to use price preferences weighted preference formulas, or other preferences for construction contracts, as determined appropriate by the Office of Supplier Diversity to increase minority participation. The statute additionally addresses good faith effort to contract with MBEs.

⁶⁵ DMS Analysis of SB 1532, *supra* n. 37 at 10.

⁶⁶ Section 288.702, F.S. (identifying ss. 288.703-288.706, F.S., as the “Florida Small and Minority Business Assistance Act”).

⁶⁷ In this instance, awarding body refers to the state agency, state department, or local government bodies awarding the contract to a vendor. *See* s. 287.05701(1), F.S.

Section 6 amends s. 255.20, F.S., to remove the authority of a local government to consider the impact a procured construction or related contract will have on minority businesses.

Procurement of Personal Property and Services

Section 7 amends s. 287.012, F.S., which provides definitions applicable to the procurement of personal property and services. The bill deletes the definitions for MBE and office; the latter of which referred to the Office of Supplier Diversity (Office).

Section 8 amends s. 287.042, F.S., which addresses the powers and duties of the Department of Management Services (DMS)⁶⁸ in procurement of personal property and services. The changes delete the DMS's current duties to, through the Office, monitor procurement of certain contracts to ensure that opportunities are afforded to MBEs, that agencies are exploring reasonable and economic means to utilize MBEs, that maximum distribution of procurement opportunities is afforded to MBEs, and that the development of procedures for solicitation of bids ensures that contracts are awarded in accordance with the Florida Small and Minority Business Act. The changes additionally eliminate reference to the Office by striking language addressing the Office's power to protest decisions relating to procurement.

Section 9 amends s. 287.055, F.S., which deals with the acquisition of professional services for architecture and related fields. The changes eliminate the responsibility of agencies in procuring these services to consider or ensure compliance with preferences to MBEs.

Section 10 amends s. 287.057, F.S., to remove references to set-asides and price preferences for MBEs.

Section 11 amends s. 287.059, F.S., which deals with procurement of private attorney services. The amendment strikes language which encourages agencies to consider a firm's minority status.

Sections 12-18 repeal ss. 287.093, 287.0931, and 287.094 through 287.0947, F.S., which, respectively, address:

- Set asides for 10 percent or more of the total amount of funds allocated for certain procurements by any county, municipality, community college, or district school board, entering into a contract with an MBE;
- Preferences to MBEs in bond underwriting;
- Penalties for potential contractors for false representations to obtain MBE certification or to mislead the state regarding good faith attempts to contract with MBEs, as well as prohibitions against discriminatory considerations by state agencies in procurement;
- Certification of MBEs and creation of the Minority Business Certification Task Force;
- Enactment of the statewide and interlocal agreement on certification of business concerns for the MBE status;
- The creation and powers of the Office of Supplier Diversity; and

⁶⁸ See s. 287.012(9), F.S. (providing that the term department in s. 287.042, F.S., means the Department of Management Services).

- The creation and powers of the Florida Advisory Council on Small and Minority Business Development.

Small and Minority Business Assistance Act (Act)⁶⁹

Section 20 amends s. 288.703, F.S., which provides definitions for the Act. The bill eliminates the definitions for certified minority business enterprise, minority business enterprise, and minority person; as well as references to the Office of Supplier Diversity and minority businesses in the definition of Ombudsman.

Section 21 amends s. 288.7031, F.S., to update the statute's caption to reflect the amendments in section 20.

Section 22 repeals s. 288.706, F.S., which establishes the Florida Minority Business Loan Mobilization Program. The goal of the program “ is to assist minority business enterprises by facilitating working capital loans to minority business enterprises that are vendors on state agency contracts.”⁷⁰

Preferences to MBEs Required by Specific Agencies

Section 3 repeals s. 24.113, F.S., which encourages the state lottery to participate in business with MBEs.

Section 19 repeals 288.1167, F.S, which encourage sport franchise contracts for food and beverage concessions to meet, or at least attempt to meet, specific percentage of contracts with MBEs and MBE procurement goals.

Section 23 amends s. 348.754, F.S., to delete the encouragement for the Central Florida Expressway System to utilize MBEs in its procurement and contracting opportunities.

Section 24 amends s. 373.1135, F.S., to delete reference to minority businesses in small business programs water management districts may create. These programs encourage the districts to utilize small businesses in procurement and contract activities.

Section 25 repeals s. 373.607, F.S., which permits water management districts to implement the recommendations from legislative studies to meet MBE procurement goals.

Section 26 amends s. 376.84, F.S., to delete the financial incentives for MBEs in brownfield redevelopment.

Sections 27 and 28 amend ss. 1001.706 and 1013.46, F.S, respectively, to delete the requirements to the Board of Governors and school district boards to abide by MBE procurement goals for construction and public works contracts relating to education buildings and facilities.

⁶⁹ See s. 288.702, F.S.

⁷⁰ 8 FLA. JUR. 2D BUSINESSES AND OCCUPATIONS s. 25 *Florida Minority Business Loan Mobilization Program* (2025).

Miscellaneous

Section 2 amends s. 17.11, F.S., to update the state's Chief Financial Officer's reporting responsibilities so he or she no longer has to have reported from the Florida Accounting Information Resource Subsystem the disbursements made to MBEs. The amendment additionally deletes references to the Office of Supplier Diversity.

Sections 29-46 conform cross-references to changes made by the bill.

Section 47 provides that, except where expressly provided, the act takes effect July 1, 2025.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

Not applicable. The bill does not require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, or reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

None identified.

C. Trust Funds Restrictions:

None identified.

D. State Tax or Fee Increases:

None identified.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None identified.

B. Private Sector Impact:

Minority businesses that had enjoyed preferences in contracting may be negatively impacted. On the hand, non-minority businesses may be positively impacted.

C. Government Sector Impact:

The government will likely save money in procurement processes by decreasing costs associated with complying with minority business procurement goal reporting and otherwise save money relating to the now eliminate price preferences.

The DMS may additionally save money by eliminating the jobs within the Office of Supplier Diversity (Office of Supplier Development); it is, however, unclear if eliminating the Office will lead to a decrease in appropriated funds or if these individuals would otherwise find work elsewhere in the DMS.

VI. Technical Deficiencies:

Currently, ss. 288.703 through 288.706, F.S., is still entitled the Small and Minority Business Assistance Act. As the bill deletes the assistance provided to minority businesses, the Senate may wish to amend s. 288.702, F.S., to update the title of the act as well.

VII. Related Issues:

The Office of Supplier Development (Office), named the Office of Supplier Diversity in s. 287.09451, F.S., focuses on assisting small businesses in numerous communities achieve business opportunities in the context of state procurement. The Office hosts various networking and outreach events across the state for small businesses to interact with state, local, and federal government representatives.⁷¹ Some of these events are referred to as Supplier Development Exchanges, which connect small businesses with government procurement representatives through presentations, training sessions, networking opportunities, and one-on-one interactions. These events are open to various small businesses, including Florida-based woman-, veteran-, and minority-owned small businesses, as well as other small businesses in otherwise underserved communities.⁷² It is unclear how repealing the statute creating the Office would otherwise affect the services the Office makes available to small businesses, other than MBEs, that benefit from the services provided by the Office.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 287.05701, 17.11, 287.012, 287.042, 287.055, 287.057, 287.059, 288.703, 288.7031, 348.754, 373.1135, 376.84, 1001.706, 1013.46, 43.16, 110.116, 212.096, 215.971, 282.201, 282.709, 286.101, 287.0571, 288.0001, 295.187, 320.63, 376.3072, 394.47865, 402.7305, 408.045, 473.3065, 570.07, and 627.351.

⁷¹ Dep't of Management Services, Office of Supplier Development, *Events*, https://www.dms.myflorida.com/business_operations/state_purchasing/office_of_supplier_diversity_osd/events (last visited Mar. 11, 2025); see Dep't of Management Services, *Office of Supplier Development*, https://www.dms.myflorida.com/agency_administration/office_of_supplier_diversity_osd (last visited Mar. 11, 2025).

⁷² See Dep't of Management Services, *Office of Supplier Development*, https://www.dms.myflorida.com/agency_administration/office_of_supplier_diversity_osd (last visited Mar. 11, 2025).

This bill repeals the following sections of the Florida Statutes: 24.113, 255.101, 255.102, 287.093, 287.0931, 2897.094, 287.0943, 287.09431, 287.09451, 287.0947, 288.1167, 288.706, and 373.607.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
