

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1390
 SPONSOR: Senator Peaden
 SUBJECT: DOC/Construction Managers
 DATE: March 5, 2004 REVISED: 03/17/04 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Clodfelter</u>	<u>Cannon</u>	<u>CJ</u>	<u>Favorable</u>
2.	_____	_____	<u>GO</u>	_____
3.	_____	_____	<u>ACJ</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill amends s. 944.10, F.S., to require that the Department of Corrections select construction managers for future projects on a continuing contract basis, rather than making a selection for individual projects.

This bill substantially amends section 944.10, Florida Statutes:

II. Present Situation:

Chapter 255, F.S., requires the Department of Management Services to develop rules for evaluating potential bidders and awarding and negotiating state building construction contracts. Section 255.0525, F.S., requires that competitive bids or proposals for construction projects expected to exceed \$200,000 must be publicly advertised. Among other things, Rule 60D-5.001, Florida Administrative Code, establishes procedures for advertising for bids for construction contracts and determining the eligibility of potential bidders to submit proposals for construction contracts.

Most facilities constructed by the Department of Corrections exceed the \$200,000 threshold, and the department competitively selects a construction manager for each project after advertising and a formal selection process.

Section 287.055, F.S., allows the use of continuing contracts for certain professional services that may be used for projects that do not exceed \$1 million, and for study activity that does not exceed \$50,000. This provision for continuing contracts applies to professional architectural, engineering, landscape architectural, and mapping and surveying services. The statute provides procedures for selecting such professionals to a continuing contract. The Department of

Corrections maintains a continuing no-cost contract for such services with a provider in each region.

III. Effect of Proposed Changes:

The bill amends s. 944.10(1), F.S., by adding a new paragraph that requires the Department of Corrections to preselect construction managers. The bill provides that the selection process for such continuing contracts is to be similar to that provided in s. 287.055, F.S., for architectural and engineering services. Unlike the statute, the bill does not include a maximum project cost. Selection for the continuing contract must be advertised in accordance with s. 255.0525, F.S.

The department anticipates that use of a continuing contract for construction managers will greatly minimize the time required to advertise and select a construction manager for each individual project. It is also expected to essentially eliminate the possibility of delay due to a bid protest for award of a contract for an individual project. With a continuing contract system, a protest would occur at the time when the continuing contract is awarded.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The net impact upon the private sector cannot be determined, but the bill may have the effect of reducing the number of firms that act as construction managers for Department of Corrections' projects.

C. Government Sector Impact:

The bill should result in a reduction in administrative costs incurred for defending bid protests, and reduced time for project completion may result in a lower cost for individual projects. However, the impact on the department's total costs for construction management services cannot be determined.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
