

1986

Session Law 86-204

Florida Senate & House of Representatives

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LEGISLATIVE SUPPLEMENT "B" - SESSION LAW ABSTRACT

Year 1986	Session Law No. 86-204	LOF Cite	#pp
Prime Bill# HB 476	Sponsor Mississippi	Comp./Sim. Bills SB 468 (voigt)	
JLHC Hist. Leg. Cites	Senate pp.#s 99 (55 263)	House pp.#s 267 (43 23)	#pp 2
Committee of Ref.	Senate Gov. OPS (SB 468)	Previous versions?	
	House Gov. OPS, APPROP. (HB 476)		

Committee Records

H/S	Committee	Year	Record Series: Folder Title, etc.	Location Cite	#pp
H	Gov. OPS	86	BILL FILE HB 476 (C5) ✓	19/1549	6
H	Approps	86	B. FILE HB 476 (+ H. 25) ✓	19/1511	4
S	Gov. OPS	86	BILL FILE HB 476 (4/7/86) ✓	18/1549	4

Senate/House Journals

Page	?	Date	#pp	Page	?	Date	#pp

Tape Recordings

H/S/Floor	Committee/subcommittee	Date	# Tapes	Location Cite
H	Gov OPS (sub-com. Gov OPS)	4/9/86		
H	" " FILE	4/14/86		
H	Approps	5/6/86		

Other Documentation

Record series title, folder title, etc.	Location Cite	#pp

AMENDMENT -- FOR DRAFTING ONLY

(MUST BE TYPED ON FORM H-29 OR H-39 BEFORE PRESENTATION)

Representative s/ The Committee on _____

HB 476

offered the following amendment

SB _____

On page 5, lines 14 and 16, strike
economic index

19 1549

and insert: nationally recognized price index

adopted

failed of adoption

Senate Action

House Action

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If amendment is text of another bill insert:
Bill No. Draft No.

Representative

offered the following title amendment:

Amendment

On page...1..., line..27..,

after "bidding;"

insert: correcting a cross-reference;

Senate Action

House Action

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If amendment is text of another bill insert:
Bill No. Draft No.

Representative

offered the following amendment:

Amendment

On page...12.., between lines...12 & 13..,

insert: Section 9. Section 287.0641, Florida Statutes, is amended to read:

287.0641 Agreement not debt or pledge of faith or credit of state.--No agreement entered into pursuant to s. 287.064 ~~section 1 of this act~~ shall establish a debt, liability, or obligation of the state or shall be a pledge of the faith and credit of the state. All agreements, however, may be automatically renewable at the end of each fiscal year, subject to sufficient annual appropriations.

AND RENUMBER SUBSEQUENT SECTIONS

Senate Action

House Action

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If amendment is text of another bill insert:
Bill No. Draft No.

Representative

offered the following title amendment:

Amendment

On page...1..., line...5.,
after "287.062"

insert: , 287.0641

STORAGE NAME: HB 476 (86)

SB 465

Date: March 21, 1986

Revised: _____

Final: _____

HOUSE OF REPRESENTATIVES
COMMITTEE ON GOVERNMENTAL OPERATIONS
STAFF ANALYSIS

18 1599

BILL #: HB 476

RELATING TO: Procurement of Personal Property and Services

SPONSOR(S): Messersmith

EFFECTIVE DATE: July 1, 1986, or upon becoming a law whichever occurs later

COMPANION BILL(S): SB 468

OTHER COMMITTEES OF REFERENCE: (1) Appropriations
(2) _____

I. SUMMARY:

This bill would establish bid categories for state acquisition of personal property and services which would annually be adjusted based upon an economic index to be established in rule by the Division of Purchasing, Department of General Services.

Currently, the separate sections which require bids for state acquisitions establish a particular dollar amount for each type of property or service to be acquired. This bill would provide flexible categories for determining when bidding for property and services is required, rather than the set amount currently established by statute. The categories established are:

- (a) category one - \$600
- (b) category two - \$3,000
- (c) category three - \$6,000
- (d) category four - \$60,000
- (e) category five - \$120,000

These categories would be the base rate and the Division of Purchasing would be required to adopt rules to annually adjust these categorical amounts based upon a rate of change provided by an economic index. The bill provides that the rules would also establish the procedures for rounding the results of the indexing and for establishing the effective date of the annual adjustment. The state university system would also be subject to these rules notwithstanding the provisions of section 240.225, Florida Statutes.

The categories initially established by this bill would increase all current statutory amounts by approximately 20 percent.

This bill amends the statutory provisions requiring bids for legislative purchases, class A and B printing, professional services, contractual services, and deferred payment purchases.

Subsection (2) of section 287.017, Florida Statutes, which establishes the annual adjustment would be repealed on January 1, 1992, and it appears that the thresholds would revert to the categories established in section 287.017(1), Florida Statutes.

II. ECONOMIC IMPACT:

A. Public:

None.

B. Government:

None.

III. STATE COMPREHENSIVE PLAN IMPACT:

None.

IV. COMMENTS:

Bidding thresholds have been established by statute for cost-benefit reasons. At some point the cost in paperwork, staff time, etc., outweighs the benefits that the public receives from competitive bidding.

According to the Comptroller's Office, this bill would provide for yearly adjustments to the thresholds to offset any change in prices and alteration of the dollar's purchasing power. The bill does not establish a particular index in statute in order to allow for the use of any new index which may be developed.

The Legislature has in other cases established specific indexes to be used in indexing plans. For example, the determination of present value discount rate for unequal bids or proposals is based upon the rate for treasury bonds in section 287.0572, Florida Statutes.

An "economic index", according to the Economic and Demographic Research Division can be any type of index. Any series of indicators

can be converted into an index. Since this bill is intended to adjust the price of property and services, it should be indexed to a "nationally recognized price index", rather than a general "economic index".

V. AMENDMENTS:

None.

VI. PREPARED BY: Booter Imhof ^{BI}

VII. STAFF DIRECTOR: Jack C. Overstreet 



GERALD LEWIS
COMPTROLLER OF FLORIDA

OFFICE OF COMPTROLLER STATE OF FLORIDA

TALLAHASSEE

32301-8054

January 3, 1986


Mr. John J. Hittinger, Director
Division of Purchasing
Department of General Services
Larson Building
Tallahassee, Florida 32301

Dear Jack:

Enclosed is a draft of our analysis concerning the current dollar threshold amounts contained in Chapter 287, Part I, Florida Statutes, along with recommended amounts for inclusion in our proposed bill to revise the amounts and provide a procedure for automatic increases based upon an inflationary index.

Please review the factual data presented for accuracy and completeness. I would also appreciate your comments on the amounts recommended for increase. Thank you for your continuing assistance.

Sincerely,


George Haynie, Director
Division of Accounting
and Auditing

GH:kbr

Enclosure

cc: Ed Lavine
Jack Overstreet
Betty Swindell

Section 1. Section 287.017, Florida Statutes, is created to read:

287.017 Purchasing threshold amounts, procedures for automatic adjustment by division.--

(1) The following categories are hereby created:

- (a) CATEGORY ONE: \$600.
- (b) CATEGORY TWO: \$3,000.
- (c) CATEGORY THREE: \$6,000.
- (d) CATEGORY FOUR: \$60,000.
- (e) CATEGORY FIVE: \$120,000.

(2) The division shall adopt rules to annually adjust the amounts provided in subsection 1 based upon the rate of change of an economic index. Such rules shall include but not be limited to the following:

(a) Designation of the economic index or component thereof used to calculate the proper adjustment authorized in this section.

(b) The procedure for rounding results.

(c) The effective date of each annual adjustment based upon the previous calendar year data.

(3) Notwithstanding s.240.225, the State University System shall be subject to the rules adopted pursuant to this section.

Senate Gov Ops Committee	
DATE REC'D	
JAN 21 1968	
Action	File

insert
exceed the threshold amount provided in s. 287.017 for **CATEGORY FIVE**

insert
the threshold amount provided in s. 287.017 for **CATEGORY THREE**

2 Determination of a project which constitutes a grouping of substantially similar construction rehabilitation, or renovation activities

(g) A "continuing contract" is a contract for professional services entered into in accordance with all the procedures of this act between an agency and a firm whereby the firm provides professional services to the agency for work of a specified nature as outlined in the contract required by the agency with no time limitation except that the contract shall provide a termination clause

(3) PUBLIC ANNOUNCEMENT AND QUALIFICATION PROCEDURES —

(a) Each agency shall publicly announce, in a uniform and consistent manner, each occasion when professional services are required to be purchased for a project the basic construction cost of which is estimated by the agency to be more than ~~\$100,000~~ or for a planning or study activity when the fee for professional services exceeds ~~\$5,000~~, except in cases of valid public emergencies so certified by the agency head. The public notice shall include a general description of the project and shall indicate how interested consultants may apply for consideration

(b) Each agency shall encourage firms engaged in the lawful practice of their professions that desire to provide professional services to the agency to submit annually statements of qualifications and performance data

(c) Any firm or individual desiring to provide professional services to the agency must first be certified by the agency as qualified pursuant to law and the regulations of the agency. The agency shall make a finding that the firm or individual to be employed is fully qualified to render the required service. Among the factors to be considered in making this finding are the capabilities, adequacy of personnel, past record, and experience of the firm or individual

(d) Each agency shall adopt administrative procedures for the evaluation of professional services, including, but not limited to, capabilities, adequacy of personnel, past record, experience, whether the firm is a certified minority business enterprise as defined by the Florida Small and Minority Business Assistance Act of 1985, and such other factors as may be determined by the agency to be applicable to its particular requirements. When securing professional services, an agency shall endeavor to meet the minority business enterprise procurement goal set forth in s. 287.042

(e) The public shall not be excluded from the proceedings under this section

(4) COMPETITIVE SELECTION —

(a) For each proposed project, the agency shall evaluate current statements of qualifications and performance data on file with the agency, together with those that may be submitted by other firms regarding the proposed project, and shall conduct discussions with, and may require public presentations by, no less than three firms, regarding their qualifications, approach to the project, and ability to furnish the required service

(b) The agency shall select, in order of preference, no fewer than three firms deemed to be the most highly qualified to perform the required services. In determining whether a firm is qualified, the agency shall consider

287.055 Acquisition of professional architectural, engineering, landscape architectural, or land-surveying services, definitions; procedures, contingent fees prohibited, penalties.—

(1) SHORT TITLE —This section shall be known as the "Consultants Competitive Negotiation Act"

(2) DEFINITIONS —For purposes of this section

(a) "Professional services" means those services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered land surveying, as defined by the laws of the state, or those performed by any architect, professional engineer, landscape architect, or registered land surveyor in connection with his professional employment or practice

(b) "Agency" means the state or a state agency, municipality, or political subdivision, a school district or a school board

(c) "Firm" means any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice architecture, engineering, or land surveying in the state

(d) "Compensation" means the total amount paid by the agency for professional services

(e) "Agency official" means any elected or appointed officeholder, employee, consultant, person in the category of other personal service or any other person receiving compensation from the state, a state agency, municipality, or political subdivision, a school district or a school board

(f) "Project" means that fixed capital outlay study or planning activity described in the public notice of the state or a state agency pursuant to paragraph (3)(a). An agency shall prescribe by administrative rule procedures for the determination of a project under its jurisdiction. Such procedures may include

1 Determination of a project which constitutes a grouping of minor construction, rehabilitation, or renovation activities

such factors as the ability of professional personnel, whether a firm is a certified minority business enterprise, past performance, willingness to meet time and budget requirements, location, recent, current, and projected workloads of the firms, and the volume of work previously awarded to each firm by the agency, with the object of effecting an equitable distribution of contracts among qualified firms, provided such distribution does not violate the principle of selection of the most highly qualified firms

(c) This subsection does not apply to a professional service contract for a project the basic construction cost of which is estimated by the agency to be \$100,000 or less or for a planning or study activity when the fee for professional services is \$5,000 or less

(d) Nothing in this act shall be construed to prohibit a continuing contract between a firm and an agency

(5) COMPETITIVE NEGOTIATION —

(a) The agency shall negotiate a contract with the most qualified firm for professional services at compensation which the agency determines is fair, competitive, and reasonable. In making such determination, the agency shall conduct a detailed analysis of the cost of the professional services required in addition to considering their scope and complexity. For any lump sum or cost plus a fixed-fee professional service contract over \$50,000, the agency shall require the firm receiving the award to execute a truth in negotiation certificate stating that wage rates and other factual unit costs supporting the compensation are accurate, complete, and current at the time of contracting. Any professional service contract under which such a certificate is required shall contain a provision that the original contract price and any additions thereto shall be adjusted to exclude any significant sums by which the agency determines the contract price was increased due to inaccurate, incomplete or noncurrent wage rates and other factual unit costs. All such contract adjustments shall be made within 1 year following the end of the contract.

(b) Should the agency be unable to negotiate a satisfactory contract with the firm considered to be the most qualified at a price the agency determines to be fair, competitive, and reasonable, negotiations with that firm shall be formally terminated. The agency shall then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the agency shall terminate negotiations. The agency shall then undertake negotiations with the third most qualified firm.

(c) Should the agency be unable to negotiate a satisfactory contract with any of the selected firms, the agency shall select additional firms in the order of their competence and qualification and continue negotiations in accordance with this subsection until an agreement is reached.

(6) PROHIBITION AGAINST CONTINGENT FEES —

(a) Each contract entered into by the agency for professional services shall contain a prohibition against contingent fees as follows: "The architect (or registered land surveyor or professional engineer, as applicable) warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for the architect (or registered land surveyor,

or professional engineer, as applicable) to solicit or secure this agreement and that he has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the architect (or registered land surveyor or professional engineer, as applicable) any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this agreement." For the breach or violation of this provision, the agency shall have the right to terminate the agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift, or consideration.

(b) Any individual, corporation, partnership, firm, or company, other than a bona fide employee working solely for an architect, professional engineer, or registered land surveyor, who offers, agrees, or contracts to solicit or secure agency contracts for professional services for any other individual, company, corporation, partnership, or firm and to be paid, or is paid, any fee, commission, percentage, gift, or other consideration contingent upon, or resulting from, the award or the making of a contract for professional services shall, upon conviction in a competent court of this state, be found guilty of a first degree misdemeanor, punishable as provided in s 775 082 or s 775 083.

(c) Any architect, professional engineer, or registered land surveyor, or any group, association, company, corporation, firm, or partnership thereof, who offers to pay, or pays, any fee, commission, percentage, gift, or other consideration contingent upon, or resulting from, the award or making of any agency contract for professional services shall, upon conviction in a state court of competent authority, be found guilty of a first degree misdemeanor, punishable as provided in s 775 082 or s 775 083.

(d) Any agency official who offers to solicit or secure, or solicits or secures, a contract for professional services and to be paid, or is paid, any fee, commission, percentage, gift, or other consideration contingent upon the award or making of such a contract for professional services between the agency and any individual person, company, firm, partnership, or corporation shall, upon conviction by a court of competent authority, be found guilty of a first degree misdemeanor, punishable as provided in s 775 082 or s 775 083.

(7) AUTHORITY OF DEPARTMENT OF GENERAL SERVICES — Notwithstanding any other provision of this section, the Department of General Services, Division of Building Construction, shall be the agency of state government which is solely and exclusively authorized and empowered to administer and perform the functions described in subsections (3), (4), and (5) respecting all projects for which the funds necessary to complete same are appropriated to the Department of General Services, irrespective of whether such projects are intended for the use and benefit of the Department of General Services or any other agency of government. However, nothing herein shall be construed to be in derogation of any authority conferred on the Department of General Services by other express provisions of law. Additionally, any agency of government may, with the approval of the Department of General Services, delegate

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not exceed the threshold amount provided in s 287.017 for CATEGORY FIVE

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not in excess of the threshold amount provided in s 287 017 for CATEGORY THREE

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the threshold amount provided in s 287.017 for CATEGORY FOUR,

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 the threshold amount provided
 in s 287-017 for CATEGORY TWO

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 the threshold amount provided
 in s 287-017 for CATEGORY THREE

287 057 Procurement of contractual services.—
 (1) For the purposes of this section, the term "state contractual service term contract" means a term contract whereby a responsive bidder agrees to furnish a contractual service during a prescribed period of time or by a specific date. The specified period of time or date completes such contract.
 (2) Unless otherwise authorized by law, all contracts for contractual services shall be awarded by competitive sealed bidding. An invitation to bid shall be issued which shall include a detailed description of the services sought, the date for submittal of bids, and all contractual terms and conditions applicable to the procurement of contractual services, including the criteria which shall include, but need not be limited to, price, to be used in determining acceptability of the bid. If the agency contemplates renewal of the contract, it shall be so stated in the invitation to bid. The bid shall include the price for each year for which the contract may be renewed. Evaluation of bids shall include consideration of the total cost for each year as quoted by the bidder. No criteria may be used in determining acceptability of the bid that was not set forth in the invitation to bid. The contract shall be awarded with reasonable promptness by written notice to the qualified and responsive bidder who submits the

lowest and best bid. This bid must be determined in writing to meet the requirements and criteria set forth in the invitation to bid.

(3) When an agency determines in writing that the use of competitive sealed bidding is not practicable, contractual services shall be procured by competitive sealed proposals. A request for proposals which includes a statement of the services sought and all contractual terms and conditions applicable to the procurement of contractual services, including the criteria, which shall include, but need not be limited to, price, to be used in determining acceptability of the proposal shall be issued. If the agency contemplates renewal of the contract, it shall be so stated in the request for proposals. The proposal shall include the price for each year for which the contract may be renewed. Evaluation of proposals shall include consideration of the total cost for each year as quoted by the proposer. To assure full understanding of and responsiveness to the solicitation requirements, discussions may be conducted with qualified offerors. The offerors shall be accorded fair and equal treatment prior to the submittal date specified in the request for proposals with respect to any opportunity for discussion and revision of proposals. The award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the state, taking into consideration the price and the other criteria set forth in the request for proposals. The contract file shall contain the basis on which the award is made.

(4) When the price of contractual services is less than \$2,500, an agency shall not be required to use the competitive procedures set forth in subsections (2) and (3). However, the agency shall not divide the procurement of contractual services so as to avoid the requirements of subsections (2) and (3).

(5) A contract for contractual services may be awarded without competition if it is determined in writing that such services are available from only one source, however, if such contract is for an amount greater than \$5,000, the agency shall secure prior approval from the division.

(6) A contract for contractual services may be awarded without competition if state or federal law prescribes with whom the agency must contract or if the rate of payment is established during the appropriations process.

(7) If only one response to an invitation to bid or request for proposals is received, the agency may proceed with the procurement of the contractual services pursuant to subsection (5).

(8) If no response to an invitation to bid or request for proposals is received, the agency may proceed with the procurement of contractual services pursuant to subsection (5).

(9) The failure of the division to approve or disapprove the request of an agency for prior approval pursuant to subsections (5), (7), and (8) within 21 days after receiving such request or within 14 days after receiving from the agency additional materials requested by the division shall constitute prior approval by the division.

(10) If two equal responses to an invitation to bid or request for proposals are received and one response is

from a minority owned firm or company, the agency shall enter into a contract with the minority-owned firm or company

(11) If the head of any agency determines in writing that an immediate danger to the public health, safety, welfare, or other substantial loss to the state requires emergency action, the agency may proceed with the procurement of the contractual services necessitated by the immediate danger without competition. However, such emergency procurements shall be made with such competition as is practicable under the circumstances. The agency shall furnish copies of the written determination certified under oath and any other documents relating to the emergency action to the division.

(12) Extension of a contract for contractual services shall be in writing for a period not to exceed 6 months and shall be subject to the same terms and conditions set forth in the initial contract. The extension may, however, provide for an increase in the total dollar amount of the contract based on the method and rate established in the initial contract. There shall be only one extension of a contract unless the failure to meet the criteria set forth in the contract for completion of the contract is due to events beyond the control of the contractor.

(13) Renewal of a contract for contractual services shall be in writing and shall be subject to the same terms and conditions set forth in the initial contract. The cost of any contemplated renewals shall be included in the invitation to bid or request for proposals. Renewals are to be done on a yearly basis, and contracts shall not be renewed for more than 2 years unless competitively procured. Renewals shall be contingent upon satisfactory performance evaluations by the agency.

(14) For each contractual services contract, the agency shall designate an employee to function as contract manager who shall be responsible for enforcing performance of the contract terms and conditions, serve as a liaison with the contractor, and approve all invoices prior to payment.

(15) Each agency shall designate one employee who, in addition to his existing duties, shall serve as a contract administrator responsible for maintaining a contract file and financial information on all contractual services contracts and who shall serve as a liaison with the contract managers and the division.

(16) A selection team of at least three employees who have experience and knowledge in the program areas and service requirements for which contractual services are sought shall be appointed by the agency head to aid in the selection of contractors for contracts of more than \$50,000.

(17) No person who receives a contract which has not been procured pursuant to subsection (2) or subsection (3) to perform a feasibility study of the potential implementation of a subsequent contract, participating in the drafting of an invitation to bid or request for proposals or developing a program for future implementation shall be eligible to contract with the agency for any other contracts dealing with that specific subject matter, nor shall any firm in which such person has any interest be eligible to receive such contract.

(18) Each agency shall establish a review and approval process for all contractual services contracts costing more than \$5,000 which shall include, but not be limited to, program, financial, and legal review and approval. Such reviews and approvals shall be obtained before the contract is executed.

(19) The division may establish state contractual service term contracts. Such contracts may be utilized by any agency, county, municipality, or local public agency.

(20) Nothing in this section shall affect the validity or effect of any contract in existence on July 1, 1983.

History -- s. 1 ch. 78-4 s. 2 ch. 80-206 s. 4 ch. 80-374 s. 1 ch. 82-121 s. 9 ch. 82-196 s. 3 ch. 83-281 s. 3 ch. 83-192

inset
the threshold amount provided in s. 287.017 for CATEGORY ~~FOUR~~ THREE

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the threshold amount provided in s. 287.017 for CATEGORY FOUR

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*The threshold amount provided
in s. 287.017 for CATEGORY ONE*

287.058 Contract document.—

(1) Every procurement of contractual services in excess of ~~(\$500)~~ except for the providing of health and mental health services or drugs in the examination, diagnosis, or treatment of sick or injured state employees or the providing of other benefits as required by the provisions of chapter 440, shall be evidenced by a written agreement embodying all provisions and conditions of the procurement of such services, which provisions and conditions shall include, but shall not be limited to

(a) A provision that bills for fees or other compensation for services or expenses be submitted in detail sufficient for a proper preaudit and postaudit thereof

(b) A provision that bills for any travel expenses be submitted in accordance with s. 112.061. A state agency may establish rates lower than the maximum provided in s. 112.061.

(c) A provision allowing unilateral cancellation by the agency for refusal by the contractor to allow public access to all documents, papers, letters, or other material subject to the provisions of chapter 119 and made or received by the contractor in conjunction with the contract.

(d) A provision dividing the contract into units of deliverables, which shall include, but not be limited to, reports, findings, and drafts, that must be received and accepted in writing by the contract manager prior to payment.

(e) A provision specifying the criteria and the final date by which such criteria must be met for completion of the contract.

(f) Where applicable, a provision specifying that the contract may be renewed on a yearly basis for a maximum of 2 years after the initial contract, the terms under which the cost may change as determined in the invitation to bid or request for proposals, and that renewals shall be contingent upon satisfactory performance evaluations by the agency and subject to the availability of funds.

(2) The written agreement shall be signed by the agency head and the contractor prior to the rendering of any contractual service the value of which is in excess of ~~(\$500)~~ except in the case of a valid emergency as certified by the agency head. The procurement of contractual services shall not be divided so as to avoid the provisions of this section.

(3) Every procurement of contractual services of the value of ~~(\$500)~~ or less, except for the providing of health and mental health services or drugs in the examination, diagnosis, or treatment of sick or injured state employees or the providing of other benefits as required by the provisions of chapter 440, shall be evidenced by a written agreement or purchase order. The written agreement shall contain sufficient detail for a proper audit, shall be signed by purchasing or contracting personnel acting on behalf of the agency, and may contain the provisions and conditions provided in subsection (1).

History—s. 10, ch. 82, 1988; s. 4, ch. 83, 1982; s. 1, ch. 85, 2000.

*Note—The words "the value of which is" were inserted by the editors.

*Note—The words "of the value of" were substituted by the editors for the word "for".

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*The threshold amount provided
in s. 287.017 for CATEGORY ONE*

287.052 Competitive bids, when required; exception, deferred-payment purchases —

(1) No purchase of commodities may be made when the purchase price thereof is in excess of \$2,500 unless made upon competitive bids received, except

(a) If the head of any state agency maintains that an emergency exists in regard to the purchase of any commodity, so that the delay incident to giving opportunity for competitive bidding would be detrimental to the interests of the state, then the head of such agency shall

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the threshold amount provided in
s. 287 017 for CATEGORY TWO

file with the division a statement under oath certifying the conditions and circumstances. In the case of the emergency purchase of insurance, the period of coverage of such insurance shall not exceed a period of 30 days and all such emergency purchases shall be reported to the head of the Department of General Services.

(b) Purchasing agreements, contracts, and maximum price regulations executed by the division are excepted from bid requirements.

(c) Commodities available only from a single source may be excepted from the bid requirements upon the filing by the head of an agency of a certification of conditions and circumstances with the division if, subsequent thereto, the division authorizes the exception in writing.

(d) When it is in the best interest of the state, the head of the Department of General Services may authorize the division director to purchase insurance by negotiation, but this shall be done only under conditions most favorable to the public interest and upon a showing that such purchase will result in the lowest ultimate cost for the coverage obtained.

(e) When an agency determines in writing that the solicitation for competitive bids is not practicable or not advantageous to the state, commodities may be procured by requests for proposals. For commodities in excess of \$50,000 the determination shall be submitted to the division. To assure full understanding and responsiveness to the requirements set forth in the request for proposals, discussions may be conducted with qualified offerors. The division shall assist in the discussion upon request from the agency. Qualified offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals prior to the submittal date specified in the request for proposals. The award shall be made to the responsive offeror whose proposal is determined to be the most advantageous to the state, taking into consideration price and the other evaluation criteria set forth in the request for proposals. The basis on which the award is made for commodities in excess of \$50,000 shall be submitted in writing to the division.

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the threshold amount provided in
s. 287 017 for CATEGORY FOUR

(2) If no competitive bids or proposals for commodity purchases are received, the division may negotiate on the best terms and conditions.

(3) Upon issuance of any invitation to bid or request for proposals, an agency shall forward to the division one copy of each invitation to bid or request for proposals for all commodity purchases in excess of \$2,500 and for all printing in excess of \$1,000. An agency shall also, upon request, furnish a copy of all competitive bid or proposal tabulations.

insert
the threshold amount provided in
s. 287 017 for CATEGORY FOUR

(4) In order to strive to meet the minority business enterprise goals set forth in s. 287.042, an agency may reserve any contract for competitive bidding only among certified minority business enterprises. Agencies shall review all their contracts each fiscal year and shall determine which contracts may be reserved for bidding only among minority business enterprises. This reservation may only be used when it is determined before the invitation to bid that there are capable, qualified certified minority business enterprises available to bid on a contract to provide for effective competition. Before a contract can be reserved for bidding only by certified minority

insert
the threshold amount provided in
s. 287 017 for CATEGORY TWO

business enterprises, the agency head must find that such a reservation is in the best interests of the state. Once a decision has been made to reserve a contract, but before bids are requested, the agency shall estimate what it expects the amount of the contract to be, based on the nature of the services or commodities involved and their value under prevailing market conditions. If all the bids received are over this estimate, the agency may reject the bids and request new ones from minority business enterprises, or the agency may reject the bids and reopen the bidding to all eligible qualified contractors.

(5) An agency may reserve any contract for competitive bidding only among contractors who agree to utilize certified minority enterprises as subcontractors or subvendors. The percentage of funds which must be expended with minority business enterprise subcontractors and subvendors shall be determined by the agency before such contracts may be reserved. In order to bid on a contract so reserved, the contractor shall identify those certified minority business enterprises which will be utilized as subcontractors or subvendors.

inset
The threshold amount provided
in s. 287.017 for CATEGORY TWO

287.102 Class B printing.—No general contract shall be let to cover printing designated as class B but each job coming under this classification shall be let separately, under regulations adopted by the division, to the lowest responsible bidder. Such contract shall apply only to the work under consideration, and competitive bids shall be required on any purchase in excess of **\$2,500.** All public printing governed hereby shall be done in accordance with s. 283.35.

History.—s. 22, ch. 69-106, § 2, ch. 76-71, § 3, ch. 78-145, § 5, ch. 79-135, ss. 2, 6, ch. 83-252.

*Note.—Expires January 1, 1989, pursuant to s. 6, ch. 83-252 and shall be reviewed by the Legislature prior to that date.

11 147 Joint Legislative Management Committee.

(1) There is hereby created the Joint Legislative Management Committee, which shall consist of three members of the House of Representatives appointed by the Speaker of the House, one of whom shall be a member of the minority party, and three members of the Senate appointed by the President of the Senate, one of whom shall be a member of the minority party

(2) If a vacancy occurs in the joint committee, the same shall be filled as provided for original appointments

(3)(a) The joint committee shall meet at times and places necessary to perform the functions assigned to it by law, and shall adopt rules and regulations for its own organization and operation and for the organization and operation of such management divisions as may be deemed advisable from time to time by the joint committee in order to carry out the functions assigned by law

to the joint committee. It shall have general administrative responsibility for the operation of such divisions

(b) There shall be an executive director of the Joint Legislative Management Committee who shall be appointed by majority vote of the joint committee

(c) The executive director shall coordinate the activities of all of the divisions of the joint committee. He shall have authority to hire and remove personnel of the joint committee and its divisions, except that division directors may be hired and removed by the executive director only with the concurrence of the joint committee

(d) The executive director and the division directors of the joint committee shall be chosen without reference to political affiliation, solely on the basis of fitness to perform the duties assigned them

(4) The joint committee shall prepare and adopt rules and procedures governing the following matters

(a) The purchase or acquisition by the Legislature of all supplies, capital outlay items, and other commodities required for the proper functioning of the Legislature. Such rules and procedures shall govern all legislative purchases as contemplated herein and shall be in accord with, but not limited to, the following requirements

1. A purchase in excess of ~~\$2,500~~ shall be made only upon competitive bids received

2. If the director of any division of the Legislature determines that an emergency exists in regard to the purchase of any commodities, so that the delay incident to giving opportunity for competitive bidding would be detrimental to the interests of the state, then the provisions herein for competitive bidding shall not apply and the director shall file with the joint committee a statement under oath certifying the conditions and circumstances of the emergency. Upon receiving a statement the joint committee may authorize the purchase

3. There is excepted from bid requirements purchasing agreements, contracts, maximum price regulations executed or approved by the joint committee, and noncompetitive items available from one source only. In connection with the purchase of noncompetitive items only available from one source, a certification of the conditions and circumstances requiring the purchase shall be filed with the joint committee. Upon receipt of such certification, the joint committee may, in writing, authorize the purchase

4. Whenever two or more competitive bids are received, one or more of which relates to commodities manufactured within this state, and whenever all things stated in such received bids are equal with respect to price, quality, and service, the commodities manufactured within this state shall be given preference. A similar preference shall be given to commodities manufactured within this state whenever purchases are made without competitive bids, and when practical the joint committee may establish reasonable preferential policies for other commodities giving preference to resident suppliers of this state. Any foreign manufacturing company with a factory in the state and with over 200 employees working in the state shall have preference over any other foreign company where both price and quality are the same regardless of where the product is manufactured

insert
the threshold amount provided in
s 287 017 for CATEGORY TWO

283.37 Notice requirements when calling for bids
—The committee shall give reasonable notice of not less than 28 days, by publication in one or more newspapers in the state, of the calling for bids on class A printing in excess of \$100,000. Persons wishing to receive notice of the calling for bids for _____ or es, shall register with the committee and receive such notice by mail.

History — ss 1 & 6, ch. 83-252
*Note — Expires effective January 1, 1989 and is scheduled for review by the Legislature before that date pursuant to s. 6, ch. 83-252.

insert
the threshold amount provided in s. 287.017 for CATEGORY FIVE

insert
procurements which are equal to or less than the threshold amount provided in s. 287.017 for CATEGORY FIVE

283.42 Bids required on class B printing —No general contract shall be let to cover the printing designated as class B, but each job coming under this classification shall be let separately under rules adopted by the division to the lowest responsible bidder who will manufacture the same in accordance with s. 283.35. Such contract shall apply only to the work under consideration and shall require competitive bids on all purchases in excess of \$2,500.

History — ss 1 & 6, ch. 83-252
*Note — Expires effective January 1, 1989 and is scheduled for review by the Legislature before that date pursuant to s. 6, ch. 83-252.

insert
the threshold amount provided in s. 287.017 for CATEGORY TWO

<u>CITATION</u>	<u>REQUIREMENT</u>	<u>DATE LAST AMENDED</u>	<u>AMOUNT RECOMMENDED</u>
287.055(3)(a)	Public Announcement Estimated construction cost exceeds \$100,000 or planning or study activity fee exceeds \$5,000	7-01-75	\$120,000 6,000
287.055(4)(c)	Subsection applicability clause same as above	7-01-75	120,000 6,000
287.055(5)(a)	Truth-in-negotiation certificate requirement lump-sum or cost-plus a-fixed fee professional service contracts over \$50,000	7-01-73	60,000
287.057(4)	Competitive award for service contracts if price is \$2,500 or more	7-01-81	3,000
287.057(5)	Prior approval of division for single source contractual services if exceeds \$5,000	4-21-82	6,000
287.057(16)	Agency head appoint a selection team if price exceeds \$50,000	4-21-82	60,000
287.057(18)	Each agency shall establish a review and approval process for contractual services contracts in excess of \$5,000	7-01-83	6,000
287.058(2)	Each contract for contractual services in excess of \$500 be evidenced by a prior written agreement	7-01-85	600
287.058(3)	Each contract for contractual services for \$500 or less be evidenced by a written agreement or purchase order	7-01-85	600
287.062(1)	No purchase of commodities may be made without competitive bids when the purchase price exceeds \$2,500	5-31-78	3,000

<u>CITATION</u>	<u>REQUIREMENT</u>	<u>DATE LAST AMENDED</u>	<u>AMOUNT RECOMMENDED</u>
287.062(1) (e)	An agency's determination that it is not practicable or not advantageous to the state to procure commodities by competitive bid, an agency may procure such items by request for proposals. Such written determination and the basis on which the award is made must be submitted to the division when the price exceeds \$50,000	7-01-83	\$ 60,000
287.062(3)	Agencies shall forward to the division one copy of each invitation to bid or request for proposals for all commodity purchases in excess of \$2,500 and for all printing in excess of \$1,000	7-01-83	3,000 delete print- ing reference
287.073(2) (a)	Creates the Information Technology Resource Procurement Advisory Council. Mandates that the Council review and make recommendations regarding agency single-source certification requests for information technology resources which have a 2-year total cost in excess of \$500,000. The Council shall also review and recommend modifications regarding agency invitations to bid or request for proposals for information technology resources which have a 2-year total cost in excess of \$500,000.	7-01-83	500,000 (1)
287.073(4)	The Governor and Cabinet, as head of the Department of General Services, shall approve or disapprove the award of all agency information technology resources for which the 2-year total cost exceeds \$500,000.	7-01-83	500,000 (1)
287.102	Any purchase of Class B printing must be competitively bid if price exceeds \$2,500.	1-01-84	3,000

Note (1): The Executive Director of the I.R.C. does not recommend a threshold change at this time.

Senate Committee on Governmental Operations

HB 476 by House G.O. and Rep. Messersmith
(SB 468 by Senator Vogt)
Procurement/Governmental Agencies

The bill increases, by 20 percent across the board, the required threshold amounts for the procedures to be used by governmental agencies in the procurement of personal property and commodities and services, including such purchase through competitive bidding. The bill creates purchasing categories to identify such purchasing threshold amounts throughout the statutes and provides for the category amounts to be annually adjusted based upon the economic index through rules promulgated by the Department of General Services (DGS). The provision authorizing DGS to promulgate rules is subject to review and repeal January 1, 1992. The bill's effective date is July 1, 1986 and has been ordered enrolled.

RECEIVED

DHRS BILL ANALYSIS

Murisho

MAR 25 1986

PRIORITY: 4

LP

PAGE: 1 of 2

DATE: March 24, 1986 *JPW*

BILL NO.: HB 476; SB 468

ANALYST: George Williams, ASGGS

SPONSOR: Rep. Messersmith; Sen. Vogt

General Services Specialist

COORDINATED WITH: ASFMRP,

Office of General Services

J. Williams
Jean Gressang; ASGDC, James

487-1950

Bullard

REVIEWER: Thomas G. Towns, J.E.I.

REVIEWER: Richard T. Lutz,

General Services Administrator

Assistant Secretary for

Office of General Services

Administration

ASG (Bob Brady) *JPW*

SUBJECT: This bill revises purchasing threshold categories for procurement of personal property and services by state agencies and authorizes the Division of Purchasing to adopt rules for annual adjustments to these categories. The proposed legislation raises the dollar amounts on these categories.

1. Summary

A. Present Situation: Agencies of the state are currently required to bid acquisitions in the following categories and amounts such as:

- | | |
|--|---------|
| 1. Commodities and Equipment | \$2,500 |
| 2. Class B Printing | 2,500 |
| 3. Contractual Services | 2,500 |
| 4. Professional Architectural,
Engineering or Survey Services | 100,000 |
| 5. Professional Services for Planning
or Study Activities | 5,000 |

B. Effect of Proposed Changes: The proposed legislative changes would raise the bid requirements on these categories to the following:

- | | |
|--|---------|
| 1. Commodities and Equipment | \$3,000 |
| 2. Class B Printing | 3,000 |
| 3. Contractual Services | 3,000 |
| 4. Professional Architectural,
Engineering or Survey Services | 120,000 |
| 5. Professional Services for Planning
or Study Activities | 6,000 |

2. Economic Impact:

A. No economic impact on state agencies.

3. Comments:

This legislation, if passed, will eliminate a minimum amount of paperwork currently required for acquisitions of personal property and services.

JB 468

1	proposals. The basis on which the award is made for	4.45
2	commodities in excess of <u>the threshold amount provided in s.</u>	4.46
3	<u>287.017 for CATEGORY FOUR \$50,000</u> shall be submitted in	
4	writing to the division.	4.47
5	(3) Upon issuance of any invitation to bid or request	4.48
6	for proposals, an agency shall forward to the division one	4.50
7	copy of each invitation to bid or request for proposals for	
8	all commodity purchases in excess of <u>the threshold amount</u>	4.51
9	<u>provided in s. 287.017 for CATEGORY TWO \$2,500-and-for-all</u>	4.52
10	printing-in-excess-of-\$1,000. An agency shall also, upon	4.53
11	request, furnish a copy of all competitive bid or proposal	
12	tabulations.	
13	Section 9. Section 28 of chapter 85-349, Laws of	4.54
14	Florida (section 287.0641, Florida Statutes, 1985), is amended	4.55
15	to read:	
16	287.0641 Agreement not debt or pledge of faith or	4.56
17	credit of state.--No agreement entered into pursuant to <u>s.</u>	4.57
18	<u>287.064</u> section-1-of-this-act shall establish a debt,	4.58
19	liability, or obligation of the state or shall be a pledge of	4.60
20	the faith and credit of the state. All agreements, however,	4.61
21	may be automatically renewable at the end of each fiscal year,	
22	subject to sufficient annual appropriations.	4.62
23	Section 10. Section 287.102, Florida Statutes, is	4.63
24	amended to read:	
25	287.102 Class B printing.--No general contract shall	4.65
26	be let to cover printing designated as class B, but each job	4.67
27	coming under this classification shall be let separately,	
28	under regulations adopted by the division, to the lowest	4.68
29	responsible bidder. Such contract shall apply only to the	4.70
30	work under consideration, and competitive bids shall be	4.71
31	required on any purchase in excess of <u>the threshold amount</u>	

SENATE COMMITTEE AMENDMENT

SB _____

No. _____
(favorably)

HB _____

Title

The Committee on _____

recommended the following

amendment which was moved by Senator _____

and adopted:
and failed:

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Amendment

On page *2*, line *2*, *after*

The ;

and insert.

*amending section 289
 chapter 85-349, laws
 Florida, conforming it
 to ~~§. 287.0641~~ § 287.0641, FS*

CODING Words in ~~struck through~~ type are deletions from existing law, words underlined are additions.

* Amendment No. _____, taken up by committee: Adopted *

* Offered by _____ Failed *

(Amendment No. _____ Adopted _____ Failed _____ Date ___/___/___)



4/16/86

Senator Vogt, House Governmental Operations requests that these amendments be placed on your SB 468 which you introduced for them as a companion to HB 476.

SB 468 passed favorably from Senate Gov. Ops. and is now in ~~Rules and Calendar~~^{AP}. We'll be glad to prepare the amends. for you to offer if you wish.
bts

OK

from House Gov Cys
468

AMENDMENT -- FOR DRAFTING ONLY

(MUST BE TYPED ON FORM H-29 OR H-39 BEFORE PRESENTATION)

Representative s/ The Committee on _____

HB 476

SB _____

offered the following amendment:

On page 5, lines 14 and 16, strike

economic index

and insert nationally recognized price index

*See Brother's Subchapter K letter
(attached)*

adopted

failed of adoption

Senate Action

House Action

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If amendment is text of another bill insert:
Bill No. _____ Draft No. _____

Representative

offered the following amendment:

Amendment

On page...12..., between lines...12 & 13...

insert: Section 9. Section 287.0641, Florida Statutes, is amended to read:

287.0641 Agreement not debt or pledge of faith or credit of state.--No agreement entered into pursuant to s. 287.064 ~~section 1 of this act~~ shall establish a debt, liability, or obligation of the state or shall be a pledge of the faith and credit of the state. All agreements, however, may be automatically renewable at the end of each fiscal year, subject to sufficient annual appropriations.

AND RENUMBER SUBSEQUENT SECTIONS

See New
Program
subject to

Technical
The LOF

4/19/40
Number is changing 45-349
States with Re 528-7
found read 528-7
16 Wisconsin 45-349

for SB 468

Bill No. HB 176

Senate Action

House Action

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If amendment is text of another bill insert:
Bill No. _____ Draft No. _____

Representative

offered the following title amendment:

Amendment

On page...1..., line..27...

after "bidding;"

insert: correcting a cross-reference;

f 201. 42

MEMBER AMENDMENT (in computer)

for SB 468

Bill No. SB 476

Senate Action

House Action

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If amendment is text of another bill insert:
Bill No. _____ Draft No. _____

Representative

offered the following title amendment:

Amendment

On page...1..., line...5.,

after "287.062"

insert: , 287.0641

Technical

Orig.
Journal
Third
Fourth

Code: h0476/999-02
Date:
Time:

Committee on APPROPRIATIONS

Bill No. CS/HB 476

Date of meeting May 6, 1986

Time 8:00 a.m.

Place 21 HOB (MORRIS HALL)

AS REPORTED TO CLERK

FINAL ACTION: FAVORABLE
 X FAVORABLE WITH 3 AMENDMENTS
 FAVORABLE WITH SUBSTITUTE
 UNFAVORABLE

VOTE:

YEA	MEMBER	NAY
X	BURNSED	
	CAPLTON	
X	CARPENTER	
X	CLARK	
X	CROTTY	
X	DAVIS	
X	EASLEY	
X	FRIEDMAN	
X	CALLAGHER	
	GARDNER	
X	GORDON	
	GUSTAFSON	
X	HARGRETT	
X	HARRIS, W. E.	
X	HAZOUPI	
X	HODGES	
X	JOHNSON, B. L.	
X	JOHNSON, P. C.	
Total Yeas		28

YEA	MEMBER	NAY
X	JONES, C. F.	
X	LEWIS	
	LIPPMAN	
	MARTIN	
X	MARTINEZ	
X	MESSERSMITH	
	MILLS	
X	MORGAN	
X	OGDEN	
X	SILVER	
X	SIMON	
X	LPCPLTCH	
X	VALIACF	
	WARD	X
X	WEINSTOCK	
X	VETHERELL	
X	BELL (Chmn.)	
Total Nays		1

Chairman

COMMITTEE APPEARANCE RECORD

The following persons (other than legislators) appeared before the committee during the consideration of this bill:

Name	Representing	Address

NOTE: Please indicate by an "X" any State employee appearing at the request of Committee Chairman.

(If additional persons, enter on reverse side and check here_)

File 2 copies with Clerk

HOUSE COMMITTEE AMENDMENT (in computer)

Amendment No. 2 (committee use only)

Bill No. CS/HB 476

Senate Action

House Action

AS REPORTED TO CLERK

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If amendment is text of another bill insert:
Bill No. _____ Draft No. _____

The Committee on Appropriations offered the following amendment:

Amendment

On page 12, lines 18 & 19,
after "debt" strike: ", liability, or obligation"
and on page 12, line 20
after "state" insert:
; nor shall any agreement be a liability or obligation of the
state except from appropriated funds

Orig.
Journal
Third
Fourth

Code: h0476/ap02
Date: 05/06/86
Time: 8:25 p.m.

Senate Action

House Action

AS REPORTED TO CLERK

If amendment is text of another bill insert:
Bill No. Draft No.

The Committee on Appropriations offered the following amendment:

Amendment

On page.12...., between lines 12 & 13,

insert:

Section 9. Section 287.064, (1)(c), Florida Statutes, is amended to read:

287.064(1)(c) The interest rate component of any master equipment financing agreement shall be deemed to comply with the interest rate limitation imposed in s. 287.063, so long as the interest rate component of every interagency agreement entered into under such master equipment financing agreement complies with the interest rate limitation imposed in s. 287.063. Such interest rate limitation does not apply when the payment obligation under the master equipment financing agreement is rated by a nationally recognized rating service in any one of the three highest classifications, which rating services and classifications are determined pursuant to rules adopted by the Comptroller.

AND RENUMBER SUBSEQUENT SECTIONS

Orig.
Journal
Third
Fourth

Code: h0476/ap01
Date: 05/06/86
Time: 8:24 p.m.

5.19/1511

HOUSE COMMITTEE AMENDMENT (in computer)

Amendment No. 3 (committee use only) Bill No. CS/HB 476

Senate Action

House Action

AS REPORTED TO CLERK

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If amendment is text of another bill insert:
Bill No. Draft No.

The Committee on Appropriations offered the following
title amendment:

Amendment

On page..1...., line..5....,

after "287.062"

insert: ,287.064

Orig.
Journal
Third
Fourth

Code: h0476/ap03
Date: 05/06/86
Time: 8:25 p.m.

STATE OF FLORIDA
HOUSE OF REPRESENTATIVES

Prepared 5/6/86
by the Committee on
Appropriations

1986
FISCAL NOTE

CS/HB 476
Bill Number
~~As Amended~~

Amendment #2 adds language to state that no agreement shall be a liability or obligation of the State except from appropriated funds.

Amendment #3 is technical in nature.

Anthony P. Cervera
Staff Director

Frank E. Moran III
Staff Analyst

STATE OF FLORIDA
HOUSE OF REPRESENTATIVESPrepared 5/6/86
by the Committee on
Appropriations1986
FISCAL NOTECS/HB 476
Bill Number
As Amended

In compliance with Rule 7.16, there is hereby submitted a fiscal note on the above listed bill relative to the effect on revenues, expenditures, or fiscal liability of the State, and of Local Governments as a whole.

I. DESCRIPTION OF BILL

A. Fund or Tax Affected

General Revenue

B. Principal Agency Affected

Department of General Services

C. Narrative Summary

This bill eliminates current requirements for competitive bids for State purchases of goods and services based on a specified dollar amount for each type of acquisition. It establishes the following five categories for use in determining when a competitive bid is required:

Category One:	\$600
Category Two:	\$3,000
Category Three:	\$6,000
Category Four:	\$60,000
Category Five:	\$120,000

These categories would be adjusted annually based upon a rate of change provided by a nationally recognized price index.

This bill includes goods and services purchased by the State University System.

The bill provides for the repeal of such rules on January 1, 1992.

II. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS

A. Non-Recurring or First Year Start-up Effects

None

B. Recurring or Annualized Continuation Effects

None

III. COMMENTS

The Appropriations Committee adopted the following amendments:

Amendment #1 adds language requiring that the interest rate limitation imposed in Section 287.063, does not apply when the payment obligation under the master equipment financing agreement is rated by a nationally recognized rating service in any one of the three highest classifications, which rating services and classifications are determined pursuant to rules adopted by the Comptroller.