1989

Session Law 89-115

Florida Senate & House of Representatives

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S 467 GENERAL BILL/CS/1ST ENG by Economic, Professional and Utility Regulation; Jennings (Similar CS/H 976, Compare CS/1ST ENG/S 1213)

Design-Build Contract/GOvt. Agencies: provides exemption to engineering licensing law & architect licensing & certification law; provides an exemption to contracting licensure law & to landscape architecture licensure law. Amends 471.003, 481.229, 329, 489.103. Effective Date: 06/26/89.

03/10/89 SENATE Prefiled
03/24/89 SENATE Referred to Economic, Professional and Utility Regulation
04/04/89 SENATE Introduced, referred to Economic, Professional and Utility Regulation —SJ 46
04/06/89 SENATE On Committee agenda—Economic, Professional and Utility Regulation. 04/10/89, 2:00 pm, Room-1C-(309)
04/10/89 SENATE Comm. Report: CS by Economic, Professional and Utility Regulation, placed on Calendar —SJ 125
04/14/89 SENATE CS read first time —SJ 171
06/02/89 SENATE Placed on Special Order Calendar —SJ 242; CS passed; YEAS 38 NAYS 0 —SJ 252
05/06/89 HOUSE In Messages
05/19/89 HOUSE Received, placed on Calendar —HJ 541
05/26/89 HOUSE Placed on Consent Calendar; Substituted for CS/HB 976—HJ 681; Read second time; Amendment adopted; Read third time; CS passed as amended; YEAS 109 NAYS 0—HJ 682
05/26/89 SENATE In Messages
05/30/89 SENATE Concurred; CS passed as amended; YEAS 37 NAYS 0—SJ 569
05/30/89 HOUSE Ordered engrossed, then enrolled —SJ 569
06/12/89 HOUSE Signed by Officers and presented to Governor
06/26/89 HOUSE Approved by Governor; Chapter No. 89-115; See also: CS/SB 1213 (Ch. 89-162)

NOTES: Above bill history from Division of Legislative Information's FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.
I. SUMMARY:

A. Present Situation:

Design-build construction has become increasingly popular in recent years because it appears to produce time and cost savings that cannot be obtained in a typical construction contract. Normally, a client has to tender separate contracts with an architect to design a building project, an engineer to oversee layout of the project and a general contractor to build the project. Time and cost savings can be gained with a design-build contract because a single contract is tendered with an architect, landscape architect, engineer or a general contractor who is responsible for the entire project from the conception and design stages through final construction. However, current law prohibits these professionals from entering into design-build contracts without being licensed as an architect, landscape architect, engineer or a general contractor.

B. Effect of Proposed Changes:

The committee substitute allows general contractors, registered or licensed pursuant to Chapter 489, F.S., to enter into a design-build contract which requires the work of an architect, landscape architect or engineer as long as such work is performed by a registered or licensed member of that profession. The committee substitute also allows architects or landscape architects, certified or registered pursuant to Chapter 481, F.S., and engineers licensed pursuant to Chapter 471, F.S., to enter into a design-build contract which requires the work of a general contractor as long as such work is performed by a registered or licensed member.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

It appears that the public could benefit from the time and cost savings associated with design-build contracts.

B. Government:

None.

III. COMMENTS:

IV. AMENDMENTS:

None.
The committee substitute for SB 467 deletes provisions which would allow general contractors to contract for design-build projects with state agencies, municipalities, political subdivisions, school boards or school districts. The committee substitute also adds a provision which would allow registered or licensed architects, landscape architects and engineers to enter into design-build contracts which require the services of a general contractor so long as the contractor actually performing the work is registered or licensed.
HOUSE OF REPRESENTATIVES
COMMITTEE ON GOVERNMENTAL OPERATIONS
FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: CS/HB 976 (as enacted in CS/SB 467 and CS/SB 1213)
RELATING TO: Design-Build Contracting
SPONSOR(S): Committee on Governmental Operations and Representative Grindle

EFFECTIVE DATE:
CS/SB 467: Upon becoming law
CS/SB 1213: July 1, 1989, or upon becoming law, whichever occurs later

DATE BECAME LAW:
CS/SB 467: June 26, 1989
CS/SB 1213: June 27, 1989

CHAPTER #:
CS/SB 467: 89-115, Laws of Florida
CS/SB 1213: 89-162, Laws of Florida

COMPANION BILL(S):
CS/SB 467 (similar) and CS/SB 1213 (compare)
OTHER COMMITTEES OF REFERENCE:
(1) Appropriations
(2)   

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I. SUMMARY:

A. SHORT SUMMARY:

This bill amends the chapters of the Florida Statutes regulating architects, landscape architects, engineers, and construction contractors to allow certified or registered general contractors to negotiate and perform design-build contracts.

B. PRESENT SITUATION:

The state regulates the professions of engineers, architects, landscape architects, and construction contractors. As currently written, Florida Statutes do not allow a general contractor to negotiate or perform design-build contracts unless the contractor is a licensed or registered architect, landscape architect, or engineer.

In design-build contracting, a client hires one organization to design, contract for, and construct a building. This relieves the client of having to negotiate separate contracts with an architect, landscape architect, engineer, and general contractor. Using design-build contracting can result in a building being completed more quickly.
C. EFFECT OF PROPOSED CHANGES:

The bill amends the various chapters of the Florida Statutes regulating architects, landscape architects, engineers, and construction contractors to allow certified or registered general contractors to negotiate and perform design-build contracts. Under the bill, architecture, engineering, or contracting tasks must be offered and rendered by a licensed, certified, or registered member of the appropriate profession.

D. SECTION-BY-SECTION ANALYSIS AS ENACTED IN CS/SB 467 AND CS/SB 1213:

Section 1 in CS/SB 467 and Section 67 in CS/SB 1213 - Amends s. 471.003(2)(j), Florida Statutes, to allow certified or registered general contractors to negotiate or perform services under a design-build contract as long as engineering services offered or rendered under the contract are offered or rendered by a licensed or registered engineer.

Section 2 in CS/SB 467 and Section 68 in CS/SB 1213 - Amends s. 481.229, Florida Statutes, 1988 Supplement, to create a new subsection to allow certified or registered general contractors to negotiate or perform services under a design-build contract as long as architectural services offered or rendered under the contract are offered or rendered by a licensed architect.

Section 3 in CS/SB 467 and Section 69 in CS/SB 1213 - Amends s. 489.103(16), Florida Statutes, 1988 Supplement, to allow licensed architects, landscape architects, and engineers to negotiate or perform services under a design-build contract as long as contractor services offered or rendered under the contract are offered or rendered by a certified or registered general contractor.

Section 4 in CS/SB 467 and Section 70 in CS/SB 1213 - Amends s. 481.329, Florida Statutes, 1988 Supplement, to create a new subsection to allow certified or registered general contractors to negotiate or perform services under a design-build contract as long as landscape architectural services offered or rendered under the contract are offered or rendered by a licensed architect, landscape architect, or engineer.

Section 5 in CS/SB 467 - Provides an effective date of upon becoming a law.

Section 71 in CS/SB 1213 - Provides an effective date of July 1, 1989, or upon becoming a law, whichever occurs later.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

   See "Fiscal Comments," below.
2. **Recurring or Annualized Continuation Effects:**
   See "Fiscal Comments," below.

3. **Long Run Effects Other Than Normal Growth:**
   See "Fiscal Comments," below.

4. **Appropriations Consequences:**
   See "Fiscal Comments," below.

B. **FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:**

1. **Non-recurring or First Year Start-Up Effects:**
   See "Fiscal Comments," below.

2. **Recurring or Annualized Continuation Effects:**
   See "Fiscal Comments," below.

3. **Long Run Effects Other Than Normal Growth:**
   See "Fiscal Comments," below.

C. **DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

1. **Direct Private Sector Costs:**
   See "Fiscal Comments," below.

2. **Direct Private Sector Benefits:**
   See "Fiscal Comments," below.

3. **Effects on Competition, Private Enterprise, and Employment Markets:**
   See "Fiscal Comments," below.

D. **FISCAL COMMENTS:**

According to a 1989 study published by the University of Florida's School of Building Construction, design-build can result in a building being constructed more quickly, with minimal involvement on the owner's part. However, design-build can also result in increased costs for maintenance and daily operation, because the building might be designed more for ease of construction than for efficiency of operation. Therefore, if design-build works "well," the public and private sectors would benefit because buildings would be built more quickly. If design-build does not work "well," however, the public and private sectors might not benefit because the building could cost more to operate and maintain.
III. **LONG RANGE CONSEQUENCES:**

The State Comprehensive Plan does not address the issues contained in this bill.

IV. **COMMENTS:**

Neither the House's Issues Conference Policy Statements nor the Governmental Operations Committee's Mission Statement address the issues contained in this bill.

V. **SIGNATURES:**

**SUBSTANTIVE COMMITTEE:**
Prepared by: Lyn Davis
Staff Director: Barry Kling

**SECOND COMMITTEE OF REFERENCE:**
Prepared by: 
Staff Director: 

**APPROPRIATIONS:**
Prepared by: 
Staff Director: 

STANDARD FORM 1/89