

THE FLORIDA SENATE  
2020 SUMMARY OF LEGISLATION PASSED

## Committee on Community Affairs

### **CS/CS/HB 279 — Local Government Public Construction Works**

by State Affairs Committee; Oversight, Transparency and Public Management Subcommittee; and Rep. Smith, D. and others (CS/CS/SB 504 by Rules Committee; Governmental Oversight and Accountability Committee; and Senator Perry)

Under Florida law, counties, municipalities, special districts, and other political subdivisions seeking to construct or improve a public building or structure must competitively bid the project if the projected cost is in excess of \$300,000. For electrical work, local governments must competitively bid projects estimated to cost more than \$75,000. An exemption from the requirement to competitively award these projects exists when the governing board of a local government determines that it is in the public's best interest to use services, employees, and equipment controlled by the government entity.

The bill reforms how local governments must estimate the projected costs of a public building construction project. Local governments must use a revised cost estimation formula when deciding whether it is in the local government's best interest to perform the project using its own services, employees, and equipment. The bill requires the estimated project cost formula to include employee compensation and benefits, the cost of direct materials to be used in the construction of the project, including materials purchased by the local government, other direct costs, and an additional factor of 20 percent for management, overhead, and other indirect costs. The bill also requires local governments to consider the same formula when determining the estimated cost of road and bridge construction and reconstruction projects performed with proceeds from the constitutional gas tax.

The bill also requires local governments issuing bidding documents or other requests for proposals to provide a list of all other governmental entities that may have additional permits or fees generated by a project.

Finally, a local government constructing a public building using its own services, employees, and equipment must create a report summarizing the project constructed by the local government, which must be publicly reviewed each year by the local government. The Auditor General must also examine the project reports as part of his or her audits of local governments.

If approved by the Governor, these provisions take effect July 1, 2020.

*Vote: Senate 36-1; House 114-1*