

STORAGE NAME: h2167a.gg

DATE: April 18, 2000

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
GENERAL GOVERNMENT APPROPRIATIONS
ANALYSIS**

BILL #: HB 2167 (PCB GO 00-01)

RELATING TO: Department of Management Services

SPONSOR(S): Committee on Governmental Operations and Representative Posey

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) GOVERNMENTAL OPERATIONS YEAS 5 NAYS 0
 - (2) GENERAL GOVERNMENT APPROPRIATIONS YEAS 9 NAYS 0
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill amends various sections of the Florida Statutes pertaining to the Department of Management Services which is the agency that serves as the administrative arm of state government.

The bill establishes a tenant broker pilot project in certain designated Florida counties to assist with property procurement; provides an exception to competitive bidding for those leases negotiated pursuant to the pilot project; provides for negotiation of a replacement lease for currently occupied space under certain conditions; allows agencies to negotiate leases in designated Front Porch Communities without competitive bidding; provides for the rental of "permit" parking spaces in addition to "reserved" parking spaces; authorizes emergency medical services organizations to purchase under state term contracts; authorizes the Public Service Commission to enforce the remittance of the collected 911 fee to the county; provides the department with rulemaking authority for establishing the methods for collecting data and the 911 fee; combines current sections of statutes and repeals those that have been combined; changes a statutory reference from "personal holiday" to "personal day"; and provides that state employees who terminate employment for reasons of disability shall be eligible for payment of accumulated and unused sick leave.

The Department anticipates no fiscal impact.

This bill provides an effective date of July 1, 2000.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

The Department of Management Services(DMS) serves as the administrative arm of state government. The department consolidates the state's buying power for the purchase of commodities and services and establishes purchasing rules and guidelines to ensure that the state maintains a fair and competitive procurement process. The department serves as the centralized authority for state-owned facilities operations, maintenance, construction and security in the Florida Facilities Pool and other state facilities. The department provides access to low cost advanced telecommunications services to allow state and local governments to improve efficiency and deliver more and better services to citizens. DMS develops policy guidelines to ensure that human resource issues, including employee recruitment, promotion, and discipline, are fairly and uniformly addressed and implemented. The department provides a comprehensive and cost-efficient package of insurance benefits for the State of Florida workforce, monitors the actuarial soundness of local government retirement plans, and administers statewide retirement programs.

The mission of the department is accomplished primarily through the Workforce, Technology, Support, and Facilities programs. As a service-driven organization, the department is committed to providing the best quality service at a competitive price. Since approximately 95 percent of the DMS current operating budget is generated primarily from fees for service, the department has a powerful incentive to continually seek ways to improve the level and quality of services offered, while holding down costs.

C. EFFECT OF PROPOSED CHANGES:

Section 1. Amends s. 255.25(3)(a), F.S., requiring approval of the department prior to construction or lease of buildings except for those leases negotiated pursuant to the pilot project established by the department herein.

Amends s. 255.25(3)(b), F.S., providing that if an agency determines that it is in its best interest to remain in the space it currently occupies, the agency may negotiate a replacement lease with the lessor if an independent market analysis demonstrates that the rates offered are within market rates for the space offered, and if the cost of the new lease does not exceed the cost of a comparable lease plus documented moving costs. A present value analysis and the consumer price index shall be used in the calculation of lease costs.

The term of the replacement lease shall not exceed the base term of the expiring lease.

Adds s. 255.25(3)(c), F.S., providing that any agency proposing to enter into a lease for office space in an area designated as part of the Front Porch Florida Initiative, may, with the prior approval of the Department of Management Services, directly negotiate with a building owner for leased space within such area without the competitive bid requirement of s. 255.25 (3) (a), F.S. The "Front Porch Florida" initiative seeks to advance an urban policy that will release the power of local communities in Florida's urban cores to rebuild their neighborhoods through a redevelopment process that is neighborhood-driven, asset-based, and focused on community relationships.

Adds s. 255.25(12)(a), F.S., directing that the department shall undertake a pilot project in Hillsborough, Leon, Broward, Orange and Seminole Counties for a contracted tenant broker to assist state agencies in locating suitable private sector leases. The department shall solicit qualified candidates through the request for proposal process and conduct interviews of finalists. The tenant broker shall be under contract to the department, but all fees or commissions to be paid to the tenant broker shall be paid by the ultimate private sector lessor. The department shall select a tenant broker in each county in the pilot project. Agencies may employ the services of the broker in any such county for a specified period of time for a given property procurement. Except for the exemption from competitive bidding described in s. 255.25 (3) (a), F.S., current leasing procedures will remain in effect, including the zone rate guidelines. Brokers shall be required to disclose any conflict of interest and all compensation received from transactions. Brokers' compensation shall be no more than what is customarily found in the marketplace. Contracts between the department and the broker shall be for a term of 1 year, renewable for an additional year based on a satisfactory performance review. The department is authorized to adopt rules to carry out the intent of this section.

Adds s. 255.25(12)(b), F.S., establishing the following goals for the pilot project:

- Providing for a faster, more efficient, and cost-effective lease procurement process;
- Providing access for agencies to experienced brokers with knowledge of the local marketplace;
- Providing a documented, professional cost-benefit analysis of all choices;
- Providing for the ability to negotiate the best deal;
- Providing the ability to reject any proposal which does not meet the needs of the agency; and
- Providing that the department shall have the final review and approval of all leases to ensure quality control.

Adds s. 255.25(12)(c), F.S., providing that on or before July 1, 2002, the department shall report to the Legislature on the effectiveness of the pilot project and shall make recommendations, in the form of legislation, if necessary, for the implementation of the project on a statewide basis.

Adds s. 255.25(12)(d), F.S., providing that the pilot project shall stand repealed effective July 1, 2002.

- Section 2. Amends s. 255.2501(1), F.S., prohibiting the entering into of any contract on behalf of the state, the term of which contract is more than 5 years, including any and all renewal periods, series of leases, lease-purchases, sale-leasebacks, purchases, or rental of any office space, building, real property and improvements thereto, or any other fixed capital outlay project, any of which is, is to be, or during the term of any lease entered into pursuant to section 255.25, F.S., becomes financed with local government obligations of any type.
- Section 3. Amends s. 272.161(1)(a), F.S., adding “permit parking space” in addition to “reserved parking space” as space for which the department charges. Increases the time from 7 days to 30 days in which unrented space is returned to the department for reassignment. Allows the department to establish fees on all state-owned parking facilities under the jurisdiction of the department. In addition to removing or towing away, authorizes the department to ticket any wrongfully parked vehicle in any assigned, reserved, or permit parking space under control of the department at the expense of the owner.
- Section 4. Amends s. 287.042(2)(a), F.S., authorizing emergency medical services organizations to purchase under state term contracts pursuant to s. 401.024, F.S.
- Section 5. Amends s. 365.171(13)(a)(2), F.S., providing that the Public Service Commission is authorized to enforce the remittance of the collected 911 fee to the county.
- Adds s. 365.171(13)(a)(8), F.S., authorizing the department to establish by rule, in conjunction with applicable public agencies, the methods for collecting data and the 911 fee.
- Section 6. Amends s. 110.1521, F.S., consolidating requirements of the department to develop a model rule relating to family support personnel policies into one section of the Florida Statutes rather than three.
- Section 7. Repeals s. 110.1522, F.S., which is consolidated into s. 110.1521, F.S.
- Section 8. Repeals s. 110.1523, F.S., which is consolidated into s. 110.1521, F.S.
- Section 9. Amends s. 110.117, F.S., providing that each full-time employee is eligible for one personal day each year; providing that each part-time employee is eligible for a personal day each year which shall be calculated proportionately to the personal day allowed to a full-time employee; changing “personal holiday” currently found in statute to “personal day”; and providing that such personal day shall be credited to eligible employees on July 1 of each year to be taken prior to June 30 of the following year.
- Section 10. Amends s. 110.122, F.S., bringing the state into compliance with the Americans with Disabilities Act by allowing state employees who retire under disability retirement to be eligible for payment of their accumulated and unused sick leave.
- Amends s. 110.122(5), F.S., providing for the forfeiture of retirement benefits for certain offenses prior to termination of employment rather than retirement.

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Section 11. Provides that this act shall take effect July 1, 2000.

D. SECTION-BY-SECTION ANALYSIS:

Please see Section II. C. Effects of Proposed Changes.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Those non-governmental public safety and affiliated agencies who will be allowed to purchase on state term contracts should save dollars.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that counties or municipalities have to raise revenue in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

The Department of Management Services is granted authority to adopt rules to carry out the intent of the pilot tenant broker project. The department is authorized to establish by rule, in conjunction with applicable public agencies, the methods for collecting 911 data and the 911 fee.

C. OTHER COMMENTS:

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

At its March 14, 2000, committee meeting, the Committee on Governmental Operations adopted two amendments to the bill. Amendment 1, removed the word "retirement" on page 12, lines 6 and 12, of the bill where it should have been removed originally in drafting but inadvertently it was not. Amendment 2, restores current language that was removed in the bill related to the "911" emergency telephone fee. Restoring this language will keep the current charge of 50 cents per month per line up to a maximum of 25 access lines per account bill rendered. The bill was reported favorably, as amended, and the amendments are incorporated into the bill.

On April 18, 2000, the Committee on General Government Appropriations adopted three amendments to HB 2167. Two of the amendments require that the DMS not prohibit or limit any properly licensed insurer, health maintenance organization, prepaid limited health services organization, or insurance agent from competing for any insurance product or plan purchased, provided, or endorsed by the department, on the basis of the compensation arrangement utilized by the insurer or organization for its agents. The third amendment requires the DMS to contract for the implementation of an alternative retirement income security benefits program for eligible other personal services employees. The amendments are traveling with the bill.

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VII. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

Staff Director:

Jimmy O. Helms

Jimmy O. Helms

AS REVISED BY THE COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS:

Prepared by:

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Marsha M. Belcher

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