1 A bill to be entitled 2 An act relating to the Department of Management Services; 3 amending s. 255.248, F.S.; revising, eliminating, and 4 providing additional definitions used in ss. 255.249 and 5 255.25, F.S.; amending s. 255.249, F.S.; substantially 6 revising responsibilities of the Department of Management 7 Services with respect to the use and management of state-8 owned office buildings and the lease of privately owned 9 buildings by the state; providing that the department has 10 exclusive authority over, and is the primary contact point and managing agent for, existing and future leases to a 11 state agency; providing for the right of the department to 12 direct an agency to occupy a specific location; precluding 13 a state agency from negotiating or executing its own lease 14 15 for space; requiring the department to manage all parking 16 activities, including the management of parking structures and appurtenant facilities; requiring the department to 17 ensure efficient occupancy and allocation of space in 18 19 state-owned buildings and in privately owned buildings 20 leased to a state agency; requiring the department to be 21 responsible for both custodial and preventative 22 maintenance of state-owned buildings and appurtenant 23 parking facilities and grounds; requiring an annual 24 comprehensive leasing report to the Governor and the 25 Legislature; specifying contents of the report; requiring 26 the department to adopt specified rules for implementation 27 of the section; authorizing the department to procure 28 contracts for real estate consulting and for tenant

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brokerage services; authorizing the use of a contractor procured to provide such services to assist with the execution of specified responsibilities; providing for continuing effect of existing contracts; precluding the department from executing a lease agreement with specified private landlords; providing nonapplicability; creating s. 255.2491, F.S.; requiring agencies to identify intraagency resources related to leasing and lease administration functions by a specified date; requiring the department to submit a plan by a specified date identifying positions needed to support centralized leasing activities within the department; requiring specified state agencies to enter into an interagency agreement with the department relating to the assumption of centralized leasing activities by the department; specifying requirements to be contained in the agreement; amending s. 255.25, F.S.; substantially revising provisions relating to required approval by the department prior to the construction or lease of buildings; requiring the department to utilize the competitive solicitation process for specified leases; requiring an alternative process for leases exempt from the competitive solicitation; requiring the department to follow a specified process for competitive solicitation established in department rule; providing exceptions to the competitive solicitation process; requiring the department to adopt specified rules; amending ss. 110.171, 255.25001, 288.012, 288.1224, 288.1226, 944.10, 957.04,

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985.682, and 1013.17, F.S.; conforming, correcting, and clarifying cross-references; providing effective dates.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Effective December 1, 2009, section 255.248, Florida Statutes, is amended to read:

255.248 Definitions; ss. 255.249 and 255.25.--As used in ss. 255.249 and 255.25, the term:

- (1) "Best leasing value" means the highest overall value to the state based on objective factors that include, but are not limited to, rental rate, renewal rate, operational and maintenance costs, tenant-improvement allowance, location, lease term, condition of facility, landlord responsibility, amenities, and parking.
- (2) "Competitive solicitation" means an invitation to bid, a request for proposals, or an invitation to negotiate.
- (3) "Department" means the Department of Management Services.
- (4) "Florida Facilities Pool" means the pool of facilities created in s. 255.505.
- (5) "Private lease to a state agency" means any lease for space in a privately owned building to one or more executive agencies predominantly for administrative direction or support functions.
- (6) "Privately owned building" means any building not owned by a state governmental agency.

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(5) "Responsible lessor" means a lessor who has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance.

- (6) "Responsive bid," "responsive proposal," or "responsive reply" means a bid or proposal, or reply submitted by a responsive and responsible lessor, which conforms in all material respects to the solicitation.
- (7) "Responsive lessor" means a lessor that has submitted a bid, proposal, or reply that conforms in all material respects to the solicitation.
- (7) (8) "State-owned office building" means any building title to which is vested in the state and which is used by one or more executive agencies predominantly for administrative direction and support functions. This term excludes:
- (a) District or area offices established for field operations where law enforcement, military, inspections, road operations, or tourist welcoming functions are performed.
- (b) All educational facilities and institutions under the supervision of the Department of Education.
- (c) All custodial facilities and institutions used primarily for the care, custody, or treatment of wards of the state.
  - (d) Buildings or spaces used for legislative activities.
- (e) Buildings purchased or constructed from agricultural or citrus trust funds.
- Section 2. Effective December 1, 2009, section 255.249, 110 Florida Statutes, is amended to read:

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111	(Substantial rewording of section. See
112	s. 255.249, F.S., for present text.)
113	255.249 Centralized leasing authority; centralized parking
114	management; responsibilities of department; annual comprehensive
115	<pre>leasing report; rules</pre>
116	(1) Except as provided in subsection (5), the department
117	shall:
118	(a) Have exclusive authority over, and be the primary
119	contact point and managing agent for, each existing and future
120	lease to a state agency. This authority includes the right of
121	the department to direct a state agency to occupy a specific
122	location. A state agency may not negotiate or execute its own
123	lease for space.
124	(b) Manage all parking activities, including, but not
125	limited to, the charging of fees for cost recovery and
126	allocation of space at all state-owned buildings managed by the
127	department, including the management of parking structures,
128	garages, lots, grounds, or similar facilities or areas
129	appurtenant to such buildings.
130	(c) Ensure efficient occupancy and allocation of space in
131	state-owned buildings and in privately owned buildings leased to
132	a state agency.
133	(d) Be responsible for both custodial and preventative
134	maintenance of state-owned buildings and any parking facilities
135	or grounds appurtenant to such buildings.
136	(2) By September 15, annually, the department shall
137	provide to the Executive Office of the Governor and the

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Legislature a comprehensive leasing report detailing:

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(a) Each private lease to a state agency that is scheduled to expire within 24 months, categorized by agency and by geographic market.

- (b) The specifics of each private lease to a state agency, including location, square footage, rental rate, and expiration date, and a statement expressing whether suitable space is expected to be available in a state-owned building upon expiration of the lease.
- (c) The potential financial impact to the Florida

  Facilities Pool rental rate that may be realized from the disposition, sale, acquisition, or construction of state-owned buildings.
- (d) Year-over-year percentage changes to occupancy rates, maintenance costs, and operating expenses of the Florida Facilities Pool.
- (e) Year-over-year percentage changes to occupancy costs by market, space consumption by agency, and space consumption by market of the Florida Facilities Pool.
- (f) An analysis and summary of major market supply and demand for the ten largest markets in which the state leases space.
- (g) Recommendations of strategic opportunities for consolidations, dispositions, acquisitions, and construction, and cost-benefit analyses for each strategic opportunity.
- (3) The department shall adopt rules pursuant to chapter 120 providing for:
- 165 (a) Performance and execution of all responsibilities and
  166 authorities granted under this section.

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(b) The advertisement, receipt, evaluation, and award of competitive proposals for leases. The department's rules shall include, but not be limited to:

- 1. A process for requests for bid similar to the process prescribed in s. 287.057(1).
- 2. A process for requests for proposals similar to the process prescribed in s. 287.057(2).
- 3. A process for invitations to negotiate similar to the process prescribed in s. 287.057(3).
- (c) Requirements that all leases shall be awarded to the best leasing value, a process for describing best leasing value in each advertisement, and a process for determining the best leasing value and awarding the lease.
- (d) Extension criteria for existing leases, the termination of an existing lease, and the use of tenant improvement funds upon termination of a lease.
- (e) Methods and guidelines used to validate square footage used for the calculation of lease payments.
- (f) Acceptable terms and conditions for inclusion in lease agreements and addenda, which must, at a minimum, include:
  - 1. The following statements:

- <u>a.</u> "The State of Florida's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature."
- b. "The Lessee shall have the right to terminate, without penalty, this lease in the event a state-owned building becomes available to the Lessee for occupancy upon giving 6 month's

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advance written notice to the Lessor by Certified Mail, Return Receipt Requested."

- 2. A requirement for full disclosure of the names and the extent of interest of the owners holding an interest of 4 percent or more in any privately owned property leased to the state or in the entity holding title to the property. The requirement must stipulate that an owner identified under this subparagraph is exempt from disclosure of:
- a. Any beneficial interest which is represented by stock in any corporation registered with the Securities and Exchange Commission or registered pursuant to chapter 517, which stock is for sale to the general public; and
- b. Any leasehold interest in property located outside the territorial boundaries of the United States.
- 3. A requirement for full disclosure of the names of all public officials, agents, or employees holding any interest in any privately owned property leased to the state or in the entity holding title to the property, and the nature and extent of their interest. The requirement must stipulate that a public official, agent, or employee identified under this subparagraph is exempt from disclosure of:
- a. Any beneficial interest which is represented by stock in any corporation registered with the Securities and Exchange Commission or registered pursuant to chapter 517, which stock is for sale to the general public; and
- b. Any leasehold interest in property located outside the territorial boundaries of the United States.

(g) A standardized format for agency reporting of required information.

(h) A standard accounting method for reporting agency lease costs.

- (i) A standard method for the assessment of rent to state agencies and other authorized occupants of state-owned office space, notwithstanding the source of funds.
- (j) Methods and guidelines for reporting to each agency on a quarterly basis with respect to space occupied.
- procure contracts for real estate consulting and for tenant brokerage services and may use a contractor procured for those purposes to assist with the execution of any responsibility prescribed in this section. Any contract between a contractor procured to provide real estate consulting or to provide tenant brokerage services and the department entered into prior to January 1, 2010, shall remain in effect. The department may not execute a lease agreement with a private landlord with which a contractor procured under this section is engaged to provide real estate consulting or tenant brokerage services.
  - (5) This section does not apply to:
- (a) District or area offices established for field operations where law enforcement, military, inspections, road operations, or tourist-welcoming functions are performed.
- (b) Educational facilities and institutions under the supervision of the Department of Education.
- (c) Custodial facilities and institutions used primarily for the care, custody, or treatment of wards of the state.

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(d) Buildings or spaces used for legislative activities.

- (e) Buildings purchased or constructed from agricultural or citrus trust funds.
- $\underline{\text{(f)}}$  Wireless communications facilities, except as stipulated in s. 365.172(12)(f).

- (g) Department of Transportation right-of-way leases.

  Section 3. Effective December 1, 2009, section 255.2491,

  Florida Statutes, is created to read:
- 255.2491 Transition to centralized leasing authority;
  agency responsibilities.--
- (1) Between July 1, 2009, and October 31, 2009, each agency having a private lease to which s. 255.249 applies shall work with the department to identify all resources existing within its agency relating to leasing and lease administration functions, including:
- (a) Full-time or part-time positions dedicated to real estate leasing functions and associated appropriations for those positions.
- (b) Annual appropriations for lease occupancy costs and funding sources to support such appropriations.
- (2) By October 31, 2009, and in conjunction with all impacted state agencies, the department shall submit a plan identifying positions needed to support centralized leasing activities within the department.
- (3) Effective December 1, 2009, each state agency having a private lease to which s. 255.249 applies shall enter into an interagency agreement with the department that contains provisions:

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(a) Requiring functional supervision by the department over persons in the positions identified in subsection (2) as needed to support centralized leasing activities within the department.

- (b) Requiring that all salaries, benefits, and operational costs shall remain the obligation of each respective agency through June 30, 2010.
- (c) Requiring the development of policies and procedures in conjunction with each agency to carry out the provisions of the agreement.
- (d) Requiring that the department is to act as the authorized agent of the agency in any private lease to which s. 255.249 applies.
- (e) Authorizing the department to substitute itself as the tenant under any private lease to which s. 255.249 applies, subject to any restrictions set forth in the lease, and to consider the agency its subtenant without materially changing the agency's rights or responsibilities.
- (f) Specifying other terms that the parties deem appropriate to accomplish the efficient transition of responsibilities and the general purposes of this section and ss. 255.249 and 255.25.
- Section 4. Section 255.25, Florida Statutes, is amended to read:
  - (Substantial rewording of section. See
- 302 s. 255.25, F.S., for present text.)
- 303 255.25 Competitive solicitation; exceptions.--

(1) The department shall utilize the competitive solicitation process for leases of 5,000 square feet or greater or shall acquire a minimum of 3 written quotes for leases exempt from the competitive solicitation process pursuant to subsection (2). The department shall follow the process as established in rules for competitive solicitation authorized in s.

255.249(3)(b).

- (2) Exceptions to the competitive solicitation process identified in subsection (1) shall include:
- (a) Acquisition of a portion of space destroyed or rendered uninhabitable by an act of God, malicious destruction, fire, structural failure, or legal action. The term of such emergency acquisition shall be no longer than 18 months from the commencement of the emergency lease acquired under this chapter.
  - (b) Leases for nominal or no consideration.
  - (c) Leases for a term of less than 120 days.
- (3) The following leases shall be exempt from the competitive solicitation process with written approval of the department:
- (a) Extensions of existing leases if the total of the extensions from the original lease termination date does not exceed 11 months.
- (b) Emergency acquisition of space to replace a portion of space destroyed or rendered uninhabitable by an act of God, fire, malicious destruction, structural failure, or by legal action. The term of such emergency acquisition may not exceed 11 months unless the original space will be made inhabitable within 17 months of the commencement of the emergency lease.

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(c) Leases that demonstrate best leasing value and public benefit through the colocation or consolidation of like public services in partnership with municipal or other governmental entities.

- (4) The department shall adopt and publish rules for the public to contest the award of leases acquired using the competitive solicitation process.
- Section 5. Effective December 1, 2009, paragraph (m) of subsection (3) of section 110.171, Florida Statutes, is amended to read:
  - 110.171 State employee telecommuting program.--
- (3) By September 30, 2009, each state agency shall identify and maintain a current listing of the job classifications and positions that the agency considers appropriate for telecommuting. Agencies that adopt a state employee telecommuting program must:
- (m) Provide measurable financial benefits associated with reduced office space requirements, reductions in energy consumption, and reductions in associated emissions of greenhouse gases resulting from telecommuting. State agencies operating in office space owned or managed by the department shall consult the facilities program to ensure its consistency with the <u>comprehensive</u> strategic leasing <u>report</u> plan required under s. 255.249(2)(3)(b).
- Section 6. Effective December 1, 2009, subsection (2) of section 255.25001, Florida Statutes, is amended to read:

255.25001 Suspension or delay of specified functions, programs, and requirements relating to governmental operations.—Notwithstanding the provisions of:

- (2) Sections 253.025, 255.249, and 255.25, the Department of Management Services has the authority to promulgate rules pursuant to chapter 120 to be used in determining whether a lease-purchase of a state-owned office building is in the best interests of the state, which rules provide:
- (a) Procedures state agencies will follow to certify the need for a lease-purchase acquisition for a state-owned office building to the Department of Management Services and a notification procedure of the department's decision regarding state agencies' requests for a lease-purchase agreement. The certification process shall include but not be limited to the following:
- 1. Current programmatic space requirements of the state agency.
- 2. Future programmatic space requirements of the state agency.
- 3. Time considerations in providing state-owned office building space.
- 4. An analysis of existing leases affected by the leasepurchase agreement.
- (b) Procedures and document formats for the advertisement, competitive bid process, including format of submissions, and evaluation of lease-purchase acquisition proposals for state-owned office buildings. The evaluation process shall include but not be limited to the following:

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- 386 1. A consideration of the cost of comparable operating 387 leases.
- 388 2. The appraised value of the facility as required by s.
- 389 253.025.
- 390 3. A present value analysis of the proposed payment stream.
  - 4. The cost of financing the facility to be acquired.
  - 5. The cost to repair identified physical defects.
  - 6. The cost to remove identified hazardous substances.
  - 7. An energy analysis.
  - 8. A determination of who is responsible for management and maintenance activities.

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- In order to minimize the cost of the evaluation process, the Department of Management Services may develop a multistage evaluation process to identify the most cost-efficient proposals for extensive evaluation. The studies developed as a result of this evaluation process shall be considered confidential and exempt from the provisions of s. 119.07(1) to the same extent that appraisal reports are considered confidential and exempt from the provisions of s. 119.07(1) as provided in s. 253.025(6)(d).
- 407 253.025(6)(d)
  - (c) Acceptable terms and conditions for inclusion in lease-purchase agreements, which shall include but not be limited to:
  - 1. The assignment of the lease-purchase agreement to other governmental entities, including accumulated equity.

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2. The ability of the acquiring state agency to sublease a portion of the facility, not to exceed 25 percent, to other governmental entities. These subleases shall provide for the recovery of the agencies' cost of operations and maintenance.

- The execution of a lease-purchase is conditioned upon a finding by the Department of Management Services that it would be in the best interests of the state. The language in this subsection shall be considered specific authorization for a lease-purchase pursuant to s. 255.25(1)(c) upon the Department of Management Services' certification that the lease-purchase is in the best interests of the state. Thereafter, the agency is authorized to enter into a lease-purchase agreement and to expend operating funds for lease-purchase payments. Any facility which is acquired pursuant to the processes authorized by this subsection shall be considered to be a "state-owned office building" and a "state-owned building" as those terms are applied in ss. 255.248-255.25.
- (d) That any costs resulting from the processes authorized by this subsection, including but not limited to appraisals, environmental analyses, and any other studies which may be required under these provisions, shall be borne by the owner of the property which is the subject of the proposed leasepurchase.
- Section 7. Effective December 1, 2009, subsection (4) of section 288.012, Florida Statutes, is amended to read:
- 288.012 State of Florida foreign offices.--The Legislature finds that the expansion of international trade and tourism is

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vital to the overall health and growth of the economy of this state. This expansion is hampered by the lack of technical and business assistance, financial assistance, and information services for businesses in this state. The Legislature finds that these businesses could be assisted by providing these services at State of Florida foreign offices. The Legislature further finds that the accessibility and provision of services at these offices can be enhanced through cooperative agreements or strategic alliances between state entities, local entities, foreign entities, and private businesses.

- (4) The Office of Tourism, Trade, and Economic Development, in connection with the establishment, operation, and management of any of its offices located in a foreign country, is exempt from the provisions of ss. 255.21, 255.249, 255.25, and 255.254 relating to leasing of buildings; ss. 283.33 and 283.35 relating to bids for printing; ss. 287.001-287.20 relating to purchasing and motor vehicles; and ss. 282.003-282.111 relating to communications, and from all statutory provisions relating to state employment.
- (a) The Office of Tourism, Trade, and Economic Development may exercise such exemptions only upon prior approval of the Governor.
- (b) If approval for an exemption under this section is granted as an integral part of a plan of operation for a specified foreign office, such action shall constitute continuing authority for the Office of Tourism, Trade, and Economic Development to exercise the exemption, but only in the context and upon the terms originally granted. Any modification

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of the approved plan of operation with respect to an exemption contained therein must be resubmitted to the Governor for his or her approval. An approval granted to exercise an exemption in any other context shall be restricted to the specific instance for which the exemption is to be exercised.

- (c) As used in this subsection, the term "plan of operation" means the plan developed pursuant to subsection (2).
- (d) Upon final action by the Governor with respect to a request to exercise the exemption authorized in this subsection, the Office of Tourism, Trade, and Economic Development shall report such action, along with the original request and any modifications thereto, to the President of the Senate and the Speaker of the House of Representatives within 30 days.

Section 8. Effective December 1, 2009, paragraph (b) of subsection (9) of section 288.1224, Florida Statutes, is amended to read:

288.1224 Powers and duties. -- The commission:

(9) Is authorized to establish and operate tourism offices in foreign countries in the execution of its responsibilities for promoting the development of tourism. To facilitate the performance of these responsibilities, the commission is authorized to contract with the commission's direct-support organization to establish and administer such offices. Where feasible, appropriate, and recommended by the 4-year marketing plan, the commission may collocate the programs of foreign tourism offices in cooperation with any foreign office operated by any agency of this state.

(b) The Florida Commission on Tourism, or its direct-support organization, in connection with the establishment, operation, and management of any of its tourism offices located in a foreign country, is exempt from the provisions of ss. 255.21, 255.249, 255.25, and 255.254 relating to leasing of buildings; ss. 283.33 and 283.35 relating to bids for printing; ss. 287.001-287.20 relating to purchasing and motor vehicles; and ss. 282.003-282.111 relating to communications, and from all statutory provisions relating to state employment, if the laws, administrative code, or business practices or customs of the foreign country, or political or administrative subdivision thereof, in which such office is located are in conflict with these provisions.

Section 9. Effective December 1, 2009, paragraph (d) of subsection (2) of section 288.1226, Florida Statutes, is amended to read:

288.1226 Florida Tourism Industry Marketing Corporation; use of property; board of directors; duties; audit.--

- (2) ESTABLISHMENT.--The Florida Commission on Tourism shall establish, no later than July 31, 1996, the Florida Tourism Industry Marketing Corporation as a direct-support organization:
- (d) Which shall not be considered an agency for the purposes of chapters 120, 216, and 287; ss. 255.21, 255.249, 255.25, and 255.254, relating to leasing of buildings; ss. 283.33 and 283.35, relating to bids for printing; s. 215.31; and parts I, II, and IV-VIII of chapter 112.

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Section 10. Effective December 1, 2009, paragraph (a) of subsection (3) of section 944.10, Florida Statutes, is amended to read:

- 944.10 Department of Corrections to provide buildings; sale and purchase of land; contracts to provide services and inmate labor.--
- (3) (a) The department may enter into lease-purchase agreements to provide correctional facilities for the housing of state inmates. However, no such lease-purchase agreement shall be entered into without specific legislative authorization of that agreement, and funds must be specifically appropriated for each lease-purchase agreement. The facilities provided through such agreements shall meet the program plans and specifications of the department. The department may enter into such lease agreements with private corporations and other governmental entities. However, notwithstanding the provisions of <a href="mailto:ss.255.25(3)(a)">ss.255.25(3)(a)</a>, no such lease agreement may be entered into except upon advertisement for and receipt of competitive bids and award to the lowest and best bidder.
- Section 11. Effective December 1, 2009, paragraph (a) of subsection (2) of section 957.04, Florida Statutes, is amended to read:
  - 957.04 Contract requirements.--
- (2) Each contract entered into for the design and construction of a private correctional facility or juvenile commitment facility must include:
- (a) Notwithstanding any provision of chapter 255 to the contrary, a specific provision authorizing the use of tax-exempt

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financing through the issuance of tax-exempt bonds, certificates of participation, lease-purchase agreements, or other tax-exempt financing methods. Pursuant to s. 255.25, Approval is hereby provided for the lease-purchase of up to two private correctional facilities and any other facility authorized by the General Appropriations Act.

Section 12. Effective December 1, 2009, paragraph (b) of subsection (15) of section 985.682, Florida Statutes, is amended to read:

985.682 Siting of facilities; study; criteria.-- (15)

(b) Notwithstanding ss. 255.249, 255.25,(1)(b) and 255.25001(2), the department may enter into lease-purchase agreements to provide juvenile justice facilities for the housing of committed youths contingent upon available funds. The facilities provided through such agreements shall meet the program plan and specifications of the department. The department may enter into such lease agreements with private corporations and other governmental entities. However, notwithstanding the provisions of ss. 255.249 and 255.25 s. 255.25(3)(a), no such lease agreement may be entered into except upon advertisement for the receipt of competitive bids and award to the lowest and best bidder except when contracting with other governmental entities.

Section 13. Effective December 1, 2009, section 1013.17, Florida Statutes, is amended to read:

1013.17 University leasing in affiliated research and development park. -- A university is exempt from the requirements

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of <u>ss. 255.249</u> and <u>255.25</u> <del>s. 255.25(3), (4), and (8)</del> when leasing educational facilities in a research and development park with which the university is affiliated and when the Board of Governors certifies in writing that the leasing of such educational facilities is in the best interests of the university and that the exemption from competitive bid requirements would not be detrimental to the state. Leases entered into pursuant to this section are subject to the provisions of s. 1010.62.

Section 14. Except as otherwise specifically provided in this act, this act shall take effect July 1, 2009.