

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Budget Committee

BILL: CS/CS/SB 1626

INTRODUCER: Governmental Oversight and Accountability Committee, Banking and Insurance Committee, and Senator Gaetz

SUBJECT: State Contracting

DATE: March 1, 2012 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Rubio	Burgess	BI	Fav/CS
2.	McKay	Roberts	GO	Fav/CS
3.	Betta	Rhodes	BC	Pre-meeting
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

This bill transfers the responsibility and authority to develop procurement policy, procedures, and rules from the Department of Management Services (DMS) to the Department of Financial Services (DFS), which must establish and enforce procurement and contracting policies for all agencies. The bill limits the procurement duties of DMS to the actual procurement of commodities and contractual services, and some related functions. The bill subjects more governmental entities to the contract reporting provisions of the intergovernmental contract tracking system in the Transparency Florida Act. The bill allows Chief Financial Officer (CFO) approval of contracts and grants before execution of the agreements, requires DFS to establish a contract manager certification program, and provides an appropriation. The bill requires the CFO to conduct a study of current procurement laws, and submit findings and recommendations to the Legislature and Governor.

The bill also deletes a provision related to the amount of inmate labor required in products offered by Prison Rehabilitative Industries and Diversified Enterprises (PRIDE).

The bill repeals Chapter 287, F.S., effective July 30, 2014.

This bill substantially amends the following sections of the Florida Statutes: 11.45, 215.971, 215.985, 255.25, 287.012, 287.032, 287.042, 287.057, 287.058, 287.133, 402.7305, 427.0135, and 946.515.

This bill repeals the following sections of the Florida Statutes: 216.0111, and 287.095(3).

This bill creates the following sections of the Florida Statutes: 287.044, and 287.1312.

II. Present Situation:

Department of Management Services and Chapter 287, F.S.

Under ch. 287, F.S., the Division of State Purchasing in the Department of Management Services (DMS) is responsible for developing and administering standardized procurement policies, procedures, and practices to be used by state agencies in acquiring commodities, contractual services, and information technology. A variety of procurement methods are available for use by the agencies depending on the cost and characteristics of the needed good or service, the complexity of the procurement, and the number of available vendors. To guide the procedures for the procurement method to be used, the type of review required, and the method for the award of any contract the following purchasing categories with threshold amounts have been established:

- Category one: \$20,000
- Category two: \$35,000
- Category three: \$65,000
- Category four: \$195,000
- Category five: \$325,000¹

The DMS prescribes methods of securing competitive sealed bids, proposals, and replies.² The competitive solicitation process must be used for procurement of commodities or contractual services in excess of the category two threshold amount, and include the following solicitation methods: invitations to bid, requests of proposals, and invitations to negotiate.³ Many services procured by state agencies are exempt from competitive solicitation requirements regardless of whether the purchase exceeds the applicable cost threshold, including artistic services, auditing services, and legal services.⁴ Agencies currently must seek approval from the DMS to use an alternate contract source to purchase commodities or services from term contracts or requirements contracts competitively established by other governmental entities. In approving the alternate contract source, the DMS determines that the contract source is cost-effective and in the best interest of the State.⁵

¹ Section 287.017, F.S.

² Rule 60A-1.041, F.A.C.

³ Section 287.057, F.S.

⁴ Section 287.057(3)(f), F.S.

⁵ Rule 60A-1.047, F.A.C.

All agreements in excess of the category two threshold must be evidenced by a written agreement and include provisions for the required minimum level of service to be performed by the contractor, criteria for evaluating the successful completion of each deliverable, and financial consequences for nonperformance. There must also be a provision dividing the contract into quantifiable, measurable, and verifiable units of deliverables that must be received and accepted in writing by the contract manager before payment. Each deliverable must be directly related to the scope of work and specify the required minimum level of service to be performed and criteria for evaluating the successful completion of each deliverable.⁶

Each agency is required to appoint at least one contract administrator responsible for maintaining a contract file and financial information on all contractual services contracts and who serves as a liaison with the contract managers and the DMS.⁷ The DMS designates certain minimum required documentation that must be in the contract file. Additionally, for each contractual services contract the agency must designate an employee to function as contract manager who shall be responsible for enforcing performance of the contract terms and conditions and serve as a liaison with the contractor, but there is no similar requirement for grants. Each contract manager who is responsible for contracts in excess of the threshold amount for category two (\$35,000) must attend training conducted by the CFO for accountability in contracts and grant management.⁸ Additional certifications were later required for contracts in excess of category four threshold⁹ and \$250,000 annual funding was appropriated to accomplish the certification, however no funding has been appropriated for this purpose for the past fiscal year.¹⁰ The DMS currently offers several training and certification programs including an optional Florida Certified Contract Manager designation.

Under s. 287.057(18), F.S., agencies must establish a review and approval process to be completed before contracts exceeding category three threshold (\$65,000) are executed. Under s. 216.3475, F.S., each agency shall maintain records to support a cost analysis, which includes a detailed budget submitted by the person or entity awarded funding and the agency's documented review of individual cost elements from the submitted budget for allowability, reasonableness, and necessity.

Using these various procurement methods, the DMS also negotiates state term contracts and purchasing agreements that are intended to leverage the states' buying power. The DMS is also responsible for compiling statistical procurement data concerning the method of procurement, terms, usage, and disposition of commodities and contractual services by agencies.¹¹ This data is available in the Florida Accounting Information Resource Subsystem (FLAIR) and the State's My Florida Market Place (MFMP) centralized e-procurement system.¹²

The DMS facilitates the production and processing of these competitive solicitations through the MFMP system, which is the state's e-procurement system, and provides a standardized process

⁶ Section 287.058(1), F.S.

⁷ Section 287.057(15), F.S.

⁸ Section 287.057(14), F.S.

⁹ Section 287.057(16)(b), F.S.

¹⁰ Department of Management Services SB1626 Bill Analysis, January 23, 2012.

¹¹ Section 287.042(10), F.S.

¹² Department of Management Services Operational Audit, Report No. 2011-075, January 2011.

for developing and processing solicitations. The MFMP system has four modules: the Buyer Module, Invoicing Module, Vendor Registration Module, and Sourcing Module. However, according to the DMS, the individual state agencies determine whether to use the MFMP e-procurement system.¹³ The DMS develops procedures to be used by agencies for advertising and issuing solicitations through the Vendor Bid System. Currently all solicitations and procurement related decisions/intended decisions are required to be posted on the Vendor Bid System.¹⁴ The DMS currently posts lists of firms not permitted to do business with the state online.¹⁵ The DMS also maintains a list of vendors by classes of commodities within the MFMP system.¹⁶

In August 2011, the DMS with the participation of eight agencies and nine local government representatives initiated the Procurement Process Improvement Project to examine the policy, procedure, practice, and technology for conducting procurements. The intent of the project is to improve the effectiveness and efficiency of state purchasing through establishing standardized processes and procedures, better leveraging the MFMP sourcing module, and developing a continuous improvement protocol to better monitor and actively manage sourcing activities.¹⁷

Agreements Funded with Federal and State Assistance

Current law requires an agency agreement that provides state financial assistance to a recipient or subrecipient,¹⁸ or that provides federal financial assistance to a subrecipient,¹⁹ to include:

- A provision specifying scope of work that clearly establishes the tasks the recipient or subrecipient is required to perform; and
- A provision dividing the agreement into quantifiable units of deliverables that must be received and accepted in writing by the agency before payment. Each deliverable must be directly related to the scope of work and must specify the required minimum level of service to be performed and the criteria for evaluating the successful completion of each deliverable.²⁰

Chief Financial Officer

The CFO is the chief fiscal officer of the state and is responsible for examining, auditing, settling, and approving payment of all accounts against the state and keeping all state funds and securities.²¹ The CFO functions are carried out by the Department of Financial Services (DFS). The DFS's Division of Accounting and Auditing pays all the state's bills, including employees' salaries, payments for goods and services used by state agencies and benefit payments, promote

¹³ Department of Management Services SB 1626 Bill Analysis, January 23, 2012.

¹⁴ http://myflorida.com/apps/vbs/vbs_www.main_menu

¹⁵ http://www.dms.myflorida.com/business_operations/state_purchasing/vendor_information/convicted_suspended_discriminatory_complaints_vendor_lists

¹⁶ Department of Management Services SB1626 Bill Analysis, January 23, 2012.

¹⁷ Department of Management Services Bill Analysis, January 23, 2012.

¹⁸ As defined in s. 215.97, F.S.

¹⁹ As defined by applicable United States Office of Management and Budget circulars.

²⁰ See s. 215.971, F.S.

²¹ Section 17.001, F.S.

financial accountability throughout state government by providing information about its fiscal soundness, and investigate allegations of waste, fraud, and abuse of taxpayers' money.²²

Transparency Florida Act

The Transparency Florida Act²³ in s. 215.985, F.S., requires the Executive Office of the Governor, in consultation with appropriations committees from the Senate and House, to establish a public access website that provides information relating to each appropriation in the General Appropriations Act for each branch of state government and state agency.²⁴ In 2011, a requirement was added that the CFO must provide access to a state contract management system that provides information and documentation relating to contracts procured by governmental entities. This contract management system is under development, and will become a part of the current DFS transparency website.^{25 26}

Office of the Auditor General

The Office of the Auditor General conducts financial audits of the accounts and records of State agencies, conducts operational and performance audits of public records and information technology systems, adopts rules for financial audits performed by independent certified public accountants of local governmental entities, and reviews all audit reports of local governmental entities.²⁷ The Auditor General must annually notify the President of the Senate, the Speaker of the House of Representatives, and the Department of Financial Services of all educational entities and water management districts that have failed to comply with transparency requirements as identified in audit reports.²⁸

Public Records Law

Article I, s. 24(a) of the State Constitution sets forth the state's public policy regarding access to government records. The section guarantees every person a right to inspect or copy any public record of the legislative, executive, and judicial branches of government. The Legislature, however, may provide by general law for the exemption of records from the requirements of Article I, s. 24(a) of the State Constitution. The general law must state with specificity the public necessity justifying the exemption (public necessity statement) and must be no broader than necessary to accomplish its purpose.²⁹

Public policy regarding access to government records is addressed further in the Florida Statutes. Section 119.07(1), F.S., guarantees every person a right to inspect and copy any state, county, or municipal record. Furthermore, the Open Government Sunset Review Act³⁰ provides that a

²² Department of Financial Services website, <http://www.myfloridacfo.com/sitePages/agency/sections/AccountingAuditing.aspx>, (last viewed January 31, 2012).

²³ Enacted in 2009 by s. 2, ch. 2009-74, L.O.F.

²⁴ This website is available at <http://www.transparencyflorida.gov/Home.aspx?FY=12>.

²⁵ The DFS transparency website is located at <http://www.myfloridacfo.com/Transparency/>.

²⁶ According to information given to committee staff from DFS staff on 3 February, 2012.

²⁷ Section 11.45(2), F.S.

²⁸ Section 11.45(7)(i), F.S.

²⁹ Article I, s. 24(c) of the Fla. Const.

³⁰ See s. 119.15, F.S.

public record or public meeting exemption may be created or maintained only if it serves an identifiable public purpose. In addition, it may be no broader than is necessary to meet one of the following purposes:

- Allows the state or its political subdivisions to effectively and efficiently administer a governmental program, which administration would be significantly impaired without the exemption.
- Protects sensitive personal information that, if released, would be defamatory or would jeopardize an individual's safety; however, only the identity of an individual may be exempted under this provision.
- Protects trade or business secrets.

PRIDE

The Legislature created Prison Rehabilitative Industries and Diversified Enterprises (PRIDE) in 1981, as a private, non-profit corporation to lease and manage the state prison industries program. In calendar year 2010, PRIDE operated 45 inmate work programs (including 4 culinary arts training programs) that manufactured products and services such as office furniture, printing, graphics, data entry, clothing, eyeglasses, and document imaging services. PRIDE employs civilian (non-inmate) employees to manage and supervise inmate workers. PRIDE receives no appropriated funding from the Legislature and depends entirely on the sale of its products and services to financially support the achievement of its statutory missions. PRIDE also has a purchasing preference, requiring state agencies to buy its products when they are of similar quality and price to those offered by outside vendors.³¹

III. Effect of Proposed Changes:

Section 1 amends s. 11.45, F.S., to require the Auditor General to provide notification of certain governmental entities' failure to comply with the reporting requirements of the Transparency Florida Act in s. 215.985, F.S., or annual financial audit reports specified in s. 218.39, F.S. The Auditor General must send, to the Joint Legislative Auditing Committee, an annual report on which entities have not complied with the transparency requirement.

This provision would require the Auditor General to report on the failure of specified entities to supply data, even though the Auditor General does not have any audit authority over some of those entities.

Section 2 amends s. 215.971, F.S., to add DFS additional approval and management requirements to agreements funded with federal or state assistance. Specifically, the bill requires that for such agreements:

- Each deliverable in the agreement must specify a "performance measure," defined as the required minimum level of service to be performed and the criteria for evaluating the successful completion of each deliverable.
- Before execution, the agreement must reviewed and approved within 30 days by DFS to ensure the agreement contains a clear statement of work, quantifiable deliverables,

³¹ Information taken from OPPAGA program summary of PRIDE located at <http://www.oppaga.state.fl.us/profiles/1037/>, last visited on 3 February, 2012.

- performance measures, and financial consequences for nonperformance. DFS may reject agreements that do not meet these requirements.
- The contracting agency is required to designate a grant manager responsible for enforcing performance of the agreement. Grant managers responsible for agreements in excess of \$325,000 must be certified as contract managers pursuant to the authority granted in this bill for the CFO to certify contract managers.
 - The CFO must establish uniform procedures for payment requests, to include procedures for monitoring performance and deliverables.

Section 3 amends s. 215.985(16), F.S., to modify the CFO's duties with regards to the state contract management system, which the bill specifies must be an intergovernmental contract tracking system. Within 30 calendar days after executing a contract, the following entities must post on the contract tracking system the specified contract information and documentation:

- state agencies,
- local governmental entities,
- independent special districts,
- district school boards,
- the Board of Governors of the state university system, and
- each Florida College System institution board of trustees.

Each governmental entity must redact exempt or confidential information from the procurement or contract documents before posting. If a party to a contract discovers that a document has not been properly redacted, the party may request that the posting entity redact the information; upon receipt of such a request, the posting entity must redact the confidential or exempt information. The bill provides a disclaimer from liability to the CFO and DFS for the failure of a posting entity to properly redact information. Requests for copies of documents in the system, or subpoenas for documents, must be made to or served on the entity that maintains the original documents, not the CFO or DFS.

The bill allows the CFO to make information posted on the system available for viewing and downloading by the public. The CFO may prohibit the posting of records on the public website that could jeopardize the health, safety, or welfare of the public. The bill provides DFS authority to adopt rules to administer the subsection.

Section 4 repeals s. 216.0111, F.S., which specifies the agency contract information required to be submitted to DFS. That information is now included in s. 215.985, F.S.

Section 5 amends s. 287.032, F.S., which specifies the purpose of DMS, to remove from DMS the duty of providing uniform commodity and contractual service procurement policies, rules, procedures, and forms for use by agencies and eligible users. That duty is transferred to DFS, which is also required to monitor agency compliance with policies, rules, and procedures.

Section 6 amends s. 287.042, F.S., which currently specifies the powers, duties, and functions of DMS. DMS retains duties related to procurement functions, including:

- Canvass sources of supply, maintain vendor list, lease-purchase contracts;
- Develop list of interested vendors;

- Include PRIDE contracts on list of state term contracts, and issue commodity numbers for its products which meet DMS specifications.

The bill deletes from s. 287.042, F.S., those functions related to establishing procurement policies and procedures, which are given to DFS in section 7 of the bill.

Section 7 creates s. 287.044, F.S., and transfers the powers, duties, and functions associated with establishing a system of coordinated and uniform procurement policies, procedures, and practices to be used by agencies when acquiring commodities and contractual services from the DMS to the DFS. The bill requires the DFS to establish a system of coordinated and uniform procurement policies, procedures, and practices to be used by agencies when acquiring commodities and contractual services, which must include the following:

- procedures to be used by an agency for issuing or advertising solicitations;
- procedures to be used when issuing requests for information and requests for quotes;
- procedures to be used when procuring information technology commodities and contractual services;
- procedures for the receipt and opening of bids, proposals, or replies by an agency;
- procedures to be used by an agency in deciding to contract;
- procedures for recording and maintaining support documentation for a cost or price analysis to be performed before the award of a contract in excess of \$195,000;
- procedures to be used by state agencies when entering into contracts which ensure standard formats, quantifiable and measurable deliverables, performance measures, and financial consequences for nonperformance; and
- procedures to be used by an agency in maintaining a contract file.

DFS also has the following duties:

- prescribe the methods of securing competitive sealed bids, proposals, and replies;
- prescribe procedures for procuring information technology and information technology consultant services;
- govern the purchase by an agency of any commodity or contractual service and to establish standards and specifications for a commodity;
- establish definitions and classes of commodities and contractual services which agencies must adhere to in acquiring or purchasing commodities or contractual services;
- provide to agencies, through an electronic medium or other means, rules for purchasing commodities and contractual services;
- establish and maintain programs that disseminate information to governmental entities, industry vendors, educational institutions, and the general public concerning policies, procedures, rules, and forms for the procurement of commodities and contractual services; and
- establish and maintain a list of vendors that are not allowed to do business with the state pursuant to ss. 287.132(4) and 287.133, F.S. DFS may add to the list vendors that are not compliant with federal or state laws, or that the department determines have uncollected accounts that are owed to the state.

Section 8 amends s. 287.057, F.S., by deleting the following from the list of services which are exempt from competitive solicitation requirements, thereby subjecting them to competitive solicitation requirements:

- artistic services;
- academic program reviews;
- lectures by individuals; and
- training and education services provided to injured employees.

The bill requires a contract manager responsible for a contract for more than \$325,000 to be certified as a contract manager by DFS. An agency or other eligible user may purchase commodities or services through another agency's existing contract rather than through competitive competition if the use of such contract is in the best interest of the state.

The bill revises the prohibition of an agency dividing a solicitation of commodities or contractual services by adding that state agencies must consider all purchases of the same commodity or service during one year to be part of a single purchase. The bill adds a provision to the section that allows agencies to purchase commodities or services through another agency's existing contract if in the best interest of the state.

Section 9 amends s. 287.058, F.S., by giving the CFO the authority to review and approve contracts before execution. The review must ensure that all contracting laws have been met; that the contract document contains a clear statement of work, quantifiable and measureable deliverables, performance measures, financial consequences for nonperformance, and clear terms and conditions that protect the interests of the state; that documentation is available to support the contract; and that the associated costs of the contract are not unreasonable or inappropriate. A contract that does not comply may be rejected and returned to the submitting agency for revision. The CFO may establish dollar thresholds and other criteria for sampling the agreements that are to be reviewed prior to execution.

DFS must verify that a competitive process was used, if required by law, and that the contract was appropriately awarded on the basis of lowest price or best value to a responsive and reasonable bidder, proposer, or replier. DFS has 30 days to make a final determination regarding approval of a contract. DFS and the agency entering into the contract may agree to a longer review period.

Section 10 repeals s. 287.095(3), F.S., which specifies that:

[A]ll products offered for purchase to a state agency by PRIDE must be produced in majority part by inmate labor, except for products not made by inmates which products are contractually allied to products made by inmates which are offered by the corporation, provided the value of the products not made by inmates do not exceed 2 percent of the total sales of the corporation in any year.

This deletion appears to have the affect of allowing PRIDE to offer products for sale to state agencies without any restriction on the amount of inmate labor associated with the product.

Section 11 creates s. 287.1312, F.S., requiring DFS to establish a certification program for contract and grant managers. In order to manage an agreement in excess of \$325,000, contract and grant managers must hold a valid certification from the DFS, based on delineated requirements. The bill requires the DFS to monitor the program and annually publish results of agency manager audits on its website, and authorizes DFS to revoke certifications.

Sections 12 through 17 correct cross-references and make conforming changes.

Section 18 requires the CFO to review and investigate current procurement laws in order to evaluate whether existing law and management processes constitute the most effective and efficient policies for the procurement of goods, services, and facilities by the state. The CFO is required to submit the report findings and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31, 2012.

Section 19 provides for the repeal of Chapter 287, F.S., effective July 30, 2014.

Section 20 provides an appropriation to implement the provisions of the bill. Unencumbered or unexpended funds from the appropriation for expanded contract auditing responsibilities will revert and be reappropriated for the same purpose for the next fiscal year. See Fiscal Impact Statement.

Section 21 provides an effective date of July 1, 2012.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Pursuant to Article VII, s. 18, of the Florida Constitution:

No county or municipality shall be bound by any general law requiring such county or municipality to spend funds or to take an action requiring the expenditure of funds unless the legislature has determined that such law fulfills an important state interest...

If the Florida Transparency Act posting requirement for local governmental entities under the bill will result in additional expenditures for the local entities then one of the additional requirements under Article VII, s. 18, Florida Constitution, must be met.

B. Public Records/Open Meetings Issues:

A provision in s. 215.985(16)(c), F.S., provides that each specified governmental entity “must redact, as defined in s. 119.011, any exempt or confidential information, including trade secrets as defined in s. 688.002 or 812.081” from documents to be posted on the contract tracking system. If this provision is interpreted as creating a new public records exemption for trade secrets, it would need to be contained in a bill separate from other legislation, and would require a public necessity statement.³²

³² See art. I, s. 24(c), Fla. Const.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

It is indeterminate whether the transfer of duties from DMS to DFS will impact potential vendors with the state.

C. Government Sector Impact:

The bill provides for an appropriation during the 2012-13 fiscal year of \$400,000 in nonrecurring funds from the Administrative Trust Fund for the CFO's review of the state's procurement process, and \$375,000 to contract for the administration of the certified contract manager and negotiator programs. For the 2012-13 fiscal year, \$4,067,000 from the General Revenue fund, and 36 full-time equivalent positions are appropriated to the CFO for the purpose of implementing the CFO's expanded contract auditing responsibilities.

Local governments may incur indeterminate costs associated with the Florida Transparency Act reporting requirements created by the bill.

VI. Technical Deficiencies:

It appears that there should be a new subsection (6) with the line that starts "The Chief Financial Officer" on line 160 of the bill.

VII. Related Issues:

Section 287.057(24), F.S., specifies that eligible users may purchase through another agency's existing contract. An "eligible user" is defined in s. 287.012(11), F.S., as any entity DMS authorized to purchase from state term contracts, which could include local governments, or other entities over which DFS may not have the authority to exempt from that entity's procurement requirements.

The Legislature may wish to consider whether there should be a default action if DFS does not complete the reviews in the required time, to avoid delay to agencies and vendors.

It is unclear whether DFS action to approve or reject an awarded contract might implicate administrative rights. Though the review appears to be largely a documentation review, one of the factors DFS may consider includes "the reasonableness of the price." If an agency made an award, and DFS subsequently rejected the contract, it is unclear whether an aggrieved vendor

could then bring an administrative action, or against which entity the vendor could bring the action.

This bill establishes a contract management certification program in DFS. Currently, s. 287.076, F.S., authorizes DMS to implement a program to train agency employees involved in managing outsourcings as Project Management Professionals (PMP). The Legislature may wish to consider whether the PMP training program should also be administered by DFS.

The change to s. 287.095, F.S., appears to permit PRIDE to market, to state agencies, products without any required amount of inmate labor.

The repeal of Chapter 287, F.S., effective July 30, 2014, could cause some anxiety for agencies and vendors.

According to DMS, the state's procurement system, MyFloridaMarketPlace, will require modifications to assist in the collection of data required for the contract database.³³

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Governmental Oversight and Accountability on February 7, 2012:

The CS added a requirement that the Auditor General must send, to the Joint Legislative Auditing Committee, an annual report on which entities have not complied with the transparency requirement. The CS also specified the appropriation for the CFO's expanded contract auditing responsibilities as \$4,067,000 and 36 full-time equivalent positions.

CS by Banking and Insurance on February 2, 2012:

The bill retains many of the same provisions of the bill as filed and makes the following major changes:

Provides for the establishment, by the CFO, of dollar thresholds and criteria for determining agreements funded with state or federal assistance that are to be reviewed prior to execution.

- Provides that the CFO may review and approve contracts prior to execution in accordance with rules adopted by the DFS.
- Allots 30 days for the DFS to make a final determination regarding approval of the agreement; which may be extended to ensure a thorough review.
- Provides a list of records the DFS may search for when reviewing contracts.
- Requires the DFS to establish a training certification program for negotiators of contracts and grants.
- Inserts and revises effective dates for certain provisions.
- Makes drafting changes to the bill by inserting and revising sections and deleting certain language.

³³ Department of Management Services' Bill Analysis of SB 1626; January 23, 2012.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
