

1 A bill to be entitled
2 An act relating to government integrity; creating s.
3 11.421, F.S.; creating the Florida Integrity Office
4 under the Auditor General; providing definitions;
5 providing duties and powers of the Florida Integrity
6 Officer and the Auditor General; amending s. 11.45,
7 F.S.; providing definitions; providing and revising
8 Auditor General reporting requirements; amending s.
9 14.32, F.S.; providing definitions; providing
10 investigative duties of the Chief Inspector General
11 and agency inspectors general; requiring such
12 inspectors general to provide a report to the Chief
13 Financial Officer within a specified timeframe in
14 certain circumstances; providing liability for certain
15 officials, contractors, and persons in certain
16 circumstances; amending s. 17.04, F.S.; authorizing
17 the Chief Financial Officer to commence an
18 investigation based on certain complaints or
19 referrals; authorizing state agency employees and
20 state contractors to report certain information to the
21 Chief Financial Officer; amending s. 17.325, F.S.;
22 requiring certain records to be sent to the Florida
23 Integrity Officer within a specified timeframe;
24 amending s. 20.055, F.S.; requiring agency inspectors
25 general to make certain determinations and reports;

26 | amending s. 110.1245, F.S.; providing requirements for
27 | awards given to employees who report under the
28 | Whistle-blower's Act; authorizing expenditures for
29 | such awards; amending s. 112.324, F.S.; revising
30 | Commission on Ethics authority to act on a referral;
31 | amending s. 287.057, F.S.; revising provisions
32 | relating to contractual services and commodities that
33 | are not subject to competitive-solicitation
34 | requirements; requiring certain state contracts to
35 | include a good faith estimate of gross profit;
36 | requiring a determination of reasonableness; providing
37 | definitions; prohibiting certain state employees from
38 | participating in the negotiation or award of state
39 | contracts; creating s. 288.00001, F.S.; prohibiting
40 | tax incentives from being awarded or paid to a state
41 | contractor or subcontractor; amending s. 1001.20,
42 | F.S.; requiring the Office of Inspector General of the
43 | Department of Education to conduct investigations
44 | relating to waste, fraud, abuse, or mismanagement
45 | against a district school board or Florida College
46 | System institution; authorizing the Office of the
47 | Auditor General to use carryforward funds to fund the
48 | Florida Integrity Office; providing an effective date.

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

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Section 1. Section 11.421, Florida Statutes, is created to read:

11.421 Florida Integrity Office.—

(1) There is created under the Auditor General the Florida Integrity Office for the purpose of ensuring integrity in state and local government and facilitating the elimination of fraud, waste, abuse, gross mismanagement, and misconduct in government.

(2) The Florida Integrity Officer shall be a legislative employee and be appointed by and serve at the pleasure of the Auditor General. The Florida Integrity Officer shall oversee the efficient operation of the office and report to and be under the general supervision of the Auditor General.

(3) The Auditor General shall employ qualified individuals for the office pursuant to s. 11.42.

(4) As used in this section, the term:

(a) "Appropriations project" means a specific appropriation or proviso that provides funding for a specified entity that is a local government, private entity, or privately operated program. The term does not include an appropriation or proviso:

- 1. Specifically authorized by statute;
- 2. That is part of a statewide distribution to local governments;
- 3. Recommended by a commission, council, or other similar

76 entity created in statute to make annual funding
 77 recommendations, provided that such appropriation does not
 78 exceed the amount of funding recommended by the commission,
 79 council, or other similar entity;

80 4. For a specific transportation facility that is part of
 81 the Department of Transportation's 5-year work program submitted
 82 pursuant to s. 339.135;

83 5. For an education fixed capital outlay project that is
 84 submitted pursuant to s. 1013.60 or s. 1013.64; or

85 6. For a specified program, research initiative,
 86 institute, center, or similar entity at a specific state college
 87 or university recommended by the Board of Governors or the State
 88 Board of Education in its legislative budget request.

89 (b) "Office" means the Florida Integrity Office.

90 (5) The Florida Integrity Officer may receive and
 91 investigate a complaint alleging fraud, waste, abuse, gross
 92 mismanagement, or misconduct in connection with the expenditure
 93 of public funds.

94 (6) A complaint may be submitted to the office by any of
 95 the following persons:

96 (a) The President of the Senate.

97 (b) The Speaker of the House of Representatives.

98 (c) The chair of an appropriations committee of the Senate
 99 or the House of Representatives.

100 (d) The Auditor General.

101 (7) (a) Upon receipt of a complaint, the Florida Integrity
102 Officer shall determine whether the complaint is supported by
103 sufficient information indicating a reasonable probability of
104 fraud, waste, abuse, gross mismanagement, or misconduct. If the
105 Florida Integrity Officer determines that the complaint is not
106 supported by sufficient information indicating a reasonable
107 probability of fraud, waste, abuse, gross mismanagement, or
108 misconduct, the Florida Integrity Officer shall notify the
109 complainant in writing and the complaint shall be closed.

110 (b) If the complaint is supported by sufficient
111 information indicating a reasonable probability of fraud, waste,
112 abuse, gross mismanagement, or misconduct, the Florida Integrity
113 Officer shall determine whether an investigation into the matter
114 has already been initiated by a law enforcement agency, the
115 Commission on Ethics, the Chief Financial Officer, the Office of
116 Chief Inspector General, or the applicable agency inspector
117 general. If such an investigation has been initiated, the
118 Florida Integrity Officer shall notify the complainant in
119 writing and the complaint may be closed.

120 (c) If the complaint is supported by sufficient
121 information indicating a reasonable probability of fraud, waste,
122 abuse, gross mismanagement, or misconduct, and an investigation
123 into the matter has not already been initiated as described in
124 paragraph (b), the Florida Integrity Officer shall, within
125 available resources, conduct an investigation and issue a report

126 of the investigative findings to the complainant and to the
127 President of the Senate and the Speaker of the House of
128 Representatives. The Florida Integrity Officer may refer the
129 matter to the Auditor General, the appropriate law enforcement
130 agency, the Commission on Ethics, the Chief Financial Officer,
131 the Office of the Chief Inspector General, or the applicable
132 agency inspector general. The Auditor General may provide staff
133 and other resources to assist the Florida Integrity Officer.

134 (8) (a) The Florida Integrity Officer, or his or her
135 designee, may investigate the books, records, papers, documents,
136 data, operation, and physical location of any public agency in
137 this state, including any confidential information, and the
138 public records of any entity that has received direct
139 appropriations.

140 (b) Upon the request of the Florida Integrity Officer, the
141 Legislative Auditing Committee or any other committee of the
142 Legislature may issue subpoenas and subpoenas duces tecum, as
143 provided in s. 11.143, to compel testimony or the production of
144 evidence when deemed necessary to an investigation authorized by
145 this section. Consistent with s. 11.143, such subpoenas and
146 subpoenas duces tecum may be issued as provided by applicable
147 legislative rules, or in the absence of applicable legislative
148 rules, by the chair of the Legislative Auditing Committee with
149 the approval of the Legislative Auditing Committee and the
150 President of the Senate and the Speaker of the House of

151 Representatives, or with the approval of the President of the
152 Senate or the Speaker of the House of Representatives if such
153 officer alone designated the Legislative Auditing Committee
154 under s. 1.01(17).

155 (c) If a witness fails or refuses to comply with a lawful
156 subpoena or subpoena duces tecum issued pursuant to this
157 subsection at a time when the Legislature is not in session, the
158 subpoena or subpoena duces tecum may be enforced as provided in
159 s. 11.143 and, in addition, the Auditor General, on behalf of
160 the committee issuing the subpoena or subpoena duces tecum, may
161 file a complaint before any circuit court of the state to
162 enforce the subpoena or subpoena duces tecum. On the filing of
163 such complaint, the court shall take jurisdiction of the witness
164 and the subject matter of the complaint and shall direct the
165 witness to respond to all lawful questions and to produce all
166 documentary evidence in the possession of the witness which is
167 lawfully demanded. The failure of a witness to comply with such
168 order constitutes a direct and criminal contempt of court, and
169 the court shall punish the witness accordingly.

170 (d) When the Legislature is in session, upon the request
171 of the Florida Integrity Officer directed to the committee
172 issuing the subpoena or subpoena duces tecum, either house of
173 the Legislature may seek compliance with the subpoena or
174 subpoena duces tecum in accordance with the State Constitution,
175 general law, the joint rules of the Legislature, or the rules of

176 | the house of the Legislature whose committee issued the subpoena
177 | or subpoena duces tecum.

178 | (9) The Florida Integrity Officer shall receive copies of
179 | all reports required by ss. 14.32, 17.325, and 20.055.

180 | (10) (a) Beginning with the 2020-2021 fiscal year, the
181 | Auditor General and the Florida Integrity Officer, within
182 | available resources, shall randomly select and review
183 | appropriations projects appropriated in the prior fiscal year
184 | and, if appropriate, investigate and recommend an audit of such
185 | projects. The review, investigation, or audit may be delayed on
186 | a selected project until a subsequent year if the timeline of
187 | the project warrants such delay. Each review, investigation, or
188 | audit must include, but is not limited to, evaluating whether
189 | the recipient of the appropriations project administered the
190 | project in an efficient and effective manner. When an audit is
191 | recommended by the Florida Integrity Officer under this
192 | subsection, the Auditor General shall determine whether the
193 | audit is appropriate.

194 | (b) Beginning with the 2020-2021 fiscal year, the Auditor
195 | General and the Florida Integrity Officer, within available
196 | resources, shall select and review, investigate, or audit the
197 | financial activities of any political subdivision, special
198 | district, public authority, public hospital, state or local
199 | council or commission, unit of local government, or public
200 | education entity in this state, as well as any authority,

201 council, commission, direct-support organization, institution,
202 foundation, or similar entity created by law or ordinance to
203 pursue a public purpose, entitled by law or ordinance to any
204 distribution of tax or fee revenues, or organized for the sole
205 purpose of supporting one of the public entities listed in this
206 paragraph.

207 Section 2. Paragraphs (a) through (c), (d) through (f),
208 and (g) through (j) of subsection (1) of section 11.45, Florida
209 Statutes, are redesignated as paragraphs (b) through (d), (f)
210 through (h), and (j) through (m), respectively, paragraph (f) of
211 subsection (2) and paragraph (j) of subsection (7) are amended,
212 and new paragraphs (a), (e), (i), and (n) are added to
213 subsection (1) of that section, to read:

214 11.45 Definitions; duties; authorities; reports; rules.—

215 (1) DEFINITIONS.—As used in ss. 11.40-11.51, the term:

216 (a) "Abuse" means behavior that is deficient or improper
217 when compared with behavior that a prudent person would consider
218 a reasonable and necessary operational practice given the facts
219 and circumstances. The term includes the misuse of authority or
220 position for personal gain.

221 (e) "Fraud" means obtaining something of value through
222 willful misrepresentation, including, but not limited to, the
223 intentional misstatements or intentional omissions of amounts or
224 disclosures in financial statements to deceive users of
225 financial statements, theft of an organization's assets,

226 bribery, or the use of one's position for personal enrichment
 227 through the deliberate misuse or misapplication of an
 228 organization's resources.

229 (i) "Misconduct" means conduct which, though not illegal,
 230 is inappropriate for a person in his or her specified position.

231 (n) "Waste" means the act of using or expending resources
 232 unreasonably, carelessly, extravagantly, or for no useful
 233 purpose.

234 (2) DUTIES.—The Auditor General shall:

235 (f) At least every 3 years, conduct operational audits of
 236 the accounts and records of state agencies, state universities,
 237 state colleges, district school boards, the Florida Clerks of
 238 Court Operations Corporation, water management districts, and
 239 the Florida School for the Deaf and the Blind. At the conclusion
 240 of each 3-year cycle, the Auditor General shall publish a report
 241 consolidating common operational audit findings for all state
 242 agencies, all state universities, all state colleges, and all
 243 district school boards.

244
 245 The Auditor General shall perform his or her duties
 246 independently but under the general policies established by the
 247 Legislative Auditing Committee. This subsection does not limit
 248 the Auditor General's discretionary authority to conduct other
 249 audits or engagements of governmental entities as authorized in
 250 subsection (3).

251 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

252 (j) The Auditor General shall notify the Legislative
253 Auditing Committee of any financial or operational audit report
254 prepared pursuant to this section which indicates that a
255 district school board, state university, or Florida College
256 System institution has failed to take full corrective action in
257 response to a recommendation that was included in the two
258 preceding financial ~~or operational~~ audit reports or a preceding
259 operational audit report.

260 1. The committee may direct the district school board or
261 the governing body of the state university or Florida College
262 System institution to provide a written statement to the
263 committee explaining why full corrective action has not been
264 taken or, if the governing body intends to take full corrective
265 action, describing the corrective action to be taken and when it
266 will occur.

267 2. If the committee determines that the written statement
268 is not sufficient, the committee may require the chair of the
269 district school board or the chair of the governing body of the
270 state university or Florida College System institution, or the
271 chair's designee, to appear before the committee.

272 3. If the committee determines that the district school
273 board, state university, or Florida College System institution
274 has failed to take full corrective action for which there is no
275 justifiable reason or has failed to comply with committee

276 requests made pursuant to this section, the committee shall
277 refer the matter to the State Board of Education or the Board of
278 Governors, as appropriate, to proceed in accordance with s.
279 1008.32 or s. 1008.322, respectively.

280 Section 3. Subsections (1) through (5) of section 14.32,
281 Florida Statutes, are renumbered as subsections (2) through (6),
282 respectively, and new subsections (1) and (7) are added to that
283 section to read:

284 14.32 Office of Chief Inspector General.—

285 (1) As used in this section, the term:

286 (a) "Abuse" means behavior that is deficient or improper
287 when compared with behavior that a prudent person would consider
288 a reasonable and necessary operational practice given the facts
289 and circumstances. The term includes the misuse of authority or
290 position for personal gain.

291 (b) "Fraud" means obtaining something of value through
292 willful misrepresentation, including, but not limited to, the
293 intentional misstatements or intentional omissions of amounts or
294 disclosures in financial statements to deceive users of
295 financial statements, theft of an organization's assets,
296 bribery, or the use of one's position for personal enrichment
297 through the deliberate misuse or misapplication of an
298 organization's resources.

299 (c) "Independent contractor" has the same meaning as in s.
300 112.3187(3)(d).

301 (d) "Misconduct" means conduct which, though not illegal,
302 is inappropriate for a person in his or her specified position.

303 (e) "Waste" means the act of using or expending resources
304 unreasonably, carelessly, extravagantly, or for no useful
305 purpose.

306 (7) (a) Within 6 months after the initiation of an
307 investigation of fraud, waste, abuse, gross mismanagement, or
308 misconduct in government, the Chief Inspector General or an
309 agency inspector general must determine whether there is
310 reasonable probability that fraud, waste, abuse, gross
311 mismanagement, or misconduct in government has occurred. If
312 there has not been a determination of such reasonable
313 probability and the investigation continues, a new determination
314 must be made every 3 months until the investigation is closed or
315 such reasonable probability is found to exist.

316 (b) If the Chief Inspector General or an agency inspector
317 general determines that there is reasonable probability that a
318 public official, independent contractor, or agency has committed
319 fraud, waste, abuse, gross mismanagement, or misconduct in
320 government, the inspector general shall report such findings to
321 the Florida Integrity Officer and to the Commission on Ethics,
322 Office of Fiscal Integrity within the Chief Financial Officer's
323 office, or other law enforcement agency, if the commission,
324 Office of Fiscal Integrity, or law enforcement agency has
325 jurisdiction over the subject matter.

326 (c) If the findings of an investigation conducted pursuant
327 to this subsection conclude that a public official, independent
328 contractor, or agency has committed fraud, waste, abuse, gross
329 mismanagement, or misconduct in government, the Chief Inspector
330 General or agency inspector general shall report such findings
331 to the Chief Financial Officer within 30 days after the
332 investigation is closed. Such public official, independent
333 contractor, or person responsible within the agency is
334 personally liable for repayment of the funds that were diverted
335 or lost as a result of the fraud, waste, abuse, gross
336 mismanagement, or misconduct in government. If the person liable
337 fails to repay such funds voluntarily and the state does not
338 agree to a settlement, the Chief Financial Officer shall bring a
339 civil action to recover the funds within 60 days after receipt
340 of such findings.

341 Section 4. Section 17.04, Florida Statutes, is amended to
342 read:

343 17.04 To audit and adjust accounts of officers and those
344 indebted to the state.—The Chief Financial Officer, using
345 generally accepted auditing procedures for testing or sampling,
346 shall examine, audit, adjust, and settle the accounts of all the
347 officers of this state, and any other person in anywise
348 entrusted with, or who may have received any property, funds, or
349 moneys of this state, or who may be in anywise indebted or
350 accountable to this state for any property, funds, or moneys,

351 and require such officer or persons to render full accounts
352 thereof, and to yield up such property or funds according to
353 law, or pay such moneys into the treasury of this state, or to
354 such officer or agent of the state as may be appointed to
355 receive the same, and on failure so to do, to cause to be
356 instituted and prosecuted proceedings, criminal or civil, at law
357 or in equity, against such persons, according to law. The Chief
358 Financial Officer may conduct investigations within or outside
359 of this state as it deems necessary to aid in the enforcement of
360 this section. The Chief Financial Officer may commence an
361 investigation pursuant to this section based on a complaint or
362 referral from any source. An employee of a state agency or a
363 state contractor having knowledge of suspected misuse of state
364 funds may report such information to the Chief Financial
365 Officer. If during an investigation the Chief Financial Officer
366 has reason to believe that any criminal statute of this state
367 has or may have been violated, the Chief Financial Officer shall
368 refer any records tending to show such violation to state or
369 federal law enforcement or prosecutorial agencies and shall
370 provide investigative assistance to those agencies as required.

371 Section 5. Subsections (4) and (5) of section 17.325,
372 Florida Statutes, are renumbered as subsections (5) and (6),
373 respectively, and a new subsection (4) is added to that section
374 to read:

375 17.325 Governmental efficiency hotline; duties of Chief

376 Financial Officer.—

377 (4) A copy of each suggestion or item of information
 378 received through the hotline or website that is logged pursuant
 379 to this section must be reported to the Florida Integrity
 380 Officer by the 15th of the month following receipt of the
 381 suggestion or item of information.

382 Section 6. Paragraph (g) is added to subsection (7) of
 383 section 20.055, Florida Statutes, to read:

384 20.055 Agency inspectors general.—

385 (7) In carrying out the investigative duties and
 386 responsibilities specified in this section, each inspector
 387 general shall initiate, conduct, supervise, and coordinate
 388 investigations designed to detect, deter, prevent, and eradicate
 389 fraud, waste, mismanagement, misconduct, and other abuses in
 390 state government. For these purposes, each inspector general
 391 shall:

392 (g) Make determinations and reports as required by s.
 393 14.32(7).

394 Section 7. Paragraphs (a) and (b) of subsection (1) and
 395 subsection (2) of section 110.1245, Florida Statutes, are
 396 amended, and subsections (6) and (7) are added to that section,
 397 to read:

398 110.1245 Savings sharing program; bonus payments; other
 399 awards.—

400 (1) (a) The Department of Management Services shall adopt

401 rules that prescribe procedures and promote a savings sharing
402 program for an individual or group of employees who propose
403 procedures or ideas that are adopted and that result in
404 eliminating or reducing state expenditures, including employees
405 reporting under the Whistle-blower's Act, if such proposals are
406 placed in effect and may be implemented under current statutory
407 authority.

408 (b) Each agency head shall recommend employees
409 individually or by group to be awarded an amount of money, which
410 amount shall be directly related to the cost savings realized.
411 Each proposed award and amount of money must be approved by the
412 Legislative Budget Commission, except an award issued under
413 subsection (6).

414 (2) In June of each year, bonuses shall be paid to
415 employees from funds authorized by the Legislature in an
416 appropriation specifically for bonuses. For purposes of this
417 subsection, awards issued under subsection (6) are not
418 considered bonuses. Each agency shall develop a plan for
419 awarding lump-sum bonuses, which plan shall be submitted no
420 later than September 15 of each year and approved by the Office
421 of Policy and Budget in the Executive Office of the Governor.
422 Such plan shall include, at a minimum, but is not limited to:

423 (a) A statement that bonuses are subject to specific
424 appropriation by the Legislature.

425 (b) Eligibility criteria as follows:

426 1. The employee must have been employed before ~~prior to~~
427 July 1 of that fiscal year and have been continuously employed
428 through the date of distribution.

429 2. The employee must not have been on leave without pay
430 consecutively for more than 6 months during the fiscal year.

431 3. The employee must have had no sustained disciplinary
432 action during the period beginning July 1 through the date the
433 bonus checks are distributed. Disciplinary actions include
434 written reprimands, suspensions, dismissals, and involuntary or
435 voluntary demotions that were associated with a disciplinary
436 action.

437 4. The employee must have demonstrated a commitment to the
438 agency mission by reducing the burden on those served,
439 continually improving the way business is conducted, producing
440 results in the form of increased outputs, and working to improve
441 processes.

442 5. The employee must have demonstrated initiative in work
443 and have exceeded normal job expectations.

444 6. The employee must have modeled the way for others by
445 displaying agency values of fairness, cooperation, respect,
446 commitment, honesty, excellence, and teamwork.

447 (c) A periodic evaluation process of the employee's
448 performance.

449 (d) A process for peer input that is fair, respectful of
450 employees, and affects the outcome of the bonus distribution.

451 (e) A division of the agency by work unit for purposes of
452 peer input and bonus distribution.

453 (f) A limitation on bonus distributions equal to 35
454 percent of the agency's total authorized positions. This
455 requirement may be waived by the Office of Policy and Budget in
456 the Executive Office of the Governor upon a showing of
457 exceptional circumstances.

458 (6) Each agency inspector general shall report employees
459 whose reports under the Whistle-blower's Act resulted in savings
460 or recovery of public funds in excess of \$1,000. Awards shall be
461 awarded by each agency to the employee, or his or her designee,
462 whose report led to the savings or recovery, and each agency
463 head is authorized to incur expenditures to provide such awards.
464 The award shall be paid from the specific appropriation or trust
465 fund from which the savings or recovery resulted. The agency
466 inspector general to whom the report was made or referred shall
467 certify the savings or recovery resulting from the
468 investigation. If more than one employee makes a relevant
469 report, the award shall be shared in proportion to each
470 employee's contribution to the investigation as certified by the
471 agency inspector general. Awards shall be made in the following
472 amounts:

473 (a) A career service employee shall receive 10 percent of
474 the savings or recovery certified, but not less than \$500 and
475 not more than a total of \$50,000 for whistle-blower reports in

476 any 1 year. If the employee had any fault for the misspending or
477 attempted misspending of public funds identified in the
478 investigation that resulted in the savings or recovery, the
479 award may be denied at the discretion of the agency head. If the
480 award is not denied by the agency head, the award may not exceed
481 \$500. The agency inspector general shall certify any fault on
482 the part of the employee.

483 (b) A Senior Management Service employee or an employee in
484 a select exempt position shall receive 5 percent of the savings
485 or recovery certified, but not more than a total of \$1,000 for
486 whistle-blower reports in any 1 year. An employee may not
487 receive an award under this paragraph if he or she had any fault
488 for the misspending or attempted misspending of public funds
489 identified in the investigation that resulted in the savings or
490 recovery. The agency inspector general shall certify any fault
491 on the part of the employee.

492 (7) Notwithstanding any other provision of law, an
493 employee whose name or identity is confidential or exempt from
494 disclosure under state or federal law may participate in the
495 savings sharing program authorized in this section, and such
496 employee may designate an authorized agent, trustee, or
497 custodian to accept any award for which the employee is eligible
498 on behalf of the employee.

499 Section 8. Paragraph (b) of subsection (1) of section
500 112.324, Florida Statutes, is amended to read:

501 112.324 Procedures on complaints of violations and
 502 referrals; public records and meeting exemptions.—

503 (1) The commission shall investigate an alleged violation
 504 of this part or other alleged breach of the public trust within
 505 the jurisdiction of the commission as provided in s. 8(f), Art.
 506 II of the State Constitution:

507 (b) Upon receipt of a written referral of a possible
 508 violation of this part or other possible breach of the public
 509 trust from the Governor, the Department of Law Enforcement, the
 510 chief inspector general or an agency inspector general, a state
 511 attorney, or a United States Attorney which at least six members
 512 of the commission determine is sufficient to indicate a
 513 violation of this part or any other breach of the public trust.

514
 515 Within 5 days after receipt of a complaint by the commission or
 516 a determination by at least six members of the commission that
 517 the referral received is deemed sufficient, a copy shall be
 518 transmitted to the alleged violator.

519 Section 9. Paragraph (e) of subsection (3) and subsection
 520 (9) of section 287.057, Florida Statutes, are amended, and
 521 subsections (24) and (25) are added to that section, to read:

522 287.057 Procurement of commodities or contractual
 523 services.—

524 (3) If the purchase price of commodities or contractual
 525 services exceeds the threshold amount provided in s. 287.017 for

526 CATEGORY TWO, purchase of commodities or contractual services
527 may not be made without receiving competitive sealed bids,
528 competitive sealed proposals, or competitive sealed replies
529 unless:

530 (e) The following contractual services and commodities are
531 not subject to the competitive-solicitation requirements of this
532 section:

533 1. Artistic services. As used in this subsection, the term
534 "artistic services" does not include advertising or typesetting.
535 As used in this subparagraph, the term "advertising" means the
536 making of a representation in any form in connection with a
537 trade, business, craft, or profession in order to promote the
538 supply of commodities or services by the person promoting the
539 commodities or contractual services.

540 2. Academic program reviews if the fee for such services
541 does not exceed \$50,000.

542 3. Lectures by individuals.

543 4. Legal services, including attorney, paralegal, expert
544 witness, appraisal, or mediator services.

545 5. Health services involving examination, diagnosis,
546 treatment, prevention, medical consultation, or administration.
547 The term also includes, but is not limited to, substance abuse
548 and mental health services involving examination, diagnosis,
549 treatment, prevention, or medical consultation if such services
550 are offered to eligible individuals participating in a specific

551 program that qualifies multiple providers and uses a standard
552 payment methodology. Reimbursement of administrative costs for
553 providers of services purchased in this manner are also exempt.
554 For purposes of this subparagraph, the term "providers" means
555 health professionals and health facilities, or organizations
556 that deliver or arrange for the delivery of health services.

557 6. Services provided to persons with mental or physical
558 disabilities by not-for-profit corporations that have obtained
559 exemptions under s. 501(c)(3) of the United States Internal
560 Revenue Code or when such services are governed by Office of
561 Management and Budget Circular A-122. However, in acquiring such
562 services, the agency shall consider the ability of the vendor,
563 past performance, willingness to meet time requirements, and
564 price.

565 7. Medicaid services delivered to an eligible Medicaid
566 recipient unless the agency is directed otherwise in law.

567 8. Family placement services.

568 9. Prevention services related to mental health, including
569 drug abuse prevention programs, child abuse prevention programs,
570 and shelters for runaways, operated by not-for-profit
571 corporations. However, in acquiring such services, the agency
572 shall consider the ability of the vendor, past performance,
573 willingness to meet time requirements, and price.

574 10. Training and education services provided to injured
575 employees pursuant to s. 440.491(6).

576 11. Contracts entered into pursuant to s. 337.11.

577 12. Services or commodities provided by governmental
578 entities.

579 13. ~~Statewide~~ Public service announcement programs that
580 ~~provided by a Florida statewide nonprofit corporation under s.~~
581 ~~501(c)(6) of the Internal Revenue Code which~~ have a guaranteed
582 documented match of at least \$3 to \$1.

583 (9) An agency shall not divide the solicitation of
584 commodities or contractual services so as to avoid the
585 requirements of subsections (1)-(3) or subsection (24).

586 (24) (a) For any contract in excess of \$50,000 that is
587 awarded through an invitation to negotiate or awarded without
588 competitive solicitation under paragraph (3) (c), paragraph
589 (3) (e), or subsection (10), the proposal, offer, or response of
590 the contractor must include a good faith estimate of gross
591 profit for each year and renewal year of the proposed contract.
592 If, in determining the good faith estimate of gross profit, the
593 contractor includes the cost of products or services expected to
594 be provided by a participant closely associated with the
595 contractor, the contractor must also identify such participant,
596 describe the association, and provide a good faith estimate of
597 gross profit for such participant for each year and renewal year
598 of the proposed contract, which must be attested to by an
599 authorized representative of the participant. The agency must,
600 before awarding the contract, make a written determination that

601 the estimated gross profit is not excessive and specify the
602 reasons for such determination. Notwithstanding any provision of
603 the contract, a contractor is liable to the agency for three
604 times the amount or value of any misrepresentation of estimated
605 gross profit as liquidated damages for such misrepresentation.

606 (b) For purposes of this subsection, the term:

607 1. "Closely associated with the contractor" means the
608 contractor, a principal of the contractor, or a family member or
609 business associate of a principal of the contractor is a
610 principal of the participant. As used in this subparagraph, the
611 term "principal" means a person who owns at least 5 percent
612 interest in the business or entity or is a manager of the
613 business or entity. As used in this subparagraph, the term
614 "business associate" means a person or entity with whom a
615 principal of the contractor has substantial investment,
616 employment, or partnership interests.

617 2. "Good faith estimate of gross profit" means a good
618 faith estimate of the total receipts expected under the contract
619 less the cost of providing contracted commodities and services
620 under the contract and excluding overhead costs. As used in this
621 subparagraph, the term "overhead costs" means all costs that are
622 not directly related to contract performance, including, but not
623 limited to, marketing and administrative expenses.

624 3. "Participant" means a person or entity with whom the
625 contractor expects to subcontract for services or commodities in

626 carrying out a contract with an agency.

627 (25) Notwithstanding any other provision of law, a state
 628 employee who is registered to lobby the Legislature, other than
 629 an agency head, may not participate in the negotiation or award
 630 of any contract required or expressly funded under a specific
 631 legislative appropriation or proviso in an appropriation act.

632 Section 10. Section 288.00001, Florida Statutes, is
 633 created to read:

634 288.00001 Use of state or local incentive funds to pay for
 635 services.—Notwithstanding any other provision of law, a tax
 636 incentive may not be awarded or paid to a state contractor or
 637 any subcontractor for services provided or expenditures incurred
 638 pursuant to a state contract.

639 Section 11. Paragraph (e) of subsection (4) of section
 640 1001.20, Florida Statutes, as amended by section 4 of chapter
 641 2018-5, Laws of Florida, is amended to read:

642 1001.20 Department under direction of state board.—

643 (4) The Department of Education shall establish the
 644 following offices within the Office of the Commissioner of
 645 Education which shall coordinate their activities with all other
 646 divisions and offices:

647 (e) Office of Inspector General.—Organized using existing
 648 resources and funds and responsible for promoting
 649 accountability, efficiency, and effectiveness and detecting
 650 fraud and abuse within school districts, the Florida School for

651 the Deaf and the Blind, and Florida College System institutions
 652 in Florida. If the Commissioner of Education determines that a
 653 district school board, the Board of Trustees for the Florida
 654 School for the Deaf and the Blind, or a Florida College System
 655 institution board of trustees is unwilling or unable to address
 656 substantiated allegations made by any person relating to waste,
 657 fraud, abuse, or financial mismanagement within the school
 658 district, the Florida School for the Deaf and the Blind, or the
 659 Florida College System institution, the office shall conduct,
 660 coordinate, or request investigations into such substantiated
 661 allegations. The office shall investigate allegations or reports
 662 of possible waste, fraud, ~~or~~ abuse, or mismanagement against a
 663 district school board or Florida College System institution made
 664 by any member of the Cabinet, † the presiding officer of either
 665 house of the Legislature, † a chair of a substantive or
 666 appropriations legislative committee with jurisdiction, † or a
 667 member of the board for which an investigation is sought. The
 668 office shall have access to all information and personnel
 669 necessary to perform its duties and shall have all of its
 670 current powers, duties, and responsibilities authorized in s.
 671 20.055.

672 Section 12. The Office of the Auditor General is
 673 authorized to use carryforward funds to fund the establishment
 674 and operations of the Florida Integrity Office as created by
 675 this act.

676 | Section 13. This act shall take effect July 1, 2019. |