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A bill to be entitled An act relating to road construction; creating the Rural Roads Initiative pilot program within the Department of Transportation; providing the purpose of the pilot program; defining the term "East Pasco County"; providing application and funding requirements; specifying the role of the department in distributing funds; specifying project standards; authorizing the Governor to reallocate funds under certain circumstances; providing an exception; requiring the department to submit an annual report to the Legislature; requiring the Legislature to designate a pilot program review committee; providing an appropriation; amending s. 337.14, F.S.; revising the amount of a construction contract for which a contractor must first be certified by the department in order to bid on such contract; amending s. 337.11, F.S.; conforming provisions to changes made by the act; providing an effective date. Be It Enacted by the Legislature of the State of Florida: Section 1. Rural Roads Initiative pilot program.-The Rural Roads Initiative pilot program is created within the Department of Transportation for the purpose of

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paving state, county, or municipal roads within East Pasco

County that are currently unpaved. As used in this section, the

term "East Pasco County" means that portion of Pasco County that

is located east of U.S. 41.

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- (2) Under the pilot program, the Pasco County Board of County Commissioners or the governing board of a municipality within East Pasco County may apply to the Department of Transportation for funding to pave roads within an area under such board's jurisdiction which are currently unpaved and the cost of which cannot be met by the residents of such area. In determining whether an applicant receives funding, the department shall consider the number of dwellings located along each applicable road, as well as connectivity and the impact each newly paved road will have on moving residents, goods, and services within such area. The department's role in distributing funds under the pilot program shall be strictly fiduciary in nature. The department may not rank projects according to importance and may not reject an application based on a determination of feasibility. A road paving project funded under the pilot program is subject only to construction standards established by the county or the municipality in which the road is located and is not subject to department standards.
- (3) Each applicant that receives funding from the department under the pilot program shall be awarded 50 percent of the cost of paving roads within an area under its

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jurisdiction which are unpaved. The remaining 50 percent shall be borne by the applicant.

to read:

- (4) Funding awarded to an applicant under the pilot program may be reallocated by the Governor for other uses if the Governor has declared a state of emergency and determined such reallocation is necessary as a result of such emergency, except that funding that has been allocated to a road paving project may not be reallocated for other uses once construction for the project has commenced.
- annual report to the President of the Senate and the Speaker of the House of Representatives which includes the number of roads in each area for which paving has been completed, the amount of pilot program funds expended for each road paving project, and the number of residents in each area who were impacted by the paving of each road. The President of the Senate and the Speaker of the House of Representatives shall designate a committee to review the report and determine the efficacy of the pilot program.
- General Revenue Fund to the Department of Transportation for distribution under the Rural Roads Initiative pilot program.

 Section 2. Subsections (1) and (2) and paragraph (a) of subsection (9) of section 337.14, Florida Statutes, are amended

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337.14 Application for qualification; certificate of qualification; restrictions; request for hearing.—

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Any contractor desiring to bid for the performance of any construction contract in excess of \$5 million \$250,000 which the department proposes to let must first be certified by the department as qualified pursuant to this section and rules of the department. The rules of the department must address the qualification of contractors to bid on construction contracts in excess of \$5 million \$250,000 and must include requirements with respect to the equipment, past record, experience, financial resources, and organizational personnel of the applying contractor which are necessary to perform the specific class of work for which the contractor seeks certification. Any contractor who desires to bid on contracts in excess of \$50 million and who is not qualified and in good standing with the department as of January 1, 2019, must first be certified by the department as qualified and must have satisfactorily completed two projects, each in excess of \$15 million, for the department or for any other state department of transportation. The department may limit the dollar amount of any contract upon which a contractor is qualified to bid or the aggregate total dollar volume of contracts such contractor is allowed to have under contract at any one time. Each applying contractor seeking qualification to bid on construction contracts in excess of \$5 million \$250,000 shall furnish the department a statement under

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oath, on such forms as the department may prescribe, setting forth detailed information as required on the application. Each application for certification must be accompanied by audited, certified financial statements prepared in accordance with generally accepted accounting principles and auditing standards by a certified public accountant licensed in this state or another state. The audited, certified financial statements must be for the applying contractor and must have been prepared within the immediately preceding 12 months. The department may not consider any financial information of the parent entity of the applying contractor, if any. The department may not certify as qualified any applying contractor who fails to submit the audited, certified financial statements required by this subsection. If the application or the annual financial statement shows the financial condition of the applying contractor more than 4 months before the date on which the application is received by the department, the applicant must also submit interim audited, certified financial statements prepared in accordance with generally accepted accounting principles and auditing standards by a certified public accountant licensed in this state or another state. The interim financial statements must cover the period from the end date of the annual statement and must show the financial condition of the applying contractor no more than 4 months before the date that the interim financial statements are received by the department. However, upon the

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request of the applying contractor, an application and accompanying annual or interim financial statement received by the department within 15 days after either 4-month period under this subsection shall be considered timely. An applying contractor desiring to bid exclusively for the performance of construction contracts with proposed budget estimates of less than \$1 million may submit reviewed annual or reviewed interim financial statements prepared by a certified public accountant. The information required by this subsection is confidential and exempt from s. 119.07(1). The department shall act upon the application for qualification within 30 days after the department determines that the application is complete. The department may waive the requirements of this subsection for projects having a contract price of \$500,000 or less if the department determines that the project is of a noncritical nature and the waiver will not endanger public health, safety, or property.

- (2) Certification shall be necessary in order to bid on a road, bridge, or public transportation construction contract of more than $\frac{$5$ \text{ million}}{$250,000}$. However, the successful bidder on any construction contract must furnish a contract bond prior to the award of the contract. The department may waive the requirement for all or a portion of a contract bond for contracts of \$150,000 or less under s. 337.18(1).
 - (9)(a) Notwithstanding any other law to the contrary, for

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contracts in excess of \$5 million \$250,000, an authority created pursuant to chapter 348 or chapter 349 may require that persons interested in performing work under contract first be certified or qualified to do the work. Any contractor may be considered ineligible to bid by the governmental entity or authority if the contractor is behind an approved progress schedule for the governmental entity or authority by 10 percent or more at the time of advertisement of the work. Any contractor prequalified and considered eligible by the department to bid to perform the type of work described under the contract shall be presumed to be qualified to perform the work so described. The governmental entity or authority may provide an appeal process to overcome that presumption with de novo review based on the record below to the circuit court.

Section 3. Paragraphs (a) and (b) of subsection (3) and paragraph (c) of subsection (6) of section 337.11, Florida Statutes, are amended to read:

- 337.11 Contracting authority of department; bids; emergency repairs, supplemental agreements, and change orders; combined design and construction contracts; progress payments; records; requirements of vehicle registration.—
- (3) (a) On all construction contracts of \$5 million \$250,000 or less, and any construction contract of less than \$500,000 for which the department has waived prequalification under s. 337.14, the department shall advertise for bids in a

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newspaper having general circulation in the county where the proposed work is located. Publication shall be at least once a week for no less than 2 consecutive weeks, and the first publication shall be no less than 14 days <u>before</u> prior to the date on which bids are to be received.

(b) On all construction contracts greater than \$5 million \$250,000, the department shall provide a bid solicitation notice to all prequalified contractors at least 2 weeks before the date bids are scheduled to be received.

(6)

- (c) When the department determines that it is in the best interest of the public for reasons of public concern, economy, improved operations, or safety, and only when circumstances dictate rapid completion of the work, the department may, up to the amount of \$5 million \$250,000, enter into contracts for construction and maintenance without advertising and receiving competitive bids. The department may enter into such contracts only upon a determination that the work is necessary for one of the following reasons:
- 1. To ensure timely completion of projects or avoidance of undue delay for other projects;
- 2. To accomplish minor repairs or construction and maintenance activities for which time is of the essence and for which significant cost savings would occur; or
 - 3. To accomplish nonemergency work necessary to ensure

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avoidance of adverse conditions that affect the safe and efficient flow of traffic.

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The department shall make a good faith effort to obtain two or more quotes, if available, from qualified contractors before entering into any contract. The department shall give consideration to disadvantaged business enterprise participation. However, when the work exists within the limits of an existing contract, the department shall make a good faith effort to negotiate and enter into a contract with the prime contractor on the existing contract.

Section 4. This act shall take effect July 1, 2022.

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