

Proposed legislation for 2019 affecting local transportation agencies Consultants Competitive Negotiation Act (CCNA)

Adopted Policy:

SUPPORT increasing the value of the construction costs at which a continuing contract must be bid pursuant to the Consultants' Competitive Negotiation Act ("CCNA") from the existing threshold of \$2 million.

Issue Summary:

The robust recovery of the economy has led to an increase in engineering fees, thus increasing overall fees to projects. The ability to use a continuing contract for a higher valued construction project would reduce the number of projects that require the full bidding process, which would speed the time required to complete development and reduce the overall costs.

Background:

The thresholds for bidding continuing contracts have been in place since 2009. Construction costs have significantly increased since that time, reducing the number of projects allowed without requiring a full bid process. Consultant fees are averaging approximately 8% of the total project, which translates to a \$200,000 consultant fee for a \$2.5 million project. The bidding of projects increases the time and money required to complete the development. Construction costs expected to be within these limits sometime exceed them, triggering a bidding process midstream, which jeopardizes the integrity of the project and increases administrative costs.

Analysis:

Florida Statute 287.055, the "CCNA" governs the acquisition of professional architectural, engineering, landscape architectural, or surveying and mapping services. The statute provides that a "continuing contract" is a contract for professional services whereby the firm provides professional services to the agency for projects in which the estimated construction cost of each individual project under the contract does not exceed \$2 million, and for study activity if the fee for professional services for each individual study under the contract does not exceed \$200,000. Firms providing professional services under continuing contracts are not required to bid against one another.

Fiscal Impact:

The following table shows the increased price of architectural and engineering services year over-year. Increasing the threshold at which services for a project must be bid should have a positive impact on overall project costs and reflects the actual increase in the costs of the service relative to the cost of the entire project.

