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Inspector General
Accredited

Local Construction Preference Preemption

Background

Providing preferences for local businesses in procurement activities has long been a legal and accepted practice to promote and strengthen local economies. But did you know that due to recent changes in Florida law, in some cases this may now be prohibited?

We are in the process of completing a review of procurement ordinances, policies, and procedures of local governments in Palm Beach County. We will be using the information for internal purposes and also will issue a report that identifies the various practices found. During our review, we found that several local governments have ordinances or policies that provide preferences for local businesses in procurement activities.

Information

During our review we discovered Senate Bill 778, now enacted as Chapter 2015-63, Laws of Florida (§ 255.0991, F.S. - effective 7/1/2015). We believe this law may be of interest to our local governments.

The law prohibits most local preferences when there is a competitive solicitation for construction services in which 50 percent or more of the cost will be paid from state funds which have been appropriated at the time of the competitive solicitation.

Recommendation

We recommend that local governments review their procurement ordinances and policies, as appropriate, to take into account this new legislative limitation.

“An ounce of prevention is worth a pound of cure.” Benjamin Franklin

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