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MEMORANDUM

Date: July 29th, 2026

To: Mayor, Vice Mayor & Commissioners

From: Charles F. Dodge, City Manager

Subject: Questions and Answers for RFP # AD-26-01 Operation and Management of the Building Department

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On March 31, 2026, the City Commission held a workshop to review the proposed procurement process and draft solicitation for Building Department Services.

Following the workshop, Administration revised the solicitation package to incorporate the Commission's direction and presented the updated draft at the June 17, 2026, Commission meeting.

At the June 17, 2026 meeting, the City Commission unanimously voted to defer the item until a follow-up workshop in August 2026 and requested that Commissioners submit questions in advance so Administration could compile responses to be placed in a memo for discussion by the Commission.

This memo is consistent with the Informal AGO dated 10/27/2009.

Below are the questions submitted and their respective answers. If there is a need for further clarification, please contact me as soon as possible.

Question #1:

General Question: What is the impact to this service/bid document as a result of statutory changes in 2026?

Answer #1:

The main impact to the service/bid document is uncertainty. Generally speaking, HB 803 constrains how local building departments calculate fees and may reduce overall department revenues due to expanded use of private providers, potential changes to inspection fee calculations, and mandates reviews of the cost recovery process. In addition, it alters plan review timelines and processes. ***Please see Exhibit 1 "HB 803 - Key Provisions & Requirements Imposed on Municipalities.***

Question #2:

General Question: Explain purpose of defining minimum personnel and limits on roles in sections 4.6.B & C.

Answer #2:

Administration believes Sections 4.6(B) and 4.6(C) are essential to ensuring that the City receives the level of staffing, leadership, and operational oversight necessary to successfully operate a full-service municipal Building Department.

Section 4.6(B) (Dedicated Personnel) establishes the minimum key positions that must be assigned exclusively to the City of Pembroke Pines. These requirements are intended to ensure that the City's Building Department has sufficient qualified leadership, plans examiners, and field inspectors dedicated to serving the City's residents, businesses, contractors, and development community. Requiring these personnel to be physically located within City Hall during normal business hours also promotes accessibility, collaboration with City staff, timely customer service, and effective day-to-day management of Building Department operations.

Section 4.6(C) (Dual Roles) serves a different but complementary purpose. While Section 4.6(B) establishes the minimum dedicated personnel, Section 4.6(C) helps ensure those positions are staffed by separate individuals and that critical responsibilities are not consolidated into a single employee. The limitation on dual roles promotes appropriate segregation of duties, accountability, continuity of operations, and discipline-specific expertise. It also reduces the risk that an individual's absence, competing responsibilities, or divided attention could negatively impact plan review, inspections, permitting activities, customer service, or regulatory oversight.

Collectively, these provisions are intended to ensure that the Contractor dedicates sufficient qualified personnel to the City's operations, maintains the organizational structure necessary to effectively administer the Florida Building Code, and provides consistent, responsive, and professional service throughout the term of the Agreement. The provisions are not intended to prevent reasonable operational flexibility, as the solicitation expressly permits limited temporary cross-disciplinary technical assistance by qualified personnel and allows the City's Contract Manager to approve exceptions when operationally appropriate. Rather, they establish the minimum organizational framework necessary to protect the City's interests and maintain continuity of this essential governmental function.

<u>Question #3:</u>

Sect 2.3: With this being such a substantial contract, why is there no mandatory pre-bid, security bid bond, and payment/performance bond?

<u>Answer #3:</u>

*The Procurement Department recommends the use of **non-mandatory pre-bid meetings** in lieu of mandatory pre-bid meetings because they encourage the broadest possible competition while avoiding the unnecessary disqualification of otherwise qualified firms that may be unable to attend a single scheduled meeting. This approach is intended to maximize competition rather than reduce it. For example, if only one firm attended the sole mandatory pre-bid meeting, that firm could become the only eligible proposer, significantly limiting competition.*

***Mandatory pre-bid meetings** are generally reserved for **construction projects**, particularly where bidders must physically inspect a project site with limited access or where existing site conditions are critical to preparing an accurate proposal. Even on construction projects requiring mandatory pre-bid meetings or site visits, the Procurement Department typically includes language in the bid package to allow bidders to request an additional site visits or pre-bid meetings if they were unable to attend the original scheduling meeting, in an effort to avoid unnecessarily limiting competition. However, the City reserves the right not to conduct additional meetings when the procurement schedule does not permit, as coordinating additional site visits requires staff time and resources from both the using department and the Procurement Department. For this reason, the Procurement Department generally avoids making pre-bid meetings or site visits mandatory unless they are necessary for vendors to adequately understand the project and prepare a responsive proposal. In contrast, this solicitation is for the operation and management of the City's Building Department and does not require a site visit to prepare a responsive proposal.*

Although not required, Administration included a non-mandatory pre-bid meeting in the draft solicitation to provide interested firms an opportunity to meet with City staff, ask questions, and gain a better understanding of the project. While City staff may provide informal responses during the meeting, the Procurement Department encourages all proposers to submit their questions through the City's e-Procurement system so that official written responses can be provided through the formal Question and Answer process. This ensures that all prospective proposers receive the same information and maintains the integrity and transparency of the competitive procurement process. Any questions discussed during the pre-bid meeting that require clarification or modification of the solicitation will likewise be addressed through the issuance of an addendum or formal Question and Answer posting on the City's e-Procurement website. Accordingly, while the pre-bid meeting provides an additional opportunity for discussion, it is not essential to ensuring a fair and competitive procurement process, as the City's e-Procurement system provides all interested parties with the ability to submit questions electronically, while ensuring that both the questions received and the City's official written responses are publicly posted and equally accessible to all prospective proposers during the designated Question and Answer period.

Similarly, the Administration does ***not*** *recommend requiring a* ***Bid Bond****,* ***Payment Bond****, or* ***Performance Bond*** *for this solicitation because these instruments are generally intended for construction contracts rather than professional services or function sourcing agreements.*

Pursuant to Section 255.05, Florida Statutes, ***Performance Bonds*** *are required for contracts involving the construction, repair, or completion of a public building or public work exceeding $200,000. Their purpose is to guarantee completion of the construction project in accordance with the contract. If a contractor defaults, abandons the project, or otherwise fails to perform, the surety may finance completion of the work, arrange for another contractor to complete the project, or compensate the City for covered losses. Because this solicitation is for professional operational services rather than construction, a Performance Bond is not customary or recommended.*

Likewise, ***Payment Bonds****, also required under Section 255.05, Florida Statutes for qualifying construction contracts, are intended to protect subcontractors, laborers, and material suppliers by guaranteeing payment for work performed and materials furnished on a construction project. If a prime contractor fails to pay its* ***subcontractors or suppliers****, those parties may pursue a claim directly against the surety issuing the Payment Bond to recover amounts owed for labor, services, or materials provided to the project. This type of protection is necessary because construction projects often involve multiple tiers of subcontractors and suppliers working under a general contractor. In contrast, this solicitation does not involve the construction of a public improvement or the traditional contractor-subcontractor construction model contemplated by Section 255.05, Florida Statutes. Accordingly, a Payment Bond is not customary for this type of professional services/function sourcing agreement.*

A ***Bid Bond*** *is intended to ensure that a bidder will honor its proposal and execute the contract if awarded, thereby protecting the City from delays associated with a bidder refusing to enter into a contract. Bid Bonds are typically required only when Payment and Performance Bonds are also required, most commonly on construction projects. For professional service contracts, the City already mitigates this risk by requiring the selected proposer to execute the agreement before it is presented to the City Commission for approval. Following Commission approval, the agreement is executed by the City Manager after all required insurance documents have been received. If the selected proposer declines to execute the agreement, the City may simply proceed with negotiations with the next highest-ranked responsive and responsible proposer.*

Additionally, requiring bidders to furnish Bid Bonds, Payment Bonds, and Performance Bonds typically results in additional costs to the bidder, as the bidder must obtain these surety bonds from a licensed surety company. Those costs are generally incorporated into the bidder's pricing and ultimately passed on to the City. Rather than requiring these bonding instruments, the draft solicitation contains numerous protections that Administration believes are more appropriate for a professional services/function sourcing agreement. For example, Administration has incorporated Subsection 11 "Financial Stability" in Section 6 "Submittal Documents" in order to evaluate each proposer's financial capacity and stability prior to contract award. Specifically, Subsection 11 requires each proposer to complete a detailed Financial Work Sheet, prepared and certified by an independent accounting professional based on the proposer's most recent audited financial statements. The worksheet *includes historical income information for the previous three (3) fiscal years, as well as key financial metrics and ratios, including the Current Ratio, Debt-to-Asset Ratio, Debt-to-EBITDA Leverage Ratio, and Return on Assets. Proposers must also submit a Financial Stability Certification affirming that they are financially solvent, possess the financial capacity to perform the required services, and are not subject to bankruptcy, receivership, or insolvency proceedings. The City also expressly reserves the right to request and review the proposer's audited financial statements if determined to be in the City's best interest. Administration believes these requirements provide the City with a meaningful opportunity to evaluate the financial strength and long-term viability of each proposer before contract award. When considered together with the required insurance coverage, contractual indemnification provisions, minimum staffing requirements, performance standards, liquidated damages, withholding remedies, termination rights, and transition obligations, Administration believes the solicitation contains substantial protections to help ensure that only financially responsible and qualified firms are considered for award, while avoiding unnecessary costs that would ultimately be borne by the taxpayers.*

Question #4:

Sect. 4.2: Why only 1 year of data? Are there trends covering multiple periods?

Answer #4:

The Planning Department believes that the historical operational data included in the draft solicitation provides prospective proposers with sufficient information to prepare a responsive proposal. Specifically, the solicitation includes the 2025 calendar year, broken down by month, for completed inspections by discipline (Structural, Electrical, Plumbing, and Mechanical), as well as permit plan reviews by discipline (Structural Online, Structural, Electrical, Plumbing, Mechanical, and Private Provider Documents). In addition, the solicitation provides the Top 10 Permit Types by Volume, categorized by work class, allowing proposers to better understand the types and volume of work performed by the Department.

While additional historical data could be provided, the Planning Department believes that the information included in the solicitation is representative of the Department's current operations and provides an appropriate basis for preparing staffing plans, operational approaches, and pricing proposals. Furthermore, future workload is influenced by numerous variables that are difficult to predict regardless of the amount of historical data provided, including economic conditions, development activity, legislative and regulatory changes, natural disasters, and other external factors that may significantly affect permit volumes and inspection activity.

It should also be noted that the solicitation includes three calendar years (2023, 2024, and 2025) of historical data for the Building Safety Inspection Program, as this program is cyclical in nature and benefits from the inclusion of multiple years of activity to better illustrate inspection trends and workload over time.

Should a prospective proposer determine that additional historical information would assist in preparing its proposal, the solicitation includes a formal Question and Answer period during which requests for additional information may be submitted through the City's e-Procurement system. The Planning Department and Procurement Department will review such requests and, if deemed appropriate, relevant to the solicitation, and reasonably available within the procurement schedule, will make reasonable efforts to provide the requested information through the e-Procurement system so that it is made available to all prospective proposers.

Question #5:

Sect 4.3: (1) In general, I believe government services (especially field operation services) should be provided Monday-Friday. I prefer Inspection services to be 5 days as normal ops, not 4.

Answer #5:

Administration recommends maintaining the current operating model whereby the Contractor provides services during the City's established business hours. Section 4.8 of the draft solicitation currently states:

"Contractor shall maintain fully-staffed business hours equal to, but not less than, the City's business hours of 7:00 a.m. through 6:00 p.m., Monday through Thursday. Contractor may, but shall not be expected to perform services under this Agreement on those days in which City Hall is otherwise closed for business, so long as the services do not require the public to access City Hall. The Parties acknowledge that the City may, in its sole discretion, transition to a five (5) day work week. In the event of such a transition, Contractor shall continue to perform services under this Agreement during the City's regular business hours, as may be amended from time to time."

Since City Hall currently operates on a four-day work week and is closed to the public on Fridays, Administration recommends maintaining the current operational model, which has successfully supported Building Department operations, including inspections, on a Monday through Thursday schedule. This approach aligns the Contractor's staffing with the City's business hours and ensures that customers have access to Building Department personnel while City Hall is open. In addition, this also aligns with the schedules of other departments that interact with the Building Department services including engineering, fire prevention, flood plain and zoning.

If the City Commission determines, as a matter of policy, that field operations and inspection services should routinely be provided on Fridays despite City Hall being closed, Administration can revise the draft solicitation to incorporate that requirement. However, such a change may impact the cost of the contract, as service providers may be required to pay overtime or hire additional personnel to maintain inspection coverage. For example, maintaining the current daily operating hours of 7:00 a.m. to 6:00 p.m., Monday through Friday, with a one-hour unpaid lunch period, would result in a 50-hour work week, potentially increasing labor costs that would likely be reflected in the proposers' pricing.

Accordingly, Administration recommends retaining the current language unless the City Commission wishes to establish Friday inspection services as a policy objective, in which case the solicitation can be revised accordingly prior to advertisement.

<u>Question #6:</u>

Sect 4.3: (2) who is the City's Flood Plain Coordinator.

<u>Answer #6:</u>

Pursuant to Section 152.020 of the City's Code of Ordinances, the City Engineer, Karl Kennedy, is designated as the Floodplain Administrator.

<u>Question #7:</u>

Sect 4.3: (3) Who owns and funds the Permit System? If the City, is the cost for the Permit System recovered in the same way as rent is charged for office space?

<u>Answer #7:</u>

The City of Pembroke Pines procured a contract for the current electronic permitting system, Tyler Enterprise Permitting and Licensing (Tyler EnerGov) (the "Permit System"), as part of the City's Enterprise Resource Planning (ERP) system. Accordingly, the City is responsible for the annual licensing, maintenance, and technical support and support fees associated with the Permit System, which are paid directly by the City to Tyler Technologies, Inc.

The cost of the Permit System is not recovered in the same manner as the office space rent identified in the solicitation. The office space rental charge is established in the draft bid package and is adjusted annually based upon the Consumer Price Index (CPI). In contrast, the annual licensing and maintenance fees for the Permit

System are established by Tyler Technologies, Inc. at each annual renewal period and may fluctuate based on the vendor's pricing, licensing structure, software enhancements, or other contractual adjustments.

Rather than separately charging the Contractor for use of the Permit System, the draft solicitation requires proposers to submit their "Proposed Percentage of the Gross Revenue Derived from Building Permit Fees that the Contractor Seeks to Retain." Under this revenue-sharing model, the Contractor retains the negotiated percentage of gross building permit fee revenue for providing the contracted services, while the remaining portion retained by the City is used to fund Building Department-related costs, including, but not limited to, the annual licensing and maintenance costs associated with the Permit System, as well as other administrative and operational expenses borne by the City.

Administration believes this approach provides a more flexible and equitable cost recovery methodology than establishing a separate fixed charge for the Permit System, as the City's annual costs are subject to change based on Tyler Technologies' renewal pricing rather than a fixed CPI adjustment.

Question #8:

Sect 4.3: (4) Why does Website and Public Information reference not include language that places an emphasis on being "customer user friendly."

Answer #8:

Administration has no objection to placing additional emphasis on providing a customer-friendly experience through the Building Department's website and public information resources. Many of the provisions of the solicitation add customer focused initiatives including required reporting and creation of educational videos.

For example, Section 4.3(Y) of the draft solicitation already requires the Contractor to create and maintain educational videos, manage the Building Department's section of the City's website, maintain and update the Frequently Asked Questions (FAQ) section, provide educational and instructional content, and coordinate with the appropriate City departments to ensure that information provided to the public is accurate, useful, and timely.

To further emphasize the Commissioner's objective, Administration recommends revising Section 4.3(Y)(1) to expressly incorporate customer service and ease of use into the Contractor's responsibilities. Specifically, Administration recommends adding the following language:

> *"The Contractor shall be required to develop, maintain and manage the Building Department's section of the City's official website and related public information resources in a manner that is clear, accurate, informative, customer-friendly, and easy to navigate, with the objective of improving the public's ability to understand Building Department requirements, locate information, and efficiently conduct business with the City. The Contractor shall be solely and fully responsible for the ongoing maintenance, accuracy, and updating of the Building Department website content and related public information resources."*

Administration believes this additional language reinforces the importance of providing a positive customer experience while complementing the existing requirements for educational content, instructional videos, Frequently Asked Questions, and website management. It also makes clear that the Contractor's responsibilities extend beyond simply maintaining accurate information to ensuring that such information is organized and presented in a manner that is intuitive and user-friendly for the public.

Question #9:

Sect 4.5: (1) Who determines the necessary information required for a complete application. How are unwritten application requirements handled?

Answer #9:

Historically, the structure and format of the applications was dictated by Broward Board of Rules and Appeals (BORA), beginning next year due to changes in state legislation, the state will have a significant influence over the application. State statutes govern a significant portion of the permitting process.

Question #10:

Sect 4.5: (2) Reactivation of a permit application may be permitted, however, is there an approval/appeal process for reactivation of a permit?

Answer #10:

Extensions of permits is the responsibility of the authority having jurisdiction, the Chief Building Official. Extensions can be granted for delays in material, monetary concerns, weather delays, labor shortage, or any other reason acceptable to the Building Official. Chapter 1 of FBC Broward County Amendments allows the Building Official to reinstate an expired permit. The Building Official's decision may be appealed to BORA.

FBC Broward County Chapter 1
104.1.2 Powers and Duties of the Building Official. *The Building Official shall be vested with the powers and subject to regulations, as provided by Florida Statute, Chapter 468 and BORA*

Florida Statute 553.79 *as also stated in* ***Florida Building Code 105.5*** *grants the authority having jurisdiction four different options to close a permit that may be in an expired status. The options include from an owner assuming the responsibility to close the permit, retaining the original contractor, hiring a new contractor, to granting the building official the authority to close a permit that is substantially completed without having to obtain a new building permit.*

FS 553.79

(a) A property owner, regardless of whether the property owner is the one listed on the application for the building permit, may close a building permit by complying with the following requirements:

1. The property owner may retain the original contractor listed on the permit or hire a different contractor appropriately licensed in this state to perform the work necessary to satisfy the conditions of the permit and to obtain any necessary inspections in order to close the permit. If a contractor other than the original contractor listed on the permit is hired by the property owner to close the permit, such contractor is not liable for any defects in the work performed by the original contractor and is only liable for the work that he or she performs.

2. The property owner may assume the role of an owner-builder, in accordance with ss. 489.103(7) and 489.503(6).

3. For purposes of this section, the term "close" means that the requirements of the permit have been satisfied.

(b) If a building permit is expired and its requirements have been substantially completed, as determined by the local enforcement agency, the permit may be closed without having to obtain a new building permit, and the work required to close the permit may be done pursuant to the building code in effect at the time the local enforcement agency received the application for the permit, unless the contractor has sought and received approval from the local enforcement agency for an alternative material, design, or method of construction.

(c) A local enforcement agency may close a building permit 6 years after the issuance of the permit, even in the absence of a final inspection, if the local enforcement agency determines that no apparent safety hazards exist.

For purposes of this section, the term "close" means that the requirements of the permit have been satisfied.

FBC Broward County Chapter 1
105.3.2.5 Exception: *On written request from the owner or contractor, the Building Official may reinstate the permit one (1) time. The job shall be completed under the jurisdiction of the code that the original permit was approved under. The reinstated permit shall be subject to the life safety requirements as determined by the fire code official.*

Question #11:

Sect 4.5: (3) Where in the documents is the city-employed staff identified as the City's Contract Manager?

Answer #11:

Administration does not recommend identifying a specific individual by name within the solicitation or resulting agreement as the City's Contract Manager. Consistent with the City's standard contracting practices, the individual serving as the City's Contract Manager is designated by the City Manager or appropriate Department Head and may change from time to time based upon organizational changes, personnel assignments, promotions, retirements, or other operational needs. Accordingly, the solicitation intentionally references the City's Contract Manager rather than a specific individual to provide the City with the necessary administrative flexibility throughout the term of the Agreement.

Notwithstanding the foregoing, Administration's current Contract Manager is Michael Stamm Jr., Assistant City Manager / Planning and Economic Development Director, and the intent would be to have him continue to serve as the City's Contract Manager for this solicitation and resulting Agreement. Should circumstances require a change in the future, the City Manager would have the authority to designate another City representative to serve in that capacity without requiring an amendment to the Agreement.

Question #12:

Sect 4.5: (4) Is performance for plan review time subject to an audit performed by the City Auditor?

Answer #12:

The City's Commission Auditor reports directly to the City Commission and is independent of the Administration. Each year, the Commission Auditor develops a risk assessment and annual audit plan to identify and prioritize audits to be performed. In addition, the City Commission may direct the Commission Auditor to perform audits of specific departments, programs, contracts, or operational functions, and may provide input regarding the scope of those audits, as has been done in the past.

The City Commission previously directed the Commission Auditor to perform audits of several of the City's function sourcing agreements, including the existing Building Department Services Agreement or more recently the workflow of the permitting process. As part of that audit, the scope included a review of various operational and contractual performance measures, including the timeliness of permit plan reviews. Accordingly, the Commission Auditor already possesses the authority to audit contractor performance, including plan review times, whenever such work is included within the Commission approved audit plan or otherwise directed by the City Commission.

Administration does not recommend specifically identifying plan review audits within the solicitation, as doing so could inadvertently imply that the Commission Auditor's authority is limited to those expressly identified in the Agreement. The Commission Auditor's authority is established independently through the City's Charter and *direction from the City Commission, and the Commission retains the ability to request future audits and define the scope of those audits as it deems appropriate.*

However, please note that the draft solicitation currently requires monthly reporting and customer surveying by the awarded bidder.

Question #13:

Sect 4.6.B: Can the City's Contract Manager approve a change in the minimum number of designated personnel?

Answer #13:

No, Section 4.6(k) shall be revised as follows:

> *"**Contractor Right to Request Changes to Staffing Levels:** The Contractor shall have the ability to request changes to required staffing levels, by providing clear documentation displaying how customer service levels and performance levels will be maintained with fewer personnel. The request to change staff levels, may not be submitted within the first 12 months of the contract. The proposal must clearly outline why the reduction is necessary and how performance will be maintained. Any request to reduce staffing levels shall also include a proposed adjustment to the Contract price that reflects the reduced staffing commitment. The City reserves the right to independently evaluate the proposed reduction and negotiate a corresponding reduction in compensation if it determines that the reduced staffing levels decrease the Contractor's cost of providing the Services. The City's Contract Manager must reply in writing to Contractor's request within ten (10) working days. Approval of any staffing reduction shall be at the sole discretion of the City and ~~may~~ shall be conditioned upon execution of a written amendment adjusting the Contract price and any other affected terms and conditions. Approval of any staffing adjustment shall be at the sole discretion of the City."*

Question #14:

Sect 4.6.C: (1) The word "No" in the title of this section should be removed to be consistent with exemptions in the document.

Answer #14:

Administration has no objection with the Commissioner's request to remove the word "No" in the title of Section 4.6(C), as shown revised below:

> *"~~**No**~~ **Dual Roles:** With the exception of the Assistant Building Official, who may also serve as a Trade Chief, each position identified above shall be filled by a separate, dedicated individual. Dual roles are not permitted for the Chief Building Official, Trade Chiefs, Plans Examiners, and Field Inspectors, who shall each function exclusively within their assigned discipline. A single individual shall not serve concurrently in more than one role, nor across multiple disciplines. Specifically, each inspection discipline (Electrical, Mechanical, Plumbing, and Structural) shall have at least one dedicated Trade Chief, and no individual may act as a Chief for more than one discipline. The Contractor shall provide sufficient qualified personnel to meet this requirement at all times during the term of the Agreement. Under no circumstances shall an individual be proposed, assigned, or utilized in multiple positions or disciplines, whether on a full-time, part-time, acting, or interim basis, unless otherwise expressly approved in writing by the City's Contract Manager. Any temporary cross-disciplinary assistance shall not be construed as fulfilling minimum staffing requirements. Failure to maintain required staffing levels shall be subject to liquidated damages as set forth in **Subsection H** below."*

Question #15:

Sect 4.6.C: (2) The word “shall” on 5th line of paragraph should be replaced with the word “may.”

Answer #15:

Administration recommends retaining the word “shall” within this section. The purpose of Section 4.6(C) is to establish the minimum staffing requirements necessary to ensure continuity of operations, adequate oversight, and consistent service delivery for the operation and management of the Building Department. Replacing the word “shall” with “may” would change the provision from a mandatory contractual requirement to a discretionary one, thereby making compliance with the minimum staffing requirements optional.

The intent of this section is to clearly establish the City’s minimum expectations while still providing flexibility where expressly authorized elsewhere in the solicitation. For example, the draft solicitation already permits deviations for the Assistant Building Official to allow them to serve as a Trade Chief as stated in the first sentence of Section 4.6(C). Accordingly, Administration believes the use of “shall” is appropriate to establish the baseline contractual obligation.

Question #16:

Sect 4.6.C: (3) Staffing for turn-key services are excessively defined, does this level of details show up in other similar service contracts?

Answer #16:

Administration believes the level of detail included in this section is appropriate given the unique nature of this solicitation. Unlike the City’s other function sourcing agreements, this contract involves the turn-key operation and management of an entire municipal regulatory department responsible for administering and enforcing the Florida Building Code, conducting plan reviews and inspections, issuing permits, maintaining official records, and providing daily customer service to residents, contractors, design professionals, and the public. Because these responsibilities directly impact public safety and involve the exercise of governmental authority, Administration believes it is appropriate to establish minimum staffing requirements and identify key positions necessary to ensure continuity of operations, maintain appropriate segregation of duties, and provide consistent service delivery.

Unlike most of the City’s other function sourcing agreements, this solicitation also utilizes a unique compensation model whereby the Contractor is compensated by retaining a negotiated percentage of the Building Department’s permit fee revenues rather than receiving a fixed annual compensation established by the Agreement. Administration believes this further supports establishing minimum staffing expectations to ensure that service levels, operational capabilities, and public safety responsibilities are maintained throughout the term of the Agreement.

It is important to note, however, that the staffing requirements identified in the solicitation represent minimum contractual requirements, not the staffing levels that Administration believes will be necessary to successfully operate and manage the City’s Building Department. Given the size of the City, the volume of permitting and inspection activity, the statutory responsibilities of the Building Department, and the Contractor’s obligation to satisfy all contractual performance standards and applicable legal requirements, Administration fully anticipates that the successful proposer will require staffing levels in excess of these minimum requirements. Accordingly, these provisions are intended to establish a baseline level of staffing below which the City believes service quality, operational continuity, and regulatory responsibilities could be adversely impacted. Proposers remain responsible for determining and proposing the staffing and organizational structure necessary to successfully perform all services required under the Agreement, and are encouraged to propose additional personnel and organizational enhancements where appropriate.

Question #17:

Sect 4.6.C: (4) the statements “under no circumstances” and “unless otherwise expressly approved” in the same sentence seems to be in conflict.

Answer #17:

Administration acknowledges the Commissioner’s concerns. The phrase “under no circumstances” suggests an absolute prohibition, while the subsequent phrase “unless otherwise expressly approved” establishes that the City may authorize an exception. Administration’s intent is to establish a general prohibition while preserving the City’s discretion to approve deviations when warranted by unique operational circumstances.

Accordingly, Administration recommends revising the language to eliminate the apparent conflict. For example, the provision could be revised to read:

> *“~~**No**~~ **Dual Roles:** With the exception of the Assistant Building Official, who may also serve as a Trade Chief, each position identified above shall be filled by a separate, dedicated individual. Dual roles are not permitted for the Chief Building Official, Trade Chiefs, Plans Examiners, and Field Inspectors, who shall each function exclusively within their assigned discipline. A single individual shall not serve concurrently in more than one role, nor across multiple disciplines. Specifically, each inspection discipline (Electrical, Mechanical, Plumbing, and Structural) shall have at least one dedicated Trade Chief, and no individual may act as a Chief for more than one discipline. The Contractor shall provide sufficient qualified personnel to meet this requirement at all times during the term of the Agreement. ~~Under no circumstances shall an individual be proposed, assigned, or utilized in multiple positions or disciplines, whether on a full-time, part-time, acting, or interim basis, unless otherwise expressly approved in writing by the City’s Contract Manager.~~ Contractor shall not assign or permit any individual designated to serve in one of the minimum required positions identified in this section to simultaneously serve in another designated minimum required position, unless expressly approved in writing by the City’s Contract Manager. Any temporary cross-disciplinary assistance shall not be construed as fulfilling minimum staffing requirements. Failure to maintain required staffing levels shall be subject to liquidated damages as set forth in **Subsection H** below.”*

This revision maintains Administration’s intent to preserve the integrity of the minimum staffing requirements while clearly recognizing the City’s authority to approve exceptions when it determines that doing so is in the City’s best interest and will not adversely impact operations or service levels.

Question #18:

Sect 4.6.C: (5) Why are liquidated damages not applied to performance indicators as opposed to staffing levels?

Answer #18:

Administration’s intent in establishing liquidated damages associated with minimum staffing requirements is to provide an objective and measurable mechanism to ensure that the Contractor maintains the minimum operational resources necessary to perform the services required under the Agreement. Minimum staffing levels are within the Contractor’s direct control and can be readily monitored and verified by the City.

Administration recognizes that staffing levels ultimately serve as a means to achieving the desired operational outcomes, and that the City’s primary objective is the timely and effective delivery of Building Department services. Many of the solicitation’s performance requirements, such as compliance with statutory plan review and inspection timeframes, customer service expectations, and other operational standards, are already *established elsewhere in the Agreement and are enforceable through other contractual remedies, including withholding of payments, notices to cure, and termination for default where appropriate.*

Question #19:

Sect 4.6.F: Is this section relevant to the intent of the contract that staffing strategies by the proposer meets performance standards.

Answer #19:

Administration acknowledges that a staffing strategy, by itself, does not inherently ensure that contractual performance standards will be achieved. While maintaining adequate staffing is an important component of successful contract performance, the City's ultimate objective is not simply to ensure that positions are filled, but rather to ensure that Building Department services continue to be delivered in accordance with the performance standards established by the Agreement.

Section 4.6(E) (Staffing Continuity and Replacement) establishes the Contractor's obligations for maintaining continuity of staffing throughout the term of the Agreement. Specifically, it requires the Contractor to promptly notify the City of staffing changes, provide qualified replacement personnel within established timeframes for temporary absences, extended absences, and permanent vacancies, and supplement staffing beyond the minimum required personnel when necessary to accommodate changes in workload.

Section 4.6(F) (No Degradation of Service) addresses the corresponding performance expectation. While Section 4.6(E) establishes the process for maintaining staffing continuity, Section 4.6(F) makes clear that staffing changes, absences, vacancies, or replacement activities do not relieve the Contractor of its responsibility to continue meeting all contractual performance requirements. Regardless of internal staffing matters, the Contractor remains responsible for maintaining service levels, inspection capacity, plan review timelines, regulatory compliance, and all other performance obligations established under the Agreement.

Administration believes both provisions are necessary because they address different aspects of contract administration. Section 4.6(E) establishes how staffing changes are to be managed, while Section 4.6(F) establishes the performance outcome that must continue to be achieved regardless of those staffing changes. Together, these provisions help ensure that internal personnel matters do not negatively impact the level of service provided to the City or the public.

Question #20:

Sect 4.6.K: Where in the document does the City reserve the right independently to adjust staffing levels should workflow and revenues be reduced substantially (noting change in statutory law)?

Answer #20:

Administration acknowledges the Commissioner's concerns. Accordingly, Administration recommends revising the language to read:

> *"**Contractor or City Right to Request Changes to Staffing Levels:** The Contractor shall have the ability to request changes to required staffing levels and/or roles, by providing clear documentation displaying how customer service levels, operational efficiency, and all contractual performance levels will be maintained with fewer personnel. The request to change staff levels, may not be submitted within the first 12 months of the contract. The proposal must clearly outline why the reduction is necessary and how performance, including all service levels, inspection capacity, plan review timelines, regulatory compliance, and other contractual obligations will be maintained. Any request to reduce staffing levels shall also*

include a proposed adjustment to the Contract price that reflects the reduced staffing commitment.

The City may also initiate a review of the required staffing levels when there has been a significant and sustained change in workload, permit activity, statutory requirements, development activity, or other operational conditions that materially affect the staffing needs of the Building Department. In such cases, the City may request that the Contractor evaluate and submit a proposal for revised staffing levels and a corresponding adjustment to the Contract price, if appropriate.

The City reserves the right to independently evaluate the proposed reduction and negotiate a corresponding reduction in compensation if it determines that the reduced staffing levels decrease the Contractor's cost of providing the Services. The City's Contract Manager must reply in writing to Contractor's request within ten (10) working days. Approval of any staffing reduction shall be at the sole discretion of the City and ~~may~~ shall be conditioned upon execution of a written amendment adjusting the Contract price and any other affected terms and conditions. Approval of any staffing adjustment shall be at the sole discretion of the City."

Question #21:

Sect 4.7.B.2: Why would the City be concerned w/how contractor provides vehicles considering indemnification/insurance provisions?

Answer #21:

Administration believes this provision is appropriate and recommends retaining it. The primary purpose of this requirement is to help ensure that residents, business owners, and contractors can readily identify individuals who are legitimately performing official Building Department inspections and other regulatory functions on behalf of the City.

Building Department personnel routinely visit private residences, businesses, and construction sites, often without prior face to face interaction with the property owner or occupant. Unlike many municipal services, Building Inspectors frequently request access to private property and interact directly with residents and businesses. It is therefore important that individuals arriving to perform inspections do so in professional, well-maintained, and clearly identifiable vehicles that visibly demonstrate they are authorized representatives performing services on behalf of the City of Pembroke Pines. This not only promotes professionalism and public confidence, but also helps residents and business owners distinguish authorized City representatives from unauthorized individuals attempting to gain access to private property or misrepresent themselves as City inspectors.

Although the successful proposer will be an independent contractor, its personnel will serve as the public face of the City's Building Department. To residents, business owners, contractors, and visitors, the contractor's employees and vehicles are a direct reflection of the City. Accordingly, Administration believes it is important that both the personnel and the vehicles used to perform these services project a professional appearance that reflects the high standards, integrity, and customer service expectations of the City of Pembroke Pines.

Accordingly, the solicitation establishes Contractor-owned, leased, or rented vehicles as the standard for performing services under the Agreement. While the City recognizes that limited operational circumstances may justify the temporary use of a personal vehicle, such use is permitted only with the City's prior written approval and only if the vehicle complies with the same identification, insurance, maintenance, and safety requirements applicable to Contractor-provided vehicles. This ensures that any approved vehicle continues to project a professional appearance and can be readily recognized by the public as an authorized vehicle performing official City business.

Administration believes this provision strikes an appropriate balance by allowing limited operational flexibility while protecting the City's interests in public safety, professionalism, accountability, and maintaining public confidence in the Building Department.

Question #22:

Sect 4.7.C.1.d: (1) Explain why restriction exceeds city limits.

Answer #22:

As discussed at the June 17, 2026 Commission meeting, Administration appreciates the Commission's observation regarding the original restriction extending beyond the City limits. The original intent of this provision was not to regulate activities occurring outside the City's jurisdiction, but rather to prevent conflicts of interest and ensure that Contractor personnel assigned to the City of Pembroke Pines remained fully dedicated to performing their contractual responsibilities during their scheduled working hours.

Specifically, Administration sought to prevent situations where Contractor personnel assigned to the City's Building Department could also be performing private provider services or building department services for neighboring jurisdictions during the same workday, potentially affecting their availability, responsiveness, and ability to fulfill their obligations to the City. The original one-mile restriction was intended as a practical means of discouraging such overlapping activities in areas immediately adjacent to the City; however, Administration agrees that a geographic restriction extending beyond the City limits is not the most appropriate method of accomplishing this objective.

Accordingly, Administration recommends revising Section 4.7(C)(1)(d) to more directly address the underlying concerns, as shown below:

> *"During the term of this Agreement, no individual performing services under this Agreement shall provide, perform, supervise, review, <u>inspect,</u> or <u>otherwise</u> participate in any private provider services <u>for any project located</u> within the City of Pembroke Pines ~~or within a one (1) mile radius of the City limits~~. <u>Contractor personnel shall not perform private provider services on any project that could reasonably create a conflict of interest with their duties under this Agreement, including projects requiring coordination, review, or inspection by the City of Pembroke Pines. In addition, Contractor personnel shall not perform building department services for another agency or private provider services at any time during their scheduled workday for the City, including meal periods or other breaks, while utilizing equipment or vehicles displaying the City of Pembroke Pines' name, logo, or other identifying markings, or otherwise representing themselves as acting on behalf of the City of Pembroke Pines. Contractor personnel assigned to the City shall devote sufficient time and attention to the performance of services under this Agreement and shall not engage in outside employment or professional activities that materially interfere with their assigned duties, availability, or responsiveness to the City.</u> This prohibition applies regardless of whether the services are performed through the Contractor, another company, as an independent contractor, or in any other capacity."*

Administration believes the proposed revision more precisely addresses the City's operational and ethical concerns by focusing on conflicts of interest, dedication of personnel, and protection of the City's interests, rather than imposing a geographic restriction beyond the City's boundaries.

Question #23:

Sect 4.7.C.1.d: (2) Section 4.11 seems to cover the intent of private providers, if not, why is this section not a better placement for the enhanced language.

Answer #23:

Administration appreciates the Commissioner’s observation. While Section 4.11 addresses conflicts of interest and certain prohibited activities, Administration believes the revised language is more appropriately located within Section 4.7(C), which governs personnel requirements and employee conduct.

Section 4.11 is intended to establish broad ethical standards applicable to the Contractor, including prohibiting solicitation of private work arising from the Contractor’s City responsibilities, representing private clients before the City, and providing consulting services that create actual or perceived conflicts of interest. Those provisions primarily address ethical conduct and conflicts associated with the Contractor’s professional activities.

By comparison, the revised Section 4.7(C)(1)(d) establishes operational requirements governing the day-to-day activities of personnel assigned to the City’s Building Department. In addition to prohibiting private provider services on projects located within the City of Pembroke Pines, the revised language also prohibits Contractor personnel from:

- *Performing building department services for another agency or private provider services during their scheduled working hours for the City;*
- *Using City-issued equipment or vehicles while performing outside work;*
- *Representing themselves as acting on behalf of the City while performing non-City work;*
- *Performing outside work that creates an actual or potential conflict with their assigned City duties; and*
- *Engaging in outside employment or professional activities that materially interfere with their availability, responsiveness, or performance under the Agreement.*

Because the revised provision addresses personnel availability, dedication of assigned staff, use of City resources, representation of the City, and operational performance, not solely conflicts of interest or private provider services, Administration believes it is more appropriately located within the personnel requirements of Section 4.7(C). Administration believes this placement provides greater clarity by grouping employee conduct and operational expectations together, while allowing Section 4.11 to remain focused on the Contractor’s broader ethical obligations and conflicts of interest.

Question #24:

Sect 4.12.F.3.a: How does this rate compare to commercial rental rates in the City?

Answer #24:

*The monthly office rental payment set forth in the draft solicitation is **$21,450** and provides the Contractor with exclusive use of approximately **4,768 square feet** of office space located within City Hall, which will serve as the primary location for the operation of the City's Building Department.*

*Based on the proposed monthly rent, the annual rental payment would total approximately **$257,400**, which equates to an effective rental rate of approximately **$53.98 per square foot per year** (approximately $4.50 per square foot per month).*

*For general reference, the **Cushman & Wakefield Broward Office MarketBeat for Q2 2026** (**Please see Exhibit 2)** reports an **overall average asking rental rate of $49.08 per square foot annually for Broward County** office space and **$46.49 per square foot annually for the Pembroke Pines** submarket. However, these market rates may not include additional tenant costs such as common area maintenance (CAM) charges, property taxes, insurance, utilities, janitorial services, and other operating expenses that are commonly paid in addition to base rent.*

Administration notes that the City's Building Department space is not directly comparable to traditional commercial office space. The Contractor will occupy dedicated municipal office space within City Hall specifically *designed to support Building Department operations, including public customer service counters, permit intake and processing areas, plan review workspaces, inspection offices, conference room, records storage, public waiting areas, and direct access to City departments. In addition, the City provides building maintenance, janitorial services, utilities, security, parking, and common areas necessary for the operation of the Building Department. Accordingly, Administration believes the proposed office rental charge represents a reasonable allocation of the costs associated with providing a fully operational, purpose-built governmental facility for the Contractor's exclusive use while performing services on behalf of the City.*

Question #25:

Sect 4.12.F.4.b: (1) Is the payment based on full cost recovery?

Answer #25:

Administration's intent under Option B is for the monthly payment from the Contractor to fully offset the City's cost of providing the Chief Building Official and Building Department Operations Manager positions, such that the City is not subsidizing these positions.

However, because the City does not currently employ a Chief Building Official or Building Department Operations Manager as City positions, the City would first need to establish, recruit, and hire these positions if Option B were ultimately selected. As a result, the City's actual costs cannot be determined with certainty at this time.

The final cost of these positions may vary depending on several factors, including, but not limited to, the qualifications, certifications, experience, and salary negotiations. Accordingly, the monthly payment identified in the solicitation represents Administration's best estimate based on current market conditions and anticipated employment costs, including employee benefits, retirement contributions, payroll taxes, workers' compensation, and other employment-related costs associated with the individuals ultimately hired.

While the City intends for the monthly payment to offset the direct costs associated with the Chief Building Official and Building Department Operations Manager positions, the City also retains a portion of the Building Department permit revenues under the revenue-sharing model. To the extent actual personnel costs vary from the estimated monthly payment, the City's retained share of permit revenues may be available to absorb reasonable variances. Accordingly, Administration's objective is to ensure that the overall financial structure of Option B appropriately offsets the City's costs while maintaining a fair and equitable allocation of revenues and responsibilities between the City and the Contractor.

Question #26:

Sect 4.12.F.4.b: (2) Does the CPI provision cover salaries and benefits increases which occasionally are greater than CPI?

Answer #26:

Administration recognizes that salary and benefit costs do not always increase at the same rate as the Consumer Price Index (CPI). In some years, employee compensation, health insurance, retirement contributions, or other employment-related costs may increase by more than CPI, while in other years they may increase by less.

The CPI adjustment was included as a standardized and objective mechanism commonly used in City contracts to account for inflationary changes over the term of the Agreement. It provides both the City and the Contractor with a predictable methodology for adjusting the monthly payment over time without requiring annual renegotiation.

As discussed in the response to the previous question, the City's intent under Option B is for the monthly payment to substantially offset the City's costs of providing the Chief Building Official and Building Department Operations

Manager positions. Because the City would also retain a portion of the Building Department permit revenues under the revenue-sharing model, Administration anticipates that the overall financial structure of Option B would provide flexibility to absorb reasonable variances between CPI adjustments and actual personnel cost increases.

Administration acknowledges, however, that there may be circumstances where actual compensation and benefit costs materially exceed or fall below CPI over an extended period. Should such circumstances arise, Administration would recommend evaluating whether an amendment to the Agreement is warranted to ensure the financial arrangement continues to appropriately reflect the City's costs while maintaining a fair and equitable allocation of revenues and responsibilities between the City and the Contractor.

Question #27:

Sect 4.13.A.4.b.9: Who prepares the explanation of outcomes?

Answer #27:

Administration's intent is that the explanation of the outcome be prepared by the Contractor, specifically by the individual responsible for investigating and resolving the customer concern, under the oversight of the Chief Building Official and/or the Building Department Operations Manager. The explanation is intended to provide a factual summary of the investigation, identify the root cause of the concern, document any corrective actions taken, and indicate whether the issue resulted from the applicant, contractor, Building Department processes, or another contributing factor.

While the Contractor is responsible for preparing and maintaining the Customer Concern Tracking and Resolution Log, the City retains the right to review the log, request additional information or clarification, and independently evaluate the Contractor's findings and conclusions. This oversight helps ensure transparency, accountability, and consistency in how customer concerns are investigated, documented, and resolved.

Question #28:

Sect 4.13.A.4.b.9: What reporting process is in place to identify requirement changes during the review and approval process?

Answer #28:

Administration believes the Customer Concern Tracking and Resolution Log serves not only as a record of individual customer concerns, but also as a management tool for identifying recurring issues, trends, and opportunities for continuous process improvement.

As required by Section 4.13(A)(4)(b)(11), the Contractor must identify recurring issues or trends and propose corrective actions as part of the monthly reporting process. Through management's review of these reports, recurring concerns related to permit requirements, plan review comments, inspection practices, customer communications, or operational procedures can be identified and evaluated. Where appropriate, the Chief Building Official, Building Department Operations Manager, and City Administration may implement changes to internal procedures, improve software functionality, provide additional staff training, revise customer guidance documents, or recommend updates to departmental policies to improve consistency, efficiency, and customer service.

Administration notes that any changes to requirements established by the Florida Building Code, Florida Statutes, or City Code would continue to be implemented in accordance with applicable laws and regulations. The purpose of the reporting process is to identify opportunities to improve the administration of those requirements, not to modify or waive regulatory requirements established by law. Furthermore, the vendor has the ability to make recommendations for improvements to the City's permitting program and processes.

Question #29:

Sect 4.16.F: Why is the City Commission approval excluded for extensions that exceed the initial 120-day unilateral approval by the City Manager? Also, why is section 4.16 not contained in the agreement/contract as it has higher precedent than the RFP document?

Answer #29:

The original draft would have permitted the Agreement to be extended in successive one hundred twenty (120) calendar day increments upon the written request of the City Manager and mutual agreement of the Contractor. Following Commission discussion at the June 17, 2026 Commission meeting, Administration revised the provision in the draft solicitation to limit the extension authority to a single extension of up to one hundred eighty (180) calendar days, in alignment with Section 35.29(C) of the City's Code of Ordinances, or until such time as the City is able to enter into an agreement with a successor entity, whichever occurs first.

The purpose of this provision is to provide the City with operational continuity in the event a successor contract cannot be executed before the expiration of the Agreement. Because the Building Department performs essential governmental functions, including permitting, plan review, inspections, and enforcement of the Florida Building Code, any interruption in these services could significantly impact residents, businesses, contractors, and development activity within the City.

Question #30:

Sect 4.16.F: Also, why is section 4.16 not contained in the agreement/contract as it has higher precedent than the RFP document?

Answer #30:

Administration agrees that the provisions contained in Section 4.16 establish important contractual rights and obligations between the City and the Contractor. Although the Request for Proposals (RFP) becomes an exhibit to the final Agreement and is incorporated therein by reference, Administration agrees that provisions governing the ongoing contractual relationship between the parties are should also be included within the body of the Agreement itself.

The specimen agreements typically serve as a general contractual framework applicable to a variety of procurements. As such, it does not always contain the same level of operational detail as the solicitation, which is developed specifically for the services being procured. Once a successful proposer has been identified, the solicitation, proposal, negotiated terms, and resulting Agreement collectively establish the contractual obligations of the parties.

However, Administration intends to carefully consider the feedback received during the upcoming City Commission Workshop on August 5, 2026, and, prior to final issuance of the solicitation and/or contract execution, incorporate the appropriate solicitation specific provisions into the Agreement for this procurement. This approach will result in an Agreement that more fully reflects the operational requirements and performance expectations unique to the Building Department, while reducing the need to rely on incorporated RFP provisions through an exhibit and providing greater clarity regarding the parties' respective rights and obligations.

Administration believes this approach addresses the Commissioner's concern regarding document precedence by ensuring that the final executed Agreement contains the substantive contractual provisions necessary to govern the relationship between the City and the Contractor, while recognizing that the solicitation will continue to be incorporated into the Agreement as an exhibit as well.

Exhibit 1

HB 803 - Key Provisions & Requirements Imposed on Municipalities

HB 803 limits local building department discretion, expands private provider autonomy, and creates statewide mandates that local governments must follow:

1. **Accelerated Permit Review Timelines ("Shot Clocks")**
   - **10-Business-Day Window:** Drops the statutory permit review window for projects using a qualifying Private Provider from 20 business days to **10 business days**.
   - **5-Business-Day Window:** Establishes a 5-business-day review deadline for existing single-family residential projects under $15,000 (and single-trade work) using local plans reviewers.
   - **Deemed Approved:** If the local building department fails to approve, approve with conditions, or deny within these strict deadlines, the permit application is **deemed approved by operation of law**.
2. **Restricted Local Oversight of Private Providers**
   - Limits local building departments from performing substantive re-reviews or second-guessing plans and inspections approved by a licensed Private Provider. Municipal authority is narrowed to administrative completeness, local zoning/land development regulations, floodplain ordinance compliance, and maintaining a registration system.
3. **Statewide Uniform Permit Applications by July 1, 2027**
   - Directs the Florida Building Commission to establish standardized statewide residential and commercial building permit applications, which all municipalities must adopt.
4. **Permit Exemption for Work Under $7,500**
   - **Mostly not applicable in the City jurisdiction.**
   - Local enforcement agencies must exempt single-family home owners and contractors from obtaining a building permit for non-structural, non-trade residential work valued under $7,500.
   - **Scope Limits:** Electrical, plumbing, mechanical, gas, structural, and flood hazard zone projects are **not** exempt regardless of cost.
   - **Project-Splitting Prohibition:** Contractors are explicitly banned from dividing a larger project into multiple sub-projects to artificially stay below $7,500.
   - Municipalities must establish a process to receive and review written exemption requests.

Impact on Fee Schedules & Revenue

HB 803 significantly constrains how local building departments calculate fees and directly reduces overall department revenues:

- **Mandatory Private Provider Fee Reductions:**
  - **50% Fee Discount:** Municipalities must reduce commercial and residential permit fees by **50%** when a developer or applicant uses a Florida Private Provider for *all* qualifying plans reviews and inspections.
  - **25% Partial Reduction:** A **25%** fee reduction applies when private providers handle partial scopes of review or inspection.
  - Local governments are prohibited from charging standalone plans review or inspection fees for services performed by a private provider.
- **Restriction on Inspection Fee Calculations:**
  - Building departments may no longer charge inspection fees based on total project valuation. Fees must be tied strictly to the agency's actual direct cost to perform and approve the specific inspection.
- **Revenue Losses:**
  - Loss of base permit revenue on projects under $7,500 that no longer require permits.
  - Sharp decline in fee collections on large commercial and residential developments as contractors opt for Private Providers to gain both the 50% discount and faster 10-day review times.
  - Local departments will need to conduct cost-recovery audits and potentially adjust base administrative fee structures to maintain fiscal balance without violating statutory cost-of-service caps.

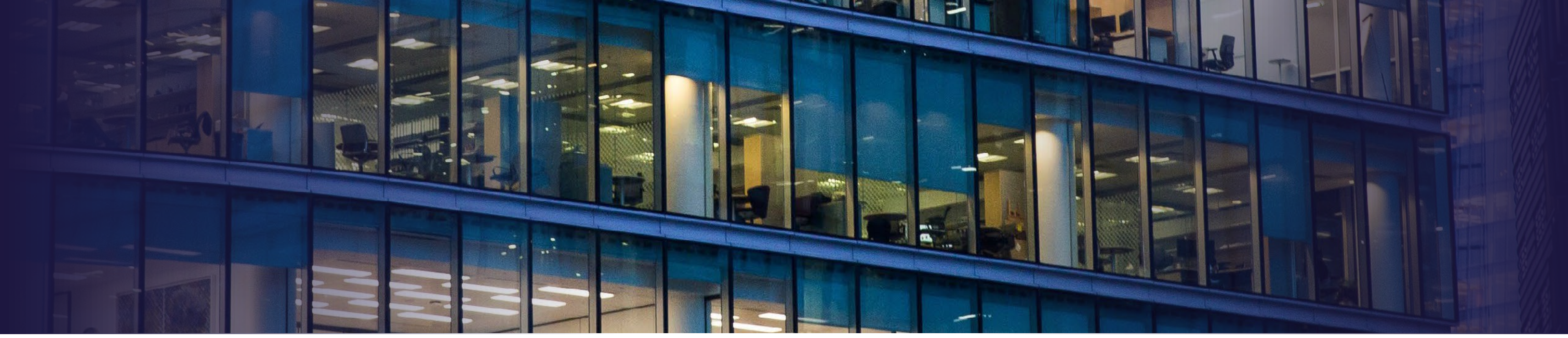
Impact on Building Department Operations

Operational Area	Impact & Required Changes
Permit Intake & Triage	Staff must be trained to review written exemption submissions ($7,500 rule and flood barrier exemptions) to verify projects are truly exempt and not unlawfully split.
Queue Management	Building Official systems must implement strict automated tracking for 5-day and 10-day review clocks to prevent automatic approvals by default.
Private Provider Administration	Shift from technical plan re-review to administrative oversight, credential tracking, registration auditing, and intake processing.
IT & Permitting Software	Software systems must be reconfigured to calculate mandatory 25%/50% discounts, track private provider registrations, and prepare for the 2027 statewide uniform application forms.

MARKETBEAT

BROWARD

OFFICE Q2 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
16.3% Vacancy Rate	▲	—
-83K YTD Net Absorption, SF	▲	▲
$44.69 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
919K Broward County Employment*	▼	▲
4.5% Broward County Unemployment Rate*	▲	▼
4.2% U.S. Unemployment Rate	—	▲

Source: BLS

SUPPLY

Net occupancy losses continued in Q2, pushing Broward County's overall vacancy rate up to 16.3% by midyear, a 10 basis point (bps) increase quarter-over-quarter (QOQ) and 30 bps year-over-year (YOY). Class A vacancy drove much of the increase, reversing three consecutive quarters of decline as space givebacks pushed the Q2 rate to 18.4%, a 90 bps jump QOQ and the highest level recorded since 2018. Class B product moved in the opposite direction, posting a 110 bps QOQ decrease after rising steadily since Q2 2025. Move-outs in both Downtown and the suburbs caused vacancy to rise YOY, with 40 bps and 30 bps jumps to 16.2% and 16.3%, respectively. Weston recorded the largest such increase countywide, up 720 bps annually to 25.0%, the highest total of any submarket in Broward. The development pipeline remained unchanged, with the 175,000 square foot (sf) FAT Village building still the only project under construction. While its expected completion by year-end will push rates higher going into next year, vacancy is expected to remain below the state and national averages.

DEMAND

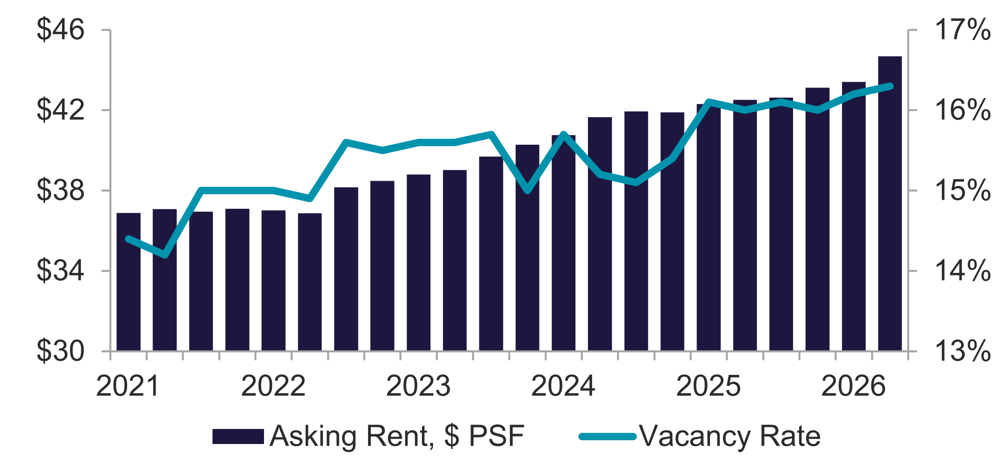
New leasing activity rose in Q2 with 365,000 sf of deals signed, the most in a quarter since Q3 2024. Year-to-date (YTD) deal volume rose to over 632,000 sf, a slight 1.5% increase YOY. Central Business District (CBD) leasing increased nearly 40.0% from 2025, with H1 2026 marking the strongest two quarters of leasing since 2023. Supply outpaced demand for the second straight quarter. As a result, the market posted roughly 83,000 sf of negative absorption by midyear, driven largely by large tenant move-outs in Class A buildings, including the City of Fort Lauderdale Police Department, Aetna, and Regions Bank. B product partially cushioned the blow, fueled by the quarter's two largest move-ins, FAA's 64,000 sf and Innovative Memorabilia's 31,000 sf. Absorption is expected to rebound in H2, with almost 500,000 sf of leased space slated to occupy by year-end.

PRICING

Broward County's overall average asking rental rate totaled $44.69 psf at midyear 2026, up 5.1% YOY. Despite recent economic uncertainty, landlords continued to push rates across the county, with strong growth in both the CBD and suburbs driving overall market gains. Downtown rates rose 7.1% to $61.18 psf, while suburban rents topped the $40.00 mark for the first time, up 4.2% YOY to $40.04 psf. An uptick in demand, combined with the expected rent surge that typically accompanies a top-tier new building delivery, primes Broward for continued rent growth heading into 2027.

SPACE DEMAND / DELIVERIES

OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)*	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)**	OVERALL AVG ASKING RENT (CLASS A)**
FT. LAUDERDALE CBD	**5,648,528**	**900,318**	**12,783**	**16.2%**	**-45,572**	**-38,800**	**165,148**	**174,790**	**$61.18**	**$63.52**
SUBURBAN BROWARD COUNTY	**20,753,488**	**3,168,754**	**222,262**	**16.3%**	**22,614**	**-44,337**	**467,053**	**0**	**$40.04**	**$42.72**
Cypress Creek/Commercial	**5,373,343**	**729,514**	**2,630**	**13.6%**	**-6,405**	**-1,786**	**170,052**	**0**	**$36.14**	**$38.85**
Hollywood/Hallandale	**2,738,588**	**435,904**	**6,225**	**16.1%**	**23,044**	**29,300**	**54,999**	**0**	**$50.54**	**$63.30**
WEST BROWARD	**7,425,627**	**1,351,088**	**125,024**	**19.9%**	**8,225**	**-70,185**	**165,635**	**0**	**$38.77**	**$41.25**
Sunrise	3,072,045	686,092	68,339	24.6%	-986	-25,638	90,350	0	$35.39	$36.97
Plantation	3,464,149	495,216	4,158	14.4%	5,938	2,709	40,896	0	$43.07	$46.11
Weston	889,433	169,780	52,527	25.0%	3,273	-47,256	34,389	0	$41.27	$49.03
NORTHEAST BROWARD	**1,353,081**	**97,217**	**11,943**	**8.1%**	**3,737**	**-13,588**	**19,956**	**0**	**$39.15**	**$40.55**
Pompano Beach	354,508	0	0	0.0%	2,533	2,533	2,533	0	N/A	N/A
Deerfield Beach	998,573	97,217	11,943	10.9%	1,204	-16,121	17,423	0	$39.15	$40.55
SOUTHWEST BROWARD	**2,823,684**	**414,753**	**69,263**	**17.1%**	**-9,027**	**-8,872**	**45,225**	**0**	**$38.62**	**$40.24**
Pembroke Pines/Cooper City	803,735	46,614	0	5.8%	-11,892	-7,696	10,639	0	$44.57	$46.49
Miramar	2,019,949	368,139	69,263	21.7%	2,865	-1,176	34,586	0	$37.92	$38.86
NORTHWEST BROWARD	**1,039,165**	**140,278**	**7,177**	**14.2%**	**3,040**	**20,794**	**11,186**	**0**	**$40.97**	**$45.93**
Coral Springs	1,008,909	140,278	7,177	14.6%	3,040	20,794	11,186	0	$40.97	$45.93
Tamarac/Margate	30,256	0	0	0.0%	0	0	0	0	N/A	N/A
BROWARD TOTALS	**26,402,016**	**4,069,072**	**235,045**	**16.3%**	**-22,958**	**-83,137**	**632,201**	**174,790**	**$44.69**	**$49.08**

**Renewals not included in leasing statistics   **Rental rates reflect full service asking*

CLASS	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)*	UNDER CNSTR (SF)	DIRECT AVG ASKING RENT (ALL CLASSES)**	OVERALL AVG ASKING RENT (ALL CLASSES)**
Class A	15,384,985	2,650,552	183,005	18.4%	-145,963	-150,682	424,820	174,790	$49.92	$49.08
Class B	11,017,031	1,418,520	52,040	13.4%	123,005	67,545	207,381	0	$36.81	$36.46

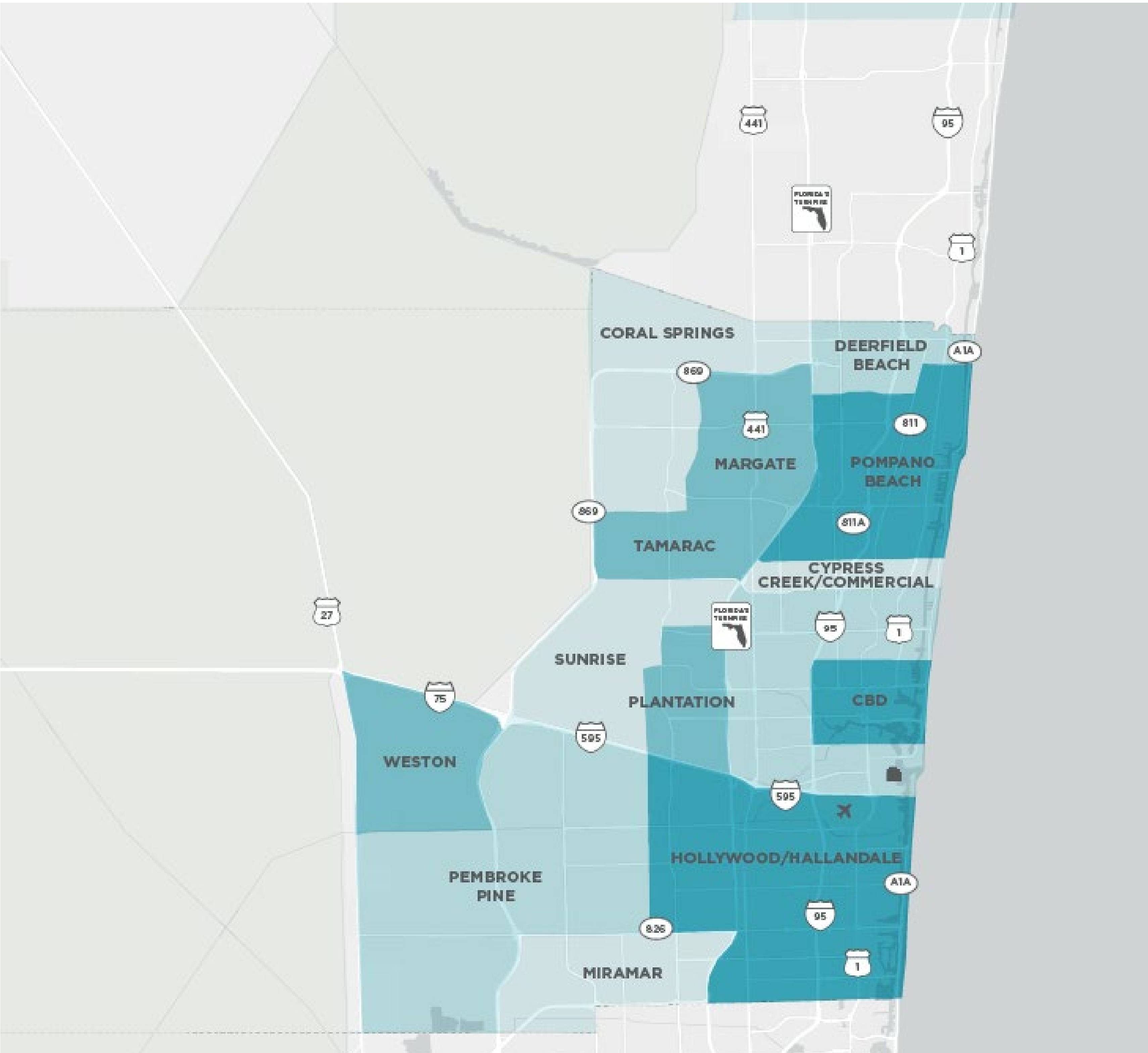
KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1515 W Cypress Creek Road	Cypress Creek/Commercial	Broward County Tax Collector	50,734	New
880 SW 145th Ave	Pembroke Pines/Cooper City	Customized Services Administrators, Inc	37,692	Renewal*
5200 NW 33rd Avenue	Cypress Creek/Commercial	Innovative Memorabilia Partners, LLC	31,210	New
1000 Sawgrass Corporate Parkway	Sunrise	HealthTrust Workforce Solutions	28,350	Renewal*
1625 NW 136th Ave	Sunrise	KDST Advisors	22,157	New

KEY SALE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
3696 N Federal Hwy	Cypress Creek/Commercial	Coral Ridge Office Center | NRNS Acquisitions	34,483	$7.0M | $202

OFFICE SUBMARKETS



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