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PROPOSED FIRE INSPECTION SYSTEM THIRD PARTY REPORTING

BOMA'S POSITION

BOMA Florida opposes the creation of a third party electronic reporting system for fire suppression and fire alarm systems inspections.

BACKGROUND

Commercial real estate industry trade groups based in Florida have been tracking those parties interested in introducing to Florida Fire Marshal's Offices third party electronic reporting systems for fire suppression and fire alarm systems inspections. Washington State attempted to implement such a tracking system, with failing results that cost both municipalities and commercial property owners.

Under current Florida Law, s. 633.082, F.S., and Florida Administrative Code 69A-46, a reporting system already exists; a system that has been utilized as a best practice by other states. Florida FAC 69A-46 currently requires fire suppression and alarm systems to be inspected and tagged by a NICET Level II Inspector or equivalent with a red tag or green tag—a clear indication that the systems have been inspected. It is a current requirement of Florida FAC 69A-46 that the Authority Having Jurisdiction (AHJ's) be sent all inspection reports once performed.

To meet this legislative mandate Florida fire sprinkler contractors have invested significant funding in software to manage inspection practices required in state adopted codes and to provide proper communication between the AHJ and property owners of fire suppression inspections throughout Florida. Under the proposed third party electronic reporting system, a new computerized process will be put in place causing the existing effective systems to be discarded or altered. The intent of these proposed reporting systems is to identify non-compliant property owners. It is problematic that the cost of these new reporting systems will be placed on the backs of commercial property owners who are already complying with Florida statutes, with no measurable benefits to the citizens or property. The proposed third party electronic reporting system is a tax/fee per inspection report which will be passed on to the property owner. This added tax/fee would be administered without representation from commercial property owners.

Commercial property owners could be charged per device from \$10.00 to \$40.00 to fund this new reporting system; and per every contract with Fire Sprinkler Contractors from \$40 to \$400 who would add their cost of doing business with the administrator to the owner. Because of existing contract language, the inspecting contractor will have to absorb these added costs until the next contract renewal. And very concerning is that those paying the tax/fee were not consulted or invited to participate in the process and were given short notice of the new costly and untested and non-validated reporting process.

In addition to the economic impact of a new tracking system, commercial property owners would face an additional barrier when seeking access to an AHJ; would have extensive concerns about the privacy of sensitive life/safety information being held for public viewing; would be subject to unnecessary complexity when compared to the current uniform and comprehensive compliance program throughout the State; and we believe would not, as third party electronic reporting system providers purport, result in lower ISO ratings or lower insurance premiums (as supported by the Fire Suppression Rating Schedule (FSRS) p 57).

The Florida Fire Sprinkler Association (FFSA) and the American Fire Sprinkler Association (AFSA) have prepared similar papers in opposition to this proposed reporting system.

ACTION REQUESTED

BOMA Florida members should aggressively monitor Florida State and local activities and become actively involved in any efforts to adopt the creation of a third party electronic reporting system for fire suppression and fire alarm systems inspections. If any AHJ is considering the adoption of this reporting system, BOMA Florida members are encouraged to voice our opposition.

Talking Points

- Property Manager/Building Owner has no access to report once data is entered into the database. Can the third party company sell the data? Does Property Manager/Building Owner have access to the data? Life safety systems are an important component to a building, information is sensitive to the public safety what happens to data once placed into the third party system? Can trial bar Attorney's have access to data? Can competitors of the Property Manager/Building Owner's have access to the data? What happens when there is a data/security breach?
- How is Property Manager/Building Owner notified of a deficiency if data is going to third party? What happens if building needs to be on fire watch and Property Manager is notified at 4pm on a Friday afternoon? What happens if there is data corruption or information is not properly uploaded into the third party system? How is the Property Manager notified?
- Implementation of third party inspection program circumnavigated Property Manager/Building Owners due process.
- Will Building Owners realize reduced non-ad valorem or ad valorem taxes now that a third party is performing tasks of the AHJs?
- Property Managers/Building Owners are concerned about possible data corruption and miscommunication of deficiencies which could create unexpected cost not budgeted.
- Property Managers/Building Owners have concerns about the privacy of sensitive life/safety information being held for public viewing.
- Current Florida Law utilizes a reporting system already in place and has been implemented as a best practice by other states.
- The third party inspection system penalizes compliant Property Managers/Building Owners with a tax/fee. Why not charge non-compliant Owners the tax/fee? Other than being the collector of inspection reports, what service does the third party provider offer that will increase compliance of known and unknown systems?
- It has been stated that the third party electronic reporting system will lower ISO and drive lower insurance premiums. We do not believe this to be true, as documented in the Fire Suppression Rating Schedule (FSRS) starting on page 57. The ISO community grade PPC will not change as a result of the third party system. Individual insurance premium rates are determined through interaction with the Property Owner and their insurance provider.
- Cost of the third party inspection system will eventually be passed on to the property owner. This is a tax/fee imposed without representation from Property Managers/Building Owners.
- Under the proposed third party electronic reporting system a new computerized process will be put in place causing the discard or alteration of a current effective management and reporting systems.



June 11, 2013

Dear BOMA Member,

The BOMA Florida Government Affairs Committee wanted to alert you to an issue that is slowly making its way through the State of Florida. The issue pertains to the creation of third party electronic reporting systems for fire suppression and fire alarm systems. Attached is the BOMA Florida position paper regarding this issue, and it is our intent to stop the creation of these systems before it becomes a burden to all Building Owners throughout the State.

Under current Florida Law, s 633,082, F.S. and Florida Administrative Code 69A-46, a reporting system already exists; a system that has been utilized as a best practice by other states. Florida FAC 69A-46 is working effectively in regards to inspection of fire suppression systems. The law requires systems to be inspected and tagged by a NICET Level II Inspector with either a red tag or green tag; a clear indication that the system has been inspected. It is a requirement of this law that the Authority Having Jurisdiction (AHJ's) be sent a copy all inspections once performed. Florida Fire Sprinkler Contractors have invested in software to provide proper communication of fire suppression inspections throughout the State.

There are several companies who are actively marketing their product to the Florida Fire Marshall's throughout the State to "provide" an electronic reporting system. As of May 1, 2013 Martin County has adopted this procedure requiring "all compliant & non-compliant fire life safety system inspection and test reports are required to be electronically submitted to the Martin County Fire Rescue Department by the fire protection contractor via The Compliance Engine outline system at www.thecomplianceengin.com." "...this proven process requires a nominal filing fee be paid by the service provider at the time of submittal." We feel this is a tax/fee which has been put in place without representation of all Building Owners. This could be a huge economic impact on BOMA Florida members!

For example: An Office Building has fire sprinkler system, backflows, alarm system, hood system, each will be charged a \$10.00 base fee paid to the administrator (in Martin County, the administrator is Brycer). A sprinkler with a fire pump and backflow will add additional costs to the inspection. The direct fees paid to the administrator(s) and the cost incurred by the service provider will also be passed on to the Building Owner. Contractors could also add their cost of doing business with the administrator. Contractors with large accounts could be forced to add staff to review and enter this data, and the smaller contractors will be using highly qualified technicians to do data entry.

An example of how the current system vs the proposed system is as follows:

Currently when an inspection is completed, if it is a green tag (no issues were found the system is in proper working order), a copy of the inspection report would be provided to owner and tenant in accordance with 633.082, a copy is supposed to be provided to the AHJ. If there are deficiencies it will result in a red tag, 30 day (depending on the item). This means the Contractor has 30 days within which to provide a copy of the NFPA 25 report to the owner and the tenant along with providing a copy to the AHJ in accordance with 633.082. If the system is impaired and results in a red tag, 24 hour, the Contractor has 24 hours to provide a notice (no specified method) to the owner, tenant and the AHJ in accordance with 69A-46.041. This information applies to all water based systems covered under NFPA 25 such as sprinkler systems, standpipes, fire pumps, etc.



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June 12, 2013

Dear Commissioner:

The BOMA Florida Government Affairs Committee is contacting you in order to make our concerns known about the creation of third party electronic reporting systems for fire suppression and fire alarm systems. We feel that the creation of these systems will cause an undue burden on all building owners throughout Martin County.

As you know, under current Florida Law, s 633.082 F.S. and Florida Administrative /code 69A-46, a reporting system already exists. This is a system that has been utilized as a best practice by other states. Florida FAC 69A-46 is working effectively regarding inspection of fire suppression systems. The law requires systems to be inspected and tagged by a NICET Level II Inspector with either a red tag or green tag - a clear indication that the system has been inspected. It is a requirement of this law that the Authority Having Jurisdiction (AHJ's) be sent a copy of all inspections once performed. Florida fire sprinkler contractors have invested in software to provide proper communication of fire suppression inspections throughout the State.

We understand that Martin County has adopted or is adopting this procedure requiring "all compliant & non-compliant fire life safety system inspection and test reports to be electronically submitted to the Martin County Fire Rescue Department by the fire protection contractor via The Compliance Engine outline system at www.thecomplianceengin.com". "...this proven process requires a nominal filing fee be paid by the service provider at the time of submittal. " We believe this is a tax/fee which has been put in place without representation of all building owners and could have a huge economic impact on BOMA Florida members!

For example: An Office Building has fire sprinkler system, backflows, alarm system, hood system, each will be charged a \$10.00 base fee paid to the administrator, in Martin County, the administrator is Brycer. A sprinkler system with a fire pump and backflow will add additional costs to the inspection. The direct fees paid to the administrator(s) and the cost incurred by the service provider will also be passed on to the Building Owner. Contractors could also add their cost of doing business with the administrator. Contractors with large accounts could be forced to add staff to review and enter this data, and the smaller contractors will be using highly qualified technicians to do data entry.

This process results in no added benefit to building owners, imposes a tax/fee on them without their input into the efficiency of such systems, and is not a guarantee of improved enforcement by the AHJ's put in place to protect citizens accessing buildings. Other concerns include possible data corruption and miscommunication of deficiencies which could create unexpected costs not budgeted and concerns about the privacy of sensitive life/safety information being held for public viewing.

Enacting Third Party Administrators places a barrier between the Jurisdiction and the building owner. BOMA Florida believes these programs create unnecessary complexity to the current uniform and comprehensive compliance program throughout the State. BOMA Florida also believes it will place an excessive financial burden on building owners. BOMA Florida is concerned this program was put in place without due process.

We hope you will revisit your decision to create third party electronic reporting systems. Please feel free to contact us (me) with any questions or if additional information is required.

Sincerely,

**Building Owners and Managers Association
of Florida**
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Any defective or non-functioning items discovered during any fire alarm system test or inspection shall be reported immediately, and shall also be reported in writing to the AHJ within five business days from the date the defective or non-functioning item as discovered in accordance with 69A-48.005

Under a third party system, specifically The Compliance Engine, the Contractor would have to go to the specific website and register. Each inspection report would have to be transmitted to the system using a customer reference number. The contractor is expected to enter the deficiency information separately into the system and eventually report the repair of the deficiencies. The AHJ would then have to go on line with the Third Party website to access the reports. The Contractor is required to pay \$10.00 per site per year at the time the report is first submitted for each discipline, i.e. \$10.00 for Sprinkler Systems, \$10.00 for fire pumps, \$10.00 for hydrants, \$10.00 for standpipes, \$10.00 for fire alarm system, etc.

This process results in no added benefit to Building Owners, imposes a tax/fee on Building Owners without our input into the efficiency of such systems, and is not guarantee of improved enforcement by the AHJs, in place to protect citizens accessing buildings.

Enacting Third Party Administrators places a barrier between the Jurisdiction and the Building Owner. BOMA Florida believes these programs create unnecessary complexity to the current uniform and comprehensive compliance program throughout the State. BOMA Florida also believes it will place an excessive financial burden on Building Owners. BOMA Florida is concerned this program was put in place without due process.

Chief Douglas Killane of Martin County has agreed to a meeting with FFSA/AFSA, BOMA and other building owners on June 10, 2013. The time is yet to be determined. BOMA Florida has attached a list of talking points for your review. Other jurisdictions are currently looking at this closely and this could become a bigger State-wide issue.

At this point BOMA Florida wants to keep our members abreast of the situation. We will keep you informed of the meeting time and would encourage any BOMA Florida members to consider joining the meeting on June 10, 2013 from 1pm – 4pm in Martin County. Please join us in the effort to keep third party inspection out of Florida.

Respectfully Submitted, The BOMA Florida Executives and Government Affairs Committee