

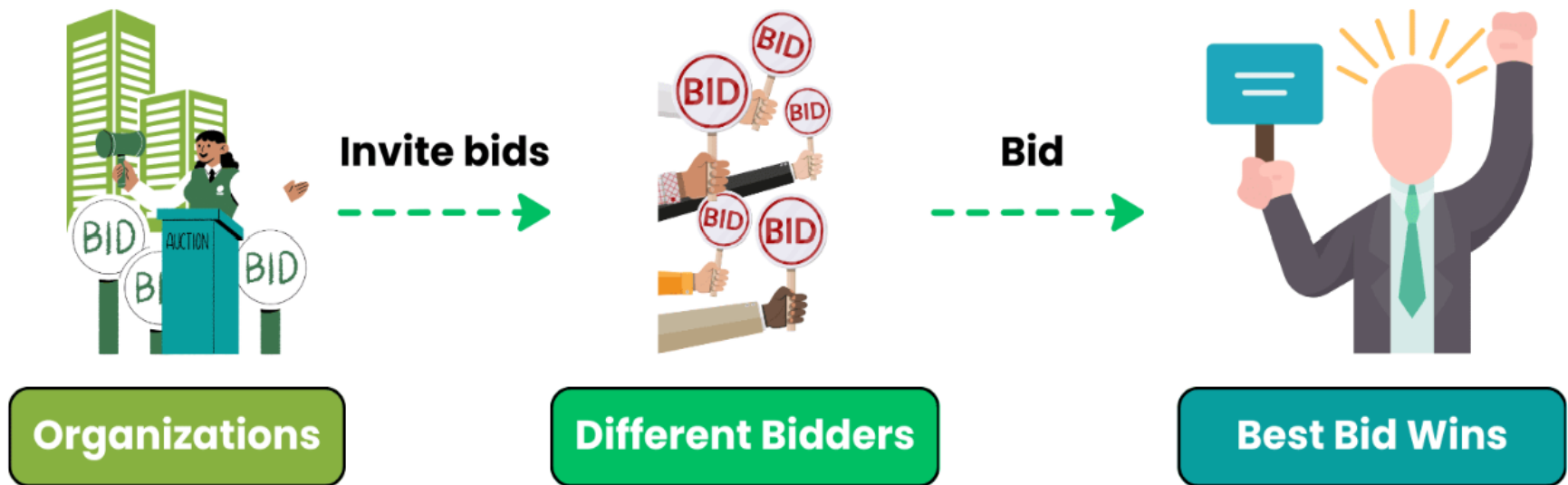


Space Coast Communities Association

www.scca-online.org

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Competitive Bids, Fair Contracts, and Board Accountability



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Who We Are

Experts in Telecom Negotiations for Communities

100+ Years in Telecommunications

Extensive experience across cable, broadband, and fiber networks.

Leadership Experience at Major Providers

Time Warner, Bright House Networks, Spectrum, Frontier, and Hotwire.

Expertise in Contract Negotiations

Bulk service agreements, marketing, and access agreements.

Project Management Expertise

Guiding communities through implementation, upgrades, and provider transitions.

Community Association Experience

Direct work with HOAs, condominiums, property managers, and developers.

Technology & Industry Knowledge

Strong understanding of broadband, fiber solutions, and evolving trends shaping community services.

Proven Industry Impact

Extensive experience negotiating and reviewing telecommunications agreements for communities nationwide



What is Telecommunications?

The core purpose of telecommunications is to connect people and devices—locally or globally—enabling real-time communication, internet access, broadcasting, and data sharing.

At its heart, telecommunications is the backbone of modern digital life, enabling everything from simple conversations to complex global data networks.

Important Trending:

Cable vs Streaming in 2025

- **83% use streaming services** — while **Only 36%** of U.S. adults subscribe to cable or satellite TV. Indicating a clear shift toward streaming, although cable still maintains a presence. *Pew Research Center*

Streaming hit 44.8% of total TV usage in May 2025, with **broadcast at 20.1%** and **cable at 24.1%**. *Nielsen*

Tech-Savviness Likely Plays a Role

- 64% of adults 65+ keep cable vs. far fewer younger viewers. *Pew Research Center*



Telecommunications in Everyday Life



HOA board members hold meetings via Zoom, and property managers send out community-wide email or text alerts.



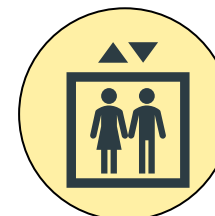
Residents stream TV shows, make video calls to family, and attend virtual doctor appointments.



Smart security systems and gate access rely on internet connectivity.



Telecommunications powers **how we live, work, and stay connected**—both inside the home and across the entire community.



Elevators and alarm systems in buildings use telecom lines for monitoring and reporting.

Growing Bandwidth Demand

Increase in Connected Devices

The proliferation of internet-connected devices is significantly contributing to the overall demand for bandwidth.

High-Definition Content

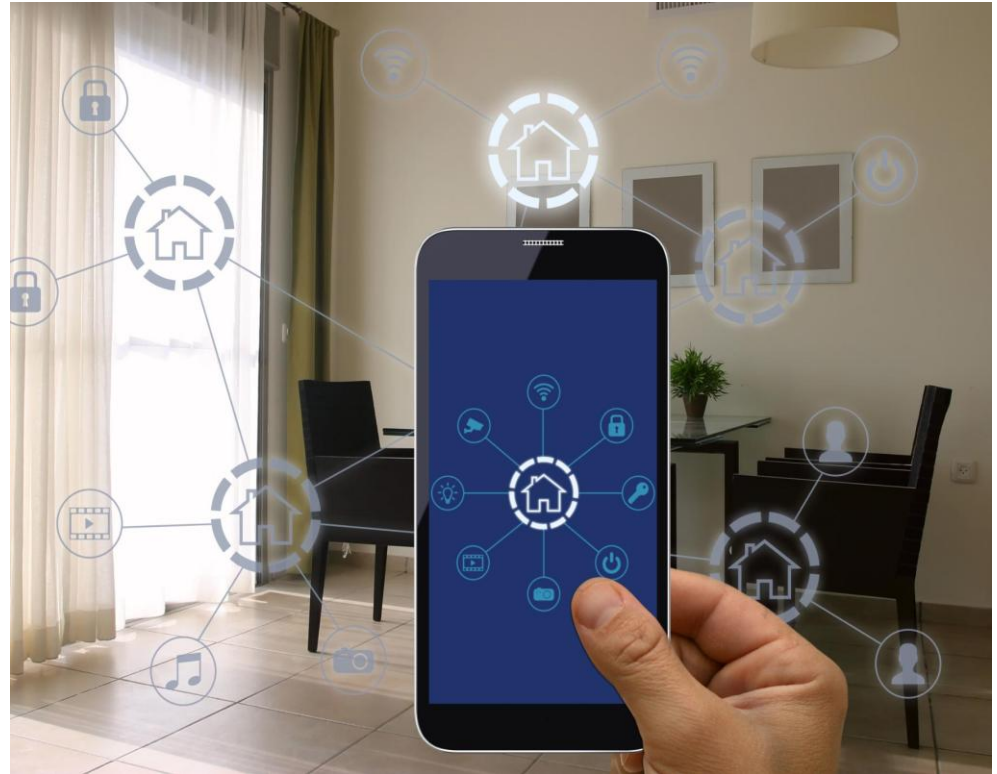
High-definition content from streaming services and online gaming is pushing the need for higher bandwidth.

Remote Work Surge

The increase in remote work is another key factor driving the demand for more bandwidth.

Impact of IoT (Internet of Things)

The rise of IoT devices are escalating the need for greater bandwidth.



Community Impact



Internet is the 4th Utility

High-speed internet access is essential for education, healthcare, employment opportunities and security.



Property Value Enhancement

Increased Demand: Properties with reliable internet access often see higher demand and property values.

Infrastructure Development: Improved connectivity and amenities contribute to thriving communities and can boost property values.



Resident Satisfaction

Smart Technology Integration: Features like keyless entry and smart thermostats enhance convenience and satisfaction.

Managed Wi-Fi: Reliable internet services can improve resident retention and reduce turnover rates.

Compare Delivery Systems



Category	Fiber Optic Cable	Coaxial Cable
Download Speed	Up to 10 Gbps+	Up to 950 Mbps
Upload Speed	Symmetrical speeds (e.g., 1 Gbps up/down)	Up to 35 Mbps (asymmetrical)
Latency	Very low – great for video calls, gaming	Higher – not ideal for real-time apps
Reliability	Stable in all conditions	Affected by weather & interference
Interference	Immune to interference	Susceptible to EMI/RFI
Distance Limitations	Very little degradation	Signal degrades over distance
Infrastructure Age	Modern-built for internet	Older – built for TV
Maintenance	Low -durable infrastructure	Higher due to cable wear
Scalability	Highly scalable	Limited – near capacity ceiling
Installation Time	Many require new buildout	Faster with existing lines
Installation Cost	Higher upfront, lower long term	Lower Upfront
Monthly Pricing	Competitive and improving	Varies
Availability	Expanding rapidly	Widespread in older areas
User Case	Best for future-proofing	Common in older MDUs

Shared vs. Dedicated Bandwidth



Traditional Coaxial Cable

Traditional coaxial cable networks share bandwidth among residents, causing slowdowns and buffering during peak hours.

Fiber-Optic Networks

Fiber-optic networks provide each customer with dedicated bandwidth, ensuring consistent performance no matter how many users are online.

Telecommunication Agreements



Bulk Service Agreements

- In a **Bulk Service Agreement**, the Association contracts for a specific level of Internet or TV service to be delivered to every home in the community. This service becomes a **common expense**, covered by residents through their monthly dues.

Why Choose a Bulk Service Agreement?

- **Significant Cost Savings:** Providers often offer up to **70%** off the retail price when services are bundled community-wide.
- **Enhanced Marketability:** Communities with built-in, high-quality services are more attractive to potential buyers and renters.
- **Streamlined Management:** Fewer individual service issues and simplified customer support.
- **Complimentary Service in common areas:** Free Wi-Fi and TV in the Club House, Wi-Fi at the Pool.
- **Signing Bonuse:** Service providers often pay incentives to the Association for entering into an agreement.

Did You Know.....?

If your Docs weren't written to include bulk service - What can the Board do?

- In Florida, condominium and homeowners' associations (HOAs) do not need to amend their governing documents to enter into bulk communication service agreements. Here's the legal basis:
 - Condos – [Florida Statutes § 718.115 \(1\)\(d\)](#).
 - This statute explicitly allows condo associations to enter bulk contracts for communication services (e.g., cable, internet) without requiring prior authorization in the declaration or bylaws. The cost is considered a common expense.
- HOAs – [Chapter 720 Section 309 - 2024 Florida Statutes \(2\)\(a\)](#)
 - Similar language applies to HOAs. The statute permits associations to enter into bulk communication contracts, and the costs are deemed an operating expense—again, no amendment to the governing documents is required.

You can't get residents to participate in meetings let alone vote for Bulk Services; What can the Board do?

- Under Florida law, condominium and homeowners' association (HOA) boards are authorized to enter into bulk communication service contracts.
 - Board Authority: Both condominium and HOA boards can enter into bulk communication service contracts without a prior membership vote, even if the governing documents are silent on the matter.
 - Condos – [Florida Statutes § 718.115 \(1\)\(d\)](#).
 - HOAs – [Chapter 720 Section 309 - 2024 Florida Statutes \(2\)\(a\)](#)
- Member Oversight: Members have the right to cancel such contracts by majority vote at the next regular or special meeting following the contract's execution.
 - If no motion to cancel is made or if such motion fails to obtain the required majority, the contract is deemed ratified for its term.
- Cost Allocation: The costs of these services are treated as common expenses (for condominiums) or operating expenses (for HOAs) and are typically allocated equally among units or parcels.

Telecommunication Agreements

Marketing Agreements

When a bulk agreement isn't the right fit, your Association can still leverage its telecommunications rights through a well-negotiated **Exclusive Marketing Agreement**.

What Does This Agreement Include?

- The provider is granted the right to:
 - Install, maintain, and operate their network within the community
 - Offer cable and internet services to residents on a retail basis

Additional Common Requests from the Provider:

- Listing their name and contact info on the community website
- Exclusivity in marketing (no promotion of other providers)
- A commitment not to sign a bulk agreement with another provider

Potential Benefits for the Association:

- Signing bonuses
- Complimentary service in common areas
- Possible Revenue Share income
- Possible infrastructure upgrades



Contract Considerations for Associations



Confidentiality & Fair Competition

- **No Proposal Sharing:**
 - Never agree to terms that require the board to **disclose competitor proposals** or pricing in future negotiations. This undermines competitive bidding and puts the community at a disadvantage during renewals.

Bulk Service Pricing & Adjustments

- **Rate Increase Terms:**
 - **How often** price adjustments can occur.
 - If there's a **cap on annual increases** (e.g., CPI-based or fixed percentage).
 - Whether the provider can **re-price mid-contract** for “extraordinary circumstances.”
- **Bulk Pricing Verification:**
 - Ensure the contract reflects **true bulk pricing** and includes **per-door** or **per-unit** cost transparency.

Compensation

- **Signing Bonuses** (aka Door Fees)
 - provide financial assistance (reduce potential assessments, and restoration efforts/help with reserve balances; new state requirements)
- **Revenue Share**
 - The Association receives quarterly compensation based on a predetermined percentage of revenue generated by the service provider from all homes subscribing to their services.
 - This ensures that the Association benefits directly from the provider's performance, fostering a mutually beneficial partnership.

Contract Review



Legal Review:

- All agreements — especially bulk contracts
Should be reviewed by an attorney with telecommunications contract experience.
General counsel may not be familiar with the nuances of telecom agreements.
- Hidden Terms via Hyperlinks: Be cautious of hyperlinked or referenced terms (e.g., online “click-through” T&Cs).
 - These often include unfavorable conditions like 1st right of refusal language, auto-renewals, early termination fees, service limitations or anti-competitive language that are easy to overlook.
 - Example:

Competing For Owner’s Business . Operator intends to always compete for Owner’s business on price and quality of service. Therefore, in the event Owner is considering competing proposals from another provider for any services similar to the Services after the Term, Owner shall notify Operator and provide Operator 30 days to submit a proposal pursuant to which Operator would offer such services on the same or more favorable terms to Owner. **If Operator provides a proposal that is the same or more favorable than the proposal from another provider, then Owner agrees to work with Operator to purchase such services from Operator and, at Owner’s discretion, negotiate either an amendment to this Agreement or a new agreement.**

Auto Renewal Clauses:

- Renewal terms should not exceed 12 months.
- Provides new boards time to renegotiate if unaware of contract renewal.
- Ensures opportunity to evaluate other providers and newer technology.
- Community is responsible for submitting Non-Renewal Notices.

Legal Compliance & Governance



LAW

Threshold Calculator

- **2024 Florida Statute Update:**

Contracts exceeding certain thresholds of the annual budget must be competitively bid, regardless of whether it's a new or renewal agreement

- **Condos: 5%**
- **HOAs: 10%**

The law looks at the total cost of the contract, not just the first year.

- [Florida Statute Chapter 718.3026](#) outlines threshold requirements, requiring competitive bids for any contract exceeding 5% of the association's annual budget (including reserves).
- When reviewing whether the contract exceeds the threshold, the entire obligation of the association under the contract must be considered, not just the annualized portion.
- So, if the association signs a 5-year bulk telecom contract, you would take the sum of all payments over the full 5 years and compare that against the threshold test.

Example:

- **Annual Budget:** \$860,580.00
- **5% Threshold:** \$40,980.00
- **Total 5-Year Telecom Contract:** \$382,926.24



Let's Break It Down

Step 1: Calculate Bulk Contract Value: *Scenario: Annual escalator of 5%*

<u>Term Yr</u>	<u>Units</u>	<u>Monthly Per Unit Fee</u>	<u>Total Monthly</u>	<u>Months</u>	<u>Annual</u>
1	105	\$55.00	\$5,775.00	12	\$69,300.00
2	105	\$57.75	\$6,063.75	12	\$72,765.00
3	105	\$60.64	\$6,366.94	12	\$76,403.25
4	105	\$63.67	\$6,685.28	12	\$80,223.41
5	105	\$66.85	\$7,019.55	12	\$84,234.58

The law looks at the total cost of the contract: **Total Contract Value: \$382,926.24**

Step 2: Calculating Association Threshold

<u>Units</u>	<u>Mo HOA Fee p/h</u>	<u>Monthly Total</u>	<u>Months</u>	<u>Annual</u>	<u>Threshold Cap</u>	<u>Threshold Amount</u>
105	\$683.00	\$71,715.00	12	\$860,580.00	5%	\$40,980.00

The contract already exceeds the 5% threshold in Year 1 (\$69,300.00).

Even if the first year fell below 5%, bids are still required because the 5-year total exceeds the threshold.

Note: Taxes and fees should be included when calculating the total contract value. Figures shown are for illustration purposes only and do not include taxes or fees.



Fiber Telecom Providers in Florida & Why Competitive Bidding Matters

Do you know how many telecom providers serve FL?

- Over 200 Internet service providers serve Florida
- Amongst those, there are multiple fiber providers already established locally—and more are on the way!

Competitive Pricing & Incentives

- Competition drives lower costs, better terms, and promotions.
- Signing bonuses or revenue share strengthen budgets and boost long-term community value.

Improved Reliability

- Fiber providers have fewer outages and consistent high-speed performance
- Its resistance to weather, electrical interference, and signal degradation over long distances

Greater Speed & Bandwidth Options

- Different providers may offer varying **speed tiers**, allowing you to choose the one that best fits your needs.
- Some may specialize in **symmetrical speeds** (equal upload/download), ideal for video conferencing and cloud work.

Tailored Service Packages

- Providers often differentiate themselves with **custom solutions**, such as static IPs, business-grade SLAs, or bundled services.
- You can select based on your specific use case—gaming, streaming, enterprise, etc.

Innovation & Technology Diversity

- Multiple providers mean exposure to **newer technologies**, like 10 Gbps fiber or advanced Wi-Fi systems.
- Most providers offer both Bulk and Marketing programs, which can bring new infrastructure into communities.



Competitive bidding Requirements:

Multiple Bids:

- While the statute doesn't specify a number, "competitive" is generally interpreted to mean at least two bids – however when there's multiple bids, it demonstrates fiscal responsibility.
- The Board always make the final decision – bidding simply provides informed choices.
- Boards should begin the **RFP and vendor evaluation process 18–24 months** before the current contract expires to ensure proper due diligence and avoid auto-renewals.

Lowest Bid Not Required:

- The board is not legally required to accept the lowest bid and can consider other factors like the vendor's reputation and quality of work.

Exceptions:

- Bidding is not required for emergency situations, if the vendor is the only one providing the service in the county, or for contracts with employees or specific professionals like attorneys, accountants, consultants, architects, and engineers.

Records are Official:

- All bids and any resulting contracts are official Association records and must be retained for a specific period and made available to unit owners. We'll cover the details later in the presentation.

Contract Notice:

- Recent legislative changes require that if an agenda item relates to approving a contract for goods or services, a copy of the contract must be provided with the meeting notice.



Preparing the RFP

Scope & Community Info

- Services requested + areas included (units + common areas)
- Unit/building count + telecom room locations

Current Service Overview

- Current provider, pricing, contract end date
- Known issues/coverage gaps

Site Survey Required

- Mandatory site walk + infrastructure assessment
- Identify wiring type + upgrade needs

Service Proposal Details

- Internet speeds & package options
- Equipment responsibilities + install process
- Minimum speeds + upgrade tiers

Support & Service Levels (SLA)

- Response times, escalation process, dedicated rep
- Outage support / after-hours availability

Pricing & Contract Terms

- Per-unit monthly cost + install/equipment fees
- Contract length options + annual increase caps
- Termination + renewal terms

Infrastructure & Compliance

- Ownership of installed equipment
- Insurance/licensing + vendor references

Implementation & Submission

- Required format: Summary + Scope + Pricing + Support Plan
- Proposal due date + submission requirements
- Timeline (Start → Completion)
- Resident communication + Installation plans

Evaluating Your Bids

It's important to compare telecom bids **“apples to apples”** because telecom proposals can look cheaper or better **on paper** simply because they're **not offering the same thing**—and the board could unintentionally approve a contract that costs more or delivers less value.

Ensure all vendors bid on the same scope

- Verify each provider is quoting the **same** service package and term length
- Require apples-to-apples pricing (no vague “starting at” quotes)

Request at least 3 - 4 competitive bids

- More if possible, especially for fiber services, long-term or high-cost contracts
- Document if fewer bids were available and why

Verify the delivery type and infrastructure

- Identify whether the service is coax, fiber or wireless
- Confirm if upgrades/installation costs are included or extra

Review full pricing details (not just the monthly amount)

- Monthly per home/unit cost
- One-time costs (installation, equipment, construction)
- Taxes, fees, surcharges, escalation clauses, and price increases

Evaluate contract length and renewal terms

- Initial term (3-year, 5-year, 10-year, etc.)
- Auto-renewal clauses and notice deadlines to cancel
- Early termination penalties



Evaluating Your Bids cont..

It's important to compare telecom bids “apples to apples” because telecom proposals can look cheaper or better **on paper** simply because they're **not offering the same thing**—and the board could unintentionally approve a contract that costs more or delivers less value.

Compare service level commitments

- Guaranteed speeds (especially upload vs download)
- Response time for outages
- Customer service standards and escalation procedures

Confirm what equipment is included

- Modems/routers, cable boxes, DVRs, extenders
- Replacement cost and upgrade policies

Review maintenance and repair responsibility

- Who repairs the lines/equipment (provider vs association)?
- Responsibility for inside wiring vs exterior cabling

Look for “hidden risk” contract language

- Unilateral price change provisions
- Anti-competitive clauses

Request vendor references and service history

- Ask for similar community references
- Confirm reputation for reliability and responsiveness

Use a bid comparison worksheet

- Summarize all bids side-by-side
- Keep the worksheet in the official records for transparency



Evaluating Your Bids cont..

It's important to compare telecom bids “**apples to apples**” because telecom proposals can look cheaper or better **on paper** simply because they're **not offering the same thing**—and the board could unintentionally approve a contract that costs more or delivers less value.

Discuss the bids at an open board meeting

- Present the summary, recommendations, and rationale publicly
- Allow owner questions (within meeting rules)

Document the decision in the meeting minutes

- Record vendors considered and why one was selected
- Note cost comparison and contract term highlights

Have association counsel review the final contract (recommended)

- Especially for long terms, exclusivity, or large-dollar agreements



CYA - Cover Your ASSociation

Big Contracts, Bigger Consequences



Obtain competitive bids for contracts exceeding **5% of the annual budget for condominiums and cooperatives (Chapters 718 & 719)** and **10% for HOAs (Chapter 720)**, as measured against the total annual budget including reserves.

Mobile home park associations under Chapter 723 do not follow the same statutory 5%/10% bidding threshold, but bidding may still be a best practice and may be required by governing documents.

Potential consequences for the board:

Legal Action

Financial Restitution

Removal from Office

Administrative Penalties:

- The Florida Department of Business and Professional Regulation (DBPR) can levy fines and other penalties against a board found to be in violation of state condominium laws.

Contract Cancellation:

- Unit owners can bring a contract with a potential conflict of interest to a vote, potentially leading to its cancellation by a majority vote of the members present. If canceled, the association would only be liable for the reasonable value of goods and services provided up to that point.

 **Key Difference:** Condo boards face regulatory enforcement, but HOAs lack DBPR oversight like condos but face greater civil litigation exposure.

Skipping Bids = Big Risks

What can happen if the Board does not obtain bids?

Even when the Board is trying to move quickly or work with a familiar vendor, skipping the bidding process can create **serious legal, financial, and governance risks**, including:

Statutory noncompliance

- Depending on the type and cost of the project, failure to obtain bids may conflict with requirements under **Florida Chapters 718, 719, 720, and 723**.

Contract challenges & owner lawsuits - If competitive bidding was required but skipped:

- Owners may challenge the **validity of the contract** and the association may be forced to
 - Re-bid the contract * Pay termination costs * Defend legal action
- If the Board recommended the vendor without bids, or failed to disclose the bidding requirement, they may be named in:
 - Civil lawsuits
 - Claims for breach of fiduciary duty
 - Negligence claims



Skipping Bids = Big Risks cont..

What can happen if the Board does not obtain bids?

Potential financial impacts

- Higher costs for services (no competitive pricing pressure)
- Lost signing incentives / bonuses (missed opportunities to negotiate)
- Poor service or incomplete performance (lack of scope comparison)
- Litigation and dispute expenses (legal fees, expert costs, time and disruption)

Depending on the situation, owners/residents may attempt to recover damages from:

- Association (depending on contract terms, statutory compliance & available insurance coverage)
- Challenged by owners through disputes, arbitration, or litigation

Potential legal claims that can arise

Board actions around contracting may trigger allegations such as:

- Failure to act in the Association's best interest
- Negligent decision-making or oversight
- Financial damages resulting from improper contracting
- Indemnification claims against the Association based on the contract language

Insurance may not cover everything

⚠ Important: Some E&O / D&O policies may exclude coverage for:

- Statutory violations
- Gross negligence/intentional wrongdoing
- Certain intentional or bad-faith conduct

E&O = Errors & Omissions (Insurance)

D&O = Directors & Officers (Insurance)



Skipping Bids = Big Risks cont..

What can happen if the Board does not obtain bids?

Fiduciary duty concerns - Even if not explicitly stated in statute:

- CAMs owe a professional duty of care, Steering work without bids can be viewed as:
- Favoritism
- Conflict of interest
- Failure to act in the association's best interest

This is especially sensitive when:

- Long-term contracts are involved
- Large dollar values are at stake
- Exclusive or bundled service agreements are used (e.g., cable/internet)

Records & transparency violations - *Failure to solicit bids often leads to:*

- Missing or incomplete official records
- Inability to respond to owner records requests
- Additional statutory violations under the HOA or Condos's respective statutes
- This compounds risk and strengthens owner complaints.



Understanding “OFFICIAL RECORDS”



If ALL records are official, then why are some kept for 7 years, and others kept for 1 year?
Here's the clear breakdown 🙌

The answer comes down to **what stage the bid is in** and **whether it became part of an official association record (i.e., a contract).**

Competitive bidding + official records

- **Bids that are used in the competitive bidding process, and Contracts that result from those bids**
- Once a bid is **submitted for board consideration** and especially if it **leads to a contract**, it becomes part of the association's **official records**.
- Because it is now an official record:
 - It must be **accessible to unit owners**
 - It must be **retained for 7 years** under the general official records retention rule

Chapter 723 does not include the same, but it's best to practice to keep bids for 7 years anyway to be safe.

- Disclosure obligations and homeowner protections tied to park tenancy
- Rent, rules, prospectus and enforcement standards in mobile homes parks

Minimum retention for unused bids

This section addresses **record retention minimums**, not transparency or contracting. It states associations must retain copies of competitive bids for **at least 1 year after receipt**.

- Bids received but not acted upon
- Bids that never resulted in a contract
- Preliminary or rejected bids

“OFFICIAL RECORDS”

The Paper Trail Protects You

✓ 1-Year Requirement (Bids Received but not selected)

Chapter 718 (Condominiums)

•**Fla. Stat. § 718.111(12)(a)7.** — “Bids for work to be performed or for materials, equipment, or services must be maintained for at least **1 year** after receipt of the bid.”

Chapter 719 (Cooperatives)

•**Fla. Stat. § 719.104(2)(c)9.d.** — “Bids for work to be performed shall also be considered official records and shall be maintained for a period of **1 year.**”

Chapter 720 (HOAs)

•**Fla. Stat. § 720.303(4)(i)9.** — “Bids received by the association for work to be performed are considered official records and must be kept for a period of **1 year.**”

✓ 7-Year Requirement (Bids Received and resulted in a service contract)

Chapter 718 (Condominiums)

•**Fla. Stat. § 718.111(12)(a)** — “All other official records must be maintained within the state for at least **7 years...**”

Chapter 719 (Cooperatives)

•**Fla. Stat. § 719.104(2)(b)** — “The official records of the association must be maintained within the state for at least **7 years...**”

Chapter 720 (HOAs)

•**Fla. Stat. § 720.303(4)(a)** — “The association shall maintain...official records...for at least **7 years...**”



Your Turn!

