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Department of Transportation

MAINTENANCE CONTRACT ADMINISTRATION, INSPECTION, AND REPORTING

PURPOSE:

To provide uniform procedures for the administration, inspection, and reporting of contracts and agreements for the maintenance of the Department of Transportation's (Department) roadways, structures, and facilities.

AUTHORITY:

Sections 20.23(3)(a) and 334.048(3), Florida Statutes (F.S.)

REFERENCES:

- Road and Bridge Contract Procurement, Procedure No. 375-000-001
- Performance Based Maintenance Contracting, Procedure No. 375-000-005
- Standard Maintenance Special Provision Development, Procedure No. 850-000-020
- Maintenance Specification Package, Procedure No. 850-000-025
- Contractor Non-Responsibility for Maintenance Contracts, Procedure No. 850-070-001
- Contractor Field Performance Rating on Maintenance Contracts, Procedure No. 850-070-002
- Emergency Procurement During Governor Declared Emergencies, Procedure No. 375-040-130
- Reporting Incidents and Management of Damage Repair, Procedure No. 850-005-001

- Maintenance Management System, Procedure No. 325-010-001
- Construction Project Administration Manual (CPAM*¹), Procedure No. 700-000-000
- Florida Statutes Chapter 337 Contracting, Acquisition, Disposal, and Use of Property
- Contract Funds Management Funds Approval, Procedure No. 350-020-200

SCOPE:

The principal users of this procedure will be District Maintenance Offices, Operation Centers' Maintenance Units, and Local Maintenance yards; more specifically, Inspectors, Contract Coordinators, Maintenance Managers / Contracts, Maintenance Project Managers, Operations Program Engineers, Maintenance Engineers, and District Maintenance Engineers.

INTRODUCTION:

Maintenance contracting is a method of accomplishing maintenance activities by using private Contractors acquired through competitive bidding or local agencies acquired through negotiated agreements.

1. CONTRACT PERSONNEL

The Department's titles and responsibilities of those persons listed in this procedure are fundamentally based upon organization charts and position. Maintenance contract personnel titles and responsibilities detailed herein are somewhat flexible in nature; slight deviations regarding the positions responsible for required actions are acceptable.

1.1 INSPECTOR

The Inspector is responsible for field verification of the Contractor's work to review acceptability of performance, and document the maintenance activities performed under the contract. The Inspector shall obtain a thorough understanding of the specific requirements of each contract under his/her inspection responsibility. The Inspector shall be knowledgeable of the activities to be inspected; Inspectors may obtain this knowledge from a variety of sources, including video training courses, maintenance

¹ Throughout this procedure, when directed to follow the Construction Project Administration Manual referred to herein as "CPAM", replace all required approvals from Construction personnel with equivalent Maintenance personnel.

activity guides, and specialized training and workshops offered by the Department. Using various inspection, verification, and documentation methods, the Inspector should make as many visits to the job site as necessary to ensure the Contractor meets the contract requirements and performs quality work.

1.2 CONTRACT COORDINATOR

The Contract Coordinator is responsible for monitoring the Contractor's performance, verifying that the maintenance activities have been performed as specified in the contract documents, and ensuring that the appropriate procedures for payment processing have been completed as required. The Contract Coordinator shall periodically review the Inspector's methods and conduct quality assurance inspections as needed.

1.3 MAINTENANCE MANAGER/CONTRACTS

The Maintenance Manager/Contracts, is responsible for verifying that appropriate contracting procedures are followed, contracts are administered fairly and consistently, and that contract reports and records are properly completed. The Maintenance Manager/Contracts is responsible for monitoring contract expenditures and is the point person for current information related to contract policy, preparation, inspection, and reporting.

2. CONTRACTING ALTERNATIVES

Contracting methods available for maintenance activities include:

- Performance Based (PB) contracts, also called Performance contracts
 - Asset Maintenance contracts (AM)
 - Best Value Performance contracts (BVP)
 - Low-Bid Performance contracts (LBP)
- Work Directed contracts
 - Site Specific contracts
 - Work Document contracts
 - Contracts awarded at bid price
 - Contract awarded at maximum limiting amount (Budgetary Ceiling)
 - Pre-Event contracts
- Memorandum of Agreement (MOAs)
 - Performance MOAs
 - Work Directed MOAs
- Accelerated contracts
 - Fast Response contracts
 - Emergency contracts
 - Interim contracts

- Bid-Factor contracts

2.1 PERFORMANCE CONTRACTS

Performance contracting is a method of contracting for maintenance services, where the Contractor's performance expectations are detailed within the contract, with clear and effective ways to measure the Contractor's performance. Performance contracts focus on achieving the goal of continuously well-maintained facilities and are less concerned with how that goal is achieved. Performance contracts work best as long term contracts, but can be used for small scale short term contracts. Asset Maintenance (AM) contracts are a type of long-term performance contract where the Contractor is tasked to perform the inspection, maintenance, and management activities for the majority of maintenance functions in a relatively large geographical area or corridor.

LBP contracts are procured by low bid; AM and BVP contracts use the best-value selection method. The best-value method requires use of a Request for Proposal (RFP) and factors the Contractor's technical proposal score into the Contractor's bid amount to determine the winning bidder. Performance Contracting, along with the best-value procurement method, is fully described in ***Procedure No. 375-000-005, Performance Based Maintenance Contracting***.

2.2 WORK DIRECTED CONTRACTS

Work Directed maintenance contracts can be Site Specific, Work Document, or Pre-Event. Contractors are selected based solely on low bid for all Work Directed contracts.

2.2.1 Site Specific Maintenance Contracts

Site Specific contracts include a detailed scope of services within the contract specifications. Site Specific contracts specify exact work locations and the number of calendar days allowed for the Contractor to satisfactorily complete the work. With Site Specific contracts, the Contractor is responsible for scheduling the work to be completed within the allowable contract time.

2.2.2 Work Document Maintenance Contracts

For all Work Document contracts, the Department determines where and when the Contractor provides services, issuing a series of ***Contract Maintenance Work Documents, Form 375-020-05 (Work Document)***, to the Contractor identifying the location sites and work to be completed. The ***Work Documents*** must clearly and accurately detail the exact location sites, the work to be completed, and the allowable time to complete the work.

2.2.2.1 Awarded at Bid Price

Work Document contracts awarded at the Bid Price are written to describe maintenance activities to be provided at various locations as described in the contract. They are awarded at the winning bidder's bid price and usually have known or closely estimated quantities.

2.2.2.2 Budgetary Ceiling

Budgetary Ceiling contracts are sometimes referred to as "push-button" or "maximum limiting amount" contracts. Budgetary Ceiling contracts are advertised and awarded at the budgeted, or maximum limiting, amount. The budgetary ceiling amount advertised is not the Department's official cost estimate of the work; it is only used to inform bidders of the maximum value of the contract so bidders can appropriately determine unit prices for their bid. These contracts are intended to perform specific types of work based on anticipated work needs within a defined area and during a defined contract term as the needs arise.

2.2.3 Pre-Event Maintenance Contracts

Pre-Event Contracts are used for maintenance activities related to natural disasters. They are competitively bid consistent with the procedure for **Road and Bridge Contract Procurement, Procedure No. 375-000-001**. Pre-Event Contracts are used for advance impact preparation and post-event cleanup. Pre-Event Contracts are procured in advance, and are only used if needed to recover from a natural disaster.

2.3 MEMORANDUMS OF AGREEMENT (MOA)

MOAs are agreements between the Department and local agencies. MOAs authorize local agencies to perform some or all of the Department's maintenance responsibilities that lie within the particular agency's jurisdiction, and are particularly appropriate when the local agency desires a higher level of service than the Department would otherwise provide. MOAs are not subject to advertising and letting requirements.

MOAs for highway lighting on the State Highway System shall use **State Highway Lighting, Maintenance, and Compensation Agreement, Form No. 375-020-52**.

Most MOAs are performance based (Performance MOAs) and should be administered according to the Performance Based contracting requirements found in this procedure. MOAs prepared as a Work Directed MOAs should be administered according to the Work Directed contracting requirements found in this procedure.

2.4 ACCELERATED CONTRACTS

Accelerated contracts may cover a variety of contracting methods in which some or all normal procurement requirements for competitive bidding are waived or modified in order to accommodate an authorized need. The DME is responsible for initiating Accelerated contracts and for ensuring requirements are met.

The Department shall make a good faith effort to obtain two or more quotes, if available, from eligible contractors before entering into any Accelerated contract. The Department shall give consideration to disadvantaged business enterprise participation. However, when the work exists within the limits of an existing contract, the Department shall make a good faith effort to negotiate and enter into a contract with the prime contractor on the existing contract. **Section 337.11 (6)(c), F.S. (2014)**

There are three types of Accelerated contracts:

- 1) Emergency
- 2) Interim
- 3) Fast Response

2.4.1 Emergency Maintenance Contracts

An Emergency Maintenance Contract may be used in accordance with **Section 337.11(6)(a), F.S., (2014)** which provides and requires:

If the [S]ecretary determines that an emergency in regard to the restoration or repair of any state transportation facility exists such that the delay incident to giving opportunity for competitive bidding would be detrimental to the interests of the state, the provisions for competitive bidding do not apply; and the [D]epartment may enter into contracts for restoration or repair without giving opportunity for competitive bidding on such contracts. Within 30 days after such determination and contract execution, the head of the Department shall file with the Executive Office of the Governor a written statement of the conditions and circumstances constituting such emergency.

Department declared emergencies shall comply with **Reporting Incidents and Management of Damage Repair, Procedure No. 850-005-001.**

For Governor declared emergencies, contracts shall be processed in accordance with **Emergency Procurement during Governor Declared Emergencies, Procedure No. 375-040-130.**

2.4.2 Interim Maintenance Contracts

An Interim Maintenance Contract may be used in accordance with **Section 337.11(6)(b) F.S. (2014)** which provides and requires:

If the [S]ecretary determines that delays on a contract for maintenance exist due to administrative challenges, bid protests, defaults or terminations and the further delay would reduce safety on the transportation facility or seriously hinder the Department's ability to preserve the state's investment in that facility, competitive bidding provisions may be waived and the [D]epartment may enter into a contract for maintenance on the facility. However, contracts for maintenance executed under the provisions of this paragraph shall be interim in nature and shall be limited in duration to a period of time not to exceed the length of the delay necessary to complete the competitive bidding process and have the contract in place.

The request for an Interim Maintenance Contract shall document the circumstances justifying the requested contract.

2.4.3 Fast Response Maintenance Contracts

A Fast Response Maintenance Contract may be used in accordance with **Section 337.11(6)(c) F.S. (2014)** which provides and requires:

When the [D]epartment determines that it is in the best interest of the public for reasons of public concern, economy, improved operations or safety, and only when circumstances dictate rapid completion of the work, the [D]epartment may, up to the amount of \$250,000, enter into contracts for construction and maintenance without advertising and receiving competitive bids. The Department may enter into such contracts only upon a determination that the work is necessary for one of the following reasons:

- (A) To ensure timely completion of projects or avoidance of undue delay for other projects;
- (B) To accomplish minor repairs or construction and maintenance activities for which time is of the essence and for which significant cost savings would occur; or
- (C) To accomplish nonemergency work necessary to ensure avoidance of adverse conditions that affect the safe and efficient flow of traffic.

A request for a **Fast Response Maintenance Contract** shall document the reason(s)

above that rapid completion of the work is necessary.

Refer to ***Road and Bridge Contract Procurement, Procedure No. 375-000-001, Section 3.2*** for further guidance in processing a Fast Response Contract.

2.5 BID-FACTOR CONTRACTS

Bid-Factor contracts are a type of contract that feature a unique way for bidders to bid on individual pay items. With Bid-Factor contracts, the Department advertises a quantity with an estimated unit cost for these items. In lieu of bids being submitted for each pay item, bidders submit a single price adjustment factor, which is applied to the estimated cost of all pay items listed in the contract. The winning bid is the one with the lowest factor; a factor of 1.00 means the bidder will use the exact unit prices provided in the advertisement. These contracts are typically Work Directed Budgetary Ceiling contracts, with additional locations and funds added after contract execution.

3. CONTRACT PREPARATION

3.1 CONTRACTOR ELIGIBILITY

The Department is not authorized by ***Sections 337.14(8), 337.14(9), F.S.***, to require Contractors be pre-qualified for maintenance contracts. However, if certain types of work require relevant specialized experience, training, or certification are included in a maintenance contract, the Department may include particular experience, training, or certification as eligibility criteria requirements to bid on the contract.

Ten activities have standardized eligibility criteria: asphalt paving, concrete pavement repair, pavement markings, drainage repair, bridge repair, overhead signs, signal repair, Pre-Event single and multi-post sign repair, landscaping, and Intelligent Transportation System (ITS) maintenance. ***Experience Forms (Form Nos. 850-070-01 thru 10)*** are to be used to document the Contractor's compliance with the specific eligibility criteria requirements. Experience forms for single and multi-post sign repair contracts are only required for Pre-Event Contracts.

Contracts with all of the following characteristics require use of the relevant ***Experience Form***:

- One of the ten activities listed above is included in the contract, and it comprises more than 50% of the estimated dollar value of the contract; and
- The estimated dollar value of the contract is greater than \$250,000; and
- The contract is low-bid;

If a District desires to include eligibility requirements on a contract that does not meet all

of the above criteria, this may be allowed with approval from Office of Maintenance (OOM). OOM shall submit the proposed new eligibility requirement to the Office of the General Counsel for legal review.

The advertisement for a contract with eligibility criteria requirements must detail the relevant specialized experience, training or certifications required and clearly specify that bidders must submit a completed **Experience Form**, or equivalent, along with their sealed bid. After the bids are opened, the District Maintenance Office (or assigned Maintenance Yard) shall review and verify the information provided on the lowest bidder's **Experience Form** to determine if eligibility criteria is satisfied. If the **Experience Form** is not provided or fails to satisfy the eligibility criteria, the bidder may be deemed non-responsive and the process repeats with the next apparent low bidder until a bidder is found to meet eligibility criteria requirements.

When contacting references for verification of the information in the experience form, questions asked must be limited to confirmation of the eligibility criteria set forth in the **Experience Form** or equivalent. Questions that call for subjective or opinionated responses are not appropriate.

Some Pre-Event Contracts may require pre-qualification of bidders through a specific pre-qualification process. Contact the Contract Administration Office for complete guidance on Contractor pre-qualification requirements for all types of Pre-Event Contracts.

3.2 ADVERTISING

Refer to **Road and Bridge Contract Procurement, Procedure No. 375-000-001, Section 3.0 Advertisement**, for complete guidance on advertisement requirements for maintenance contracts. All Contractor eligibility requirements must be included in the advertisement.

3.3 PRE-PROPOSAL AND PRE-BID MEETINGS

3.3.1 Pre-Proposal Meetings

Pre-Proposal Meetings are required for all Performance contracts that feature an RFP (uses best-value procurement method). If a Pre-Proposal meeting is held, a Pre-Bid meeting shall not be held.

3.3.2 Pre-Bid Meetings

The Department may hold a Pre-Bid Meeting when the contract has specific unique

requirements or is otherwise necessary. When a Pre-Bid Meeting is necessary, the advertisement shall clearly state that a mandatory Pre-Bid Meeting will be held, bidder attendance at the Pre-Bid Meeting is required to bid on the contract, and that bidders not present and signed in before the Pre-Bid Meeting starts will not be eligible to bid on the contract.

At the meeting, the Department shall provide sign-in sheet(s) at static location(s) such as an entrance so all bidders have the opportunity to sign in before the meeting is scheduled to start. All sign-in sheets will be collected prior to the start of the meeting.

Refer to **Road and Bridge Contract Procurement, Procedure No. 375-000-001**, Section 3.6 for guidance on pre-bid meetings.

3.3.3 Orientation Pre-Bid Meetings

The Department may provide an orientation meeting for those bidders who have not previously submitted bids for Department maintenance contracts upon request. Refer to **Road and Bridge Contract Procurement, Procedure No. 375-000-001, Section 4.3** for guidance on conducting orientation meetings.

3.4 BID ANALYSIS, AWARD, AND EXECUTION

Refer to **Road and Bridge Contract Procurement, Procedure No. 375-000-001** for guidance on bid openings, bid review, award and execution of the contract.

4. PRE-WORK CONFERENCE

A pre-work conference is required for all maintenance contracts. The pre-work conference is to be scheduled after execution of the contract and before work begins.

For accelerated contracts that have an urgent need to minimize the time between contract execution and start of work, the Department may require a mandatory pre-bid conference that will serve as a combination of the pre-bid and pre-work conferences. When this option is used, the Department shall ensure that all pre-work conference topics are discussed at the pre-bid conference.

The Contract Coordinator is responsible for preparing the agenda, distributing meeting invitations to all parties having an interest in the contract, and conducting the meeting. The agenda should include Contractor submittal requirements, including Tier 1 Illicit Discharge Detection and Elimination (IDDE) training requirements, and all items relevant to the contract to be discussed. The Contractor's representatives, Department representatives, and all other parties having an interest in the contract are expected to attend. Topics to be discussed may include the Contractor's work schedule, utility

coordination, method of work assignment, materials to be used, safety plans/requirements, how **Work Documents**, will be assigned, and the work begin date. The **Construction Project Administration Manual (CPAM), Procedure No. 700-000-000**, includes **Guidance Document 3-1-A, Sample Preconstruction Agenda**, which may be referenced for detailed information concerning these meetings.

A complete and concise record of persons in attendance at and the proceedings of the meeting (minutes) shall be kept in the contract file and distributed to the participants. A voice recording of the meeting may be made and kept in the project file provided that all Department recording requirements are met.

5. ILLICIT DISCHARGE DETECTION AND ELIMINATION

Tier 1 Illicit Discharge Detection and Elimination (IDDE) training is required for all Contractor/Subcontractor employees that work within the Department's right-of-way. The Department shall collect the list of the Contractor's and Subcontractor's current employees, with the statement that they have completed the required IDDE training, prior to processing the first invoice. The Department shall collect an updated list of new Contractor/Subcontractor employees that have completed the required IDDE training annually thereafter.

6. NOTIFICATIONS

6.1 NOTICE TO PROCEED

Upon execution of all maintenance contracts, maintenance contract personnel shall issue a written notice to proceed to the Contractor; notice to proceed must be issued to the Contractor within the timeframes established in the contract specifications. Time charges shall begin on the fourteenth (14) calendar day after issuance of the notice to proceed, or on the day the Contractor begins work, whichever date is earlier.

6.2 NOTICE OF BEGINNING AND COMPLETION

The **Notice of Beginning and Completion of Maintenance Projects, Form No. 375-020-03**, shall be completed by the appropriate maintenance contract personnel and issued to the Contractor. This document will record when contract time charges began according to **Section 6.1, Notice to Proceed**. The **Notice of Beginning and Completion of Maintenance Projects, Form No. 375-020-03**, is also required at the conclusion of the contract to document the date the work was completed. Maintenance contract personnel shall ensure all appropriate signatures are obtained and the document is distributed as required.

7. CONTRACT MAINTENANCE WORK DOCUMENT

For Work Document Contracts, a **Work Document**, shall be issued by the Department to identify work to be accomplished. Use of the current **Work Document** form is required; the form may not be modified or customized unless approved by the Office of Maintenance Director. The initial **Work Document** may be issued with the written notice to proceed.

The Department should make every reasonable effort to develop **Work Documents** that encompass a minimum of one day's work and plan work locations in systematic and concentrated regions to promote efficient and economical scheduling. In determining the work to be accomplished, the Contract Coordinator or designee shall estimate the required pay items and quantities, striving to be as accurate as practical. The Contract Coordinator or designee shall then create and issue **Work Documents** that include work locations, work descriptions, pay item numbers, estimated quantities and the date the **Work Document** is issued.

The Contractor shall document the date the **Work Document** was received by dating and initialing the appropriate field on the form. The Contractor will be expected to begin and complete work within the times identified in the contract and **Work Documents**. If the Contractor fails to begin or complete the work within these times, liquidated damages should be assessed according to the contract, and the **Contractor Field Performance Report, Form No. 375-020-43** should reflect the unsatisfactory progress.

Actual work performed by the Contractor shall not exceed 5% of the estimated quantities on the **Work Document** without prior approval by the Department. The Contract Coordinator may give written or verbal approval of the increased quantities if warranted by the situation. If approval is given, the Contract Coordinator shall document the adjusted quantity, including the reason the adjustment was necessary (changed conditions or inaccurate estimate), and the date approval was given. This documentation must be maintained with the **Work Document** records.

8. INSPECTION OF MAINTENANCE CONTRACTS

8.1 PERFORMANCE CONTRACT INSPECTION

Refer to **Performance Based Maintenance Contracting, Procedure No. 375-000-005** for guidance on inspection requirements for all Performance contracts.

8.2 WORK DOCUMENT DRIVEN CONTRACT INSPECTION

For Work Document Driven contracts, the Department shall inspect the designated work location at a frequency necessitated by the type of activity being performed. Some activities require an inspector to be present at all times, while others only require

inspection at the beginning and end of a maintenance activity cycle, with occasional inspections in between. Contract specifications determine the acceptable quality and manner of performing the work. All inspections shall be documented. The documentation may be recorded on a **Work Document**, a **Daily Report of Maintenance Project, Form No. 375-020-01 (Daily)**, and/or the **Maintenance Project Weekly Summary, Form No. 375-020-02 (Weekly)**.

As tasks/locations on the **Work Document** are completed by the Contractor, the Department shall inspect the work completed. Upon verifying that the work has been performed to satisfaction, the Department inspector shall date and initial in the Date Accepted field on the **Work Document** for each work task/locations verified as completed. These dates are the official dates of final acceptance for each location or item of work.

Reduction in pay for inadequate work should not be allowed; all deficiencies should be brought into compliance prior to acceptance. If the work is found to be unsatisfactory, the deficiencies shall be noted on the **Work Document** in the area marked "Remarks" and returned to the Contractor for correction, with a time period indicated for the corrections of deficiencies. Disagreements should be documented and addressed by the Contract Coordinator. If an agreement cannot be reached, it will be referred to the Maintenance Manager / Contracts, or follow the dispute review or resolution process as specified by the contract.

The Department should not issue additional **Work Documents** to the Contractor until the satisfactory completion or progress of previously issued assignments has been confirmed, unless the Department determines that advancing additional work is in the best interest of the Department.

8.3 ACCELERATED AND SITE SPECIFIC CONTRACT INSPECTION

All maintenance activities performed under an accelerated or site specific contract shall be inspected and documented with either a **Daily** or a **Weekly** form; both forms may be used if desired. The inspector shall thoroughly document the progress of the work activities, and any noteworthy details on the job site. This document is the official inspection record of maintenance activities performed under the contract.

9. CONTRACT PAYMENT PROCESSING

With the exception of activities under the Department of Correction agreements, payments for maintenance contracts shall be processed through Site Manager.

In processing Contractor payments, Department staff must review the submittal to confirm that the Contractor has provided the **Certification Disbursement of Previous**

Periodic Payment to Subcontractors, Form No. 700-010-38 with all except the first request for payment. If a Contractor fails to certify that he/she has paid all subcontractors and suppliers, or if the Department receives a **Notice of Unpaid Bill** from a Subcontractor or Supplier, the Department is required to follow the standard process for unpaid bills processing. Department responsibilities regarding Contractor notification, withholding of payments, and dispute resolution are detailed in **CPAM Section 6.1, Unpaid Bills Processing**.

Requests for payment shall be submitted by the cost center for payment to the appropriate district financial services office or the Disbursement Operations Office within five (5) calendar days from the latter of the receipt of an invoice or the receipt, inspection, and approval of the goods and/or services, unless there is a bona fide dispute.

Contractor payments shall be processed based upon the documentation provided by the Inspector or the payment schedule detailed within the executed contract, if applicable.

Contractor payment documentation for Work Document driven contracts should clearly identify the **Work Documents** associated with the payment. **Work Documents** can be identified by the Contractor on the invoice submitted, or identified and recorded by the Contract Coordinator, this information shall be maintained with the Contractor payment records.

If there are discrepancies between the schedule of values submitted by the Contractor and the inspection documentation completed by the Inspector, the discrepancies shall be reviewed and resolved. If this cannot be done within the allotted processing time, payment should be made for the part of services received and accepted; this action shall be documented. Notification of this action shall be provided with the payment request and to the Contractor. Once the discrepancies are resolved, the remaining funds owed the contractor can be processed.

It is the Contractor's responsibility to submit the **Contractor's Affidavit and Surety Consent, (Form 21-A), Form No. 700-050-21**, within 90 days of submittal of a final invoice. If the Contractor fails to furnish the **Contractor's Affidavit and Surety Consent** in accordance with contract specifications, the District shall issue a Letter of Concern notifying the Contractor of impending default proceedings if the form is not submitted. If the Contractor fails to comply, the District shall notify the OOM for consideration of default and non-responsibility proceedings.

9.1 PERFORMANCE CONTRACT PAYMENT PROCESSING

Adjustments may be applied to the regularly scheduled payments if contract

requirements are reduced, or if liquidated damages or payment deductions are warranted by performance deficiencies in accordance with performance measures provided in the contract.

9.2 WORK DIRECTED, FAST RESPONSE AND INTERIM CONTRACT PAYMENT PROCESSING

Contractor payments for Work Directed, Fast Response and Interim contracts are based on the Contractor's request for payment, and verified as accurate using pay item quantities obtained from completed and signed **Work Documents** and/or **Daily/Weekly** forms.

10. MAINTENANCE MANAGEMENT SYSTEM (MMS)

The District shall report all maintenance work completed by Contractors and Department of Corrections to the Maintenance Management System (MMS). Construction activities, Betterment Projects using phase 52 funds, and Landscape establishment payments are exceptions and should not be reported to MMS.

The transfer of information from Site Manager to MMS shall be processed using the MMS interface. For Department of Corrections agreements, which are not administered through Site Manager, relevant data must be manually entered into MMS.

Refer to the **MMS User's Manual** as referenced in the **Maintenance Management System, Procedure No. 325-010-001** for information regarding MMS reporting.

11. CONTRACTOR PERFORMANCE RATING

The Maintenance Project Manager shall evaluate Contractor performance on all Maintenance Contracts.

Field performance ratings are required on all non-performance based maintenance contracts; refer to **Contractor Field Performance Rating on Maintenance Contracts, Procedure No. 850-070-002**.

Performance ratings for Performance Based Contracts shall comply with **Procedure No. 375-000-005, Performance Based Maintenance Contracting**.

12. CONTRACT TIME EXTENSIONS

12.1 TIME EXTENSIONS FOR WORK DIRECTED AND ACCELERATED CONTRACTS

Time extensions may be granted by the Department for Work Directed and Accelerated contracts for delays that are beyond the control of the contractor, including inclement weather or related adverse soil conditions caused by inclement weather, that prevent the contractor from performing controlling items of work.

The Contractor shall be directly responsible for monitoring and accurately documenting reasons and evidence of delays, and may submit a request for additional time due to delays when necessary. Upon receipt of a request, the Maintenance Project Manager must confirm that at least one of the following three conditions apply to each day being requested within the approved work schedule and time period.

- (1) The Contractor was unable to work at least 50% of the scheduled work day due to inclement weather; or
- (2) The Contractor was required to make repairs to work that was damaged by weather, and the damage is not attributable to the Contractor's failure to perform or neglect; and the time it took to perform these repairs accounted for more than 50% of the normal workday; or
- (3) The time extension has been requested for a delay that was beyond the control of the Contractor for a reason considered compensable in the contract specifications.

If the time extension request meets one or more of the conditions, the Maintenance Project Manager will recommend approval of the time extension by the Maintenance Engineer or Operations Program Engineer. The Project Manager will notify the Contractor of the number of days granted by the Department for the time extension request.

12.2 MEMORANDUM OF AGREEMENT AND PERFORMANCE CONTRACT TIME EXTENSIONS

The time extension option is not available for MOAs and Performance contracts.

13. CONTRACT TERM EXTENSIONS

13.1 CONTRACT TERM EXTENSIONS WORK DIRECTED AND ACCELERATED CONTRACTS

The Maintenance Project Manager shall monitor the Contractor's work progress. If the percentage of work completed indicates that the work may not be completed prior to the end of the contract term, the Project Manager shall notify the Maintenance Engineer or Operations Program Engineer of the situation. The Maintenance Engineer or

Operations Program Engineer may process a **Contract Term Extension** using **Form No. 375-020-93** when it is in the best interest of the Department. Contract Term Extensions shall not exceed a cumulative maximum of 180 calendar days.

For Budgetary Ceiling contracts, the Contract Term Extension may be used only for the purposes of completing **Work Documents** that were issued and required to be completed within the original contract term. For Budgetary Ceiling contracts, no new **Work Documents** may be issued during the Contract Term Extension period.

During a Contract Term Extension, assess liquidated damages as required by the contract specifications.

13.2 TERM EXTENSIONS FOR MEMORANDUM OF AGREEMENT AND PERFORMANCE CONTRACTS

The Contract Term Extension option is not available for MOAs and Performance contracts.

13.3 CONTRACT TERM EXTENSIONS FOR RENEWABLE CONTRACTS

Contract Term Extensions would only be applicable to renewable contracts at the end of the last renewal period, or if the renewable contract is not being renewed.

Do not execute a Contract Term Extension at the end of contract term if that contract has been renewed.

14. RENEWALS

14.1 MEMORANDUMS OF AGREEMENTS, PERFORMANCE, AND WORK DIRECTED CONTRACT RENEWALS

Maintenance Contracts which contain a renewal option, may be renewed in accordance with the **Road and Bridge Contract Procurement, Procedure No. 375-000-001** and related contract documents. Performance Contracts feature alternative renewal options governed by **Performance Based Maintenance Contracting, Procedure No. 375-000-005** and related contract documents.

The contract specifications shall be reviewed prior to renewal of the contract to ensure compatibility with current Department specifications and standards. If the contract specifications are substantively different from current Department specifications and standards, the contract should not be renewed. Contracts shall not be written to include

pre-established increases in contract amount associated with renewals unless reviewed and approved by the Chief Engineer.

Contracts with an initial term of three (3) or more years shall not be renewed without approval from the Chief Engineer; requests for this approval shall be processed through the Office of Maintenance. Contracts with an initial term of less than three (3) years may be renewed one or more times without approval from the Chief Engineer, up to a total contract length of three (3) years (original term plus renewals). Further renewals require approval from the Chief Engineer.

14.1.1 Pending Renewal Option

The pending renewal option only applies to low bid contracts. Coordination with the Office of Maintenance is required when using the pending renewal option.

When determining whether to renew an existing renewable contract, the Department may choose to exercise the pending renewal option in order to maximize economic benefit to the Department. To use this option, first inform the current Contractor that the Department plans to use the pending renewal option for this contract and obtain verbal confirmation that the current Contractor desires to renew. If the Contractor desires to renew, the District may re-advertise the renewable contract using the pending renewal option, clearly setting forth the process for evaluation within the advertisement. Once all bids are received and analyzed, the Department will determine whether to renew the existing contract or award the advertised contract.

When using the pending renewal option, the advertised contract must be written with the most current specifications, even if they have been modified from the specifications that were used in the original contract. With this consideration, the advertised contract must be similar in scope to the existing contract, with no substantive scope of work changes.

Retention of the current Contractor has some value due to the fact that the current Contractor is familiar and experienced with the scope of work. To reflect this value, the Maintenance Manager / Contracts shall establish a budget amount that is lower than the renewable contract amount. The budget amount shall be included in the contract advertisement.

When the pending renewal option is used, the advertisement for the bid on the new contract must clearly state that the pending renewal concept is being used. All prospective bidders must be informed in the advertisement that their bid, if it is the lowest bid, will be compared to the budget amount. The advertisement must also state that the current Contractor has the right to bid on the new contract as advertised.

Using the pending renewal option will result in one of three possibilities:

1. If the lowest bidder's bid amount on the advertised contract is lower than the budget amount, the lowest bidder shall be awarded the advertised contract at their bid price. After signatures are secured to execute the advertised contract, the Department shall inform the Contractor of the existing contract that the existing contract will not be renewed.
2. If none of the bids on the advertised contract are lower than the budget amount, and the Contractor of the existing contract desires to renew, the existing contract shall be renewed. After signatures are secured to renew the existing contract, the Department shall reject all bids on the advertised contract on the basis that none of the bids were lower than the budget amount.
3. If none of the bids on the advertised contract are lower than the budget amount, and the Contractor on the existing contract does **not** want to renew, the lowest bidder on the advertised contract shall be awarded the advertised contract at their bid price if it is a responsive and responsible bid. After signatures are secured to execute the advertised contract, the Department shall inform the Contractor of the existing contract that the existing contract will not be renewed.

If one or more of the low bidders are disqualified or withdraw, proceed with analysis of the next lowest bidder until a bidder accepts. If no bidder accepts for less than the budget amount, proceed in accordance with applicable option (2) or (3) above.

The contract shall be awarded to the bidder with the lowest responsive and responsible bid meeting the requirements and the criteria set forth in the solicitation. Complete details of the award decision, including documentation used to determine the advertised budget amount, shall be retained in the contract records.

14.2 ACCELERATED CONTRACT RENEWALS

Fast Response, Emergency, and Interim Contracts shall not be renewed.

15. CONTRACT MODIFICATIONS

15.1 SUPPLEMENTAL AGREEMENTS

In accordance with **Section 337.11(9), F.S.**, written supplemental agreements and written work orders are used to modify a contract entered into by the Department.

Maintenance supplemental agreements for contracts under **Chapter 337, F.S.**, shall comply with the procedures, specifications, and statutory requirements governing construction contract administration as set forth in the maintenance contract, **Section 337.11, F.S.** and **Section 7.3, CPAM Topic No. 700-000-000** in accordance with the

terms, conditions and circumstance of the maintenance contract.

All supplemental agreements shall be reduced to written contract form and executed by the Contractor and the Department utilizing **Supplemental Agreement, Form No. 700-010-45**. All supplemental agreements must be approved by the Secretary of the Department of Transportation or his or her designee, and executed by the appropriate person designated by him or her. Each proposed supplemental agreement shall document the justification for the amendment.

Supplemental agreements and written work orders shall be used to:

- (A) Clarify the plans and specifications of a contract.
- (B) Provide for unforeseen work or alterations in plans that could not reasonably have been contemplated or foreseen in the original plans and specifications.
- (C) Settle contract claims.
- (D) Allow the maintenance activities to be completed to meet the intent of the original contract.
- (E) Expand the physical limits of the geographical area only to the extent necessary to make the maintenance activities functionally operational in accordance with the intent of the original contract. The cost of any agreement extending the physical limits of a project shall not exceed \$100,000 or ten percent (10%) of the original contract price, whichever is greater.

15.2 MODIFICATIONS TO RENEWABLE CONTRACTS

Supplemental agreements for renewable contracts shall specify whether the modifications made to the contract (reduction, addition, or modification of contract scope) shall be carried forward with subsequent renewals, or if they will terminate at a specific time. The contract number listed on the supplemental agreement shall include the appropriate contract renewal extension. The numbering of supplemental agreements is to continue with the next number in sequence, and not start over with each renewal.

15.3 CLAIM SETTLEMENTS

For a supplemental agreement which provides for the settlement of a claim, refer to **Section 7.5** of the **CPAM**, for guidance on the processing of the supplemental agreement.

15.4 LEGAL APPROVAL

Each District is required to obtain legal review for supplemental agreements to maintenance contracts from the Office of General Counsel prior to forwarding these documents to the Contractor for execution.

As part of the supplemental agreement approval process, the District will also ensure that all required bonds have been provided so that the responsibilities of the parties to the contract will be met.

15.5 PROCESSING AND EXECUTION

15.5.1 Funds Approval

All supplemental agreements must have funds approval prior to the date of execution of the supplemental agreement. Funds approval must be obtained through the Contract Funds Management (CFM) System; refer to ***Contract Funds Management - Funds Approval, Procedure No. 350-020-200***. Supplemental agreements must be executed by the Department and the Contractor prior to issuing the written notice to proceed to the Contractor for the work provided by the supplemental agreement.

15.5.2 Execution by the Surety

In accordance with ***Section 337.11(9), F.S.***, execution of the supplemental agreement by the surety is not required unless the cumulative value of all contract changes exceeds twenty-five (25) percent of the original contract amount.

15.5.3 Execution by the Department

The Secretary of Transportation has delegation authority for the approval and execution of supplemental agreements, which authority is delegated as follows:

- For individual contract changes up to \$150,000, all supplemental agreements shall be approved by the District Operations Program Engineer or Maintenance Engineer, and shall be executed by the District Maintenance Engineer.
- For individual contract changes, more than \$150,000 and up to \$500,000, all supplemental agreements shall be approved and executed by the District Maintenance Engineer.
- For individual contract changes more than \$500,000, all supplemental agreements shall be approved and executed by the District Director of Transportation Operations, except as follows; the District Maintenance Engineer may execute these supplemental agreements after the Director of Transportation Operations has approved a draft copy of that supplemental agreement showing the language and terms to be used.

16. DEFAULT AND NON-RESPONSIBILITY

Information and guidance on the process for defaulting a Contractor may be found in **Section 8.6** of the **CPAM**.

For declaring a Contractor non-responsible, staff should refer to **Contractor Non-Responsibility for Maintenance Contracts, Procedure No. 850-070-001**.

17. SUSPENSION OR TERMINATION

Provisions for the suspension or termination of executed contracts should be contained in the contract specifications.

18. CONTRACTOR CLAIMS

During the performance of maintenance activities under a contract, the Contractor may make a claim for additional compensation and/or time. Refer to **Section 7.5** of the **CPAM** for complete guidance in processing Contractor claims.

19. FINAL PAYMENTS

The Department shall not process the final contract payment until the Contractor has satisfactorily completed, and the Department accepts, all work; this is the Physical Work Complete Date.

For contracts let under **Section 337.11, F.S.**, the contract status remains Active until the Physical Work Complete Date or the end of the Contract Term, including Term Extensions, even if Contract Time has expired.

Contract Time is the total number of days allowed to complete the work without incurring liquidated damages. Contract Term is the stated length of the contract, within which all work must be completed.

20. TRAINING

There is no training required by this procedure.

21. FORMS

These forms are available in the Department's Forms Library.

375-020-01 Daily Report of Maintenance Project
375-020-02 Maintenance Project Weekly Summary
375-020-03 Notice of Beginning and Completion of
Maintenance Projects

- 375-020-05 Contract Maintenance Work Document
- 375-020-23 Contract Renewal
- 375-020-40 Contractor's Invoice
- 375-040-07 Standard Written Agreement Modification
- 375-020-24 Contractor's Time Extension Request
- 850-070-01 Experience in Asphalt Paving
- 850-070-02 Experience in Concrete Pavement Repair
- 850-070-03 Experience in Overhead Signs
- 850-070-04 Experience in Bridge Repair
- 850-070-05 Experience in Drainage Repair
- 850-070-06 Experience in Pavement Markings
- 850-070-07 Experience in Traffic Signal Repair
- 850-070-08 Experience in Single and Multi Post Sign Repair
- 850-070-09 Experience in Landscaping
- 375-020-93 Maintenance Contract Term Extension