

CHAPTER 11

ALTERNATIVE CONTRACTS

11.1 PURPOSE

This procedure is designed to provide computation and documentation methods for alternative contracting contracts. This process ~~establishes~~ will establish procedures and guidelines required ~~by alternative contracts~~ for the Project Engineer (PE) and his staff to use in building and supporting the specific contract's alternative contracting requirements.

11.2 SCOPE

The procedure consists of instructions for each type of alternative contract. The goal is to reduce the CEI cost and time as well as reducing construction impact on motorists, businesses, and homeowners within the transportation corridor.

11.3 REFERENCE

Alternative Contracting Users Guide, Construction Project Administration Manual (CPAM), Florida ~~Statutes~~ Status 337.11(7), Florida ~~Statutes~~ Status 337.11(4) and Florida Status 337.18(4).

11.4 CONTRACTS WITH LANE RENTAL FEES

The lane rental concept required a fee established during design and placed in the contract to be assessed for each day or half-day of lane closure(s) in excess of the number of total lane rental days originally bid by the Contractor (see ~~your~~ contract for the applicable days).

Once the lane rental days exceeds the total number of lane rental days bid the predetermined lane rental fee will be multiplied by the excessive time ~~defined in the contract~~ and the result will be deducted from the monthly estimate's payment.

All lane closures shall be documented on the Lane Rental Site Source Record (Form No. 700-050-57) ~~L~~ ~~(See example on page No. 13-45)~~. Beginning and ending times, locations and unit of measure (full or half days) shall be tabulated for each lane rental to be charged. The actual full or half day lane rental shall be charged on the day in which the ending time falls. For example if a lane closure begins at 8:00 p.m. on Monday and reopens at 6:00 a.m. the next day (Tuesday), a half-day lane rental will be shown on Tuesday's Lane Rental Site Source Record ~~FForm~~. The Contractor and PE shall mutually agree upon the

twenty four (24) hour clock beginning and ending times for lane rental purposes and **such agreements shall be** recorded in the Preconstruction Conference Minutes.

The **Lane Rental Site Source Record Form** documentation shall be submitted with the Final Estimate reflecting both the Inspector and Contractor signatures agreeing to the total days charged. Comments appropriately relating the computations for payment will be coded in CRS on the 'Z' card as shown in ([See Figure 11-2](#)).

11.5 CONTRACTS WITH A + B BIDDING

The A+B bidding concept is designed to shorten the total contract time by allowing each Contractor to bid the number of days in which the work can be accomplished.

In the A+B bidding method, a dollar value for each contract day is established by the Department prior to the project being advertised. The Contractor will receive an incentive for each day the work is completed ahead of ~~the his~~ original contract time bid. If the Contractor completes the project late in relation to his original contract bid time, a an equal disincentive will be assessed. ~~This disincentive is in addition to any and as well as appropriate liquidated damages under the contract. also being shall be are applied as per the contract.~~ For the purpose of the incentive/disincentive, the contract time ~~maybe~~ will be adjusted for weather, unforeseen conditions, and extra work as approved.

The Daily Report of Construction (**Form No. 700-010-13**) as well as the Engineer Weekly Summary (**Form No. 700-010-14**) will serve as the support documentation for appropriate payment. Each will show the following statements: 1) "Today is the first day or the beginning milestone day of the A+B bidding phase of this contract"; 2) "Today is the last day of the A + B bidding phase of this contract."

The final incentive/disincentive dollar amount of the A+B bidding concept will be coded for CRS on card 7 in the FESUBMIT program ([See Figure11-1](#)). Comments appropriately relating to the computations for payment will be coded in CRS on the 'Z' card as shown in ([See Figure 11-3](#)).

11.6 CONTRACTS WITH NO EXCUSE BONUS

The No Excuse Bonus concept is designed to provide the Contractor with a substantial bonus to complete a project within a specified time frame (as shown in the specifications) regardless of any problems or unforeseen conditions. ~~(No no time extensions allowed for the purpose of the bonus) under this concept.~~ The bonus is tied to a drop-dead date (time frame) that is either met or not met. The **Daily Report of Construction (Form No. 700-010-13)**, ~~and as well and~~ as the **Engineer Weekly Summary (Form No. 700-010-14)**, will

serve as the supporting documentation for appropriate payment. ~~Each set of~~ The ~~Each set of the~~ above project forms ~~shall contain~~ will show the following statements: 1) "Today is the first day or the beginning milestone day of the No Excuse Bonus phase of this contract"; 2) "Today is the last day of the No Excuse Bonus phase of this contract."

The final dollar amount of the No Excuse Bonus will be coded on card 7 in the FESUBMIT program ([See Figure 11-1](#)). Comments appropriately relating to the computations for payment will be coded in CRS on the 'Z' card as shown in ([See Figure 11-4](#)).

11.7 LIQUIDATED SAVINGS CONTRACTS

The liquidated savings concept is to reward the Contractor for each calendar day the contract is completed and accepted prior to the expiration of allowable contract time. Contract time is adjusted for time extensions under this concept.

The ***Daily Report of Construction (Form No. 700-010-13)***, as well as the ***Engineer Weekly Summary (Form No. 700-010-14)***, will serve as the support documentation for payment. ~~Each set of~~ The ~~Each set of the~~ above project forms ~~shall contain~~ will show the following statements: 1) "Today is the first day or the beginning milestone day of the Liquidated Savings phase of this contract"; 2) "Today is the last day of the Liquidated Savings phase of this contract."

The final dollar amount of the Liquidated Saving will be coded in CRS on card 7 in the FESUBMIT program ([See Figure 11-1](#)). Comments appropriately relating the computations for payment will be coded for CRS on the 'Z' card as shown in ([See Figure 11-5](#)).

Payment shall be made to the Contractor on a progress estimate after final acceptance in accordance with ***Article 5-11 of the Standard Specifications***.

Example:

- 1) contract days allowed = 200
- 2) days required to complete project = 180
- 3) days to receive an adjustment = 20
- 4) \$ shown in contract for early completion = \$2,000 day
- 5) progress estimate reflects 20 days x \$2,000 = \$40,000 in liquidated savings

If time negotiations for unforeseen conditions, extra work and weather days are in progress with the Contractor after project final acceptances, payment shall be based on the PE's Project Engineer's documented days until a settlement is agreed upon with the Contractor.

Example:

- 1) contract days allowed = 200
- 2) days required to complete project = 200
- 3) days to receive an adjustment = 0
- 4) negotiation (time extension)
- 5) Project Engineer Records = 30 days
- 6) Contractor Claims = 60 days
- 7) \$ shown in contract for early completion = \$2,000 day
- 8) progress estimate reflects 30 days x \$2,000 = \$60,000 until an agreement is reached

11.8 DESIGN BUILD CONTRACTS

11.8.1 General

This section summarizes the legal documentations for processing the Final Estimates Package on a Design-Build project. It is not the intent of these procedures to supersede the Design-Build Guidelines, Specifications, Procedures, etc., but to enhance the process of the Final Estimates package submittal. The documents required to close out a final estimate will vary from contract to contract. It is the responsibility of the Project Manager (PM) and District Final Estimates Engineer (DFEE) to review and adhere to the Contract and Specifications on each Design-Build Project.

11.8.2 Contractors Invoices & Payment

The PM shall be responsible to closely review and approve the schedule of values closely to avoid the “front loading” of payments and confirm see that unit prices are reasonable for the work being performed. The Contractor shall will will prepare a progress invoice for each project in the contract and submit it to the DFEE Engineer Engineer. According to the time frame specified by the contract. Payments will be made to the Contractor according to Article 9-2 of the Specifications. The contractor shall make a request for payment by submitting an invoice no later than Twelve o'clock noon Monday, after the estimate cut-off date or as directed by the Engineer. Each Contractor's Certified Invoice This Contractor's invoice This Contractor Invoice will be based on the amount of work done or completed. Also, all failures, adjustments, etc., shall be reflected on the estimate in that period they occur on.

11.8.3 Monthly/Progress Estimate

The PEM will make authorized partial payments for on monthly/progress estimates based on the amount of work that the Contractor completes during the month (including delivery

of certain materials), based on an Contractor-approved Contractor payout schedule (schedule of values). The PE will make approximate monthly/progress payments, and the Department will correct all partial estimates and payments in the subsequent estimates and in the final estimate and payment.

The PM will not process any estimate for pay until the Contractor Invoice is received and approved ~~and the with the required~~ with the required original certifications included i.e.; “Certification of Disbursement of Previous Periodic Payment to certification of payment to Subcontractors”, Construction Compliance with Specifications and Plans, and Certification of Quantities. Form 700-010-38, has been received. included.

The Contract Lump Sum Price will include overhead, profits, fuel adjustments, and any or all other direct and indirect costs required to complete the work as per **Article 9-2 of the Specifications**.

11.8.4 Pay Adjustments

The PM will check that all adjustments ~~meet~~ have met the criteria set forth in the contract. Failure on the part of the Contractor to construct any item of work to plan or authorized dimensions within the specification tolerances shall result in:

- (A) Reconstruction to acceptable tolerances at no additional cost to the Department;
- (B) Acceptance at no pay; or, acceptance at reduced pay, all at the discretion of the Engineer.

Documentations on all failures and adjustments shall accompany each monthly invoice with a summary included in the Estimate Package. This information needs to be provided in the format required by the District Final Estimates Engineer.

11.8.5 Retainage

Retainage withheld on any project should follow the procedures set forth in the Design Build Specifications and Guidelines.

11.8.6 Bituminous Adjustment

On Contracts with an Original Contract Time of more than 365 calendar days and 15,000 tons [15,000 metric tons] of asphalt concrete, or on Contracts with more than 50,000 tons [50,000 metric tons] of asphalt concrete, the Department will adjust the bid unit price for bituminous material to reflect increases or decreases in the Asphalt Price Index (API) of

bituminous material from that in effect during the month in which bids were received. The Contractor will not be given the option of accepting or rejecting this adjustment. Bituminous adjustments will be made only when the current API (CAPI) varies by more than 5% of the API prevailing in the month when bids were received (BAPI), and then only on the portion that exceeds 5%. **Chapter 6, Section 6.11 and 6.12** of this manual outlines the requirements of the Contractor's Certification of Quantities Certified Invoice provided by the Contractor and instructions for adjusting quantities with ~~how to process the adjustment through an Excel Spreadsheet, also provided by the Department.~~

11.8.7 Final "As-Built" Plans

As the project progresses, the responsible Engineer shall update the Final "As-Built" Plans.

The procedures set forth in **Chapter 4, Final "As-Built" Plans** of this manual, are to be utilized in the preparation of completing the set of final plans for submittal with the final estimates package.

11.9 LUMP SUM CONTRACTS

11.9.1 General

Documents required to close out a final estimate will vary from contract to contract. It is the responsibility of the PE and the DFEE to determine that all required documents are complete and accompany the final estimate in accordance with ~~check the Contract and Specifications on Lump Sum Projects.~~

11.9.2 Submittals

An estimate of quantities will be prepared and delivered to the PE within 15 days of receipt of notice of award for activities or work items requiring quantity estimates in accordance with Division II of the Specifications such as, ~~Earthwork and related Operations, Base Courses, Hot Bituminous Mixtures, Portland Cement Concrete, and Reinforcing Steel, as stated in Division II of the Department's Standard Specifications.~~ Quantities provided by the ~~from the~~ Contractor will be used to determine the material sampling and testing frequencies in accordance with the **Department's Sampling, Testing, and Reporting Guide**. The Department's Job Guide Schedule will provide a list of all pay items for a specific project. Quantities provided by the Contractor shall only be used to determine the material sampling and testing frequencies. These quantities will not be considered payment quantities. ~~Review your specific contract for variation in these requirements. Payment shall be made in accordance with Project and Payment in specified specific contract documents.~~

11.9.3 Contractors Invoices

On each Project in the contract a Progress Invoice must be prepared and submitted to the **PE** Project Engineer. A request for payment will be submitted **by** from the Contractor with an invoice no later than Twelve o'clock noon Monday, after the estimate cut-off date or as directed by the Engineer. ~~Check your contract regarding the specific day and time the contractor invoice should be submitted to the Project Engineer.~~ Before any invoice can be processed, the **PE**, based on the amount of work done or completed, must complete a review of the items on the progress invoice and approved prior to payment.

11.9.4 Monthly/Progress Estimate

Once the **PE** Project Engineer has approved the progress invoice, payment shall be made, less the amount of retainage withheld per provisions in the contract. The Department ~~shall will~~ base payments on the total value of the work the contractor performs. Monthly/Progress payments shall be approximate only, and shall be subject to decrease overpayments or increase underpayments. Partial Payments less than \$5000.00 will not be processed. The PE will adjust the lump sum price on all failures. A number '5' card will be filled out to adjust the line item, along with a 'Z' card to explain the adjustment. **The PE will not process any estimate for pay until the Contractor's Certified Invoice invoice is received and approved with the required certification of payment to subcontractors included.**

11.9.5 Pay Adjustments

The **PE** will ~~document verify~~ that all adjustments have met the criteria set forth in the contract. Documentations on all failures shall accompany each Final Estimate Package. **Article 9-2 of the Specifications** refers to table 9-1. For adjustments, this table shall be completed with a predetermined unit price for items that call for an adjustment. ~~Check your contract to see if the information in the table is filled out properly.~~ If there is no language in the ~~contract table~~ specifying that adjustment will be made, then ~~you will contact the~~ your District Specification Engineer. If the District Specification Engineer can't supply this information ~~then~~, the Unit Price adjustment will be determined **based** on statewide averages. As an example, when a deficiency occurs, the **PE** will ~~make~~ **will base** all adjustments according to the predetermined unit price as shown in the table below.

Table 9-1

Item Description	Unit	Unit Prices
Superpave(Traffic Level A)	TN	46.59
Asphalt/Limerock Base	SY	8.78

Concrete failures will be adjusted in accordance with **Article 346-11 of the Specifications**.

The **PE** will determine payment reductions for low strength concrete represented by cylinders or cores, accepted by the Department. Reduction in pay will be based on \$0.80/yd³ [\$1.05/m³] for each 10 psi [70 kPa] below the specified minimum strength.

Asphalt Overbuild: The Project Engineer will ensure that the average spread rate does not exceed 105% of the specified spread rate. See example of an overbuild adjustment below.

Item Description	Unit	Unit Prices
Superpave (Traffic level C)	Ton	\$48.62

Example:

Item Number 334-23-30 (Superpave SP12.5)

Original Quantity = 160.60 Tons

Final = 193.50 Tons

Plan Area = 7300SY

Final Area = 7300SY

Plan Spread = 44 #/SY

Actual Spread = 53 #SY

Final Pay limited to 105%

44 lb/sy x 105% = 46.20 lb/sy

7300 x 46.20 lb/sy) 2000 = 168.6 Tons

168.60 – 160.60 = 8.00 Tons

8.00 X \$48.62 = \$388.96

\$388.96 will be the adjustment to the Lump Sum Unit Price.

Foundations such as piling, and Drilled Shafts will be adjusted according to **Article 9-2 of the Specifications**. Additions or deletions will be determined from the pile/drilled shaft elevations shown in the plans.

11.9.6 Retainage

The Department will withhold retainage of 10% of the amount due on the current estimate as retainage when the percent of allowable contract time used exceeds the percent of the

contract amount earned by more than 15%. Retainage will not be withheld until 75% of the contract time has elapsed.

11.9.7 Bituminous Adjustment

A bituminous adjustment ~~shall~~ will be required on contracts having an Original Contract Time of more than 365 calendar days or 5000 tons [5000 metric tons] of asphalt concrete. The Contractor will provide the Department with a ~~certification of quantities~~ Certified Invoice on a form provided by the Department **Form No. 700-050-63 Contractor's Certification of Quantities Bituminous Material Lump Sum Projects** no later than ~~Twelve o' clock~~ noon, Monday after the Monthly estimate cutoff date or as directed by the PE, based on the quantity of asphalt produced and accepted. **Chapter 6, Section 6.10 and 6.12** of this Manual outlines the requirements of the ~~certification of quantities~~ Certified Invoice provided by the Contractor and instructions for adjusting quantities with ~~how to process the adjustment through an excel spreadsheet provided by the department if needed.~~

*Note: Review ~~the~~ ~~your~~ specific contract ~~for~~ due to changes in the metric tonnage requirement for a bituminous adjustment. All gallons will be based on the same criteria as specified in **Article 9-2 of the Specifications**.

11.9.8 Fuel Adjustments

There will be no fuel adjustment on Lump Sum Projects as per **Article 9-2 of the Specifications**.

11.9.10 Final "As-Built" Plans

The PE will update the Final "As-Built" Plans as the project progresses. A complete set of Final "As-Built" will accompany the Final Estimates Package. Refer to Chapter 4 of this Manual ~~for~~ on Final "As-BUILT" Plan requirements.

11.9.11 Shop Drawings

An approved set of shop drawings ~~S~~ will be required on Lump Sum projects and submitted with the Final Estimates Package.

11.9.12 Computation Book

For Lump Sum Projects, Computation Books are not required. A ~~folder~~ or loose-leaf binder should be used to accommodate the necessary documentations required by the Final

Estimate Office. The Financial Project ID Number, Name of the project, and county shall be placed on the **front cover of the folder or loose-leaf binder**.

11.10 CONTRACT WITH INCENTIVE/DISINCENTIVE

The Incentive/Disincentive (I/D) concept is designed to reduce the overall contract time by giving the Contractor an incentive for every day that the contract is completed early and a disincentive **for everyday that the contract is completed late**. ~~failure to complete a project on time~~.

The Daily Report of Construction (**Form No. 700-010-13**), as well as the Engineer Weekly Summary (**Form No. 700-010-14**) ~~are~~ will serve as the support documentation for payment. Each set of the above project form will show the following statements: 1) "Today is the first day or the beginning milestone day of the Incentive/Disincentive phase of this contract"; 2) "Today is the last day of the incentive/disincentive phase of this contract."

The final dollar amount of the incentive/disincentive will be coded on card 7 in the FESUBMIT program ([See Figure 11-1](#)). Comments appropriately relating to the computations for payment will be coded in CRS on the 'Z' card as shown in ([Figure 11-6](#)).

11.11 LIST OF FIGURES FOLLOWING THIS CHAPTER

Figure 11-1	Example of CRS '7' Card
Figure 11-2	Example of CRS 'Z' Card for Lane Rentals
Figure 11-3	Example of CRS 'Z' Card for A + B Bidding
Figure 11-4	Example of CRS 'Z' Card for No Excuse Bonus
Figure 11-5	Example of CRS 'Z' Card for Liquidated Savings
Figure 11-6	Example of CRS 'Z' Card for Incentives/Disincentives