

~~CHAPTER~~ Chapter 14 POST REVIEW PROCESSING / CONTRACT CLOSEOUT

14.1 PURPOSE

This procedure describes methods for the District Final Estimates Office (DFEO) and/or the Consultant Construction and Engineering Inspection (CCEI) firm to use in processing final estimates for payment after reviewing operations are complete.

14.2 PROCEDURE

14.2.1 Post Reviewing Operations

After the final plans, quantities, required construction documentation, and final measurements have been verified and any changes have been discussed with the Project Administrator (PA), the final estimate can be submitted to the Contractor for acceptance.

NOTE: The figures supplied with this chapter show form letters and memos used to convey necessary information to concerned parties throughout the close out process. The letters and memos are templates containing common boilerplate language in most cases. The DFEO/CCEI representative will choose the appropriate paragraphs for a specific contract and delete the paragraphs and instructions which do not apply. No form letter or memo can ever cover all situations that might arise. Occasionally, it may be necessary to insert additional paragraphs drafted to fit the circumstances arising on a specific contract. An example of such circumstances is addressing bonds, or value added items. See **Chapter 4** of this **Manual** for the submittal options for a Certified Final Estimate.

14.2.2 Verification of the Final Estimate

- (A) The DFEO should verify that all entries transferred from the individual item sheets to the **Computation Book Final Estimate Pay Item Summary and Certification Sheet** have been performed by the Resident Office.

The updated estimate includes:

- (1) Arbitration rulings as they are approved.
- (2) Court orders or other legal actions received from the Department's Office of General Counsel (OGC)~~s~~ Office.

- (3) Pay adjustments for bituminous materials and fuels, when applicable.
 - (4) Adjustments for any failing materials including any quality assurance penalties. Each penalty should be shown separately.
 - (5) Contract Time: The contract time overrun or underrun should be determined. At the end of the estimate, dollar amounts shall be coded for:
 - (a) The appropriate liquidated damage dollar amounts on federal aid and non-federal aid projects.
 - (b) Any incentive/disincentive amounts.
- (B) The DFEO should review the **Offer of Final Payment** or **Request for Refund** letter to the Contractor including an appropriate summary. In the letter any outstanding pay estimates which have been processed for payment but have not been paid (or resolved in case of proposed overpayment estimates) should be addressed. A legitimate pay estimate is defined as an estimate which qualifies as follows:
- (1) It has a unique estimate number.
 - (2) It shows a continuity in changing contract amounts through sequential estimates; i.e., its previous quantity amounts are the quantity to date amounts from the prior (next lower numbered) estimate and its current quantity to date amounts will be the previous quantity amounts for the following (next larger numbered) estimate if one is written.
 - (3) It is one of a consecutive series of numbered estimates where all of the consecutively numbered estimates are accounted for.
 - (4) It may show a positive, negative, or zero amount due.
- (C) If there are unprocessed estimates, the Residents should notify the DFEO. These estimates amounts need to be reflected on the **Offer of Final Payment** or **Request for Refund** to the Contractor.
- (D) The DFEO shall review the total effect of claim settlements, liquidated damages, and supplemental agreements to ensure that

duplicate payments are not made.

- (E) The DFEO's review of the revised explanations of overruns and underruns for any changes in quantities should have been made by the Resident Office.
- (F) The DFEO should verify the final estimate to be included with the offer letter to the Contractor and that all entries include previous estimate quantities and dollar amounts.

14.3 UPDATE AND SUBMITTAL OF FINAL ESTIMATE

14.3.1 Update final estimate changes: The Resident Office should enter quantity change updates into SiteManager and print the updated estimate.

If the estimate needs to be modified prior to acceptance, changes can be made if the next approval level rejects the estimate.

- (A) The Resident Office shall forward all notifications of legal action to the appropriate District Office of General Counsel's ~~Office~~.
- (B) The DFEO will be responsible for forwarding a copy of the final estimate to the Federal Highway Administration (FHWA) on full-oversight federally funded contracts.
- (C) The DFEO shall review all of the Contractor's documents for correctness (see **Sections 14.4** of this chapter and **Chapter 3** of the **Preparation and Documentation Manual**).
- (D) The final quantities are placed on the estimate using Progress Estimates with final approval level set as Electronic Estimate Distribution (EED) Finals. The estimate will print as a Final, additional finals in this manner may be run as issues are resolved. The Final Estimate will be processed after the Contractor has taken a full acceptance on all qualified issues and is in "Regular Pass". The Final Estimate in SiteManager will be a Zero Dollar estimate and is used to close the job out.

Note: When a Final Estimate is processed under SiteManager, the system will not allow additional changes. BE SURE YOUR QUANTITIES ARE CORRECT AND ALL ISSUES ARE RESOLVED BEFORE PROCESSING THE FINAL ESTIMATE IN THIS SYSTEM!

14.3.2 Progress (Partial) Estimates: After final acceptance of the work and receipt of all required documents, a progress estimate may be processed to reduce

the retainage on the contract in accordance with the **Standard Specifications**. There are two types of letters used to transmit the progress estimate to the Contractor ([see Figure Nos. 14-1](#) and [14-2](#)). Send copies of the letter to the District Construction Engineer (DCE) and the Resident Engineer (RE). Issuance of the Progress Estimate is subject to the following provisions.

- (A) The retainage may be reduced to \$1,000 if:
 - (1) The amount retained is sufficient to cover any possible decrease in the quantities shown on the last paid estimate tabulation, plus any amounts the Department elects to deduct for unsatisfied claims or defective work as provided in **Section 9-5** of the **Specifications**.
 - (2) The Contractor has submitted all the required documents, properly executed.
- (B) A Certification of Materials and Tests is also required from the State Materials Office (SMO) in Gainesville and/or the District Materials Office before payment is made to the Contractor.
- (C) Where there is more than one job in the same contract, the retainage will be distributed in the percentage each job bears proportional to the total original contract amount.

14.3.3 Submittal of The Final Estimate

Upon completion of the review process and production of the final estimate, notify the Contractor of the results of that review and of any documents necessary to close out the contract. This process is called the "**Submit**" or known as "**Offer of Final Payment**", and the notification is accomplished with a Submit letter or ~~offer~~ Offer letter ([see Figure Nos. 14-3](#) through [14-6b](#)).

This process is not only for Conventional and Alternative type contracts but is to include contracts such as the "P3" (Public Private Partnership) Design Build Finance, Build Finance and Concession Agreement Contracts. The Offer letter for these type "P3" contracts will be drafted and submitted to the State Final Estimates Office (SFEO) for review and approval. Also, you will need to contact the Office of Comptroller (OOC) Cash Forecast Manager, requesting the Final Payment Schedule, to be attached to the **Final Offer letter**. Once approved the SFEO will notify the DFEO of approval and then the appropriate letter(s) may be submitted to the Contractor.

This **Submit letter** will be developed by the in-house personnel as well as

CCEI. The DFEO will have the option to provide this function for the in-house Resident.

The **Submit letter** shall be sent electronically to the Contractor. The DFEO shall also be included electronically, with the original Submit Package delivered in the normal fashion.

This process will be performed by the CCEI and in-house personnel as described below:

- (1) CCEI will follow procedures as outlined in its Scope of Services and in-house personnel shall follow procedures set forth by the Florida Department of Transportation (Department) (see **Chapter 4** of the **Review and Administration Manual, Topic No. 700-050-005** for **CCEI Scope of Services**). The RE, as an authorized representative of the CCEI, will have the responsibility of making Offer of Final Payment based on the Certified Final Estimates Package for this contract. Offer of Final Payment will be made within 30 days of final acceptance date.

Upon making Offer of Final Payment, a copy of the Submit letter shall accompany the **Certification As To Accuracy of Final Payment** form in the **Computation Book**. These will be included with the Final Estimate Package and will be turned in to the DFEO within thirty (30) days after the final acceptance date. All correspondence from this point forward will go to the DFEO.

The CCEI will be responsible for resolving any issues that may result from the Offer of Final Payment plus the Final Estimate Package once reviewed by the DFEO.

The CCEI shall utilize its company letterhead for the Submit letter; all in-house personnel shall use Department letterhead for the Submit letter. Notes shall reflect that all further correspondence concerning submittal of required contract documents shall be forwarded to the DFEO and the letter shall include the appropriate address and name of the DFEM.

The DFEO will continue to provide training to the CCEI and in-house personnel so that they will have the proper knowledge to generate the Submit letter.

The DFEO shall make sure the **Final Estimates Office Record of Final Plans and Documents**, **Form No. 700-050-28** and **Final Plans**

and Estimates Transmittal, Form No. 700-050-20 have been updated and submitted with the Final Estimates Package.

The responsible office preparing the ***Submit letter*** shall run the last progress pay estimate, paying the Contractor for all acceptable work. The last progress estimate shall match the computation book total including all contract adjustments. Any bonus, incentive payments or retainage to be released, should be paid as soon as practical and could be paid by a progress estimate up to and including the final offer. It is incumbent on the responsible CCEI or in-house personnel to notify the DFEO of any incentive payments due the Contractor in order for the encumbrance process to be made.

(NOTE: There will be only one Offer of Final Payment or Request for Refund made to the Contractor per contract (see Section 14.11.3 of this chapter.)

- After final acceptance the Residency will need to run a Progress Estimate to reduce the Contractors monetary amount due. This will help insure that the Final Offer will be a zero amount due.
- A special effort should be made to see that all items that may or may not require "certification of quantities" from the Contractor that are constructed toward the end of the project , be paid on a Progress Estimate prior to the Final Offer. This will insure that the Sub-Contractors are paid in a timely manner.
- All pending items at the time the Offer of Final Payment is made should be included on the *Offer Letter*. (As an example: List pending Supplemental Agreement numbers, not all items within it. Or list item # waiting for certification, etc;).
- After the Offer of Final Payment has been issued to the Contractor, in cooperation with the District Construction Engineer, the DFEO will unencumber any unused Contingency Supplemental Agreement and Contingency Pay Item funds after PAR's are performed. (See *Construction Project Administration Manual (CPAM)*, Section 7.4.8.2(A) for more details on unencumbering funds.)

Note**NOTE:** For Streamlined Projects see Section 14.13 of this **manual Manual** for Closeout process. There is no Offer of Final Payment for these types of contracts.

14.3.3.1 Offer of Final Payment ~~for including~~ Value Added Contract Features. This function will be performed by the DFEO.

The process for making the final offer to the Contractor will be followed with the exceptions listed below:

- a.) Upon full acceptance of the offer, the Contractor will be paid in the normal manner as detailed in **Section 14.9** of this chapter.
- b.) The **Contract Estimate Transmittal - Action Request Form 700-050-37** will be used to notify the Office of Comptroller, District Materials Office, and District Compliance Manager that the contract is a value added contract.
- c.) All contracts, except Traffic Marking contracts, will be placed in Status 52 and the remaining funds unencumbered.
- d.) Contracts with Traffic Markings warranties, will remain open (see above).
- e.) All value added contracts will remain open in SiteManager throughout the warranty period. DO NOT ENTER "PHYSICAL WORK COMPLETE" DATE OR CHANGE STATUS TO "COMPLETE".

Note~~NOTE~~: The contract will remain in "Under Warranty" status until the warranty period has expired. When the contract is closed completely it will go through the Pass and Payoff statuses as currently required (see **Section 14.11.1** of this chapter for guidelines).

(A) The Submit Letter is the official **Offer of Final Payment** or **Request for Refund** on the contract. There are two types of ~~Submit~~ submit letters with two versions of each one, the **Offer of Final Payment** (see Figure Nos. 14-3 and 14-4a) and the **Request for Refund** for single or multiple job contracts (see Figure Nos. 14-5 and 14-6a). Distribution by CCEI and In-house personnel will be as follows:

- (1) Send the Original to the Contractor.
- (2) Send copies of the **Submit ~~letter~~ Letter** to the:
 - (a) Surety Company (Surety) when the **Submit ~~letter~~ Letter** is a request for refund.
 - (b) SMO when the Materials Certification has not been received by the DFEO with all exceptions acceptably resolved.

- (3) The first segment contains information as to the amount due or owed on the final estimate and includes any unprocessed estimates issued before the final estimate and held by the OOC or the District.
- (4) The next segment of the ***Submit ~~letter~~ Letter*** is the request for the documents necessary to close the contract that have not previously been submitted by the Contractor or the SMO (see below (a) thru (f)). A discussion of the suitability of the documents supplied by the Contractor will follow in **Section 14-4** of this chapter and **Chapter 3** of the ***Preparation and Documentation Manual, Topic No. 700-050-010***. The following is a list of the documents:
 - (a) ***Contractor's Affidavit and Surety Consent (Form 21-A) (Form # ~~No.~~ 700-050-21) (see Figure Nos. 14-7, 14-7a and 14-7b).***
 - (b) ***Certification of Materials (see Figure No. 14-8).***
 - (c) ***Construction Compliance with Specifications and Plans Form # ~~No.~~ 700-020-02 (see Figure Nos. 39 thru 39b).***
 - (d) Any mill analysis needed to complete testing requirements on the contract.
 - (e) Any material invoices which the contract may specifically require the Contractor to submit in order to calculate final payment due the Contractor.
 - (f) Any other contract specific documents, the Contractor is required to turn over to the Department prior to the conclusion of the contract.

Note: On contracts using "No Excuse Bonuses", the Contractor shall provide in writing a full and complete waiver of any and all claims against the Department to be eligible for the bonus payment provision. If the Contractor fails to complete "Contract Work Items" or fails to actually complete the "Contract Work Item" and obtain written verification of completion of the "Contract Work Item" from the Engineer on or before the "Bonus Completion Date", or should the Contractor, having done so, fail to timely request the "Bonus" for any reason, the Contractor shall have no right to any payment whatsoever as stated in the **Section 8-13.1** of the ***Specifications***. Collection of this waiver letter is

critical to determine whether the Contractor is eligible for the bonus payment.

- (B) Acceptance Letter(s): There are two types of acceptance letters: one for an ~~offer~~ Offer of final-Final payment-Payment and one for a ~~request-Request for refund-Refund~~. An ~~offer~~ Offer of final-Final payment-Payment or a ~~request-Request for refund-Refund~~ letter is required for each contract. This document shall be executed by the Contractor (see Figure Nos. 14-9 thru 14-9c).

Note: If the Contractor has been overpaid, send the request for refund letter by **certified mail** so that a record is made of the Contractor's receipt of the request for refund.

- 14.3.4 Locally Funded Agreement (LFA):** If LFA exists on the contract, it should be addressed when all claims related to the LFA pay items have been resolved. See the Office of Comptroller (OOC's) procedures for more explanation *Procedure No. 350-020-300, Locally Funded Agreements (Non-PTO) Financial Provisions and Processing* and *Procedure No. 350-020-301, Financial Provisions for Joint Participation Agreements (Non-PTO)*. Do this by sending a LFA memo (see Figure No. 14-10) to the Accounts Receivable Administrator in the OOC General Accounting Office. Show the final amount of the Contractor's billing to the Department on behalf of the LFA partner. Attach back up information to support the amount shown to the LFA memo with a copy of the final estimate with the item numbers involved in the LFA highlighted or by a cost breakdown prepared by the PA, showing all applicable pay items, their unit prices, quantities involved, individual pay item dollar costs, and the total dollar cost.

14.4 CONTRACT DOCUMENTATION

- 14.4.1 Initial notification and collection of contract documents:** The initial notification and collection of required documents is the responsibility of the Project Administrator (PA) in accordance with *Preparation and Documentation Manual (PDM), Topic No. 700-050-010, Chapter 3, (Final Estimates Documents)*, for the "close-out" process.

- (A) Collection, review, and approval of the documents submitted by the Contractor are very important steps in contract closure. Receipt of the contract required documents controls the establishment of the payoff date for the contract. These documents are strictly under the control of the Contractor. Once these documents are received in an acceptable form, the seventy-five (75) day payment period will begin. When time has expired and payment has not been made, the Department is liable

for interest on the final amount due if the delays are caused by the Department.

- (B) Prompt review of the Contractor's submitted documents is a priority because the **Standard Specifications** require that the Contractor be notified within twenty (20) days receipt of **Form 21-A**, of any discrepancies or the original date of receipt will control the establishment of the payoff date. This process is detailed in **Chapter 3, Section 3.2.3, (B), (1) and (2)** of this **Manual**.
- (C) The Contractor shall use the official forms provided by the Department for each specific document. Return other forms the Contractor may attempt to use within twenty (20) days of receipt. Send the Contractor a letter stating that it's forms are unacceptable because they are not the official forms provided by the Department and request that the Contractor re-execute the document(s) on the official form(s) provided by the Department. Attach copies of the official form(s).

14.5 SUSPENSION PROCEDURES

In accordance with **Section 9-8** of the **Specifications**, failure on the part of the Contractor to return all required contract documents in a satisfactorily completed condition, within ninety (90) days of the Offer of Final Payment, will be sufficient grounds to suspend a Contractor's Certificate of Qualification to bid on Department work under the provisions of **Sections 337.16 and 120.57, Florida Statutes**, as well as **Rule 14-22.012, Florida Administrative Code (F.A.C.) (Suspension, Revocation, or Denial of Qualification)**. If the Contractor's Certificate of Qualification is already suspended, **Rule 14-22.0141, F.A.C., (Contractor Non-Responsibility)** applies.

Also in accordance with **Section 9-8** of the **Specifications**, on contracts completed by the Surety due to a takeover agreement, the failure on the part of the Surety to return all contract required documents within ninety (90) days of the Offer of Final Payment will be sufficient grounds to suspend a Surety's Qualification to Bond Department contracts under the provisions of **Rule 14-24.001, F.A.C. (Provisions for Prompt Settlement or Legal Defense of Claims and Disqualification for Failure to Settle Claims)**.

14.5.1 Action To Proceed With Notice of Suspension Letter at Day 80: If all required contract documents have not been received within eighty (80) days of the **Offer of Final Payment**, the DFEM/DFEO will prepare a final suspension letter to the Contractor ([see Figure No. 14-11](#)) stating which of the specific required contract documents have not been received in a satisfactory completed condition. This list will also include any outstanding contract requirements.

Upon completing the 90 day suspension letter, the DFEM will also prepare a

cover memo, ([see Figure No. 14-12](#)) along with the suspension letters that will be delivered to the Delinquency Coordinator of the State Construction Office (SCO) for signature by the Chief Engineer (CE) as outlined below in **Sections 14.5.2, 14.5.3, and 14.5.4** of this chapter.

14.5.2 Required Documents Not Received within 90 Days: If all required contract documents have not been received within ninety (90) days of the Offer of Final Payment, the previously prepared letter(s) as stated in the procedure above will be processed by the SCO. ([see Figure No. 14-12](#)). Along with the letter, an attachment must be sent informing the Contractor of their administrative right for a hearing ([see Figure No. 14-12a](#)). **This letter and attachment are used only when the Contractor is already prequalified.** Each case should be reviewed individually when this letter is to be used. In situations where the Contractor was prequalified but the Contractor has allowed it to expire, it is important that the correct attachment is sent in each case since the time frames are different (see **Section 14.5.3** of this chapter).

- (A) The DFEO should check the office file to see if the missing required contract documents mentioned in the CE's letter have been received in satisfactorily completed condition. If any or all documents are received before the letter is sent to the Contractor, the DFEO will notify the SCO of these changes and the letter will be revised and signed by the CE.
- (B) This letter shall advise the Contractor of the Department's intent to suspend its Certificate of Qualification and the Contractor shall contact the Delinquency Coordinator of the SCO by phone if there are questions on this matter. This letter also details that if the time frames expire, the suspension is conclusive. This eliminates the need for follow up letters.
- (C) After the letter is signed by the CE, the SCO may fax a copy of the letter to the Contractor if a number has been supplied. The original letter will be generated by the SCO and delivered to the Contractor via Certified Mail, with **Return Receipt Requested**.
- (D) The SCO will send a copy of the ~~return-Return receipt-Receipt~~ and letters to the DFEO as the file copy of the CE's letter, as it establishes the date the Contractor received the letter.
- (E) Copies of this letter will be distributed to the DFEM, DCE, Surety, the Pre-Qualifications Specialist, and the Central Office Contracts Administration Manager. The Contractor and the Department then have three options:
 - (1) If the Contractor returns the required documents to the

Department, the suspension procedure will be halted after the time has expired as shown in **Rule 14-22, F. A. C.**, providing all documents are acceptable.

- (2) If the Contractor requests an administrative hearing within ten (10) days of receipt of CE's letter, this will temporarily halt the suspension procedure, pending the outcome of the hearing.
 - (a) If a hearing has been requested, the Clerk of Agency Proceedings shall send to the DFEM a copy of the outcome of the hearing. If the hearing results in a finding that the Contractor has submitted all the missing required contract documents in a satisfactorily completed condition, then the processing of the payment of the Contractor's final estimate will continue without further delays.
 - (b) If the hearing results in a finding that the Contractor has NOT submitted all the missing required contract documents in a satisfactorily completed condition; then the suspension process outlined in the ~~NOTICE~~ Notice OF of INTENT Intent TO to SUSPEND Suspend CERTIFICATE Certificate OF of QUALIFICATION Qualification letter will be conclusive.
- (3) If no hearing was requested and all required documents are still not received, the DFEM shall notify the SCO Prequalifications Specialist via email that the time frame has expired. The Prequalifications Specialist will take the appropriate action.

14.5.3 Required Documents Not Received within 90 Days from Contractors who are non-responsible or ineligible: In situations where the Contractor was prequalified but has allowed it to expire and all required contract documents have not been received within ninety (90) days of the offer of final payment, the previously prepared letter(s) as stated at the 80 day process above will be performed by the DFEM., (see Figure No.14-13). This is a two-part letter with an attachment of **Notice of Administrative Hearing Rights** (see Figure No. 14-13a). The attachment must accompany the letter since it explains the process and time frames for requesting a hearing. Ensure that the correct attachment is sent with this letter as the time frames for requesting a hearing for a non-prequalified Contractor vary from a Contractor who is prequalified. The SCO will coordinate this letter with the CE and the ~~Office of the General Counsel~~ (OGC).

- (A) If any or all documents are received before the letter is sent to the

Contractor, the DFEO will notify the SCO of these changes and the letter will be revised and signed by the CE.

- (B) This letter shall advise the Contractor of the Department's intent to declare the Contractor Non-responsible and to contact the SCO by phone if the Contractor has questions on this matter. This letter also details that if the time frames expire, the suspension is conclusive. This eliminates the need for follow up letters.
- (C) The SCO will send a copy of the ~~return~~ Return receipt-Receipt and letters to the DFEO as the file copy of the CE's letter, as it establishes the date the Contractor received the letter.
- (D) Distribute copies of this letter of Non-responsibility to the appropriate persons listed on the letter:
 - (1) If the Contractor returns the required documents to the Department, the non-responsible procedure will be halted after time has expired as shown in the **Rule 14-22.0141, F. A. C.** providing all documents are acceptable.
 - (2) If the Contractor requests an administrative hearing within twenty-one (21) days of receipt of CE's letter, this will temporarily halt the suspension procedure, pending the outcome of the hearing.
 - (a) If a hearing has been requested, the DFEM shall ask the Clerk of Agency Proceedings to send a copy of the outcome of the hearing. If the hearing results in a finding that the Contractor has submitted all the missing required contract documents in a satisfactorily completed condition, the processing of the payment of the Contractor's final estimate will continue without further delays due to documents mentioned in the CE's letter.
 - (b) If the hearing results in a finding that the Contractor has NOT submitted all the missing required contract documents in a satisfactorily completed condition, the suspension process outlined in ~~NOTICE~~ Notice OF of INTENT Intent TO to DECLARE Declare NONNon-RESPONSIBLE-Responsible letter will resume as outlined in the notice.
 - (3) If no hearing was requested and all required documents are still not received, the DFEM shall notify the SCO Prequalifications

Specialist via email that the time frame has expired. The Prequalifications Specialist will take the appropriate action as outlined in the ***Construction Project Administration Manual (CPAM), Topic No. 700-000-000, Section 8.7.***

14.5.4 Required Documents Not Received within 90 Days from the Surety: On contracts completed by the Surety due to a takeover agreement, the Surety is required to submit all contract required documents within ninety (90) days. If the Surety fails to do so, the DFEM will take the following steps:

- (A) If all contract-required documents are not received within ninety (90) days of the Offer of Final Payment, the previously prepared letter(s) as stated at the 80 day process above will be provided by the DFEM. ([see Figures Nos. 14-14](#) and [14-14a](#)). This letter shall advise the Surety of the Department's intent to suspend the Surety's qualification to bond Department contracts. This is a two-part letter with an attachment of ***Notice of Administrative Hearing Rights*** ([see Figure No. 14-14a](#)).
- (B) The SCO will send a copy of the return receipt and letters to the DFEO for the file copy of the CE's letter as it establishes the date the Surety received the CE's letter.
- (C) Send copies of the letter to the Central Office Contract Administration Manager and the Prequalifications Specialist. The Surety and the Department then have three options:
 - (1) If the Surety returns the required documents to the Department, the suspension procedure will be halted, providing all documents are acceptable.
 - (2) If the Surety requests an administrative hearing within twenty-one (21) days of receipt of CE's letter, this will temporarily halt the suspension procedure, pending the outcome of the hearing.
 - (a) If a hearing has been requested, the DFEM shall request the Clerk of Agency Proceedings to send a copy of the outcome of the hearing. If the hearing results in a finding that the Surety has submitted all the missing required contract documents in a satisfactorily completed condition, then the processing of the payment of the final estimate will continue without further delays due to documents mentioned in the CE's letter.
 - (b) If the hearing results in a finding that the Surety has NOT submitted all the missing required contract documents in

a satisfactorily completed condition; then the suspension process outlined in the ~~NOTICE~~ Notice OF of INTENT Intent TO to SUSPEND ~~Suspend~~ QUALIFICATION Qualification TO to ISSUE ~~Issue~~ BONDS ~~Bonds~~ letter will resume as outlined in No. (3) below.

- (3) If no hearing was requested and all required documents are still not received, prepare a letter (see Figure No. 14-16), for signature by the Department's Secretary confirming the suspension of the Surety's qualification to issue bonds outlined in the CE's previous letter. The Secretary's letter will also state that the suspension is effective on date of the twenty-first day after the Surety's receipt of the CE's letter. The Secretary's letter will also state that the suspension of the Surety's qualification to issue bonds will continue until all documents are received in a satisfactorily completed form.
 - (a) Forward the cover memo (only if not sent electronically) and the letter to the SFEO for review. The SFEO will forward the letter to the CE for signature. **NOTE:** This cover memo is not needed if the letter is transmitted electronically.
 - (b) The Secretary's letter shall list which of the specific required documents have not been received and/or which of the specific required documents have not been received in a satisfactorily completed condition.
 - (c) After the original is signed by the Secretary, the SFEO will return it to the DCE for mailing. Mail the original Secretary's letter to the Surety by certified mail with return receipt requested.
 - (d) Attach the return receipt to the file copy of the Secretary's letter as it establishes the date the Surety received the Secretary's letter.
 - (e) Send copies of the letter to all District Secretaries, the CE, the Central Office Contracts Administration Manager, and the SCO Prequalification Engineer.
 - (f) The CE shall sign any subsequent letter regarding the Surety's qualification to issue bonds status.

- (D) If the missing required contract documents mentioned in the Secretary's letter, is not received in satisfactorily completed condition, within twenty-one (21) days after the date the Surety received the Secretary's letter; on the twenty-first day after the date the Surety received the Secretary's letter; call the Clerk of Agency Proceedings in the Department's ~~Office of the General Counsel (OGC)~~ to see if the Surety has requested the administrative hearing mentioned above.
- (E) If this procedure or the administrative hearing mentioned above ultimately leads to a suspension of the Surety's qualification to bond, the suspension shall be lifted upon receipt of all required documents. In order to lift the suspension, send a letter to the Surety rescinding the suspension ([see Figure No. 14-17](#)). This letter shall be signed by the CE.
- (F) Send copies of this letter to all District Contracts Offices, the Central Office Contracts Administration Manager, DFEM, DCE, and the SCO Prequalifications Engineer.

14.5.5 Required Document Not Received from the Contractor: If the **Notification of Findings (NOF) Letter** has not been received within thirty (30) days, the DFEM/DFEO will prepare the suspension letter to the Contractor ([see Figure No. 14-15](#)). Along with the letter, an attachment must be sent informing the Contractor of their administrative right for a hearing ([see Figure No. 14-15a](#)).
NOTE: This process applies only after the initial 90 days have elapsed. For further information see **Section 14.11.3.1** of this **Chapter**.

- (D) The suspension letter shall advise the Contractor of the Department's intent to suspend its Certificate of Qualification and the Contractor shall contact the Delinquency Coordinator of the SCO by phone if there are questions on this matter. This letter also details that if the time frames expire, the suspension is conclusive. This eliminates the need for follow up letters.
- (E) After the letter is signed by the CE, the SCO may fax a copy of the letter to the Contractor if a number has been supplied. The original letter will be generated by the SCO and delivered to the Contractor via Certified Mail, with **Return Receipt Requested**.
- (F) The SCO will send a copy of the ~~return-Return receipt-Receipt~~ and letter to the DFEO as the file copy of the CE's letter, as it establishes the date the Contractor received the letter.
- (G) Copies of this letter will be distributed to the DFEM, DCE, Surety, the Pre-Qualifications Specialist, and the Central Office Contracts

Administration Manager. The Contractor and the Department then have three options:

- (1) If the Contractor returns the required document to the Department, the suspension procedure will be halted after the time has expired as shown in **Rule 14-22, F. A. C.**, providing the document is acceptable.
- (2) If the Contractor requests an administrative hearing within ten (10) days of receipt of CE's letter, this will temporarily halt the suspension procedure, pending the outcome of the hearing.
 - (a) If a hearing has been requested, the Clerk of Agency Proceedings shall send to the DFEM a copy of the outcome of the hearing. If the hearing results in a finding that the Contractor has submitted the missing required contract document in a satisfactorily completed condition, then the processing of the payment of the Contractor's final estimate will continue without further delays.
 - (b) If the hearing results in a finding that the Contractor has NOT submitted the missing required contract document in a satisfactorily completed condition; then the suspension process outlined in the ~~NOTICE~~ Notice OF of INTENT Intent TO to SUSPEND-Suspend CERTIFICATE Certificate OF of QUALIFICATION-Qualification letter will be conclusive.
- (3) If no hearing was requested and the required document is still not received, the DFEM shall notify the SCO Prequalifications Specialist via email that the time frame has expired. The Prequalifications Specialist will take the appropriate action.

14.6 OFFSETTING PAYMENTS

This section describes how to facilitate payment of funds owed to the Department pursuant to a construction contract with any party. This procedure shall be applied to any construction contract on which the Department desires to recover funds from the Contractor and such funds cannot be recovered through the normal process of adjusting subsequent monthly progress estimates of payments to the Contractor.

14.6.1 District Authorization

For construction contracts on which final payment to the Contractor will be determined and authorized by the District:

- (A) The DCE or DFEM will be responsible for identifying construction contracts on which the Department desires to recover funds from the Contractor of such project and said funds cannot be recovered through the normal process of adjusting subsequent monthly progress estimated payments to the Contractor.
- (B) The DCE or DFEM will obtain legal counsel to assure that the Department's intention of recovery is the result of a bona fide judgment, settlement, arbitration order, or final adjudication to determine the amount due to the Department and that the intent of recovery excludes amounts owed by the Contractor to subcontractors, suppliers, and laborers for the performance of that contract.
- (C) The DCE or DFEM will notify the Contractor in writing, of the Department's request for reimbursement, specifying the exact amount due the Department, the contract number, the project number, the reasons for which the Department seeks reimbursement, and that receipt of payment by the Department will be due within sixty (60) days from receipt of said notice by the Contractor or the Department will seek reimbursement per **Section 337.145, F.Florida Statutes**.
- (D) The Accounts Receivable (AR) Administrator in the General Accounting Office should be notified when the Department requests reimbursement from the Contractor and should receive a copy of same information sent to the Contractor. Receipt of payment should be forwarded to the AR Administrator for monitoring payments.
- (E) If payment is not received by the Department within sixty (60) days, the DCE or DFEM will notify the Director, Office Of Construction (hereinafter called the Director) and the Accounts Receivable Administrator. See **Accounts Receivable** procedure, **Topic No. 350-060-303, Section 18**, for the process to be used in collecting delinquent accounts.

14.6.2 All Construction Contracts

- (A) The Director, in consultation with the appropriate DCE's, will identify another contract (herein known as the donor contract) from which recovery of funds can be offset from payments due the Contractor.
- (B) The OOC Financial Management Office, Federal Aid Section, will review the selected donor contract for compatibility with FHWA funding.

(C) The Director, will notify the AR Administrator of the OOC on the donor contract selected with **Memorandum of Overpayment, Form No. 700-010-31**, ([see Figure No. 14-40](#)).

~~(D)~~ (D) The OOC, Disbursement Operations Office (DOO), Contract Payment Section will withhold offsetting payments from the Contractor on the donor contract and the Director, will coordinate with DOO before an agreement is made.

(E) The OOC, DOO, Contract Payment Section will notify the AR Administrator when offsetting payments are withheld from the Contractor on the donor contract.

14.7 RECOVERY OF OVERPAYMENTS

If, as a result of the final estimates review, it is determined that the Contractor has been overpaid, steps must be taken to recover money due the Department. The following steps below direct how to recover money due the Department:

14.7.1 Send the Submit Package Certified Mail: Send the Submit package (~~Submit letter-Letter~~ and associated documents) on overpayment jobs to the Contractor by certified mail with ~~return—Return receipt—Receipt requestedRequested~~. Send a copy of the ~~Submit letter-Letter~~ to the Surety and AR Administrator in the OOC General Accounting Office(OOC-GAO) ([see Figure Nos. 14-5, 5a](#) and [14-6, 6a](#)).

14.7.2 No Response from Contractor after 60 Days: If after sixty (60) days from the date of the DFEM's letter to the Contractor there has been no response, send a request for refund letter to the Surety ([see Figure No. 14-18](#)). Send copies of this letter to the Contractor, the DCE, ~~and~~ the RE and the AR Administrator.

14.7.3 No Response from Contractor after 90 Days: If after ninety (90) days from the date of the DFEM's letter to the Surety there has been no reimbursement of the overpayment, send a memo to the DCE to determine if there are any negotiations in progress that would reduce or eliminate the overpayment ([see Figure No. 14-19](#)). Send copies of this memo to the Central Office Chief Civil Litigation Counsel.

14.7.4 Notify Legal Office: If there are no negotiations underway, thirty (30) days after the date of this memo, send a memo ([see Figure No. 14-20](#)) to the Central Office Chief Civil Litigation Counsel advising him/her to collect the overpayment through legal means. Send copies of this memo to the SCO and the Accounts Receivable Administrator. See the Accounts Receivable procedure, Topic No. 350-060-303, Section 18, for the process to be used in

collecting delinquent accounts.

14.7.5 Receipt of Overpayment Check from Contractor: If a check to reimburse the Department for an overpayment ~~to the Contractor~~ is received by the DFEM from the Contractor or Surety, then the DFEM should process the check following the procedures set forth in the **Funds Transmittal System (FTS)** and **Topic No. 350-080-300 (Securing, Transmitting, Depositing, Recording, and Refunding Receipts and notify the AR Administrator that payment has been received)**. The DFEM shall log receipts as soon as they are received into the FTS and if needed, you may track multiple checks using **Form No. 350-080-15, Receipts Log**. (see [Figure Nos. 14-21](#) thru [14-24](#)). The DFEM must then attach the reimbursement check and a copy of the financial summary page from the most recent final estimate for each job on the contract. After making a copy of this package to keep in the DFEO office contract file, the DFEM will forward the original package to the appropriate District Financial Services Office to be sent to the OOC in a tamper-proof bag, to Attn: Cashier's Office, MS-42B, 605 Suwannee Street, Tallahassee, Florida 32399-0450. When the check is received at the OOC, the Cashier will return a receipt or e-mail verification to the appropriate District Financial Services Office who will forward a copy to the DFEM (see [Figure No. 14-24](#)). The DFEM will then attach the copy of the Cashier's receipt or e-mail verification to the copy in the DFEO's office file. A copy of this package must be included with the final estimate when all of the rest of the Contractor's required documents are received and the final estimate is passed to the OOC for further processing or contract closure.

14.8 FORFEITURE OF AMOUNTS DUE

Section 337.141(4), Florida Statutes, provides for the forfeiture of any amount owed as final payment in the event that the Contractor fails to submit all documents required for final payment within two (2) years after final acceptance; or within one (1) year of the Offer of Final Payment, whichever is later.

14.8.1 Exemption from Forfeiture: The forfeiture will not apply to documents that are the subject of existing claims or pending lawsuits.

14.8.2 Forfeiture Requirements: When all criteria have been met, notify the Contractor of pending forfeiture only in cases when the firm has outstanding documents required to close their contract and then by certified mail at least sixty (60) days before the forfeiture. Send copies of this letter (see [Figure No. 14-25](#)) to the Surety and the DCE. If the Contractor does not respond, the forfeiture process shall continue.

If the job is federally funded, send a letter to the FHWA to obtain its assurance that federal funds will not be withheld from the Department

because of non-receipt of federal documents ([see Figure No. 14-26](#)).

- 14.8.3 Forfeiture and Contract Closure:** Upon assurance from FHWA that Federal Funds will not be withheld from the Department, notify the OOC, Disbursement Operations Office, Contract Payment Section with a **Global Memo** ([see Figure No. 14-27](#)) to close the contract and consider any amounts due the Contractor to be forfeited.

14.9 CONTRACTOR'S ACCEPTANCE OF THE FINAL ESTIMATE

The Contractor has two options in response to the Department's official offer of final payment:

14.9.1 Regular or Regular Overpayment Acceptance Letter:

- (A) The return of one of these letters, signed by the Contractor, signifies its agreement to either accept the amount offered or refund the amount requested by the Department as full and final settlement of any and all claims to compensation.
- (B) When the Contractor returns the **Regular Acceptance Letter** with all other required documents, forward the final estimate to the OOC for contract closure.

14.9.2 Qualified or Qualified Overpayment Acceptance Letters:

- (A) The return of one of these letters, signed by the Contractor, signifies its agreement to either accept the amount offered or refund the amount requested by the Department with the stipulation that the contract shall remain open while it pursues resolution of disputes or pending claims. A written definition of these disputes or pending claims must accompany the **Contractor's Qualified Acceptance Letter**. The written definition must contain the specific details of each specific issue, listing the dollar value of the dispute, the pay items involved in the dispute and the specific quantities (if any) and sufficient information about the location of the dispute to isolate the exact area of the dispute. **Any pending arbitration claim or suit must be limited to the areas defined in the Qualified Acceptance Letter and must be commenced within 820 days of the final acceptance date.** Failure to file a formal claim within these limits constitutes full acceptance. No further claims beyond those listed will be allowed once the **Qualified Acceptance Letter** is accepted by the Department.

Note~~NOTE~~: A **Regular** or **Qualified Request for Refund Acceptance Letter** must be accompanied by the Contractor's check to the Department. If the Contractor's check is not included, the acceptance letter will be considered incomplete.

- (B) When a Contractor files a **Qualified Acceptance Letter** with all other required documents, pass the final estimate to the OOC for processing and placement into Reserve Status where it will remain until resolution of all qualified issues. (see **Section 14.11.3** of this **Manual** for qualified acceptance management).

14.10 CONTRACTOR'S AFFIDAVIT AND SURETY RELEASE

The **Contractor's Affidavit And Surety Consent**, (~~Form No. 700-050-21~~), is a three page document, commonly known as the **Form 21-A**, which must be submitted by the Contractor on all contracts. Page three of this form contains full instructions to the Contractor and Surety for the execution of this document. A copy of these instructions shall be provided with each form distributed ([see Figure Nos. 14-7, 14-7a, and 14-7b](#)).

- 14.10.1 Requirements, Page One:** Page one of this document, which must be executed by the Contractor, states in part, that it has complied with all terms of the contract and has paid all just claims related to it.

NOTE: If the Contractor is a corporation, the document must be signed by its president or an officer authorized to legally bind the corporation. The corporate title of the signatory must be provided.

The Department may waive the requirement for all or a portion of a surety bond on contracts, if it is determined that the project is of a noncritical nature and nonperformance will not endanger the public health, safety, or property. If this occurs, then the Contractor would **only** need to provide the Contractor's Affidavit portion (page 1 of 3) of the **Form 21-A**. He would not be required to provide the Surety portion of this form.

- 14.10.2 Requirements, Page Two:** Page two of this document, which must be executed by the Surety, gives consent to the Department to release final payment on the contract. A **Power of Attorney** (if any is required) must be provided by the Surety.

- 14.10.3 General Counsel Document Review:** Before final payment is made, the package formed by page one, page two, and the **Power of Attorney** (if any is required) must be reviewed by the District General Counsel's Office to ascertain that the following statements are true:

- (A) The individual signing the statements for the Contractor has the

authority to do so.

- (B) The Surety and its attorney-in-fact (if any is required) and Florida resident agent (if any is required) have all signed the documents appropriately.
- (C) The Power of Attorney (if any is required) from the Surety is enclosed with the document.

14.10.4 Contracts Completed by Surety: On contracts completed by the Surety due to a take over an agreement, use **Form No. 700-050-22 Form 21-A (Modified Surety Takeover)** instead of **Form No. 700-050-21 Form 21-A (Contractor's Affidavit and Surety Consent)**. Both pages of **Form No. 700-050-22** are completed by the Surety ([see Figure Nos. 14-28, 14-28a, and 14-28b](#)). Before final payment is made, the package formed by pages one and two of the **Form No. 700-050-22**, and the Surety's **Power of Attorney** (if any) must be reviewed by the District General Counsel's Office to check that the statements above in **Section 14.10.3** of this **Manual** are true.

14.10.5 Receipt of Form 21-A and Unpaid Bills: When the DFEM receives a **21-A**, the following steps will be taken to ensure unpaid bills issue(s) have been addressed:

- (A) Review **21-A** form for format, information, compliance, etc. Return the form to the Contractor if there are any discrepancies other than unpaid bills issue(s) within twenty (20) days of receipt of the **21-A**.
- (B) Next, check the Final Estimates Unpaid Bill Inquiry Program (FEUNPAID) for unresolved issue(s) with respect to this specific **Form 21-A**. If there are no disputes listed on the **21-A** and there are unresolved issue(s) in the FEUNPAID system (or if all the issue(s) in the FEUNPAID system have not been listed on the **21-A**), print a contract report from the FEUNPAID system. Send a copy of this report and a copy of the **21-A** to the RE and request he/she contact the DFEM to review the conflicts with the **21-A** and the report.
- (C) When the RE's Office calls, find out if the issue(s) have been resolved. If the issue(s) listed in the FEUNPAID system have been resolved during the life of the construction contract, revise the FEUNPAID system to reflect their resolution.
- (D) If you find there are discrepancies with the **21-A** and outstanding unresolved issue(s), the RE will notify the DCE and the District General Counsel's Office. A determination will be made as to whether good cause exists for nonpayment, whether payment should be withheld, or

whether the matter should be pursued with regard to revocation of Certificate of Qualification.

- (E) If the **21-A** is acceptable for all but unresolved unpaid bills issue(s):
- (1) If the unresolved unpaid bills issue(s) have been determined to be good cause, send the final estimate for payment.
 - (2) If the unresolved unpaid bills issue(s) have not been determined to be good cause, hold the final estimate until the Contractor addresses the issue(s) with the subcontractor(s). The DCE will make the determination that the Contractor has provided sufficient evidence for addressing the issue(s).

14.11 PASS PROCESS

14.11.1 Regular and Qualified Passes: Once the Contractor has returned all the required documents for a given contract and the documents have been deemed satisfactory, prepare and distribute document packages to facilitate payment and/or closure of the contract. This process is known as a Pass (the contract is passed to the OOC, Disbursement Operations Office, Contract Payment Section for handling). There are two (2) types of Passes:

- (A) **Regular Pass:** When the Contractor has submitted a **Regular Acceptance Letter**, the contract will be paid and closed. This is known as a **Regular Pass** (status 50 in FLAIR).
- (B) **Qualified Pass:** When the **Qualified Acceptance Letter** is submitted, the contract will be paid and placed into Qualified Reserve status, but not closed and will remain active. This is known as a **Qualified Pass** (status 20 in FLAIR).

Value Added/Warranty Contracts: When the Contractor has submitted a **Regular Acceptance Letter**, the contract will be paid and the contract will be placed in status 52. This is known as **Regular Pass/Value Added**.

14.11.2 Pass Packages: The same document packages are created when either type of Pass is done. These packages are known as the OOC Disbursement package, the Federal Aid package, the Central Files package, and the Final Estimates package. The contents of each package are set forth in the checklists used to prepare each. Distribution and other requirements of the packages are covered in the descriptions below.

- (A) The Disbursement package sent to the OOC, Disbursement Operations Office, Contract Payment Section, consists

of the **Global Memo** and other documents necessary to process the final estimate. These documents include the Contractor's acceptance letter, final estimate, copies of settlement agreements, court orders, etc., as appropriate to the situation. Send this package with both types of Passes. The **Global Memo** contains both the checklist and handling instructions for each type of Pass ([see Figure No.14-27](#)). Write additional comments or requests for action in the space provided. Send copies of this memo to the DCE.

(1) The required Submit date is established by one of the two cases listed below:

(a) Case one: If all documents were received prior to or within thirty (30) days of final acceptance date, add fifty (50) days to the date the last required document was received.

$$\frac{\text{_____}}{\text{(date)}} + 50 \text{ days} = \frac{\text{_____}}{\text{(target date)}}$$

(b) Case two: If all documents were received thirty (30) days after final acceptance date, add twenty (20) days to the date last required document was received.

$$\frac{\text{_____}}{\text{(date)}} + 20 \text{ days} = \frac{\text{_____}}{\text{(target date)}}$$

(2) Then compare the required Submit date to the actual Submit date.

(a) If the actual Submit date is later than the required date, deduct the required date from the actual date to calculate the number of days the submittal is late.

For example: If the required Submit date is 11/01/2004 and the actual Submit date is 11/25/2004:

$$11/25/2004 - 11/01/2004 = 24 \text{ days late.}$$

(b) If the actual Submit date is earlier than the required date, deduct the actual date from the required date to calculate the number of days the submittal is early.

For example: If the required Submit date is 05/01/2004 and the actual Submit date is 04/15/2004:

05/01/2004 - 04/15/2004 = 17 days early.

- (3) Next, note the date the acceptance letter or **21-A** was received, whichever is later. This date will be used with the amount of days early or late to calculate the number of days required to achieve Payoff.
- (4) The required Payoff date is calculated next.
 - (a) If the actual Submit date was late, subtract the number of days late from the number 25. For example, if the submittal was 24 days late: $25 - 24 = 1$.
 - (b) If the actual Submit date was early, add the number of days early to the number 25. For example, if the submittal was 17 days early: $25 + 17 = 42$.
- (5) Take this number and add it to the date the **21-A** or acceptance letter was received (whichever is later) to calculate the required Payoff date.

For Example: If the acceptance letter was received on 06/10/2000 and the 21-A was received on 06/10/2000; and the estimate was submitted twenty (20) days early, the calculation would be:

- (a) $20 + 25 = 45$
 - (b) $06/10/2004 + 45 \text{ days} = 07/25/2004$ for the required Payoff date.
- (6) If the actual Payoff date is after the required Payoff date, the OOC will compute the amount of interest due the Contractor and enter the interest paid on the **Global Memo**. The OOC will send a copy of this memo showing the amount of interest paid to the DFEO. Place this copy in the DFEO office file.
 - (7) A worksheet is available to calculate these dates.
[\(see Figure No. 14-29\)](#).

- (B) The Federal Aid package consists of the documents necessary to satisfy the FHWA. Send this package with **Regular Passes** to the Office of Federal Aid. [\(see Figure No. 14-30\)](#). Along with this checklist, there are three (3) other FHWA related forms required before

the contract can be placed in the Pass status. The ***Final Inspection and Acceptance of Federal-Aid Project, Form No 700-010-32*** should be completed and sent to FHWA. ([see Figure No. 14-30a](#)). For Full Federal Oversight Projects, the following two(2) forms should be completed and forwarded to FHWA:

- (1) Construction Inspection Report ([see Figure 14-30b](#))
 - (2) Final Acceptance Report ([see Figure 14-30c](#))
- (C) The Central Files package contains the documents necessary for the Department's permanent files on the contract ([see Figure No. 14-31](#)). Send this package with a **Regular Pass** or a contract removed from **Qualified Reserve**.
- (D) The Final Estimates package contains the documents necessary for the DFEO permanent office file. A checklist is used to create this file and it reflects the minimum documentation necessary for the permanent office file ([see Figure No. 14-32](#)). Retain the permanent office file in the DFEO for a minimum of five (5) years before preparing for storage according to ***Document Control Records Retention Schedule No. A-273(1)***.

14.11.3 Qualified Acceptance Management and Tracking Qualified Acceptance Issues

- (A) At the time of **Qualified Pass**, write a letter ([see Figure No. 14-33](#)) to the Contractor advising them of the Department's action. This letter instructs the Contractor to pursue the claims listed in the ***Qualified Acceptance Letter*** through the appropriate Department personnel in the District. Send copies of this letter along with a copy of the ***Qualified Acceptance Letter*** to the DCE and the RE.

Note: On contracts less than \$3,000,000 the Contractor has 90 days and contracts greater than \$3,000,000 the Contractor has 180 days to submit complete documentation for claim(s). If the Contractor fails to submit a certificate of claims within the applicable timeframe, **the Department will notify the Contractor in writing**. If the Contractor fails to submit their claim(s) within 10 calendar days from receipt of the notice the claim(s) will be waived.

- (B) Should there be a partial resolution of the Contractor's original qualified issues, send a letter of payment with copies to the DCE and RE ([see Figure No.14-34](#)). This letter advises the Contractor of partial or full settlement of qualified acceptance issues. **Use Section B of the**

letter, only if there are still outstanding issues.

- (C) Should there be a full acceptance on all issues within the original **Qualified Acceptance Letter**, issue a letter that states all issues have been resolved ([see Figure No. 14-34a](#)).

14.11.3.1 Notification Letter of Findings Due to Additional Review

NOTE: Submittal of the Offer of Final Payment will **only** be made once. If the **Acceptance Letter** has not been received from the Contractor and review of the final estimate finds discrepancies, the notification letter will be sent. If the Contractor **has** returned the **Acceptance Letter**, then the resolution letter with another estimate showing those findings will be sent to the Contractor. **The issuance of this letter will not change the initial 90 day suspension process established when the offer of final payment letter was submitted.**

However, if the issuance of the "**Notification of Findings Due to Additional Review**" (**NOF**) has been sent to the Contractor prior to the initial 90 day suspension and the required actions and return of this document fall outside of the 90 day suspension, the Contractor still has 30 days to provide a response as required in **Section 9-8.2** of the **Standard Specifications**.

- (A) Once an **Offer Letter** has been sent to the Contractor there may be a need to offer a notification of issues found after the **Offer Letter** has been sent. This letter could be sent to the Contractor before or after an acceptance letter has been received and will address specific issues that were added or corrected due to issues discovered on the final estimate. These changes are needed based on the findings of the Post Audit Reviews (PAR) or additional information. The letter will state that, only those items listed are eligible to be qualified. If the Contractor takes exception to any of these items listed, they will be in addition to any and all items listed in the original qualified acceptance letter ([see Figure No. 14-34b](#)).
- (B) After receiving the overpayment letter and refund check from the Contractor, issue a notification letter to the Contractor of the specific issues, addressing items that were added or corrected due to differences discovered on the final estimate. This may increase or decrease the overpayment. The Contractor has a right to accept or reject any or all of these changes ([see Figure No. 14-34b](#)).
- (C) When the "**NOF**" letter is submitted within the timeframe specified in **Section 9-8.1** of the **Standard Specifications** the Contractor needs to complete and return the signed "**NOF**" letter with all other requirements

specified in this Subarticle.

If the "~~NOF~~" letter is sent after the requirements of **Section 9-8.1**, the Contractor has 30 days to complete and return the signed letter signifying agreement or disagreement with the findings in accordance with **Section 9-8.2**.

If after receiving the full acceptance from the Contractor an overpayment is found based on the PAR review, the CCEI responsible for that particular contract will be held accountable to recover those funds due the Department. The Contractor has a right to accept or reject any or all of these changes.

14.12 CONTRACT CLOSURE

14.12.1 Time Limit on Claims: When a contract has been placed in Qualified Reserve status, the Contractor has 820 days from final acceptance date of the job to file claims.

NOTE: Due to the filing process of a claim by the Contractor, there could be an additional 120 days. When the DFEE prepares and sends the **Global Memo** to the Comptroller's Office, a copy shall be sent to the District Special Council in the Central Office. The DFEE shall also include a copy of the following letters to the Central Office District Special Council: **Letter to DCE of Notification of Impending Closure**, **Letter to the Contractor of Notification of Closure** and **Letter of Notice of Impending Contract File Close Out Due to Legal Settlement**. It is suggested to retain all project records for at least the 120 day period.

14.12.2 Notification of Impending Closure: At the end of the appropriate waiting period, if the DFEM has received no indication or response of any action on the disputes set forth by the Contractor in the **Qualified Acceptance Letter**, send a memo of impending contract close out to the DCE with copies to the RE requesting evidence that litigation or an arbitration claim was filed within the required period ([see Figure No. 14-35](#)).

14.12.3 Contract Closure: If the DCE responds that the claims were not filed or that the Contractor no longer wishes to pursue them, the contract will be considered paid in full and closed by the Department. Notify the OOC Disbursement Operations Office, Contract Payment Section, of this action in the **Global Memo** ([see Figure No. 14-27](#)). Send copies of this memo to the Central Office, Chief Civil Litigation Counsel and the DCE. Send a letter to the Contractor advising of the contract close out ([see Figure No. 14-36](#)).

14.12.4 Closing Memorandum from General Counsel's Office: If the DFEO receives a **Closing Memorandum** from the General Counsel's Office that all

claims on a contract have been settled by legal action, prepare a letter to the Contractor. This letter notifies the Contractor that the contract is being closed out due to a legal settlement ([see Figure No. 14-37](#)). Notify the OOC Disbursement Operations Office, Contract Payment Section, of this action in a **Global Memo** ([see Figure No. 14-27](#)). Send copies of this memo to the Central Office Chief Civil Litigation Counsel and the DCE.

14.12.5 Contract Closure due to Regular Acceptance by Contractor: Occasionally, a Contractor decides not to pursue the claims outlined in the **Qualified Acceptance Letter**. In this case, send a letter to the Contractor requesting that a **Regular Acceptance Letter** be executed. The execution of the **Regular Acceptance Letter** signifies the Contractor's acceptance of the amounts already paid as full and final settlement of all amounts due under the contract ([see Figure No. 14-38](#)). When this acceptance letter is returned, send a **Global Memo** to the OOC advising that no further monies are due and the contract may be closed ([see Figure No. 14-27](#)).

14.12.6 Contract Closure: At the close out of the final estimate the responsible District will send the Final "As-Built" Plans set to Image API located in Tallahassee. This plan set will be scanned and indexed with the proper attribution as outlined in the Construction Documentation Management System (CDMS). A list of exceptions will be provided for those sheets with indexing verification and quality problems. It is the responsibility of the DFEO to clarify the list of exceptions that Image API has provided. Within ten (10) business days the documents should be available electronically.

14.13 CONTRACT CLOSURE (STREAMLINE CONTRACTS – LUMP SUM & PLAN QUANTITY)

The intent of streamline contracts is to simplify administration along with reducing many of the final estimates requirements. There is no reduction for the Quality Control process with minimum frequency of sampling and testing of Verification involving the materials requirements in **Specifications 120, 125, 160, 200 and 346**. For these types of contracts the projects must be under \$2,000,000 with less than 2,000 tons of asphalt.

Upon Final Acceptance of the project, the PA will send a **Reminder Notice Letter** ([see Figure No. 14-41](#)) via e-mail to the Contractor. This e-mail/letter will remind the Contractor that the requirements of **Section 9-8 of the Specifications** must be provided and approved by the Department prior to processing the final invoice payment. Any outstanding issues need to be resolved between the PA and Contractor prior to submittal of the final invoice. All documents and the final invoice will be sent to the DFEO. Also, to be sent with the **Reminder Notice Letter** is the **Acceptance Letter** ([see Figure No. 14-9d](#)). This letter should be signed by the Contractor and sent back via e-

~~mail to the DFEO meeting the requirements of **Section 9-8** of the **Specifications**. Once the above required documents are received along with the final invoice, payment will be processed by the DFEO to the Contractor.~~

The Review of the Final Estimates package will be done in accordance with the requirements specified in this chapter. Once reviewed and all the requirements of ~~section~~ **Section 9-8** are met, the ~~project is ready~~ contract will be processed for final payment and closure.

LIST OF FIGURES FOLLOWING THIS CHAPTER

Figure No. 14-1	Progress Estimates Letter (Single Project) Sample
Figure No. 14-2	Progress Estimates Letter (Multiple Projects) Sample
Figure No. 14-3	Offer of Final Payment (Single Project) Sample
Figure No. 14-3a	Offer of Final Payment (Single Project) Sample (For Design Build-Finance & Build Finance Projects ONLY)
Figure No. 14-4	Offer of Final Payment (Multiple Projects) Sample
Figure No. 14-4a	Offer of Final Payment (Multiple Projects) Sample (For Design Build-Finance & Build Finance Projects ONLY)
Figure No. 14-5	Offer of Final Payment Overpayment (Single Project) Sample
Figure No. 14-5a	Offer of Final Payment Overpayment (Single Project) Sample (For Design Build-Finance & Build Finance Projects ONLY)
Figure No. 14-6	Offer of Final Payment Overpayment (Multiple Projects) Sample
Figure No. 14-6a	Offer of Final Payment Overpayment (Multiple Projects) Sample (For Design Build-Finance & Build Finance Projects ONLY)
Figure No. 14-6b	Example of Financial Payout Schedule for Design Build-Finance & Build Finance Projects (ONLY)
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