

~~Chapter~~ **HAPTER 2**

DISTRICT FINAL ESTIMATES OFFICE

2.1 ~~2.1~~ **PURPOSE**

This procedure will serve as a preface to ~~this section on~~ handling contract final estimates in the District Final Estimates Office (DFEO). It also presents a brief overview of the Final Estimates Section, as organized under the District Final Estimates Manager (DFEM). This procedure addresses the various tasks involved in verifying final pay records, and details the activities of the DFEO and its relationships to other Department functions. ~~The reviewing principles apply to all Final Estimates functions.~~

2.2 ~~2.2~~ **DEFINITIONS**

~~**Acceptance Letter:** Shown with the abbreviation **(ACC-LET)** in the status report. Two of these documents are sent to the Contractor with the offer of final payment. There are two types of acceptance letters: the Regular and the Qualified. Each may indicate either positive or negative amounts. The Contractor is required to return one acceptance letter for each job on the contract.~~

~~**Burden:** The prime contractor's or sub-contractor's required additional payroll costs beyond wages paid to employees. This includes the employer's contribution to Social Security, unemployment insurance and workers' compensation insurance, (Extra Work Forms). (See Figure No's. 2-2 & 2-3).~~

~~**Certification of Materials: (CM):** This document is a letter from the State Materials Office in Gainesville attesting to the fact that all materials incorporated into projects constructed under the contract meet Department specifications. The certification of materials letter may list exceptions identifying materials incorporated into the project that do not meet Department specifications, and explaining why the use of these non-specification materials is being allowed. On Federal Aid contracts with full federal oversight, this letter is addressed to the FHWA Division Administrator. On Federal Aid contracts with certification acceptance, the letter is addressed to the State Highway Engineer. For contracts let by the Central Office that are constructed solely with State Funds, the letter is also addressed to the Chief Engineer. Finally, for contracts let by the District Offices, which are constructed solely with State Funds, the letter is addressed to~~

~~the District Director of Operations. **NOTE:** This letter is no longer mailed to each District, it is scanned into the Electronic Document Management System (EDMS) and can be retrieved through the inquiry of Material's Certification by Document Type.~~

~~**Construction Complete: (CONSTCPM):** Defines the state of a contract in the status report as follows: contract is final accepted, but not received by DFEO and is not yet delinquent.~~

~~**Construction Materials Affidavit: (MA):** The Contractor certifies in this document he has kept his as well as his subcontractors' invoices and records of materials. This represents all materials used in the construction of a project.~~

~~**Contractor Affidavit and Surety Consent: (21-A):** This document is in two parts: the first is the Contractor's Affidavit; the second is the surety's consent for the release of retainage. It is required on every construction contract.~~

~~**Delinquent: (DELINQ):** Defines the status of a contract in the Status Report as follows: Contract has received Final Acceptance but the final estimates have not been received by the DFEM within twenty (30) days of the earliest date.~~

~~**DFEO Worksheet:** The DFEO worksheet is placed in every office file. It lists attachments needed for the review of such documents as transmittal letter, Overruns and Underruns, Progress estimates, risk-based pay item sheets, . A short description of the job is included. A checklist of reminders to the Reviewer is included. The rest of the document is dedicated to comments and explanations of changes.~~

~~**Estimates Office Record of Final Plans and Documentation:** This form is used in the DFEM's office files, and partially filled out by the project personnel and submitted to the DFEM with the final estimate. It establishes a contract history from execution through pay off; a record of all Supplemental Agreements; time extensions and suspensions of work; Contractor's documentation and certifications; computation of time granted and time used; a record of the job status; record of 90 day letter; record of pursuit of overpayment; etc.~~

~~**Federal Highway Administration Statement of Labor and Materials used on Federal Aid Project: (PR-47):** This document is a statement of labor and materials required on certain Federal Aid projects.~~

~~**Final Estimate:** A final estimate is run after the Initial review and Overview review procedures have been complete. This is the Department's official estimate of the final amount of monies due the Contractor under the contract. This estimate accompanies the offer of final payment.~~

~~**Final Estimates Field Review Form:** This form is from the DFEM to the Resident Engineer (RE). It documents the finding of the changes to the final estimate review made by the DFEO and relates any lateness in submitting the final estimate to the DFEM. It may also state that the job was well prepared and received on time. If there are changes due to procedural error, it describes them. (See Figure No. 2-1). **Chapter 15 of the Review and Administration Manual** also describes the Performance and Post Audit Review process.~~

~~**Global Memo:** This memo contains both a checklist and handling instructions for each type of pass. Additional comments or requests for action may be written in the space provided.~~

~~**Initial Review: (INI-RV):** Defines the status of a contract in the Status Report as follows: the job has been assigned to an Initial Reviewer.~~

~~**Initial Hold (INI-HLD):** Defines the state of a contract in the Status Report as follows: For INITIAL HOLD 1 - Initial Review has been stopped because records listed on transmittal memo are incomplete and more information has been requested from the RE. For INITIAL HOLD 2 - Initial Review has been stopped because records **not** listed on transmittal memo are required and more information has been requested from the RE.~~

~~**New:** Defines the state of a contract in the Status Report as follows: Final Plans, files and final quantities have been received by the DFEM from the RE. Initial Review has not begun.~~

~~**Overview: (OVRVW):** Defines the state of a contract in the **Status Report** as follows: The job is being reviewed by an Overviewer to verify changes made by the Initial Reviewer. The final estimate is being prepared.~~

~~**Overview Hold: (OVR-HLD):** Defines the state of a contract in the **Status Report** as follows: Overview has been stopped because information has been requested from the RE.~~

~~**Paid Off:** Defines the state of a contract in the Status Reports as follows: contract has been paid off and closed by the Office of Comptroller (OOC).~~

~~**Passed:** Defines the state of a contract in the Status Report as follows; All Contractor's documents have been returned to the Department. The final estimate has been sent to the OOC requesting closure or that final payment be made.~~

~~**Priority Date:** The priority date is day seventy-five (75) of the Contractor's interest clock~~

~~under the seventy-five (75) day pay off law. It is that date by which the final payment must have been mailed to the Contractor. See formula in **Section 14.11.2.**~~

Progress Estimate: ~~A progress estimate is generated to pay the Contractor for the portion of work completed and accepted by the Engineer each month. This is also called a monthly progress estimate. A progress estimate may be used to pay a Contractor for a late approved Supplemental Agreement (SA), Retainage, or field quantity changes. Notification of Findings issued after the offer of final payment, etc. Retainage may not be released on a Progress Estimate without documentation, such as documentation on a SA.~~

~~**Reserve:** Defines the state of a contract in the Status Report as follows: The Contractor has returned a qualified acceptance letter outlining claims or disputes with the final estimate. All money on the final estimate has been paid, including retainage and the contract has been placed in reserve status awaiting resolution of disputes or claims.~~

Retainage: A percentage of the Regular Work is deducted from the Contractor's pay estimate ~~each month~~. The Department will determine the amount retained in accordance with **Section 9-5.1** of the **Specifications**.

~~**Securities Program:** Some contractors place securities registered in each contractor's name on deposit with the State Treasurer, as provided in **Section 337.175, Florida Statutes**. A security may be a Certificate of Deposit, or a bond, etc. As retainage is recorded and deducted on the estimate each month, it is refunded by the OOC when they process the estimate. Due to the inflexibility of the Department's estimate generating software, the refund of this retainage is not reflected on the monthly estimates. This is done on the theory that the Department is holding the Contractor's securities of equal or greater value. In practice it is much more difficult to convert securities than simply withhold payment of retainage. Legal action by the Department's Office of the General Counsel Office is required to convert the Contractor's securities. Great care must be used to avoid overpayment of Contractor's participating in the Securities Program.~~

3. — Note: Retainage will only be withheld when the project is behind completion requirements per specification.

~~For the Contractor to obtain the return of their securities, send a letter to the Department's Office of Comptroller, attention: Disbursement Operations Office, Contract Payment Section asking that their securities be returned with a copy to each district final estimate engineer in the districts where the projects are located. Attach a copy of the surety's letter agreeing that retainage could be released on all contracts and state which projects are in the final estimate phase and if they want securities or retainage withheld to cover those projects.~~

~~**Submit:** Defines the state of a contract in the Status Report as follows: The final estimate has been sent to the Contractor for review.~~

~~**Supplemental Agreement:** A Supplemental Agreement is a document authorizing a change in the scope of the contract. These changes may include the addition of new pay items, changes in existing pay item quantities and unit price and contract time changes associated with the previous two items.~~

~~**Target Date:** This is the date by which the Department's offer of final payment to the Contractor must be mailed by the Residency (In-House or CCEI) so that the construction and final estimates offices use no more than fifty (50) of the seventy five (75) days available under the seventy five (75) day clock. It is computed as being twenty (20) days after the date of receipt by the Department of the Contractor's last required document or fifty (50) days after final acceptance date of the contract whichever date is later.~~

~~**Wait Overview: (WAIT-OVR):** Defines the state of a contract in the *Status Report* as follows: Initial Review has been completed and the job is waiting for the overview to begin.~~

~~2.3~~ 2.3 PROCEDURES

~~2.3.1~~ 2.3.1 ~~District Office (DFEO) – Review Function~~ FINAL ESTIMATES – REVIEW FUNCTION

~~(A)~~ (A) Operating Objectives of the DFEO:

~~(1)~~ (1)—The DFEO staff is under the direct supervision of the District Final Estimates Manager (DFEM). Their prime responsibility is to perform a final engineering review of the Final "As-Built" pPlans and final pay quantities on all contracts handled by their dDistrict. This responsibility includes:

~~(a)~~ (a) ~~To determine~~ Verify that final pay quantities have been derived in accordance with the eContract eSpecial pProvisions, the eContract pPlans, and the applicable edition of the **Standard Specifications, and FDOT procedures, primarily the **Construction Project Administration Manual (CPAM)**.** To determine ~~verify that contract items~~ final pay quantities adhere to pay item and **Standard Specifications** appropriate methods of measurement and basis of payment for each pay item as defined in the **Standard Specifications**, as well as the accuracy as defined in the **Basis of Estimate Manual (BOE).**

~~(b)~~ (b) ~~To determine~~ confirm final pay quantities are mathematically

correct within practical limits and conform to sound engineering practices.

~~(c) E(c) To determine establish site~~ source records, ~~computation books,~~ final measurement ~~booksforms,~~ and tabulation forms are correct and complete, ~~as well as. To determine that they~~ reflect the approved, constructed conditions, and ~~that they observed~~ the neat lines of the plans.

~~(d) D(d) To determine that contract documents, affidavits, eteand~~ certifications are correct and properly executed.

~~(e) VTo verify that contract and line item adjustments were applied~~ correctly. To prepare the submittal of the final estimate to the Contractor so that final payment may be offered to the Contractor as soon as possible after contract Final Acceptance, in accordance with the seventy five (75) day pay off period required by Section 337.141, Florida Statute.

(B) (2) **Basic Philosophy** of the DFEO:

(1) In the performance of the technical review of completed construction contracts, the following principles are stressed:

(a) ~~(a)~~ Each unit is to be made up of personnel with a sound understanding of the Design and Construction principles as employed throughout the District.

(b) ~~(b)~~ Unit members are instructed by the DFEM to accomplish the ~~engineering review involved in reviewing~~ final estimates review in a competent and efficient manner.

(c) ~~(c)~~ The DFEM emphasizes to unit members that a full knowledge and understanding of the **Standard Specifications** is ~~the most an~~ important prerequisite for reviewing final estimates. When reviewing the **Standard Specifications**, special emphasis must be placed on **Section 9**, and the method of measurement and basis of payment portion as applied to individual items.

(d) ~~(d)~~ The DFEMs instructs their staff to use an inquisitive concern for accuracy and integrity when reviewing site source records and other data for final pay quantities.

(e) ~~(e)~~ The DFEO must impartially determine pay quantities that are equitable and most nearly represent the work as completed and accepted within the limits authorized by the Department.

(f) ~~(f)~~ Should the reviewer determine that further project records are needed during the course of an engineering review, then the DFEO will request the Project Administrator (PA) to submit such additional E-can will be asked to submit those records and they shall comply. The review shall not be complete until the additional records have been provided by the PA and all questions have been satisfied.

(C) ~~(B)~~ **Education and Training:**

(1) To promote improvement quality and consistency in the Department's Final Estimates function, the DFEO, in cooperation with the State Final Estimates Office (SFE0) and the State and District Construction Offices, will provide the following education and training and qualification programs:

2.1.1(a) Final Estimates Preparation: Personnel involved in final estimates documentation and preparation operations are given instructions through classroom style training. -See **Chapter 9** of the Construction Training Qualification Manual (CTQM) for training requirements through the Construction Training Qualification Program (CTQP). This More information can be found is available on the State Office of Construction Training Website.

2.1.2(b) Final Estimates Review and Administrative Closeout: DFEO personnel are given instruction in final estimate review and contract closeout on an as needed basis by the DFEM. Again, it is the DFEM's responsibility to make provisions for the necessary training.

(D) ~~(C)~~ **Development of Final Estimates Aids Procedures and Guidelines:**

- ~~(1)~~ ~~(1)~~ The DFEM staff reviews drafts of the *Preparation and Documentation Manual* and this manual.
- ~~(1)~~ ~~(2)~~ The DFEM maintains a file on all current directives on final measurement, specification interpretations, and procedures related to final estimates.
- ~~(3)~~ ~~(3)~~ The DFEM assist and/or provides good quality single copies of Final Estimates forms and instructions for their use. **Note:** Most of these forms are available from the Department's website in the Forms, and Procedures Office (FPO) website.
- ~~(2)~~ ~~(4)~~ The DFEM provides notification to the District Construction Engineer ~~(DCE)~~ ~~(DCE)~~, the Resident Engineer, and the Project Administrator (PA), of errors in the final estimate caused by misinterpretation of **Standard Specifications**, plan details, computer outputs, etc. This is done in an effort to avoid the same types of errors in the future. Independent Assurance (IA) Reviews and Post Audit Reviews (PAR) are utilized to provide evaluations of the Final Estimates Process.
- ~~(3)~~ ~~(5)~~ The DFEM reviews drafts of the **BOE** and provides comments asis of Estimates Handbook.
- ~~(4)~~ ~~(6)~~ The DFEM reviews drafts of the CPAM and provides comments Procedure No. 700-050-001 Computation Methods for Design, Construction, and Final Estimates.
- ~~(5)~~ ~~(D)~~ Personal Assistance: ~~O~~ The DFEM staff will provide personal on-site assistance is given by the DFEM staff to the PA on request ~~;~~, before, during and after construction ~~;~~, to establish methods for obtaining the most accurate final pay quantities possible.
- ~~(6)~~ ~~(E)~~ The DFEM will coordinates the these needs and makes the requests for the required software. Request for Computer Program Updates and Changes: Construction and Final Estimates personnel need computer programs that will provide final pay quantities in a simple format and with minimum coding effort. The DFEM coordinates these needs and makes the request for the required software.
- ~~(7)~~ ~~(F)~~ **Standard Specifications:** ~~O~~ The DFEM staff will offer suggestions to the SFEO for specification changes and/or corrections to eliminate

problem areas in the methods of measurement and basis of pay and to~~and clarification of~~ intent.

~~(8) (G) Policy and Procedures: Point out~~ The DFEM is tasked with identifying problem areas in policy, procedure, and Department work flow systems to the SFEO and District Management, as well as ~~and offering~~ assistance in developing practical and efficient resolutions.

~~(H) Contract Adjustments: Provide assistance as needed or actual computations to effect contract adjustments~~

~~(9) The DFEM will Indexes: M~~onitor the Design Standards for clarity and conformity with specification intent as related to measurement and payment, as well as. ~~O~~ffer suggestions to the Design office(s) to eliminate ambiguities.

~~2.4~~ 2.3.2 Coordination of Plans and Standard Specifications with these Procedures **COORDINATION OF PLANS AND STANDARD SPECIFICATIONS WITH THESE PROCEDURES**

All instructions outlined in these procedures have been coordinated to aid and support the **Standard Specifications**, Special Provisions, and policies of Design, Construction and Final Estimates, presently accepted by the Department. However, due to the dynamic nature of the foregoing, current plan notes, Special Provisions, **Standard Specifications** changes, and directives will take precedence over these procedures in case of discrepancy. ~~All~~ such conflicts shall be brought to the attention of the State Final Estimates Engineer, Manager so the procedures can be updated.

~~2.4~~ **LIST OF FIGURES FOLLOWING THIS CHAPTER**

Figure No. 2-1	Final Estimates Review Form
Figure No. 2-2	Daily Record of Extra Work Form
Figure No. 2-3	Extra Work Summary Form