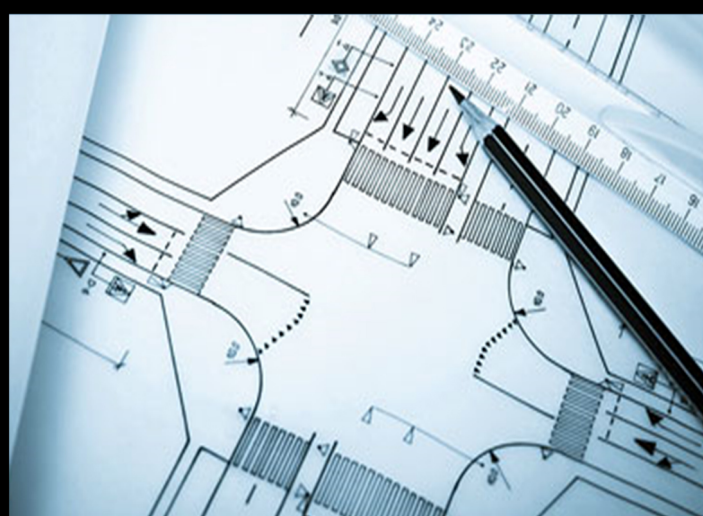


Review and Administration Manual **REDLINE**



March 2019

Final Estimates

State Construction Office
Florida Department of Transportation



Chapter 1

INTRODUCTION

1.1 PURPOSE

The procedures outlined in the ***Review and Administration Manual (RAM)*** are intended to assist the Florida Department of Transportation (FDOT) District Final Estimates Office (DFEO) staff in the review of final estimates and performance of administrative contract closeout. This manual provides the DFEO staff with a statewide system of standards and methods for reviewing ***Final Estimates Documentation Packages and Offer Letters*** to Contractors.

The information provided in this manual is not intended to supersede or circumvent pertinent ***Specifications, Special Provisions, Contract Plans***, or other governing authority.

~~The guidelines go hand in hand with, and are cross-referenced to, those presented in the Basis of Estimates Manual (BOE).~~

1.2 AUTHORITY

Sections [20.23\(3\)\(a\)](#) and [334.048\(3\)](#), Florida Statutes (F.S.)

1.3 REFERENCES

Basis of Estimates Manual (BOE)

Construction Project Administration Manual (CPAM)

Construction Training Qualification Manual (CTQM)

FDOT Standard Plans

FDOT Standard Specifications for Road and Bridge Construction

Procedure 025-020-002, Standard Operating System

Procedure 350-020-305, Partial Utility Refund/TAA

Procedure 350-060-303, Accounts Receivable

Procedure 350-080-300, Receipt Processing

Rules 14-22.012, 14-22.0141, and 14-24.001, Florida Administrative Code (F.A.C.)

Sections 337.16, [337.19](#), 337.141, 337.145, [337.185](#), and 120.57, F.S.

1.4 SCOPE

This manual applies to all Construction and Final Estimates personnel charged with the responsibility of verifying final pay quantities and effecting final contract payment and closeout.

All instructions outlined in this manual have been coordinated to aid and support the **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, and Department 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 (SFEE), so the procedures can be updated.

1.5 REVISIONS AND ADDITIONS

Comments and suggestions may be submitted to the State Final Estimates Office (SFEO) at:

Mailing Address:

605 Suwannee Street
Mail Station 31
Tallahassee, FL 32399-0450

E-mail Address:

CO-FinalEstimateSection@dot.state.fl.us

Fax Address:

Outlook Fax (850) 412-8021
Regular Fax: (850) 414-4784

Comments are collected throughout the year. Suggestions received by the SFEO shall be reviewed in a timely manner. A written reply and action explanation to each written suggestion and comment will be made by the SFEO. Items warranting immediate change shall be made upon the approval of the SFEE. Otherwise, changes will be incorporated during the next scheduled revision.

This manual and all revisions and additions can be accessed on the State Construction Office website.

1.6 ADOPTED REVISIONS AND ADDITIONS FOR MANUAL UPDATES

~~Only the chapters~~ Only the most recent version of this manual, reflecting the adopted change(s) will be placed on the State Construction Office (SCO) Website. The revisions will be reflected in the [Historical Files](#).

Periodically, it may be necessary to include a new subject or make substantial revisions that are not adequately addressed within the current manual. When this occurs, it will be necessary to produce new sections or chapters in the manual. The new sections or chapters will be placed on the SCO website.

All major revisions and additions to this manual shall be reviewed by the District Final Estimates Managers (DFEMs) and any other office affected prior to implementation. Final approval is obtained from the SFEE. New chapters and sections or revisions that result in policy or substantive procedural change, as determined by the DFEMs, shall be processed in accordance with [Procedure 025-020-002, Standard Operating System](#).

1.7 ELECTRONIC DATA STORAGE

The **Electronic Document Management System (EDMS)** is utilized to archive and index electronically all documentation for projects. The electronic documentation is stored to replace any paper documents required for use throughout the project. When a question arises as to the requirement for hard copy documents on a project, the following method of operation will be observed:

- A. When a hard copy of support documentation is successfully scanned into the **EDMS** system, the electronic version will be accepted without requiring the hard copy to be filed or accompany the ~~Final eEstimate Documentation~~. The electronically stored data, which is suitable under the District's QC Program, is accepted as the required hard copy data. Hard copies will be required for any necessary data not scanned into **EDMS** for projects let before July 2016. This process for electronic distribution and storage of documents will, where applicable, replace the requirements of paper copies as called for throughout this manual. Electronic ~~Final Estimates Documentation Packages are is~~ required and hard copies will not be accepted for projects let after July 2016.
- B. Raw data sheets used to calculate final estimate adjustments (such as the **Form 700-050-71, Asphalt Concrete Pay Item Reduction Sheet**) are required to be submitted into **EDMS** when used.

The Department has implemented **Project Solve SharePoint (PSSP)**. **PSSP** is a SharePoint based collaboration site for use by all project stakeholders. **PSSP** supports a paperless environment by providing a way to store, share, and process project related documents electronically. Workflows are built-in for approvals and storage into **EDMS**. Documents submitted through **PSSP** do not need to be submitted with the final estimate or entered into **EDMS** directly.

1.8 TRAINING

Training in the preparation of **Final Estimates Documentation Packages** is provided through the Department's Construction Training Qualification Program (CTQP). Information on the courses and current training dates can be found on the SCO website under the title of [Training](#).

1.9 FORMS

The forms referenced in this manual can be found on the Department's website: <https://fmsinternal.fdot.gov/http://www.fdot.gov/construction/FinalEstimates/FEdocs.shtm>. Official forms provided by the Department shall be used without alteration or modification.

Chapter 2

DISTRICT FINAL ESTIMATES OFFICE

2.1 PURPOSE

The purpose of this procedure is to outline the activities of the District Final Estimates Office (DFEO), 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.

2.2 DEFINITIONS

Final Estimate: This is the Department's official estimate of the final amount of monies due the Contractor under the contract. This estimate accompanies the **Offer Letter**.

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 estimate. A progress estimate may be used to pay a Contractor for a late approved Supplemental Agreement, Retainage, or Notification of Findings issued after the **Offer Letter**.

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

2.3 DFEO FUNCTIONS

2.3.1 Track Unpaid Bill Notices

Throughout the life of the Contract, complaints can be received alleging non-payment on the part of the prime contractor to subcontractors and materials suppliers.

The Department is required by Florida law to keep a record of all notices of non-payment, along with the disposition of each complaint. To meet this requirement, the Department maintains a record of each notice of non-payment in the **Unpaid Bills Tracking System** located on the **Construction Automated Reporting System (CARS)** Menu. The entries shall consist of claims from subcontractors, subordinate subcontractors, and material suppliers on construction contracts let by both Central Office and the Districts. The DFEM will update this file by adding a record for new complaints or by resolving a record for satisfied complaints. A complaint will be considered resolved when the RO or DCE notifies the DFEM that the claim has been paid.

- (A) **CPAM 6.1** details the process for unpaid bills during construction.
- (B) The RO will ensure the DFEM is included in all correspondence, so the **Unpaid Bills Tracking System** can be maintained.
- (C) **RAM 5.5.5** details the process for unpaid bills after final acceptance

2.3.2 Education and Training

An important function of the DFEO is to provide training.

- (A) DFEO personnel are given instruction in final estimates review and contract closeout on an as needed basis by the DFEM. It is the DFEM's responsibility to make provisions for the necessary training.
- (B) The DFEO staff will provide personal on-site assistance to the Project Administrator (PA) on request - before, during and after construction - to establish methods for obtaining the most accurate final pay quantities possible.
- (C) DFEO personnel will hold a Final Estimate Kick-off Meeting with project staff prior to construction on each contract, if needed. The Final Estimate Kick-off Meeting will be used to relay new final estimates processes, procedures, forms, and updates, recent findings on Quality Control (QC), Independent Assurance (IA), and Process Reviews, as well as –discuss project specific pay item concerns with project staff.

Personnel involved in **Final Estimates Documentation** and preparation operations also have classroom style training opportunities through the Construction Training Qualification Program (CTQP). More information is available on the **Office of Construction Training Website** and within **CTQM Chapter 9**.

2.3.3 Development of Final Estimates Procedures and Guidelines

- (A) The DFEM provides notification to the District Construction Engineer (DCE), the Resident Engineer, and the PA, of errors in the final estimate caused by misinterpretation of the **Specifications**, plan details, computer outputs, etc. This is done in an effort to avoid the same types of errors in the future. Post Audit Reviews (PAR) and IA Reviews are utilized to provide evaluations of the Final Estimates Process.
- (B) The DFEM reviews drafts of the **CPAM** and **RAM** and provides comments.

- (C) The DFEO 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 payment and to clarify intent.
- (D) The DFEO staff will monitor the **Standard Plans** for clarity and conformity with specification intent as related to measurement and payment, as well as offer suggestions to the SFEO to eliminate ambiguities.
- (E) 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 offering assistance in developing practical and efficient resolutions.

2.3.12.3.4 Operating Objective of the DFEO: Payment Accuracy and Documentation Review

The prime operating objective of the DFEO is to perform ~~a final~~ engineering reviews of the **Final As-Built Plans** and ~~final~~ pay quantities on all contracts handled by their District. These reviews will be performed in the following methods, as appropriate, for specific contracts (see RAM 3 for further information).

- Independent Assurance (IA) Reviews
- Quality Control Review(s) and Quality Control Plan guidelines for receiving and maintaining Final Estimates Documentation.
- Post Audit Review for the projects that are selected to be reviewed.

Regardless of the type of review, the This objective of each will includes:

- (A) Verifying that final pay quantities have been derived in accordance with the **Special Provisions**, the **Contract Plans**, the applicable edition of the **Specifications**, and FDOT procedures, primarily the **CPAM**. This includes verifying that final pay quantities adhere to appropriate methods of measurement and basis of payment for each pay item as defined in the **Specifications**, as well as the accuracy as defined in the **Basis of Estimate Manual**.
- (B) Confirming final pay quantities are mathematically correct within practical limits and conform to sound engineering practices.
- (C) Establishing that site source records, final measurement forms, and tabulation forms are correct and complete, as well as reflect the approved, constructed conditions, and observe the neat lines of the plans.

- (D) Determining that contract documents, affidavits, and certifications are correct and properly executed.
- (E) Verifying that contract and line item adjustments were applied correctly.

~~2.3.2~~ ~~Education and Training:~~

~~———— An important function of the DFEO is to provide training.~~

- ~~(A) DFEO personnel are given instruction in final estimates review and contract closeout on an as needed basis by the DFEM. It is the DFEM's responsibility to make provisions for the necessary training.~~
- ~~(B) The DFEO staff will provide personal on-site assistance to the PA on request before, during and after construction - to establish methods for obtaining the most accurate final pay quantities possible.~~
- ~~(C) DFEO personnel will hold a Final Estimate Kick-off Meeting with project staff prior to construction on each contract, if needed. The Final Estimate Kick-off Meeting will be used to relay new final estimates processes, procedures, forms, and updates, as well as recent findings on QC, Independent Assurance (IA), and process reviews to project staff, as well as discuss project specific pay item concerns.~~

~~———— Personnel involved in final estimates documentation and preparation operations also have classroom style training opportunities through the Construction Training Qualification Program (CTQP). More information is available on the Office of Construction Training Website and within CTQM Chapter 9.~~

~~2.3.3~~ ~~Development of Final Estimates Procedures and Guidelines:~~

- ~~(A) The DFEM provides notification to the District Construction Engineer (DCE), the Resident Engineer, and the PA, of errors in the final estimate caused by misinterpretation of the Specifications, plan details, computer outputs, etc. This is done in an effort to avoid the same types of errors in the future. Post Audit Reviews (PAR) and IA Reviews are utilized to provide evaluations of the Final Estimates Process.~~
- ~~(B) The DFEM reviews drafts of the CPAM and RAM and provides comments.~~

- ~~(C) The DFEO 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 payment and to clarify intent.~~
- ~~(D) The DFEO staff will monitor the Standard Plans for clarity and conformity with specification intent as related to measurement and payment, as well as offer suggestions to the SFEO to eliminate ambiguities.~~
- ~~(E) 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 offering assistance in developing practical and efficient resolutions.~~

~~Review Final Estimates~~

~~Perform the following reviews as appropriate for specific contracts (see **RAM 3** for further information):~~

~~Provide IA reviews~~

~~Provide Quality Control review(s) and Quality Control Plan guidelines for receiving and maintaining Final Estimates Documentation.~~

~~Provide a PAR for the projects that are selected to be reviewed.~~

2.3.5 Establish Processing Priority of Final Estimates Documentation

The need for establishing the processing priority of **Final Estimates Documentation** comes from **Section 337.141, F.S.**, which provides for interest to be paid to the Contractor for delay by the Department in making final payment. See **RAM 5** for details on calculating the Payoff Date.

The DFEM will assign jobs to the Overviewer based on priority using the following guidelines:

- ~~(A) A priority job is defined as a job with all contract required documents submitted and approved. Assign these contracts first.~~
- ~~(B) Once all priority jobs are assigned, the job with the oldest final acceptance date is normally the next job assigned by the DFEM to the Overviewer.~~
- ~~(C) Exceptions to this assignment rule can occur when a Contract becomes a priority job by virtue of the Contractor's compliance with all of the Department's document submittal requirements.~~

2.3.6 Process Final Estimates Status Updates

The DEFO will track the Contractor's acceptance of the Offer Letter. For further information, see RAM 5.

The Final Estimate Status Reporting System is located on the CARS Menu. It is used by Final Estimates staff to track Quality Control Review findings during construction, and Contract Status, Pay Off Date, and Post Audit Review findings during the contract closeout process. This system will generate Forms 700-050-26 Final Interest Payment Log, 700-050-28 Estimates Office Record of Final Plans and Documents, and the PAR Report. For more information on this system, see the Final Estimate Status – User Guide on the Department's website.

It generates the Form 700-050-28, Final Estimates Office Record of Final Plans and Documents, which is will be initiated by the Resident Office to start the status reporting process or unless it has already been created by the DFEO when performing QC Reviews. The Final Estimate Status Reporting System will continue to be updated by the DFEM to provide accurate information on the status of the contract close out.

(A) Status Categories

- (1) FINAL ACCEPTED– Construction Complete, Job in Resident Office
- (2) FE DOCUMENTATION PKG NOT SUBMITTED– Final Estimates Documentation Package Not Received as Required by DFEO
- (3) NEW – Final Estimate Being Checked
- (4) ADD. FIND. – Verify Changes, prepare for Submit to Contractor
- (5) BEING HELD FOR INFORMATION
- (6) SUBMIT – Final Estimate has been submitted to Contractor for their review and acceptance
- (7) RESERVE – Contractor has submitted a Qualified Acceptance Letter indicating a claim
- (8) PASSED – Comptroller has been advised to pay/close Contract
- (9) PAID OFF – Contractor has received final payment/Closed
- (10) FE DOCUMENTATION PACKAGE RECEIVED – Submitted to DFEO

2.3.7 Submit Pass Package

The DFEO will assemble and forward the pass package to the Comptroller's office. See RAM 5 for additional instructions.

~~2.4~~ ~~DFEO OPERATING PROCEDURES~~

~~2.4.1~~ ~~Review Final Estimates~~

~~Perform the following reviews as appropriate for specific contracts (see **RAM 3**):~~

~~(A) Provide IA reviews~~

~~(B) Provide Quality Control review(s) and Quality Control Plan guidelines for receiving and maintaining **Final Estimates Packages**.~~

~~(C) Provide a PAR for the projects that are selected to be reviewed (see **RAM 3** for further information).~~

~~2.4.2~~ ~~Track Unpaid Bill Notices~~

~~Throughout the life of the Contract, complaints can be received alleging non-payment on the part of the prime contractor to subcontractors and materials suppliers.~~

~~The Department is required by Florida law to keep a record of all notices of non-payment, along with the disposition of each complaint. To meet this requirement, the Department maintains a record of each notice of non-payment in the *Unpaid Bills Tracking System* located on the *Construction Automated Reporting System (CARS)* Menu. The entries shall consist of claims from subcontractors, subordinate subcontractors, and material suppliers on construction contracts let by both Central Office and the Districts. The DFEM will update this file by adding a record for new complaints or by resolving a record for satisfied complaints. A complaint will be considered resolved when the RO or DCE notifies the DFEM that the claim has been paid.~~

~~(A) **CPAM 6.1** details the process for unpaid bills during construction.~~

~~(B) The RO will ensure the DFEM is included in all correspondence, so the *Unpaid Bills Tracking System* can be maintained.~~

~~(C) **RAM 5.5.5** details the process for unpaid bills after final acceptance~~

~~2.4.3~~ ~~Establish Processing Priority of Final Estimates Packages~~

~~The need for establishing the processing priority of **Final Estimates Packages** comes from **Section 337.141, F.S.**, which provides for interest to be paid to the Contractor for~~

~~delay by the Department in making final payment. See **RAM 5** for details on calculating the Payoff Date.~~

~~The DFEM will assign jobs to the Overviewer based on priority using the following guidelines:~~

~~(A) — A priority job is defined as a job with all contract required documents submitted and approved. Assign these contracts first.~~

~~(B) — Once all priority jobs are assigned, the job with the oldest final acceptance date is normally the next job assigned by the DFEM to the Overviewer.~~

~~(C) — Exceptions to this assignment rule can occur when a Contract becomes a priority job by virtue of the Contractor's compliance with all of the Department's document submittal requirements.~~

~~2.5 TRACK CONTRACTOR ACCEPTANCE~~

~~The DEFO will track the Contractor's acceptance of the **Offer Letter**. For further information, see **RAM 5**.~~

~~2.5.1 Process Final Estimates~~

~~The **Final Estimate Status Reporting System** is located on the **CARS Menu**. It generates the **Form 700-050-28, Final Estimates Record of Final Plans**, which is initiated by the Resident Office to start the status reporting process. The **Final Estimate Status Reporting System** will continue to be updated by the DFEM to provide accurate information on the status of the contract close-out.~~

~~(A) — Status Categories~~

~~(1) — FINAL ACCEPTED — Construction Complete, Job in Resident Office~~

~~(2) — FE PGK NOT SUBMITTED — Final Estimates Package Not Received as Required by DFEO~~

~~(3) — NEW — Final Estimate Being Checked~~

~~(4) — ADD. FIND. — Verify Changes, prepare for Submit to Contractor~~

~~(5) — BEING HELD FOR INFORMATION~~

~~(6) — SUBMIT — Final Estimate has been submitted to Contractor for their review and acceptance~~

~~(7) RESERVE Contractor has submitted a Qualified Acceptance Letter indicating a claim~~

~~(8) PASSED Comptroller has been advised to pay/close Contract~~

~~(9) PAID OFF Contractor has received final payment/Closed~~

~~(10) FE PACKAGE RECEIVED Submitted to DFEO~~

~~2.5.2 Submit Pass Package~~

~~The DFEO will assemble and forward the pass package to the Comptroller's office. See **RAM 5** for additional instructions.~~

~~(D)~~

Chapter 3

DISTRICT FINAL ESTIMATES OFFICE REVIEWER FUNCTIONS AND REVIEW TYPES

3.1 PURPOSE

To define the District Final Estimate Office (DFEO) Reviewer Functions and DFEO Review Types. Reviews are critical to minimize the Department's exposure to the risk of overpayment errors and interest on delayed payments. The DFEO review processes apply to all Construction contracts.

3.2 DFEO QUALITY CONTROL PLAN

Each DFEO is required to have a Quality Control (QC) plan per **CPAM 3.5**. All reviews by the DFEO shall adhere to the District specific QC plan processes and the requirements of the **Review and Administration Manual (RAM)**.

3.3 DFEO RESPONSIBILITY

The DFEO shall provide training and updates to all Construction Engineering and Inspection (~~CEI~~—Department and Consultant) staff when procedures change or repetitive errors are found during reviews. The DFEO will ensure information is provided regarding, but not limited to, preparing and submitting the ~~Certified~~—**Final Estimates Package Documentation**, **Final As-Built Plans**, and the **Offer Letter**. It is the DFEO's responsibility to maintain a high standard of communication via in-person or webinar trainings and contact mailer distribution to increase the successful completion of Department projects, while minimizing the liability of the Department.

The District Final Estimate Manager (DFEM) will maintain a database of all active Construction Training Qualification Program (CTQP) Final Estimates (FE) Level II qualified personnel in his/her District to be used when identifying personnel eligible for Independent Assurance (IA) Reviews per **RAM 3.7.1(A)**.

3.4 FINAL ESTIMATES QUALIFICATION PERFORMANCE SYSTEM

Final Estimates Qualification Performance System (FEQPS) is supported by the State Construction Office (SCO) Systems Section and is updated by the DFEO designated personnel. **FEQPS** is used to track IA Review results and strikes. The DFEO designated personnel will continuously update the **FEQPS**.

3.5 DFEO REVIEWER FUNCTIONS

All DFEO Reviewers shall be CTQP FE Level II qualified. There are two primary DFEO Reviewers: Initial Reviewer and Overviewer.

The Initial Reviewer and the Overviewer functions differ in the degree of judgment required, the focus width, and degree of attention given to the pay items reviewed. Both types of reviewers shall be familiar with the overall character, scope, and type of work required by the contract before beginning any review. In keeping with sound reviewing practices, the Initial Reviewer and Overviewer shall never be allowed to check his/her own work. For a given contract, an individual shall never do more than one of the following three final estimate functions:

(A) Prepare

The Preparers perform primary calculations and compile the ~~Certified Final Estimates~~ Package Documentation for submittal to the DFEO.

NOTE: This is the Resident Office (RO) function.

(B) Initial Review

The Initial Reviewers perform a thorough check of pay items during the District's QC, or IA Review, ~~or Post Audit Review (PAR)~~.

(C) Overview

The Overviewer performs a thorough check of reviews the Final Estimates Documentation and can confirms any and all changes made by the Initial Reviewer during the Post Audit Review (PAR).

~~The Overviewer also performs an in-depth review of any area the Overviewer feels the Initial Reviewer may have neglected.~~

3.6 REVIEW MARKING CONVENTIONS

In the event of litigation by the Contractor, a review by the Department's Inspector General's Office, or a Federal Highway Administration (FHWA) review, it will be necessary to know who has worked on a particular final estimate. Each reviewer shall print his/her name followed by the applicable reviewer type, the review date, and his/her agency/company name on the Final As-Built Signature Sheet. In order to identify each individual's work, the following color ~~and initialing~~ conventions shall be observed when working in the **Final As-Built Plans**, in **Field Records**, and on any **Forms**:

(A) Resident Level Responsibilities

All changes by the project personnel to the **Final As-built Plans** shall be made electronically in red.

Any entries by the project personnel to **Field Records** and any **Forms** shall be made electronically in black.

All changes by the Quality Assurance project personnel shall be made electronically in orange.

(B) District Level Responsibilities

All markups by the Initial Reviewer during the District's QC ~~or~~, IA Review, ~~or~~ PAR shall be made electronically in blue.

All markups by the Overviewer during the PAR shall be made electronically in green.

If a consultant is assisting with DFEO Reviewer responsibilities, the appropriate marking convention for that role shall be followed.

3.7 DFEO REVIEW TYPES

The DFEM shall have the responsibility and the authority to exercise judgment in deciding which reviews are appropriate for a specific contract: IA Reviews, QC Reviews, ~~and/or~~ PARs. Factors the DFEM shall consider in making this decision are: the dollar amount of the contract, the complexity of the contract, the quality of the Construction Contract Administration, previous experience with the specific Contractor, and the experience level of the RO staff.

If during a review it is determined that further project records are needed, the DFEO will request the Project Administrator (PA) ~~to~~ submit the additional records. The review shall not be complete until the additional records have been provided by the PA and all questions have been satisfied.

RO staff shall **NOT** perform IA Reviews, QC Reviews, or PARs.

3.7.1 IA Reviews

IA Reviews are performed by DFEO staff on CTQP Level II qualified personnel preparing ~~Final eEstimates and Final eEstimates dDocumentations~~. FE Level II qualified persons may be reviewed on one project or on several projects at the same time.

(A) Frequency of IA Reviews

A minimum of 30% of the active personnel within the District shall be reviewed annually. A list of all active FE Level II personnel within the Districts will be generated each year to identify the personnel that will be evaluated. Consideration will be given to personnel lacking experience and personnel who have historically had findings within the ~~Post-Audit Reports~~. A random number evaluating system can be utilized, if needed. Each DFEM will send his/her report at the end of the year to the State Final Estimates Engineer (SFEE), including the number of active personnel and the number of personnel that were evaluated.

(B) IA Review Procedure

- (1) Schedule IA Reviews with the selected FE Level II qualified persons.
- (2) Conduct IA Reviews at the RO and/or on the construction project.
- (3) Conduct IA Reviews only on active contracts.
- (4) Focus on the preparation ~~and documentation~~ of the ~~Certified Final Estimates Package~~ ~~Documentation~~.
- (5) Use the **FE Checklist** (See [Attachment 3-1](#)) and **FE Guidelist** (See **CPAM 3.5.8**.) with emphasis on the following areas:
 - (a) Earthwork
 - (b) Asphalt
 - (c) Concrete
 - (d) Penalties assessed
 - (e) Contract administration, such as liquidated damages, alternative contracts, bonuses
 - (f) Assessments of deficiencies, adjustments, and disposition of samples
- (6) Complete the **FE Qualifications Performance Report** (See [Attachment 3-1](#)).
- (7) Input all IA Reviews into the **FEQPS**.

An IA Review is considered satisfactory when all items on the **FE Checklist** are completed correctly and no procedural errors are found. Any IA review with procedural errors or incomplete or inaccurate items is considered unsatisfactory.

Refusal to participate or lack of cooperation in the IA Review is sufficient reason to consider an evaluation unsatisfactory.

(C) IA Documentation

The DFEO personnel conducting an IA Review will report all observations on the **FE Qualifications Performance Report** and the **FE Checklist** and distribute to the individual, the individual's supervisor, the PA, and the Resident Engineer (RE).

All IA reviews will be documented in the **FEQPS** within five (5) working days after the IA Review. Any reported issues of non-compliance will be noted in **FEQPS** with an explanation of the strike.

3.7.2 QC Reviews

QC reviews are performed by the DFEO on projects per **CPAM 3.5** and the District QC Plan. Results of the QC Review shall be entered in the Final Estimates Status (FES) application within five (5) working days after the QC Review and notify the Project Administrator / project staff for review.

3.7.3 PARs

PARs are performed by the DFEO after submittal of the ~~Certified~~ **Final Estimates Packaged Documentations**. Results of the PAR shall be entered in the FES application within five (5) working days after the PAR. The DFEO will ~~complete~~ generate the **PAR Form from the FES application** listing all procedural errors found during the review and submit it to the SFEE, Project Engineer/Project Manager, PA, and Contract Support Specialist (i.e. FE Level 2). The RO/Project personnel are required to respond to the DFEM on any findings within 14 calendar days, so that these same errors will not occur in the future.

The PAR response shall be inputted into the FES application for future reference.

(A) Frequency of PAR Reviews

The minimum frequency requirement for PARs to be performed is provided below:

Minimum Requirements for PAR Frequencies					
Project Value	\$100M or Greater	\$50M to \$100M	\$25M to \$50M	\$2M to \$25M	Less than \$2M
PAR Frequency	100%	50%	40%	35%	15%

(B) Review Procedure

- (1) Conduct PARs at the DFEO.
- (2) Conduct only on final accepted contracts.
- (3) Focus on preparation ~~and documentation~~ of the **Certified Final Estimates Package** ~~Documentation~~.
- (4) Conduct using the **FE Checklist** and **FE Guidelist**
- (5) Place emphasis according to the type of PAR performed:
 - (a) In-depth Review:

Review of all pay items, adjustments, contract time, penalties, incentives, liquidated damages, and material test failure resolutions ~~are checked by the Initial Reviewer. The Overviewer will confirm all changes and investigate any issues overlooked by the Initial Reviewer.~~
 - (b) Critical Area Review:

Review of critical areas (Earthwork, Asphalt, Concrete, and other major items of work as defined in **Specifications Section 1-3** and adjustments to the contract). ~~An Overviewer will confirm all changes and investigate any issues not checked by the Initial Reviewer.~~
- (6) Complete the **PAR Form** (see [Attachment 3-2](#))

(C) PAR Documentation

PAR Forms should provide positive and/or negative feedback, so that the final estimates process continues to show improvements and positive outcomes to meet the goal of receiving **Certified Final Estimates Package** ~~Documentation~~ without any errors.

(D) PAR Quarterly Assessment Reports

The DFEMs are responsible for submitting their PAR reports, Quarterly, **Assessment report** to the SFEO with a listing of the final accepted projects and identifying whether a PAR was performed. The DFEO must submit the report within 15 days of the quarter end. The results of the ~~quarterly PARs~~ Quarterly Assessment are reported on the Construction Office Performance Measures report. The goal is to be within 0.5% Average Absolute Change to the PAR.

3.8 NON-COMPLIANCE

3.8.1 Procedural Error

A procedural error is the failure of a Final Estimate Level II qualified person to adhere to contract documents, policies, and/or procedures and would be considered a finding during any type of DFEO review.

3.8.2 Strike

A strike is given for an unsatisfactory **IA Review**, as determined by **RAM 3.7.1(B)**, and **only** if a procedural error(s) is identified during an IA Review. If procedural errors are found, the DFEO shall only give one (1) strike per review, regardless of the number of errors identified or projects reviewed.

Strikes **WILL NOT** be given on QC Reviews or PARs.

3.9 SUSPENSIONS

Suspension procedures only apply to FE Level II qualified persons who receive strikes during **IA reviews**. All strikes shall be documented on the **FE Qualifications Performance Report** and distributed per **RAM 3.7.1(C)**. The strike shall be entered into the **FEQPS**. FE Level II qualified persons with strikes shall be subject to the following actions per individual strike:

(A) 1st Strike

The first strike will remain in the **FEQPS**. If no other strikes occur during the two-year period, the first strike will be disregarded.

(B) 2nd Strike

The RE will provide additional training for the individual in question when a second strike occurs.

The first and second strikes will remain in the **FEQPS** for a two-year period commencing on reporting of the second strike. If no other strikes occur within the two-year period, the first and second strikes will be disregarded.

(C) 3rd Strike

Should a third strike be given within two (2) years from the first strike, the **FE Qualifications Performance Report** will be submitted to the District Construction

Engineer (DCE) and SFEE, in addition to the individual, the supervisor, and RE. The DFEM will discuss the matter with the DCE and the SFEE to initiate the suspension of an individual's FE Level II qualifications. The qualification suspension will be sent to the CTQP Administrator by e-mail for entry into the CTQP database. See Chapter 9 of the Construction Training & Qualification Manual. The individual will not be able to perform FE Level II functions until re-qualification is attained. The individual must attend the FE Level II qualification course and pass the written examination through the CTQP to become re-qualified. Once the individual passes the FE Level II course examination, all previous strikes will be disregarded in **FEQPS** and the individual will begin with a clean evaluation status until the next evaluation by the DFEO.

A suspension decision may be appealed by the individual to the SFEE Director, Office of Construction. The SFEE Director will review the appeal and the resulting decision is final.

3.10 LINKS TO ATTACHMENTS FOR THIS SECTION

- Attachment 3-1 [FE Qualifications Performance Report and Checklist](#)
- Attachment 3-2 [PAR Form](#) (Internal Use Only)

Chapter 4

REVIEW OF FINAL ESTIMATES PACKAGE DOCUMENTATIONS

4.1 PURPOSE

To outline the District Final Estimates Office (DFEO) function as it relates to the detailed review process of the *Final Estimates Package Documentations*, including, but not limited to, the *Final As-Built Plans* and summary boxes, final pay quantities, and *Field Records*.

4.2 PROCEDURE

The mechanics and/or depth of reviewing final estimates on the Department's construction contracts will not always be the same. It is not the intent of this procedure to require that all of the following steps be applied to every contract prior to reviewing. Many of the steps may be taken in conjunction with the actual reviewing procedure. The steps for specific pay items will not apply to contracts without those pay items. Each reviewer needs to be proficient in recognizing which steps apply to a particular contract with its unique set of pay items, and when to apply them.

4.2.1 Prerequisite Background Knowledge

- (A) Prior to any checking of individual pay items, the reviewer needs to be familiar with the overall character, scope, and types of work required by the Contract. The reviewer shall:
- (1) Be acquainted with the edition of the *Specifications* in effect at the time of contract letting and that controls the work performed. The General Requirements and Covenants contained in Division I of the *Specifications* are especially important because they include the scope, control, measurement, and payment of the work and materials under the contract.
 - (2) Review all *Technical Special Provisions* and *Special Provisions* attached to the Contract for the conditions specific to the project, noting the areas pertinent to final payment, measurement of quantities, and scope of the work prior to the review process.
 - (3) Check the contract prices and item descriptions shown on the proposal form and verify that the prices are correctly transferred to SiteManager and the *Form 700-050-10, Pay Item Summary and Certification*

Sheet. Where differences occur, check all Supplemental Agreements (SA) to see if the unit price has changed or a similar pay item has replaced the original pay item. If not, an error has occurred and the unit price shall be corrected in SiteManager.

- (4) Review the Contract requirement sheet for fuel adjustment. Review the bituminous materials indexes that could affect the final contract pay quantities or prices bid on items in the proposal. Refer to **CPAM 5.14** and **6.5-2** for additional references.
- (5) Review each SA added to the Contract:
 - (a) Were conditions requiring a SA in accordance with the **Specifications**?
 - (b) Check for revisions to items related to those changed by a SA. One example is a change to an asphalt base item that can affect the structural asphalt item as well.
 - (c) Were the items added, deleted, or altered by the SA properly documented on the final estimate?
 - (d) Where applicable, ensure records documenting claims of the Contractor's equipment, labor, and materials are included as required by **CPAM 7.5**.
 - (e) Check if there are any Unilateral SAs with costs established solely by the Project Administrator (PA) in the absence of a negotiated agreement with the Contractor. Also, check for any Contingency SAs with costs based on material, equipment, labor, subcontractor insurance, and bond costs in lieu of a negotiated price. If one exists, the supporting extra work records shall be reviewed to ensure that the correct amount has been paid. The Resident Office (RO) staff shall submit the supporting extra work records to verify each Unilateral and Contingency SA.
- (6) Note any Locally Funded Agreements (LFA) included in the Contract and the specific items affected by them.
- (7) Note any pending SAs, Work Orders (WO), and time extensions that are being processed and the effect they have on the final estimate.

- (B) Review the **Final As-Built Plans** before checking any specific items, calculations, or source data. Study all **Final As-Built Plans** components to obtain a clear working knowledge of the intent and scope of the project.
- (1) The Key Sheet shall be reviewed for the overall limits of the project and the extent of the improvement. Note the scope of the project such as bridges, signing, lighting, landscape, etc., and check that all plan components are included.
 - (2) The Summary of Quantities Sheet/Summary Boxes shall be examined and compared with the final estimate. The basis for original quantities, contingency items, and station-to-station design requirements should be noted for comparison during the reviewing operation.
 - (3) Study typical sections and their explanatory notes, and check changes in dimensions, thickness or material type. An example is if a typical section ~~was changed from using~~ specifies optional base ~~limerock, but to the Contractor chooses to install~~ black base. The black base will not receive a bituminous adjustment only a CPF adjustment.
 - (4) Read the general notes and all special construction notes outlining any unusual methods of construction, measurement of quantities, or payment for future reference.
 - (5) Review the Summary of Earthwork Quantities/Earthwork Summary Boxes and the overall earthwork requirements. Check that all required cross-sections are available and that all volumes have been calculated.
 - (a) Verify that any borrow material placed in flushed slopes (placed in fills above the roadway template) is deducted.
 - (b) Verify that remaining stockpiled material has been deducted.
 - (6) Review the overall scope of the Summary of Drainage Structures/Drainage Summary Boxes, as to size, quantity, and type of structures required.
 - (7) Review the Plan/Profile Sheets and ensure the entire project scope has been included. Check for revised alignment (horizontal or vertical) and for the authorization and documentation required.
 - (8) Shop drawings and special working drawings shall be checked.

- (9) Any substantial change made to the project during construction by the Resident Office shall be reflected by redline revision on the proper sheet of the ***Final As-Built Plans***. See ***CPAM 5.12*** for marking conventions and responsible engineer signing and sealing requirements.
- (C) General Backup and Support Data: An examination of the all documents, and general contract correspondence is just as important as the background information related to the Contract and the ***Final As-Built Plans***. The following data shall be reviewed and all special conditions and significant data referenced for the reviewing operation. DFEO personnel reviewing final estimates shall review the background information outlined below:
- (1) General correspondence and contract documents.
 - (2) Testing documentation and records.
 - (3) Daily Work Reports and Construction Diary Records.
 - (4) Explanation of Overruns and Underruns. If one of a group of closely related items has been overrun or underrun, the other related items in the group should show the required similar overruns or underruns. For example: Optional Base overrun due to increase in projects length and therefore increase of area in a certain area could cause an overrun of Structural Asphalt and Friction Course in the eat increased same area.
 - (5) Delivery Tickets, Tabulation Forms, automatic weight tickets, bituminous records, and final measurement data.
 - (a) Ensure truck capacities are certified.
 - (b) Spot check the Tabulation Forms, truck numbers, and calculated total volumes.
 - (c) If the item of borrow excavation is included in the Contract, any stabilizing materials obtained from designated borrow areas shall be included in the pay quantity for borrow excavation, per ***Specifications Section 160-6***.
 - (6) Receipt date of all required documents, especially those which establish the pay-off date (see [RAM 5](#)). Refer to ***CPAM 5.11*** for further information regarding Final Estimates Documents.
 - (7) Court orders or Arbitration Board Orders that affect the final estimate.

- (8) Progress Estimates: These can be found in SiteManager or in the Ad-Hoc Reports available on the Construction internal website.
- (9) Final Estimates Guidelist.

4.2.2 Final Estimates Processing

(A) When a notification of ***Final Estimates Package Documentations*** submittal is received, the DFEO will verify that the information shown on ***Form 700-050-20, Final Plans and Estimate Transmittal***, has been submitted with the ***Final Estimates Package Documentations***.

- (1) If the ***package Documentations*** does not contain the records outlined, send a list of the missing items along with ***Form 700-050-20, Final Plans and Estimate Transmittal*** to the Resident Office (RO).
- (2) If the ***package Documentations*** contains records not pertaining to that Contract, notify the RO of the ***documents-records*** inadvertently included in the ***Final Estimates Package Documentations***.
- (3) Check the ***contract time folder documentation*** to ensure that it contains contract time changes that have occurred during the life of the Contract. ~~Make sure it contains a summary sheet showing the original contract time and all time added.~~
 - (a) For Federal Aid contracts, each time extension or Supplemental Agreement must show the breakdown of Federal Aid participation in the contract time changes.

On Projects of Division Interest (PoDi) contracts and Central Office Oversight Acceptance contracts, the District's requests for approval of federal participation may be included with the ***document changing*** contract time ~~changing document~~, in lieu of showing the actual breakdown, if the District has received no response to its request by the time the ***Final Estimates Package Documentations*** is submitted to the DFEO.

On projects where oversight is assumed by the State (Assumed), the District has the responsibility of determining and approving federal participation in time changes. All time changing documents on these contracts must show the determined federal participation.

- (4) Contract Claim Settlements arriving with or after the ***Final Estimates Package Documentations*** may require payments be made to the Contractor in advance of the final payment. Payment of construction contract claims prior to submittal of the ***Final Estimates Package Documentations*** to the DFEM will be made by the PA on a progress estimate. Final Payment for Contract Claim Settlements after the ***Final Estimates Package Documentations*** has been received by the DFEM shall be made by the DFEO on a progress estimate within thirty (30) days after such settlement is made. These settlements include:
- (a) Litigation or court orders.
 - (b) Arbitration board rulings.
 - (c) Supplemental Agreements for the settlement of claims which were executed after the Contract is completed.

4.2.3 Detailed Review Process for Final As-Built Plans and Final Estimates Items

- (A) Final measurements for final quantities have been properly verified, where applicable.
- (B) Verify that ~~the~~ calculations of quantities are complete, reflecting only the work performed.
 - (1) For Limerock base:
 - (a) Ensure a Core-out Report is available and a thickness adjustment has been applied per ***Specifications Section 285***.
 - (b) Core measurements in areas of deficient thickness (no pay) shall not be used to determine average thickness of base material.
 - (c) Areas and thickness for connection to back of sidewalks shall not be included in average thickness calculations of square yard pay area.
 - (d) Authorized variable thickness base shall be calculated separately. The area shall not be included when adjusting for depths over or under normal thickness.

- (2) For Limerock Material (for Stabilized Base):
 - (a) Spot check Truck Tabulation Forms with certified truck quantities. This is a final measure Pay Item.
 - (b) The quantity is determined by measuring loose volume, in truck bodies, at the point of dumping on the road, with proper deduction for all materials wasted, left in truck, or otherwise not actually used on the road. For this purpose, ensure that truck material was leveled at the time of taking measurements for accuracy. (See **Specifications Section 230.**)
- (3) For Asphalt:
 - (a) Verify that each Composite Pay Factor (CPF) unit price adjustment has a **Lot Submittal Package** representing this adjustment.
 - (b) Check Contractor's monthly Certifications. They should match asphalt placed and accepted for that month. Any discrepancies should be corrected on later certifications. An example of this could be caused by remove and replacement tonnage.
 - (c) Verify that bituminous adjustments were not made on temporary asphalt and no pay asphalt.
 - (d) No CPF on Turnout Construction Asphalt, Miscellaneous and Temporary Asphalt.
- (4) For Plain Cement Concrete Pavement (PCCP) and Reinforced Cement Concrete Pavement:
 - (a) Check the Core-out Report for representative interval and PA's explanation of deficient areas removed and replaced or left in place without pay.
 - (b) Criteria for thickness calculations: Cores greater than specified thickness shall be considered in the average thickness but shall not exceed the specified thickness plus ½ inch. Cores deficient more than ½ inch of the specified thickness will be considered deficient and shall not be included in the thickness calculation.

- (c) Criteria for payment thickness: The maximum average over-thickness upon which payment will be made shall be the plan thickness plus ¼ inch.
 - (d) When the plans call for cement concrete pavement which is to be covered with asphaltic concrete surface course, the total thickness of the entire combination shall be measured and paid for as plain cement concrete pavement.
 - (e) Ensure that incidental items, such as tie bars and dowel bars, are not included in final pay quantities per **Specifications Section 350**.
- (C) All quantities are substantiated by **Field Records** (i.e. Tabulation Forms, final plan dimensions or other forms of acceptable site source records). (See **CPAM 5.14**.)
- (D) Non-standard or unique types of material used is authorized by the Contract's **Special Provisions**, General Notes, or SA.
- (E) Salvage Tickets are signed by Department Maintenance personnel to verify that all designated materials were delivered to Maintenance. For more information, see **CPAM 11.9**.
- (F) Limits of placement of various pay items appear reasonable when correlated with limits of other pay items in the vicinity.
- (G) Quantities are summarized and area cross-sections are verified, if needed. The final quantities have been correctly transferred to the Final Estimate Pay Item Summary and Certification Sheet.
- NOTE:** Plan Quantity Pay Items (i.e. Stabilization, Optional Base, etc.) that are paid on an area basis (i.e., square yards) shall be paid subject to defining tolerances or deviations for plan errors and plan revisions before adjustments are made. Thickness and penalty adjustments are not considered tolerances. Only plan revisions or plan errors qualify for tolerances. (See **Specifications Section 9-3.2**.)
- (H) Lump Sum Items: Mobilization, Maintenance of Traffic, and Detours.
- (1) Does the contract include a separate item of payment for these operations? If not, they are included for payment under other scheduled items of the overall contract and they will not be paid for separately.

- (2) If the final contract amount is different from the original contract amount, check the contract files for a WO or SA or other authorization of lump sum adjustment.
 - (3) Material used in the construction of detours or maintenance of traffic lump sum shall not ~~also~~ be measured or paid for under any pay item. (**Specifications Section 9-2**)
 - (4) Were the dimensions (scope) used for bidding the contract revised, resulting in an increase or decrease in cost to the Contractor which would require an adjustment? (**Specifications Section 9-3**)
 - (5) Verify that all materials designated to remain the property of the Department and used by the Contractor during construction have been returned and stored as directed by the PA.
 - (6) Check that payment for items not returned (signs, bridges, pipe culverts, etc.) have been reflected in the final estimate, when applicable.
- (I) Truck Measured Items (volume or weight):
- (1) Verify the use and location of borrow material was properly authorized by the Engineer.
 - (2) Verify the information in the Tabulation Forms for accuracy. (See **CPAM 5.14.**) Ensure that the Truck Measurement Forms verify the quantity change due to sideboard addition.
 - (3) Ensure truck with volume changes are assigned new numbers and properly counted.
- (J) Squared yard items:
- (1) Spot check final measured station to station calculation of length and width or verify field-chained dimensions on **Field Records**.
- (K) For Clearing and Grubbing (Lump sum),
- (1) Check plans thoroughly for change in limits, including:
 - (a) Grade changes increasing and decreasing lateral limits of construction.
 - (b) Beginning or end of project changes from original contract.

- (c) Lateral ditches or outfall structures that were added or deleted.
- (L) Removal of Existing Structures/Bridges (Lump Sum):
 - (1) Check plans and source records for possible duplication of area for payment under Clearing and Grubbing item.
 - (2) Ensure that partial bridge removal, was handled per **Specifications Section 110-6.3**.
 - (3) Ensure that a WO or a SA was issued due to adjustments when leaving part of a structure shown to be removed in the plans or finding greater amounts than shown in the plans.
- (M) Removal of Existing Pavement (Square Yards):
 - (1) Check final measurements and calculations are recorded in **Field Records** (Tabulation Forms or latitude and departure sheets, etc.).
 - (2) Verify that the **Final As-built Plans** reflect the revised items and are adequately cross-referenced.

4.2.4 Findings

All errors shall be brought to the attention of the District Final Estimate Manager. Please see **RAM Chapter 4-3** for further instructions.

Chapter 5

POST REVIEW PROCESSING/CONTRACT CLOSEOUT

5.1 PURPOSE

This procedure describes methods for the District Final Estimates Office (DFEO) to use in processing final estimates for payment after reviewing operations are complete and closing contracts after payoff.

5.2 REFERENCES

Refer to [RAM 1.3](#) for References.

5.3 PROCEDURES

5.3.1 Offer Letter Review

Prior to the Resident Office submitting the **Offer Letter** to the Contractor, the DFEO ~~will~~should:

- (A) Review the **Offer Letter** for accuracy and ensure the final estimate SiteManager Pay Estimate Report (previously known as the TSO estimate), **Acceptance Letter, Form 700-050-21, Contractor's Affidavit and Surety Consent (21-A)**, contractor survey, and other contract appropriate documentation are attached
- (B) Verify the correct approval levels are assigned in SiteManager
- (C) Remind the RO that all correspondence from this point forward will come to the DFEO

For Public Private Partnerships (P3) contracts, the DFEO will submit the **Offer Letter** to the State Final Estimates Office for review and approval, as well as request Final Payment Schedule from the Office of Comptroller (OOC) Cash Forecast Manager. Once the **Offer Letter** is approved and Final Payment Schedule is received, notify the RO that the appropriate letter can be submitted to the Contractor.

5.3.2 Fund Unencumbrance

After the **Offer Letter** has been issued to the Contractor, in cooperation with the District Construction Engineer (DCE), the DFEO will unencumber any unused Contingency Supplemental Agreement funds and; unused Contingency Pay Item funds, ~~and unused Overrun funds~~ after the Post Audit Review (PAR) is performed. (See **CPAM 7.4** for more details on unencumbering funds and [RAM 3](#) for more information on PARs.)

NOTE: The Contract Funds Management (CFM) Section will unencumber overrun funds.

5.3.3 Document Review

Collection, review, and approval of the required 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. (Per **RAM 5.11.1(A)(1)**, use the **Form 700-050-26, Final Interest Payment Log** to calculate the Payoff Date.) These documents are strictly under the control of the Contractor. Once these documents are received in an acceptable form by the Department, 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.

Prompt review of the Contractor's submitted documents is a priority, because the **Specifications** require that the Contractor be notified, within twenty (20) days receipt of **21-A**, of any discrepancies or the original date of receipt will control the establishment of the Payoff Date.

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 an email stating that the document is unacceptable, because the official Form provided by the Department was not used, and request that the Contractor re-execute the document on the official Form provided by the Department. Include attachments of the official Form in the correspondence.

5.3.4 Local Funded Agreement (LFA)

Refer to **CPAM 8.2** and the **LFA Closeout Letter (CPAM 5.11, Attachment 5-11-2, Letter 5-11-13)** for more information.

5.3.4(A) Tentative Acceptance Agreement

Upon completion and acceptance of the Utility work as called for in the Utility agreement, if the tentative final cost to the Utility Agency Owner (UAO) is less than the advanced payment on deposit with the Department, a portion of the excess deposit may be refunded to the UAO prior to final payment to the Department's Construction Contractor. **Tentative Acceptance Agreements (TAAs)** are used when the Utility Agency Owner (UAO) requests to be partially refunded. The DFEM will review the **TAA** and backup information. Upon concurrence, the DFEM will sign the **TAA** and submit to the District Utility Office with the latest progress estimate. The District Utility Office will review and send to the OOC, General Accounting Office, ~~Locally Funded Agreement (LFA)~~ section for processing. (See [Procedure 350-020-305, Partial Utility Refund/TAA](#) for more information.)

5.4 CONTRACTOR'S ACCEPTANCE OF THE FINAL ESTIMATE

The Contractor has two options in response to the Department's official **Offer Letter**: **Regular Acceptance or Qualified Acceptance.**

5.4.1 Regular Acceptance Letter

- (A) Return of the **Regular Acceptance Letter**, signed by the Contractor, signifies the agreement to 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, proceed to the Pass Process. (See **RAM 5.11.**)

5.4.2 Qualified Acceptance Letter

- (A) Return of the **Qualified Acceptance Letter**, signed by the Contractor, signifies the 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 the Contractor 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 separate dispute, listing the dollar value of the dispute, the pay items and quantities involved in the dispute, and sufficient information about the exact area and location of the dispute. **Any pending arbitration claim or suit must be limited to the areas defined in the *Qualified Acceptance Letter* and must commence within 820 days of the final acceptance date.** No further claims beyond those listed will be allowed once the ***Qualified Acceptance Letter*** is accepted by the Department. Failure to file a formal claim within these limits constitutes full acceptance.

- (B) When a Contractor files a ***Qualified Acceptance Letter*** with all other required documents, proceed to the Pass Process. (See ***RAM 5.11.2*** for Qualified Acceptance Management).

NOTE: When the contractor has been overpaid, the ***Regular*** or ***Qualified Acceptance Letter*** must be accompanied by the Contractor's check to the Department. If the Contractor's check is not included, the ***Acceptance Letter*** is considered incomplete and the Contractor will be notified.

5.5 CONTRACTOR'S AFFIDAVIT AND SURETY RELEASE

The ***Form 700-050-21, Contractor's Affidavit and Surety Consent***, is a three-page document, commonly known as the ***21-A***, which must be submitted by the Contractor on all contracts. Page three of the ***21-A*** contains full instructions to the Contractor and Surety for the execution of this document. Instructions are attached to each ***21-A***.

NOTE: This document must be signed with all digital signatures or all wet-ink signatures. Mixing digital signatures is prohibited.

5.5.1 Requirements, Page One

Page one of this document, which must be executed by the Contractor, states in part, that the Contractor 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. If the Contractor signs digitally, the notary public is not required.

5.5.2 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 must be

provided by the Surety when the **21-A** is executed by an Attorney-In-Fact. (See **21-A** instructions on page 3.)

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, the Contractor is not required to provide the Surety portion of the **21-A** and only needs to provide the Contractor's Affidavit portion (page 1 of 3) of the **21-A**.

5.5.3 General Counsel Document Review

Before final payment is made, the package formed by page one, page two, and the Power of Attorney (when required) must be reviewed by the District General Counsel's Office to ascertain that the following three 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 (when required) and Florida Licensed Insurance Agent (when required) have all signed the documents appropriately.
- (C) The Power of Attorney (when required) from the Surety is enclosed with the document.

5.5.4 Contracts Completed by Surety

On contracts completed by the Surety due to a takeover agreement, use **Form 700-050-22, 21-A (Modified) Surety Takeover (21-A Modified)** instead of the **21-A**. Both pages of the **21-A Modified** are completed by the Surety. Before final payment is made, the package formed by pages one and two of **21-A Modified**, and the Surety's Power of Attorney (when required) must be reviewed by the District General Counsel's Office to check that the statements above in **RAM 5.5.3** are true.

5.5.5 Unpaid Bills

- (A) If an **Unpaid Bills Notice** from a First Tier Subcontractor is received after final acceptance, the DFEM will send an **Unpaid Bills Response Letter (to Claimant)** (See [Attachment 5-1](#), Letter 5-01.) and include the Prime Contractor, the Surety Company, the DCE, and the Director, Office of Construction on the correspondence. A **Request for Good Cause Letter to the Prime Contractor** requesting a detailed response will also be sent. (See [Attachment 5-1](#), Letter 5-02.)
- (B) Unpaid Bill Notices from Second Tier Subcontractors received after Final Acceptance are handled as indicated in **CPAM 6.1**.

- (C) When the DFEM receives a **21-A**, the following steps will be taken to ensure unpaid bills issues have been addressed:
- (1) Review the **21-A** for format, information, and compliance. Return the **21-A** to the Contractor if there are any discrepancies other than unpaid bills issues within twenty (20) days of receipt of the **21-A** and request a revised **21-A** be submitted.
 - (2) Next, check the **Unpaid Bills System** on the **Construction Automated Reporting System (CARS)** Menu for the given contract identified on the **21-A**.
 - (3) If the **21-A** is acceptable, there are no disputes listed on the **21-A**, and there are no unresolved issues in the **Unpaid Bills System**, proceed to the Pass Process.
 - (4) If there are no disputes listed on the **21-A** and there are unresolved issues in the **Unpaid Bills System** or if all the issues in the **Unpaid Bills System** have not been listed on the **21-A**, the DFEM will contact the RE to review the conflicts with the **21-A** and find out if the issues have been resolved. If the issues listed in the **Unpaid Bills System** have been resolved during the life of the construction contract, update the **Unpaid Bills System** to reflect resolution and proceed to the Pass Process.
 - (5) If the discrepancies with the **21-A** are outstanding unresolved issues, the DFEM will coordinate with the DCE and the District General Counsel's Office to ~~make a determination 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.
 - (a) If the unresolved unpaid bills issues ~~have been~~ are determined to be good cause, proceed to the Pass Process.
 - (b) If the unresolved unpaid bills issues are determined to not be of good cause, hold the final estimate until the Contractor addresses the issues with the subcontractors. The DCE will make the determination that the Contractor has provided sufficient evidence for addressing the issues. Proceed to the Pass Process when sufficient evidence is received.
- (D) If the **21-A** is already on file when a notice of an unpaid bill notice is received, the Contractor shall be notified in a letter from the DFEM that the Contractor is

required to show good cause before final payment may be made. (See [Attachment 5-1](#), Letter 5-02.) The claimant and the DCE will be included in the correspondence.

- (1) The unpaid bills process to determine good cause, described in **RAM 5.5.5(C)(5)** above, will apply.
- (2) If the Contractor has good cause, send an **Unpaid Bills Response Letter (due to Good Cause)** to the claimant stating such with further instructions. (See [Attachment 5-1](#), Letter 5-03).

NOTE: If an **Unpaid Bills Notice** is received by the RO after final acceptance, the notice will be sent to the DFEM for handling.

5.6 NOTIFICATION OF FINDINGS DUE TO ADDITIONAL REVIEW

NOTE: Submittal of the **Offer Letter** will only be made once. Revised **Offer Letters** are not allowed. This is very important to avoid interest accrual due to delayed payment to the Contractor.

Once an **Offer Letter** is sent to the Contractor, there may be a need to send a **Notification of Findings (NOF)** and **Acceptances of NOF** as well (See [Attachment 5-1](#), Letter 5-04 and 5-04-A). This letter can be sent to the Contractor before or after an **Acceptance Letter** has been received and will address specific issues discovered on the final estimate. These issues will primarily be based on the findings of the PAR., but do not exclude other unforeseen items not included within the Offer Letter. The Contractor has a right to accept or reject any or all of these changes; therefore, the letter will state that the findings are eligible to be qualified by the Contractor. If the Contractor takes exception to any of the findings listed, the excepted findings will be in addition to any and all items listed in the original **Qualified Acceptance Letter**.

If the **Acceptance Letter** has not been received from the Contractor and review of the final estimate finds discrepancies, a **NOF** will be sent.

If the Contractor has returned the **Acceptance Letter**, then a **NOF** with another estimate showing those findings will be sent to the Contractor.

The following are key aspects of a **NOF**:

- (A) The **NOF** may increase or decrease the payment or overpayment and the Contractor has a right to accept or reject any or all of these changes.

- (B) If the **NOF** is submitted within the 90 days of the **Offer Letter** per **Specifications Section 9-8.1**, the Contractor needs to complete and return the signed **NOF** with all other requirements specified in **Specifications Section 9-8.1**. Discretion should be granted for **NOF** letters submitted at the end of the 90 days to allow the Contractor adequate time to agree or disagree with the findings.
- (C) If the **NOF** is sent after Contractor completes the requirements of **Specifications Section 9-8.1**, the Contractor has 30 days, in accordance with **Specifications Section 9-8.2**, to complete and return the signed letter signifying agreement or disagreement with the findings.
- (D) The issuance of the **NOF** will not change the initial 90-day suspension process established when the **Offer Letter** was submitted.

If changes to the **NOF** are needed, the DFEM will prepare a revised **NOF** and include a summary of all changes with the net change of all additional findings for the contractor to evaluate. The Contractor will have 30 days after the revised **NOF** is received to respond.

NOTE: If after receiving the full acceptance from the Contractor an overpayment is found based on the PAR, the CEI responsible for that particular contract will be held accountable to recover those funds due the Department. (See **RAM 5.8**.)

5.6.1 Correcting Final Estimates **Package Documentations**

If during the PAR the DFEO finds discrepancies or errors in the **Final Estimates Package dDocumentations**, it is the responsibility of the DFEO to ensure documents are corrected in the Construction **Electronic Document Management System (EDMS)** and the collaboration site. The appropriate district personnel have the authority to modify documents and to maintain the same **EDMS** reference number, as well as modify documents in the collaboration site, so **EDMS** and the collaboration site are in sync.

5.7 SUSPENSION PROCEDURES

In accordance with **Specifications Section 9-8**, 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 Letter**, 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, F.S.**, as well as **Rule 14-22.012, F.A.C.**. If the Contractor's Certificate of Qualification is already suspended, **Rule 14-22.0141, F.A.C.** applies.

Also in accordance with **Specifications Section 9-8**, 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 Letter** 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.](#).

5.7.1 Required Documents Not Received within 80 Days

If all required contract documents have not been received within eighty (80) days of the **Offer Letter**, the DFEO will send a **Final Notice of Missing/Incomplete Documents (80 Day Letter) to the Contractor** (See [Attachment 5-1](#), Letter 5-05.) 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 80 Day Letter, the DFEM will also prepare and send the appropriate **Notice of Intent (NOI)** letter (with corresponding **Notice of Administrative Hearing Rights**) to the State Construction Office (SCO) Prequalifications Specialist for signature by the Chief Engineer. The **NOI** shall advise the Contractor of the Department's intent to suspend its Certificate of Qualification and direct the Contractor to contact the Prequalifications Specialist by phone if there are questions on this matter. The letter also details that if the time frames expire, the suspension is conclusive, which eliminates the need for follow up letters.

- (A) A **NOI to Suspend Certification of Qualification** is for contractors that are currently prequalified. (See [Attachment 5-1](#), Letter 5-06.)
- (B) A **NOI to Declare Non-Responsible** is for contractors that were prequalified, but allowed prequalification to expire. (See [Attachment 5-1](#), Letter 5-07.)
- (C) A **NOI to Suspend Qualification to Issue Bonds** is for surety's that have a takeover agreement. (See [Attachment 5-1](#), Letter 5-08.)

NOTE: It is important that the correct letter and notice are sent, since the time frames are different for currently prequalified Contractors, non-responsible Contractors, and take over Sureties.

5.7.2 Required Documents Not Received within 90 Days

If all required contract documents have not been received within ninety (90) days of the **Offer Letter**, the previously prepared **NOI** will be processed by the SCO.

- (A) The DFEO should check the project documents to see if the missing required contract documents mentioned in the **NOI** have been received in satisfactorily completed condition. If any or all documents are received before the letter is

sent to the Contractor or Surety, the DFEO will notify the SCO of these changes and revise the letter to be signed by the Chief Engineer.

- (B) After the **NOI** is signed by the Chief Engineer, the SCO will send the letter to the Contractor or Surety with electronic read receipt requested to establish the date the Contractor or Surety received the letter.
- (C) The SCO will include the DFEM, ~~District Construction Engineer (DCE)~~, Surety, and the Prequalifications Specialist, ~~and the Central Office Contracts Administration Manager~~ on all correspondence, including the electronic read receipt.
- (D) The Contractor or Surety and the Department then have three options:
 - (1) If the Contractor or Surety returns the required documents to the Department, the suspension procedure will be halted, as shown in [Rule 14-22, F.A.C.](#), providing all documents are acceptable.
 - (2) If the Contractor or Surety requests an administrative hearing within the time frame specified, this will temporarily halt the suspension procedure, pending the outcome of the hearing. The Clerk of Agency Proceedings shall send ~~a copy of~~ the outcome of the hearing to the DFEM.
 - (a) If the hearing results in a finding that the Contractor or Surety has submitted all the missing required contract documents in a satisfactorily completed condition, then the processing of the payment of the Contractor or Surety's final estimate will continue without further delays.
 - (b) If the hearing results in a finding that the Contractor or Surety has not submitted all the missing required contract documents in a satisfactorily completed condition, then the suspension process outlined in the **NOI** will be conclusive.
 - (3) If no hearing was requested and all required documents are still not received, the DFEM shall notify the Prequalifications Specialist via email that the time frame has expired. The Prequalifications Specialist will take the appropriate action as outlined in the **CPAM 8.7**.

5.7.3 Response to NOF Not Received

If the Contractor does not respond to the **NOF** within thirty (30) days of receipt, the DFEM will prepare a **NOF NOI** to the Contractor. (See [Attachment 5-1](#), Letter 5-09.) The Notice of Administrative Hearing Rights must be included with the **NOI** distribution.

NOTE: This process applies only after the initial 90 days have elapsed. To continue the process, see **RAM 5.8.2**.

5.8 RECOVERY OF OVERPAYMENTS

In addition to the suspension process, steps must be taken to recover money due the Department when the Contractor has been overpaid. The following steps below direct how to recover money due the Department:

5.8.1 No Response from Contractor after 60 Days

If after sixty (60) days from the receipt of the **Offer Letter** there has been no response or payment from the Contractor, the DFEM will send the **Request for Refund** directly to the Surety with electronic read receipt requested to establish the date the Surety received the letter. The DFEM will include the Contractor, the DCE, the Resident Engineer (RE), and the Accounts Receivable (AR) Administrator on the correspondence. (See [Attachment 5-1](#), Letter 5-10.)

5.8.2 No Response from Contractor after 90 Days

If after ninety (90) days from the receipt of the **Offer Letter** there has been no response or payment from the Contractor, the DFEM will send an electronic Recovery of Overpayment Memo (See [Attachment 5-1](#), Letter 5-11) to the DCE. The memo will request the DCE to determine if there are any negotiations in progress to reduce or eliminate the overpayment. The DFEM will include the Central Office Chief Civil Litigation Counsel on the correspondence.

5.8.3 No Response from the Contractor after 120 Days

If after thirty (30) days from the date of the memo to the DCE, there are no negotiations underway, the DFEM will send an electronic Recovery of Overpayment Memo [to the Central Office (CO) Chief Civil Litigation Counsel] (See [Attachment 5-1](#), Letter 5-12) advising collection of the overpayment through legal means. The DFEM will include the SCO and the AR Administrator on the correspondence. See [Procedure 350-060-303, Accounts Receivable, Section 17](#), for the process to be used in collecting delinquent accounts.

5.8.4 Receipt of Overpayment Check from Contractor

If a check to reimburse the Department for an overpayment is received by the DFEM from the Contractor or Surety, then the DFEM should process the check following the procedures set forth in the Receipt Processing System (RPS) and [Procedure 350-080-300, Receipt Processing](#) and notify the AR Administrator that payment has been received. The DFEM shall log receipts as soon as they are received into RPS. The receipt must be included when the final estimate is passed to the OOC for further processing and contract closure.

5.9 OFFSETTING PAYMENTS

This section describes how to facilitate collection of funds owed to the Department as a result of the bona fide judgment, settlement, arbitration order, or final adjudication. 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 payments to the Contractor.

5.9.1 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.
- (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. As well as 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(s), 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.S.](#)

- (D) The AR Administrator should be notified when the Department requests reimbursement from the Contractor and should be included in all correspondence to the Contractor. Receipt of payment should be submitted to RPS 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 AR Administrator. See [Procedure 350-060-303, Accounts Receivable, Section 17](#), for the process to be used in collecting delinquent accounts.

5.9.2 Identify Donor Contract

Should the Contractor have multiple active contracts with the Department:

- (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 Donor Contract selected with **Form 700-010-31, Memorandum of Overpayment**.
 - (1) 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 OOC, DOO, Contract Payment Section before an agreement is made.
- (D) The OOC, DOO, Contract Payment Section will notify the AR Administrator when offsetting payments are withheld from the Contractor on the Donor Contract.

5.10 FORFEITURE OF AMOUNTS DUE

[Section 337.141\(4\), F.S.](#), 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 Letter**, whichever is later.

5.10.1 Exemption from Forfeiture

The forfeiture will not apply to documents that are the subject of existing claims or pending lawsuits.

5.10.2 Forfeiture Requirements

If all documents required to close out a contract have not been received, the DFEM will notify the Contractor of pending forfeiture at least sixty (60) days before the forfeiture. The DFEM will send the ***Impending Forfeiture Letter to the Contractor*** (See [Attachment 5-1](#), Letter 5-13.) with electronic read receipt requested to establish the date the Contractor received the letter. The DFEM will include the Surety and the DCE on the correspondence. If the Contractor does not respond, the forfeiture process shall continue.

If the job is federally funded, send an ***Impending Forfeiture Letter to the FHWA*** (See [Attachment 5-1](#), Letter 5-14.) to obtain its assurance that federal funds will not be withheld from the Department because of non-receipt of federal documents.

5.10.3 Forfeiture and Contract Closure

~~After~~Upon coordination with FHWA, if Federal Funds are within the contract, notify the OOC, DOO, Contract Payment Section with a ***Form 700-050-37, Contract Estimate Transmittal - Action Request*** (previously known as Global Memo) to close the contract and consider any amounts due the Contractor to be forfeited.

5.11 PASS PROCESS

Once the Contractor has returned all the required documents for a given contract, the ***Project Materials Certification Letter (PMCL)*** has been received from the State and/or District Materials Office, and the documents have been deemed satisfactory, the contract is passed to the OOC, DOO, and Contract Payment Section for handling. The process of preparing and distributing document packages to facilitate payment and/or closure of the contract is known as a Pass. There are two (2) types of Passes: Regular and Qualified.

- (A) Regular Pass: When the Contractor submits a ***Regular Acceptance Letter***, the final estimate is paid and the contract is closed. This is also known as status 50 in the Florida Accounting Information Resource (FLAIR).
 - (1) Value Added - Regular Pass: See ***RAM 5.12.1*** for when the Contractor submits a ***Regular Acceptance Letter*** on a contract with value added features.

- (B) Qualified Pass: When the Contractor submits a **Qualified Acceptance Letter**, the final estimate is paid and the contract is placed into Qualified Reserve status. The contract is not closed and will remain active. This is also known as a status 10 in FLAIR. (See **RAM 5.11.2**.)

5.11.1 Pass Packages

The same document packages are created for both types of Passes. These packages are known as the Disbursement Package, the Federal Aid Package, and the **Final Estimates Documentation** (formerly known as the **Final Estimates Package**). Distribution and other requirements of the packages are covered in the descriptions below.

- (A) The Disbursement Package, sent to the OOC, DOO, Contract Payment Section, consists of the **Form 700-050-37, Contract Estimate Transmittal - Action Request** and other documents necessary to process the final estimate, including the **Acceptance Letter**, final estimate, copies of settlement agreements, and court orders as appropriate to the contract. Additional comments or requests for action can be included in the space provided on **Form 700-050-37, Contract Estimate Transmittal - Action Request**. Include the DCE on the distribution.
- (1) **Form 700-050-26, Final Interest Payment Log** shall be used to calculate the payoff date required on the **Form 700-050-37, Contract Estimate Transmittal - Action Request** and the spreadsheet will be submitted to the OOC, DOO, Contract Payment Section for their use.
- (B) The Federal Final Pass Package is sent to the Federal Aid Management Office per the Federal Final Pass Desk Procedure with the documents necessary to satisfy the requirements of FHWA. (See [Attachment 5-1](#), Letter 5-15.)
- (C) The **Final Estimates DocumentationPackage** reflects the minimum documentation necessary to be in **EDMS** upon contract closure. These documents are identified on **Form 700-050-20, Final Plans and Estimate Transmittal**.

5.11.2 Qualified Acceptance Management and Tracking Qualified Acceptance Issues

- (A) At the time of a Qualified Pass, send a ***Receipt of Qualified Acceptance Letter*** (See [Attachment 5-1](#), Letter 5-16) to the Contractor advising 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. Include the DCE and RE on the correspondence regarding the ***Qualified Acceptance Letter***.

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 time frame, 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 Partial Payment and Acceptance Letter of Partial Payment*** (See [Attachment 5-1](#), Letter 5-17 and Letter 5-17-A) to the Contractor and include the DCE and RE on the correspondence. This letter advises the Contractor of partial settlement of qualified acceptance issues. Use Section B of the letter to identify the outstanding issues.
- (C) When there is full acceptance on all issues within the original ***Qualified Acceptance Letter***, send a ***Letter of Full Payment and Acceptance Letter of Full Payment*** to the Contractor that states all qualified issues have been resolved (See [Attachment 5-1](#), Letter 5-18 and 5-18-A).
- (D) Complete the Regular Pass to remove the contract from Qualified Reserve status and close the contract.

5.12 CONTRACT CLOSURE

5.12.1 Value Added Contracts

- (A) ***Form 700-050-37, Contract Estimate Transmittal - Action Request*** will be used to notify the Office of Comptroller, District Materials Office, and District Compliance Manager that the contract is a value-added contract.
- (B) All contracts, except Traffic Marking contracts, will be placed in Status 52 – Value Added - Regular Pass.

- (C) Contracts with Traffic Markings warranties, will remain open (Status 10).
- (D) 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: Value added contracts 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 required in **RAM 5.11.1**.

5.12.2 Time Limit on SuitsClaims

When a contract has been placed in Qualified Reserve status, the Contractor has 820 days from final acceptance date ~~of the job~~ to file a suit/claims or pursue arbitration.

NOTE: ~~Due to the filing process of a claim by the Contractor, there could be an additional 120 days.~~ When the DFEM prepares and sends the **Form 700-050-37, Contract Estimate Transmittal - Action Request** to the Comptroller's Office, the District Special Council in the Central Office will be included in the correspondence. The DFEM shall also send the following letters to the Central Office District Special Council: **Memo of Impending Contract Close Out, Contract Close Out Letter, and Closeout due to Legal Settlement Letter**. All project records should be entered in **EDMS** and maintained for the appropriate retention period.

5.12.3 Notification of Impending Closure

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** at the end of the specified time frame, send a **Memo of Impending Contract Close Out** to the DCE and the RE requesting evidence that litigation or an arbitration ~~claim~~ was filed ~~within the required period~~ (See Attachment 5-1, Letter 5-19.). Include the Central Office, Chief Civil Litigation Counsel on the correspondence. Proceed to RAM 5.12.4 after a 14-day waiting period.

5.12.4 Contract Close Out

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, DOO, Contract Payment Section, of this action on **Form 700-050-37, Contract Estimate Transmittal - Action Request**. Include the Central Office, Chief Civil Litigation Counsel and the DCE on the correspondence. Then, send the Contractor a **Contract Close Out Letter**. (See Attachment 5-1, Letter 5-20.)

5.12.5 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, send a **Closeout due to Legal Settlement Letter** to the Contractor (see [Attachment 5-1](#), Letter 5-21). Notify the OOC, DOO, Contract Payment Section, of this action on **Form 700-050-37, Contract Estimate Transmittal - Action Request**. Include the Central Office Chief Civil Litigation Counsel and the DCE in the correspondence.

5.12.6 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 the Contractor a **Request for Regular Acceptance Letter** (see [Attachment 5-1](#), Letter 5-22).

The execution and receipt 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. Send **Form 700-050-37, Contract Estimate Transmittal - Action Request** to the OOC advising that no further monies are due and the contract may be closed.

5.12.7 Final As-Built Plans

At the close out of the final estimate, the responsible District will ensure the **Final As-Built Plans** are inputted and indexed with the proper attribution in **EDMS**. Within ten (10) business days of contract close out, the **Final As-Built Plans** shall be available electronically.

5.12.8 Project Collaboration Site

To reduce costs to the Department, project collaboration sites are set to close 120 days after Final Acceptance. If the responsible District needs the collaboration site to remain open for coordination with the Contractor or project personnel, send a request to the District Administrator for the collaboration site to remain open and include a detailed reason why the collaboration site is needed.

5.12.9 Unpaid Bills Notice from Subcontractor

If there are any unpaid bill notices from Subcontractor after the contract has been closed, an **Unpaid Bills Notice** will be sent to the Contractor. (See [Attachment 5-1](#), Letter 5-23.) For further information, see **CPAM 6.1**.

5.13 ATTACHMENT

[Attachment 5-1](#) Final Estimates Boilerplate Letters

Attachment 5-1 BOILERPLATE LETTERS

Final Estimate Boilerplate Letters can be found on the [State Final Estimate SharePoint site](#) (Internal Use Only) in editable format.

NOTE: The letters are used to convey necessary information to concerned parties throughout the close out process. The letters and memos are templates containing common boilerplate language. The DFEO representative will choose the appropriate paragraphs for a specific contract and delete the paragraphs and instructions which do not apply. No boilerplate letter can 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 (such as addressing bonds or value-added items).

Letter 5-01 <u>Letter 5-01</u>	Unpaid Bills Response Letter (to Claimant)
Letter 5-02 <u>Letter 5-02</u>	Request for Good Cause Letter
Letter 5-03 <u>Letter 5-03</u>	Unpaid Bills Response Letter (due to Good Cause)
Letter 5-04 <u>Letter 5-04</u>	Notification of Findings (NOF)
Letter 5-04-A	<u>Acceptance Letter of NOF</u>
Letter 5-05 <u>Letter 5-05</u>	Final Notice of Missing/Incomplete Documents (80 Day Letter)
Letter 5-06 <u>Letter 5-06</u>	Notification of Intent (NOI) to Suspend Certification of Qualification
Letter 5-07 <u>Letter 5-07</u>	NOI to Declare Non-Responsible
Letter 5-08 <u>Letter 5-08</u>	NOI to Suspend Qualification to Issue Bonds
Letter 5-09 <u>Letter 5-09</u>	NOF NOI
Letter 5-10 <u>Letter 5-10</u>	Request for Refund (to Surety)
Letter 5-11 <u>Letter 5-11</u>	Recovery of Overpayment Memo (to the DCE)
Letter 5-12 <u>Letter 5-12</u>	Recovery of Overpayment Memo (to the CO Chief Civil Litigation Counsel)
Letter 5-13 <u>Letter 5-13</u>	Impending Forfeiture Letter to the Contractor
Letter 5-14 <u>Letter 5-14</u>	Impending Forfeiture Letter to FHWA
Letter 5-15 <u>Letter 5-15</u>	Federal Final Pass Package Memo
Letter 5-16 <u>Letter 5-16</u>	Receipt of Qualified Acceptance Letter
Letter 5-17 <u>Letter 5-17</u>	Letter of Partial Payment
Letter 5-17-A	<u>Acceptance Letter of Partial Payment</u>
Letter 5-18 <u>Letter 5-18</u>	Letter of Full Payment
Letter 5-18-A	<u>Acceptance Letter of Full Payment</u>
Letter 5-19 <u>Letter 5-19</u>	Memo of Impending Contract Close Out

~~Letter 5-20~~ Letter 5-20..... Contract Close Out Letter
~~Letter 5-21~~ Letter 5-21..... Closeout due to Legal Settlement Letter
~~Letter 5-22~~ Letter 5-22..... Request for Regular Acceptance Letter
~~Letter 5-23~~ Letter 5-23..... Unpaid Bills Notice