



Exhibit B – METHOD OF COMPENSATION

FDOT DISTRICT 4 RTMC OPERATIONS CONTRACT SAMPLE

EXHIBIT "B"
METHOD OF COMPENSATION
FOR
FLORIDA DEPARTMENT OF TRANSPORTATION
DISTRICT FOUR
DISTRICTWIDE TRANSPORTATION MANAGEMENT CENTER (TMC) OPERATIONS CONTRACT
FINANCIAL PROJECT NUMBERS: 436198-2-82-01, 436198-2-82-03, 436198-2-82-04, 436198-3-82-01 & VARIUOS

1.0 PURPOSE:

This Exhibit defines the limits and method of compensation to be made to the VENDOR for the services set forth in Exhibit "A" Scope of Services and the method by which payments shall be made.

2.0 COMPENSATION:

For the satisfactory performance of services detailed in Exhibit "A" Scope of Services, the winning VENDOR'S Exhibit "C" Price Proposal amount shall become this Agreement's "Maximum Limiting Amount." The VENDOR'S Maximum Limiting Amount (a.k.a. the Budgetary Ceiling) of this Agreement is **\$ TBD**. The VENDOR shall be paid up to the Maximum Limiting Amount for the term of this Agreement. It is agreed that this amount will be the limit of all compensation due the VENDOR for performance of the services described in Exhibit "A" Scope of Services. The VENDOR shall not provide services that exceed the maximum limiting amount without an approved Supplemental Agreement from the DEPARTMENT.

The total amount of this agreement is expected to be funded by multiple appropriations and the State of Florida's performance and obligation to pay under this Agreement is contingent upon annual appropriation by the Legislature.

It is agreed that the VENDOR will not be obligated to perform services nor incur costs which would result in exceeding the funding currently approved, nor will the DEPARTMENT be obligated to reimburse the VENDOR for costs or make payments more than currently established funding. The DEPARTMENT will provide written authorization (by Letter of Authorization (LOA) or with an email LOA) if and when subsequent funding is approved and encumbered for this contract. The DEPARTMENT shall issue a LOA for services to start for both the transition period and the full services.

Any unused prior year funds will automatically transfer to the following year's budget until the end of the contract term.

The VENDOR shall not provide services that exceed the Fiscal Year amount(s) without an approved Supplemental Agreement from the DEPARTMENT.

2.1 Method of Compensation

Exhibit "C" Price Proposal of this Agreement has been formatted to have a combination method of compensation. The combination consists of: "Lump Sum," "Loaded Billing Rate," and "Reimbursement" methods of compensation.

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2.1.1 Lump Sum Compensation

The Exhibit "A" Scope of Services contains services that are well defined, and the level of effort is reasonably predicted. For these services the VENDOR has provided a Lump Sum price for the term of the Agreement. The Lump Sum locks the VENDOR's operating margin for the five-year term of the Agreement. The Contractor shall be paid in sixty (60) monthly payments at the periodic payment amount less any applicable deductions. Periodic Payment amount is the Lump Sum amount divided into 60.

The services listed below are priced as Lump Sum in Exhibit "C" Price Proposal:

- Project Management
- Control Room Operations Services
- Operations Services – Freeways and Tunnel
- Operations Services – Managed Lanes and Ramp Signaling
- Operations Services – Arterials
- Intelligent Transportation System (ITS) Maintenance Oversight Services
- Traffic Incident Management Support Services
- TMC Supporting Personnel Services
- Miscellaneous Operations Support Services
- TSM&O Information Technology (IT) Services

Transition Period (October 2024 to December 2024) lump sum payment amount will be \$130,000 less any applicable deductions billable at the end of the Transition Period (October 2024 to December 2024).

2.1.2 Optional Services Compensation

The Exhibit "A" Scope of Services also contains services that are not well defined, and the level of effort cannot be reasonably predicted. The DEPARTMENT will provide written authorization by Letter of Authorization (LOA) or with an email LOA for optional services.

For these services the VENDOR shall provide a "Loaded Billing Rate" for the term of the Agreement. The Loaded Billing Rates lock the VENDOR's operating margin for the five-year term of the Agreement., which are priced as Loaded Billing Rates in Exhibit "C" Price Proposal:

- Special Projects and Future Services, which are not outlined in the scope.
- Traffic Operations and ITS Services, which are not outlined in the scope.

The staff noted here shall be the same staff listed by the VENDOR in the Technical Proposal. Work assignments shall be negotiated by the parties based on the billing rates. The services priced as Loaded Billing Rates in Exhibit "C" Price Proposal were priced as a loaded billing rate for the duration of the contract term. The Loaded Billing Rates shall contain the VENDOR staff salaries, overhead, fringe benefits and operating margin. Payment for expenses shall be made on the basis of actual allowable costs incurred as authorized and approved by the DEPARTMENT.

The VENDOR shall receive in compensation the workhours negotiated and authorized by the

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DEPARTMENT for completing services associated with Special Projects and Future Services, as well as Traffic Operations and ITS Services.

Payment shall be made to the VENDOR for services provided. The invoice shall include a summary of the hours provided and a progress report.

The DEPARTMENT has pre-established a \$1,000,000 budgetary ceiling or \$200,000/year cap over the five-year contract term for optional services. The DEPARTMENT shall not guarantee any minimum or maximum amount of work under this section. The DEPARTMENT, at its sole discretion, shall assign work on an as-needed basis and may decrease or increase the pre-established cap or use for other services specified in the scope of services.

2.1.3 Reimbursable Services Compensation

The DEPARTMENT will reimburse the VENDOR for the following costs:

- Internet (Needs to meet the requirements specified in Exhibit A – Scope of Services)
- Leased Office Space (If needed, and approved by the DEPARTMENT'S Project Manager.)
- Travel Costs (If needed and approved by the DEPARTMENT'S Project Manager.)
- Software, Software Licenses, and any other IT related DEPARTMENT requests (If needed, and approved by the DEPARTMENT'S Project Manager.)

The Department has pre-established a \$380,000 budgetary ceiling over the five-year contract term for reimbursement.

3.0 PROGRESS PAYMENTS:

The VENDOR shall submit the monthly progress report to the DEPARTMENT'S Project Manager by the 15th business day of the following month. This progress report shall include, but not limited to, work conducted during the reporting period, service hours provided, budget status and tracking, and a summary of public outreach activities/training.

The VENDOR shall submit the monthly invoice in a format acceptable to the DEPARTMENT. Payments for Lump Sum, Loaded Billing Rate, and Reimbursement costs shall be made in the following manner:

3.1 Payment for Lump Sum Services

The services priced as a Lump Sum in Exhibit "C" Price Proposal were priced on a yearly basis. The VENDOR may receive in compensation a portion of the yearly Lump Sum amount for each of these services equal to the percentage of services completed, as approved by the DEPARTMENT. The Lump Sum amounts shall contain the VENDOR staff salaries, overhead, fringe benefits, expenses, and operating margin.

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3.2 Reimbursable Services

Throughout the term of this CONTRACT, the VENDOR shall be reimbursed for all fixed and recurring costs associated with the following services: (1) Internet, (2) Additional Leased Office Space, (3) Travel Costs and (4) Software, Software Licenses, and any other IT related DEPARTMENT requests.

Cellular Communication Services are considered as part of overhead costs and shall not be reimbursed throughout this contract.

The invoice shall include supporting documentation related to the billed amount. Invoices for reimbursement shall include supporting documentation related to the billed amount. The invoices and supporting documentation shall reflect the actual expense incurred; therefore, they shall not include overhead or any other upcharge. All travel shall be in accordance with 112.061, Florida Statutes.

4.0 INVOICE SUBMITTALS:

Invoices shall be submitted for approval and processing electronically to the Florida Department of Transportation (FDOT) Contract Project Manager.

5.0 AUTHORIZATIONS:

The DEPARTMENT will provide written authorization for each fiscal year. The VENDOR shall not provide services until receipt of the written authorization. For each "Letter of Authorization" (LOA) the VENDOR, following the Scope of Services as set forth in Exhibit "A", shall prepare an estimate of work and price based on the rates established in Exhibit "C". Once an acceptable Maximum Amount has been agreed upon by the VENDOR and the DEPARTMENT'S Project Manager, a "Letter of Authorization" shall be issued by the DEPARTMENT'S Project Manager (or designee) to authorize the specific work to be done and the funding allocated. The DEPARTMENT'S Project Manager shall issue a Notice to Proceed (NTP) containing both the start of the transition period and the full services anticipated to start on Dec 31, 2024. All work authorizations shall be completed within the term of this Agreement.

6.0 TANGIBLE PERSONAL PROPERTY:

This contract does not involve the purchase of Tangible Personal Property, as defined in Chapter 273, F.S.