This chapter outlines statutory requirements that the FDOT must adhere to.

Statutory Authority

The term “Project Manager” is used to identify the FDOT’s assigned individual responsible for enforcing performance of contract terms and conditions. The terms “Contract Manager” and “Department Managers” used in the Florida Statutes (F.S.) are synonymous with “Project Manager”.

Subsection 334.048, F.S.

“**Legislative intent with respect to department management accountability and monitoring systems**. The department shall implement the following accountability and monitoring systems to evaluate whether the department’s goals are being accomplished efficiently and cost-effectively, and ensure compliance with all laws, rules, policies, and procedures related to the department’s operations:”

“. . . (5) All department managers shall be accountable for the implementation and enforcement of all laws, rules, policies, and procedures adopted for their areas of responsibilities.”

“. . . Such systems are herein established to quickly identify and resolve problems, to hold responsible parties accountable, and to ensure that all costs to the taxpayer are recovered.”

Subsection 287.057(15)(a), F.S.

“For each contractual services contract, the agency shall designate an employee to function as contract manager who is responsible for enforcing performance of the contract terms and conditions and serve as a liaison with the contractor.”

“…(b)… The Chief Financial Officer shall establish and disseminate uniform procedures pursuant to s.17.03(3) to ensure that contractual services have been rendered in accordance with the contract terms before the agency processes the invoice for payment. The procedures must include, but need not be limited to, procedures for monitoring and documenting contractor performance, reviewing and documenting all deliverables for which payment is requested by vendors, and providing written certification by contract managers of the agency’s receipt of goods and services.”

Subsection 287.057(16), F.S.

“Each agency shall designate at least one employee who shall serve as a contract administrator responsible for maintaining a contract file and financial information on all contractual services contracts and who shall serve as a liaison with the contract managers and the department.”

Enforcing the Contract

The Project Manager must ensure that the acquired product or services meets the established project schedule, meets or exceeds industry standard for quality, is delivered at a fair and a reasonable cost and complies with all federal or special regulations.

The Project Manager has responsibility to objectively evaluate the consultant’s performance. Continual monitoring can assist in identifying and reducing fiscal or program risks, which include the following:

- Understand the work to be performed by reviewing contract provisions, scope of work, technical requirements, completion dates, benchmarks, timelines, estimated quantities, dollar amounts, and final product.
- Ensure that funding is available to pay for all services rendered. Identify low spending levels and consider partial dis-encumbrance and reassignment of funds.
- Establish project schedule and notify the consultant when to begin work.
- Maintain all contract documentation.
- Ensure services are performed in accordance with approved quality control plan.
- Ensure work is completed and accepted by the FDOT before the contract expires.
- Approve the final products or service.
- Assess and request amendments, renewals or new contracts as required. Allow time to process and execute such changes before the contract expires or funds are depleted in order to prevent a lapse in service.
- Review and approve invoices for payment to substantiate expenditures for work performed and to prevent penalties being assessed.
- Monitor use of Disadvantaged Business Enterprise (DBE) subconsultants to ensure attainment of approved contract participation goals.
- Verify that the Consultant has fulfilled all requirements of the contract before approving the final invoice.
- Complete the final Consultant Evaluation (see ***PMG 235 Consultant Evaluation***)

Contract Cost Analysis

Project Managers should perform a contract cost analysis for proposed contract terms. Contract cost analysis is the review and evaluation of the separate cost elements and profit in a Consultant's proposal including:

- Cost or pricing data.
- Information other than cost or pricing data.
- The application of judgment to determine how well the proposed costs represent what the contract should cost, assuming reasonable economy and efficiency.

Reviewing Invoices

Invoices are to be reviewed and paid promptly in accordance with statutory provisions (***Section 215.422. F.S.***). The Consultant should provide supporting documentation evidencing the delivery of services prior to the payment request. The Project Manager must verify:

- The payment request billing period agrees with submitted documentation.
- Amount(s) invoiced are in accordance with the contract for the services received.
- Services were rendered within the terms of the agreement and were satisfactory.
- Costs are reasonable, allowable and necessary.

A cost is ***reasonable*** if the cost does not exceed that which would be incurred by a prudent person in the conduct of a competitive business. In determining reasonableness, consideration should be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the state or federal award.
- The restraints or requirements imposed by such factors as: sound business practices; arms-length bargaining; state, federal and other laws and regulations; and terms and conditions of the state or federal award.
- Market prices for comparable goods or services.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the state or federal government.
- Significant deviations from the established practices of the governmental unit which may unjustifiably increase the state or federal award's cost.

A cost is ***allowable*** if it is expressly provided in regulatory or contractual provisions. The FDOT may refuse to allow costs incurred by the Consultant that is either unreasonable in amount, or contrary to public policy.

A cost is ***necessary*** if it is required to meet the terms of the contract.

Payment Verification

The supporting documentation must provide reasonable assurance that services have been completed.

Payment Verification Actions based on Contract Type	
Type of Contract	**Payment Verification Actions**
Fixed Unit Rate	• Verify that invoice provides unit description and unit price. • Compare units of service to supporting documentation during monthly billing period. • Verify that rate billed coincides with agreement rate.
Fixed Price	• Verify amount requested with the agreement. • Review supporting documentation and determine if minimum performance standards are met.
Cost Reimbursement	• Verify that expenditures are allowable in the agreement budget and pursuant to governing rules and regulations. • Verify that expenditures are directly related to the scope of work, are reasonable, and within the agreement period. • Verify minimum performance standards are met and apply sanctions as needed.
Combination Contracts	• Apply above criteria for appropriate combination.

Resolution of Issues

Project Managers should coordinate the resolution of issues with their supervisor, District Financial Services Staff, Office of Comptroller, Office of Inspector General, and Office of General Counsel.