# Audit of Contract T4477

Report No. 25C-009

September 1, 2026

## What We Did

The Florida Department of Transportation's (Department) Office of Inspector General conducted a contract audit of the Design-Build contract between the Department and Halley Engineering Contractors, Inc. (contractor). Contract T4477 (contract) was awarded for widening and resurfacing lanes from State Road (SR) 70 to north of Picos Road and from north of Picos Road to north of the SR 9 (I-95) overpass in St. Lucie County. The improvements include reconstruction, widening, milling and resurfacing, sidewalks, a shared-use path, and drainage improvements.

The original contract amount was $45,221,785.65. The 19 Supplemental Agreements (SAs) have added 96 days of contract time and $791,712 in additional compensation, representing increases of 7.08 percent in contract time and 1.75 percent in contract value, respectively.

## What We Concluded

We concluded District Four's management controls relating to the Department's processes and procedures for Contract T4477 SAs provided reasonable assurance that all 23 selected requirements outlined in Florida Statutes, Department guidelines, and contractual obligations were met or were not applicable. Specifically, **we determined**:

- The 19 SAs issued for additional contract costs under Contract T4477 complied with the 15 selected requirements outlined in Section 337.11(9)(b), Florida Statutes (2018), and the Construction Project Administration Manual or the requirement was not applicable.
- The three SAs issued for time extension requests complied with the eight selected requirements outlined in the Construction Project Administration Manual; and the Standard Specifications for Road and Bridge Construction.

## What We Recommend

This report does not contain recommendations, as the audit found District Four's management controls related to the Department's processes and procedures for Contract T4477 SAs complied with Florida Statutes, Department guidelines, and contractual obligations.

## TABLE OF CONTENTS

## BACKGROUND AND INTRODUCTION

The Florida Department of Transportation's (Department) Office of Inspector General conducted a contract audit of the Design-Build contract between the Department and Halley Engineering Contractors, Inc. (contractor). Contract T4477 was awarded for widening and resurfacing lanes from State Road (SR) 70 to north of Picos Road and from north of Picos Road to north of the SR 9 (I-95) overpass in St. Lucie County. The improvements include reconstruction, widening, milling and resurfacing, sidewalks, a shared-use path, and drainage improvements.

The original contract amount was $45,221,785.65. The 19 Supplemental Agreements (SAs) have added 96 days of contract time and $791,712 in additional compensation, representing increases of 7.08 percent in contract time and 1.75 percent in contract value, respectively. However, only 3 of the 19 SAs requested an extension of time. See Tables 1 and 2 for the summary of contract changes.

**Table 1: Summary of Contract Changes**

| | Contract Cost | Contract Time |
|---|---|---|
| Original Contract Amount | $ 45,221,785.65 | 1,355 |
| Total SA Amount | $ 791,712.01 | 96 |
| Present Amount | $ 46,013,497.66 | 1,451 |
| Percent Change | 1.75% | 7.08% |

Source: Contract T4477

### Table 2: Contract Changes Impacting Cost and/or Time

| Contract Changes Impacting Cost and/or Time | | | |
|---|---|---|---|
| **SA No.** | **Cost** | **Time** | **Description** |
| 9 | $221,109.02 | - | Lump-sum for temporary drainage pipes per Plan Revision No. 2 to maintain positive drainage during all phases. |
| 15 | ($1,173,393.62) | - | Incorporated a Cost Saving Initiative through a plan revision that substituted Ditch Lining Rubble Riprap in lieu of Bank and Shore Rubble Riprap revetment |
| 22 | $60,532.85 | - | Amended the contract for revised pay items and quantities associated with elliptical pipe. Removal of existing concrete was deferred and was reflected as an overrun later date at the contract unit price. |
| 33 | $7,346.74 | - | Added pay items and quantities for Valley Gutter and Mitered End Sections that were not included in the original contract. |
| 40 | $92,045.33 | - | Provided Compensation to the contractor for additional work related to the preparation and restoration for the project in response to State of Emergency declared for Hurricane Dorian. |
| 43 | $79,651.45 | - | Removed unsuitable material from the bottom of the existing canal and replaced it with suitable material in accordance with the Geotechnical Engineer’s recommendations. |
| 49 | $9,689.66 | - | Included additional work required to relocate the foundation for Traffic Signal Mast Arm (TSMA) A-2. |
| 56 | ($98,906.79) | - | Reduced the contract amount to reflect a change in pavement design from concrete to asphalt, implemented to prevent closure of the intersection during construction. |
| 59 | $5,082.82 | - | Provided Compensation to the Contractor for the additional work for the State of Emergency declared for Hurricane Isaias. |
| 70 | $14,823.06 | - | Included materials and work to replace the originally designed light pole with a shorter pole to avoid newly add powelines. |
| 72 | $149,760.00 | - | Incorporated a Contingency Supplemental Agreement. |
| 76 | $45,368.31 | - | Added temporary pavement required for a special detour to maintain access to local businesses. |
| 86 | $28,898.70 | 10 | Included additional pay items for temporary pavement associated with a special detour to maintain access to businesses. |
| 91 | $61,626.00 | - | Added pay items for special detour access to businesses and to install an additional drainage structure. |
| 107 | ($105,072.33) | - | Reduced contract amount because the contractor rescinded Notice of Intent No. 16 due to concrete supply shortages. |
| 110 | $2,532.48 | - | Compensated the contractor for preparatory activities undertaken in response to the State of Emergency declared for Hurricane Ian. |
| 117 | $8,878.68 | 11 | Funded a special access detour to correct a drainage issue and modify the curb cut ramp location. 11 non-compensable days were recorded under SA No. 128 as a placeholder. |
| 120 | $1,260,220.94 | 75 | Added pay items necessary to correct pavement failure. |
| 134 | $121,518.71 | - | Created to finalize the Final Settlement, including added pay items for Fabric Form Riprap, extra work to correct calculation errors, and negotiated pricing for thermoplastic materials. |
| **Total** | **$791,712.01** | **96** | |

Source: Contract T4477

## RESULTS OF REVIEW

Our objective for the engagement was to determine if Contract T4477[1] (contract) Supplemental Agreements (SAs) issued for contract costs and time extensions complied with applicable requirements outlined in Section 337.11(9)(b), Florida Statutes (2018); the Construction Project Administration Manual (CPAM); and the Standard Specifications for Road and Bridge Construction.

District Four's management controls relating to the Department's processes and procedures for Contract T4477 SAs were in compliance with all 23 selected requirements outlined in the Florida Statutes, Department guidelines, and contractual obligations or the requirements were not applicable.

### Finding 1 – Contract Costs

**We determined** that the 19 SAs issued for additional contract costs under Contract T4477 either complied with all 15 selected requirements outlined in Section 337.11(9)(b), Florida Statutes, and the Construction Project Administration Manual or the requirement was not applicable.

The 15 requirements used to evaluate compliance with federal regulations, Florida Statutes, and Department policies and standard operating procedures were selected from the following criteria:

- CPAM Section 2 Project Scheduling
    - 2.1.3 General
    - 2.1.5 Revised Schedules and Monthly Updates
    - 2.1.7 Withholding Progress Payments
- CPAM Section 7.3 Supplemental Agreements and Unilateral Payments
    - 7.3.5 Initiating Supplemental Agreements and Unilateral Payments
    - 7.3.6 Establishing Fair and Equitable Value for Significant Change
    - 7.3.8 Obtaining Department Legal Approval
    - 7.3.10 Obtaining Federal Highway Administration Approval (FHWA) and Participation for Construction Contract Changes on Federal Aid Projects
    - 7.3.13 Executing and Processing Supplemental Agreement and Unilateral Payment Documents
    - Guidance Document 7-3-A Documenting the "Engineer's Estimate," the "Basis for Estimate," and the "Entitlement Analysis" for a Contract Change

The following five requirements from the CPAM, Chapter 7.3 (Supplemental Agreements and Unilateral Payments) were selected for testing:

1) The SAs were reviewed by the District General Counsel before sending to Contractor;

[1] Contract T4477 was executed on June 25, 2018, and the final acceptance was on September 8, 2023.

2) The execution authority matched the dollar thresholds;
3) The SAs were executed by the authorized party per entity type with proper seals/witnesses;
4) The SAs contained the required surety signature; and
5) The SAs were dated after funds certification and made effective on the Department execution date.

See Table 3 for compliance testing results.

**Table 3: Supplemental Agreement Compliance**

| Supplemental Agreement compliance | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Legend** | ✓ = Yes | | | | | X = No | | | | | | | - = N/A | | | | | | |
| | **CPAM Criteria** | **Supplemental Agreement No.** | | | | | | | | | | | | | | | | | | |
| | | 9 | 15 | 22 | 33 | 40 | 43 | 49 | 56 | 59 | 70 | 72 | 76 | 86 | 91 | 107 | 110 | 117 | 120 | 134 |
| 1 | 7.3.8 | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2 | 7.3.13(2) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3 | 7.3.13(3)(a) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4 | 7.3.13(3)(b) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | 7.3.13.(1) | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Source: Auditor Testing

The following 8 requirements located within the CPAM, Chapter 7.3 (Supplemental Agreements and Unilateral Payments and Guidance Document 7-3-A (Documenting the "Engineer's Estimate," the "Basis for Estimate," and the "Entitlement Analysis" for a Contract Change) were selected for testing:

1) The SAs, including those initiated in response to contract claims, were supported and documented by an Engineer's Estimate and an Entitlement Analysis;
2) When the SAs included plan changes, the documents listed all revised plan sheets along with the revision for each date;
3) The SAs had additional contract time granted with supporting documentation identifying the delayed critical path activities and the number of non-overlapping delay days attributable to each;
4) The SAs expanded the project's physical limits only as necessary and were compliant with the requirements and remained within the allowable limit of the greater of $100,000 or 10 percent of the original contract amount;
5) The Director of the Office of Construction reviewed and approved all changes to the contract specifications;
6) The SAs including a minor plan change in the plans and specifications were supported by Federal Highway Administration's retroactive written approval;
7) The SAs project paid for additional work at the contract unit price when the work did not constitute a significant change; and
8) The Basis for Estimate included appropriate supporting justification, as required.

See Table 4 for compliance testing results.

### Table 4: Supplemental Agreement Compliance

| Supplemental Agreement compliance | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Legend | ✓ = Yes | | | | | | X = No | | | | | | | | - = N/A | | | | |
| | CPAM Criteria | Supplemental Agreement No. | | | | | | | | | | | | | | | | | | |
| | | 9 | 15 | 22 | 33 | 40 | 43 | 49 | 56 | 59 | 70 | 72 | 76 | 86 | 91 | 107 | 110 | 117 | 120 | 134 |
| 1 | 7.3.5 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2 | 7.3.5.3(A) | ✓ | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ | - | ✓ | - | ✓ | ✓ | ✓ | ✓ | - | ✓ | - | ✓ |
| 3 | 7.3.7 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | ✓ | ✓ | - |
| 4 | 7.3.5.2(A) | ✓ | - | ✓ | ✓ | - | - | ✓ | - | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | - | - | - |
| 5 | 7.3.5.3(C) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | 7.3.10.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | 7.3.6 | ✓ | ✓ | ✓ | X | - | ✓ | ✓ | ✓ | - | X | - | ✓ | ✓ | ✓ | ✓ | - | ✓ | X | ✓ |
| 8 | Guidance 7-3-A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Source: Auditor Testing

The following two requirements from CPAM, Section 2.1 (Project Scheduling) were selected for testing:

1) Weekly progress meetings were held to discuss job progress and determine controlling work items for the next review period; and
2) The monthly updates included SAs.

See Table 5 for compliance testing results.

### Table 5: Supplemental Agreement Compliance

| Supplemental Agreement compliance | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Legend | ✓ = Yes | | | | | | X = No | | | | | | | | - = N/A | | | | |
| | CPAM Criteria | Supplemental Agreement No. | | | | | | | | | | | | | | | | | | |
| | | 9 | 15 | 22 | 33 | 40 | 43 | 49 | 56 | 59 | 70 | 72 | 76 | 86 | 91 | 107 | 110 | 117 | 120 | 134 |
| 1 | 2.1.3 & 2.1.7 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - |
| 2 | 2.1.5 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - |

Source: Auditor Testing

We have no recommendations at this time, as we found the areas reviewed to be compliant.

## Finding 2 – Time Extensions

**We determined** the 3 Supplemental Agreements issued which also had a time extension request complied with all eight selected requirements outlined in the Construction Project Administration Manual; and the Standard Specifications for Road and Bridge Construction.

The following two selected requirements located in CPAM Section 7.2 (Time Extensions) were selected for testing:

1) The SAs had the contractor submit the monthly CPM; and
2) The SAs have CPM schedules that accurately reflect project progress.

See Table 6 for compliance testing results.

**Table 6: Supplemental Agreement Compliance**

| Supplemental Agreement compliance | | | | |
|---|---|---|---|---|
| | **Legend** | ✓ = Yes | X = No | - = N/A |
| | **CPAM Criteria** | **Supplemental Agreement No.** | | |
| | | 86 | 117 | 120 |
| 1 | 7.2.6(1) | ✓ | ✓ | ✓ |
| 2 | 7.2.5.3(1) | ✓ | ✓ | ✓ |

Source: Auditor Testing

The following three selected requirements located in CPAM Section 7.2 (Time Extensions) were selected for testing:

1) The SAs had time extension requests submitted in writing;
2) The SAs had sufficient documentation and justification in their time extension requests; and
3) The SAs had time extension requests documented within the required timeframe outlined in the contract.

See Table 7 for compliance testing results.

**Table 7: Supplemental Agreement Compliance**

| Supplemental Agreement compliance | | | | |
|---|---|---|---|---|
| | **Legend** | ✓ = Yes | X = No | - = N/A |
| | **CPAM Criteria** | **Supplemental Agreement No.** | | |
| | | 86 | 117 | 120 |
| 1 | 7.2.6(2-3) | ✓ | ✓ | ✓ |
| 2 | 7.2.6(2-3) | ✓ | ✓ | ✓ |
| 3 | 7.2.6(4) | ✓ | ✓ | ✓ |

Source: Auditor Testing

We also reviewed the SAs to verify if any Notices of Intent (NOI) were filed by the contractor requesting a time extension. The following three selected requirements located in CPAM Section 7.2 (Time Extensions) were selected for testing:

1) The contractor submitted an NOI prior to submitting the formal time extension request;
2) The NOI adequately specified the reason and time period associated with the request; and
3) The NOI was acknowledged or responded to by the appropriate Department personnel.

See Table 8 for compliance results.

**Table 8: Supplemental Agreement Compliance**

| Supplemental Agreement compliance | | | | |
|---|---|---|---|---|
| | **Legend** | ✓ = Yes | X = No | - = N/A |
| | **CPAM Criteria** | **Supplemental Agreement No.** | | |
| | | 86 | 117 | 120 |
| 1 | 7.2.6(4) | - | - | ✓ |
| 2 | 7.2.6(4) | - | - | ✓ |
| 3 | 7.2.6(4) | - | - | ✓ |

Source: Auditor Testing

We have no recommendations at this time, as we found the areas reviewed to be compliant.

## APPENDIX A – Purpose, Scope, and Methodology

The **purpose** of this engagement was to determine whether:

- SAs issued for additional contract costs under Contract T4477 complied with selected requirements outlined in Section 337.11(9)(b), Florida Statutes; and the Construction Project Administration Manual.
- SAs issued for time extensions under Contract T4477 complied with selected requirements outlined in the Construction Project Administration Manual; and the Standard Specifications for Road and Bridge Construction.

The **scope** of our review was Contract T4477 and the associated contract changes resulting from SA Nos 9, 15, 22, 33, 40, 43, 49, 56, 59, 70, 72, 76, 86, 91, 107, 110, 117, 120, and 134.

The **methodology** included:

- Reviewing copies of all Supplemental Agreements (SAs);
- Reviewing copies of Engineer's Estimates, vendor invoices, and other supporting documents that explain the additional contract costs;
- Reviewing copies of Weekly Progress Meetings and other periodic contract monitoring documents;
- Reviewing copies of monthly Critical Path Method (CPM) schedules;
- Reviewing written time-extension requests submitted by the contractor;
- Reviewing any Notices of Intent filed by the contractor requesting a time extension;
- Validating weather days granted against weather conditions as reported in the weather/Daily reports by Field CEI;
- Validating holidays granted against calendar holidays; and
- Ensuring time extension was used for applicable needs.

## APPENDIX B – Affected Entity Response

On July 17, 2026, Halley Engineering sent an email stating they do not have any comments regarding the report.

## APPENDIX C – Management Response

On August 17, 2026, District Four's Treasure Coast Operations sent an email stating they do not have any comments regarding the report.

## DISTRIBUTION

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Aaron E. Watt, P.E., CPM, Construction Manager, District Four

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Robert F. Hugues, CPA Chief Financial Officer, Halley Engineering Contractors, Inc.

## PROJECT TEAM

Engagement was conducted by:
Bahari Amaya, Auditor

Under the supervision of:
Jovon Merritt, Senior Audit Supervisor
Ryan Moore, Deputy Audit Director for Contracts
Joseph W. Gilboy, Director of Audit

Approved by:
Kristofer B. Sullivan, Inspector General

## STATEMENT OF ACCORDANCE

The Department's mission is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.

The Office of Inspector General's mission is to provide independent and objective investigative and audit services that promote accountability, integrity, and efficiency within the Florida Department of Transportation and its partners.

This work product was prepared pursuant to section 20.055, Florida Statutes, in accordance with the Association of Inspectors General *Principles and Standards for Offices of Inspector General*, and conforms with The Institute of Internal Auditors' *Global Internal Audit Standards*.

Please address inquiries regarding this report to the Department's Office of Inspector General at (850) 410-5800.

## Attachment 1 - Criteria

The following criteria are summaries used for this engagement.

### 2.1.3 General:

The project schedules required on each project should be working documents used by the Contractor to plan and direct the construction project. If the project schedule is not updated by the contractor in a timely manner, this could reflect on the CPPR (Contractor Past Performance Rating) grading as outlined in Section 13.1 of the CPAM (Construction Project Administration Manual). This would be evaluated in category 3 (Timely and Complete Submittal of Documents) within the Contractor's Past Performance Report, Form No. 700-010-25. The Contractor must coordinate their own work with that of the subcontractors and utilities. If used properly, the schedule is a management and communications tool that can be used to anticipate and prevent problems from occurring. These issues shall be discussed during weekly progress meetings.

### 2.1.5 Revised Schedules and Monthly Updates:

**A) Resident Level Responsibilities**

When the contract time is significantly altered by time extensions or supplemental agreements, the Department may request the Contractor to submit a revised Bar Chart or Critical Path Method (CPM) Schedule. Requests for Revised Schedules should be in writing. Revised Schedules must be accepted, accepted as noted or rejected in writing. Rejections must be done so detailing the reason for the rejection. When the contract specifies a CPM Schedule, the schedule should be updated on a monthly basis to coincide with the progress payment period. These updates should include all approved time extensions, and supplemental agreements. These Monthly Updates should be reviewed for accuracy and any significant revisions in logic or duration from the Contract Schedule and previously accepted Monthly Update must be addressed in writing when found to conflict with the contract. Monthly Updates must be accepted, accepted as noted or rejected in writing. Rejections must be done so detailing the reason for the rejection.

### 2.1.7 Withholding Progress Payments:

**(A) Resident Level Responsibilities**

If the Contractor submits a Contract Schedule, Monthly Update or Revised Schedule which indicates completion of the project after the expiration of allowable contract time, Resident staff shall consult with the District Construction Office, State Construction Office and the Office of General Counsel prior to notifying the Contractor of Schedule Revision acceptance.

**7.2.5.3(1) Weather Delays For Projects**:

The contractor provides a schedule which identifies the intended work week, thus determining the scheduled work days and the controlling items of work. If inclement weather effects the contractor's ability to productively perform controlling items of work on one of the scheduled work days as allowed by Specification 8-7, a day is granted.

**7.2.6 Time Extensions Not Related to Weather Delays, Holidays or Special Events:**

1. The Contractor has access to all the required construction forms through the Department provided web-based collaboration site and is to electronically submit all written communication associated with the Contract through the site in accordance with Specification 4-1.
2. When the Contractor submits a request for a time extension after the commencement of a delay and in accordance with Specification 5-12 and 8-7, the standard time extension request form shall be used.
3. When the Contractor submits a time extension request after the elimination of the delay and in accordance with Specification 5-12 and 8-7, the standard time extension request form shall be used.
4. If the information submitted on the standard form is determined to be incomplete or fails to meet the requirements of the contract for consideration as a time extension request, the Resident Engineer will reject it. See Guidance Document 7-2-D for a sample response for these actions.

**7.3.5 Initiating Supplemental Agreements and Unilateral Payments:**

All Supplemental Agreements and Unilateral Payments, including those initiated in response to contract claims, will be supported and documented by an Engineer's Estimate and an Entitlement Analysis (see Guidance Document 7-3-A).

**7.3.5.2 Project Limit and Construction Limit Extensions:**

**(A) Resident Level Responsibilities**

Supplemental Agreements may only be used to expand the physical limits of a project only to the extent necessary to make the project functionally operational in accordance with the intent of the original contract. The cost of any such agreement extending the physical limits of a project shall not exceed $100,000, or ten (10) percent of the original contract amount, whichever is greater.

**7.3.5.3 Plan or Specification Changes:**

**(A) Resident Level Responsibilities**

When a Supplemental Agreement or Unilateral Payment documents plan changes, the plan sheets being revised and the date of revision for each must be listed in the document.

**(C) Central Office Level Responsibilities**

The Director, Office of Construction will review and approve any changes to contract specifications.

**7.3.6 Establishing Fair and Equitable Value for Significant Change:**

Additional work of the type for which a contract unit price is provided shall be paid at such contract unit price unless the additional work constitutes a significant change.

**7.3.7 Determining and Documenting the Basis for Contract Time Adjustments:**

Additional time should be commensurate with the estimated effects the changes will have on the critical path of work shown on the approved work schedule except when the approved work schedule is clearly not representative of actual project performance. When additional time is granted because critical path of work is delayed, the supporting documentation for the contract change shall list the critical path work delayed and number of non-overlapping delay days attributable to each.

**7.3.8 Obtaining Department Legal Approval:**

Obtaining Department Legal Approval: requires the Department's legal staff to review and comment on all contracts prior to award, and on all proposed contractual changes, to determine the legal responsibility for construction, material, or design failures, and to advise on ways to minimize responsibility for such failures.

**7.3.10.2 FHWA Projects of Division Interest:**

All minor changes in the plans and specifications shall be approved in writing by FHWA retroactively. All project changes other than major changes shall be classified as minor changes. FHWA retroactive written approval for all minor changes shall be documented on FHWA Approval - Major and Minor Construction Changes, Form No. 700-010-47. FHWA may elect to approve minor changes by having the document sent to them for signature or by signing the document at the time of a routine field visit.

**7.3.13 Executing and Processing Supplemental Agreement and Unilateral Payment Documents:**

1) A Supplemental Agreement or Unilateral Payment must not be dated prior to the date of certification of availability of funds by the Comptroller's office. Supplemental Agreements and Unilateral Payments shall be dated and effective on the same date as the date of Execution by the Department. Supplemental Agreements and Unilateral Payments will incorporate the same numbering system used for the PrC program contract modification number. No Unilateral Payment shall have the same number as a Supplemental Agreement or a Contingency Supplemental Agreement to that contract.
2) Only the Secretary of Transportation can delegate authority for approval and execution of Supplemental Agreements and Unilateral Payments. That authority is delegated as follows:
   a) For contract changes up to $150,000, all Supplemental Agreement and Unilateral Payment documents shall be approved by the Resident Engineer and shall be executed by the District Construction Engineer;
   b) For contract changes more than $150,000 and up to $500,000, all Supplemental Agreement and Unilateral Payment documents shall be approved and executed by the District Construction Engineer, (and include FHWA approval if identified as a PODI approval action)and a Special Counsel for Construction in Central Office; and
   c) For contract changes more than $500,000.00 and up to $1,000,000, all Supplemental Agreement and Unilateral Payment documents shall be approved and executed by the District Director of Transportation Operations (and include FHWA approval if identified as a PODI approval action)except as follows, the District Construction Engineer may execute the Supplemental Agreement and Unilateral Payment documents after the District Director of Transportation Operations has approved a draft copy of that Supplemental Agreement or Unilateral Payment showing the language and terms being used. A copy of that Supplemental Agreement or Unilateral Payment shall be sent to the Director, Office of Construction; and
   d) For contract changes more than $1,000,000, all Supplemental Agreement and Unilateral Payment documents shall be approved and executed by the District Director of Transportation Operations (and include FHWA approval if identified as a PODI approval action), except as follows, the District Construction Engineer may execute these Supplemental Agreement and Unilateral Payment documents after the District Director of Transportation Operations has approved a draft copy of that Supplemental Agreement or Unilateral Payment showing the language and terms to be used. For contract changes more than $1,000,000.00, the District Construction Engineer or District Director of Transportation Operations, as appropriate, may execute these documents after the Director, Office of Construction has approved a

draft copy of the document showing the language and terms to be used. Director, Office of Construction approval may be obtained via email provided all electronic correspondence documenting said approval is maintained in the contract change file.

3) All original Supplemental Agreement documents must be executed based on the appropriate organizational structure below.
   a) Execution by the Contractor
      - Corporation

   Must be executed by the President or Vice President or, if executed by another person, must include a certified copy of that person's authority to bind the Corporation. When the Supplemental Agreement is not executed by either the President or Vice President, then a Corporate Resolution which designates those individuals who have authority to legally bind the Corporation should be obtained. The Seal of the Corporation must be affixed for a wet ink signature. The above signature must be attested by the Secretary of the Corporation (or an Assistant Secretary) for a wet ink Partnership Must be executed by a person with authority to bind the company and must include a certified copy of that person's authority to bind the company. The signature must be witnessed by two persons for a wet ink signature.

      - Joint Venture

   Must be executed by the attorney-in-fact currently on file with the Department.

      - Manager-Managed Limited Liability Company (LLC)

   Must be executed by a managing member of the LLC or, if executed by another person, must include a certified copy of that person's authority to bind the Company. The above signature must be attested by managing member of the LLC for a wet ink signature.

      - Member-Managed Limited Liability Company

   Must be executed by a majority-in-interest of the members of the LLC or, if executed by another person, must include a certified copy of that person's authority to bind the Company. The above signature must be attested by managing member of the LLC for a wet ink signature.

   b) Execution by the Surety (only required when the cumulative value of all contract changes on this contract will exceed 25% of the original contract amount as a result of this contract change.)
      - The Seal of the Surety must be affixed.
      - If the attorney-in-fact for the Surety is not a Florida Resident Agent, the document must be counter signed by a Florida Resident Agent.

- The Surety's attorney-in-fact and Florida Resident Agent must attach their Power of Attorney, which must be original, or be certified by manual signature, unless an original signature is on file with the Department, or unless evidence is furnished that the Surety has authorized the use of facsimile signatures.
- The Power of Attorney must not contain a limit less than the total contract amount including the amount increased by all contract changes. The Power of Attorney must be certified as valid as of the date the Agent signature.

## ACCOUNTABILITY HOTLINE