FDOT

Florida Department of Transportation

CONTRACTS ADMINISTRATION BULLETIN 19-02
PROGRAM MANAGEMENT OFFICE BULLETIN 19-02

DATE: May 24, 2019

TO: District Directors of Transportation Operations, District Directors of
                 Transportation Development, District Design Engineers, District
                 Construction Engineers, District Structures Design Engineers, District
                 Maintenance Engineers, District Roadway Design Engineers, District
                 Traffic Operations Engineers, District Program Management Engineers,
                 District Consultant Project Management Engineers, District Materials
                 Engineers, District Project Development Engineers, District Estimates
                 Coordinators, District Contracts Administrators

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SUBJECT: **Pushbutton Contracts with Bid Factor**

Pushbutton contracts are used to expeditiously resolve state roadway deficiencies at various locations concerning signalization, signing, pavement, pavement markings and other miscellaneous roadway deficiencies for a pre-determined contract term. Pushbutton contracts may be commonly referred to as Indefinite Delivery/Indefinite Quantity, Job Order, Task Work Order, or Work Document contracts. This contracting process establishes a defined scope of work to be completed by the Contractor and also includes establishing unit cost prices for pre-determined work items which may be completed by the Contractor pursuant to the Department's issuance of Work Documents. The original scope of work as defined by the estimated number of units for each pay item is approximate and represents estimated planned work requirements based on historical or specific project needs. Work Documents will identify the location, description and amount of work to be performed. Under Pushbutton contracting, the Department does not guarantee any maximum quantity, minimum quantity or range of quantities, or work to be performed.

The Department has experienced significant unbalanced bids on Pushbutton contracts. These unbalanced bids limit the amount of work that can be performed under the contract.

Upon implementation as required by this bulletin, the Award of Pushbutton contracts will be based upon the Bid Factor method. Under this method, the Department provides quantities and predetermined Base Unit Prices for pay items which are included in the Contract Plans and Advertisement. In response to the Advertisement, bidders use the Department provided quantities and predetermined Base Unit Prices listed for each item to establish and include in their Bid Price Proposal a single Bid Factor expressed as a number carried out to 3 decimal places. The proposed Bid Factor will be applied to all predetermined pay item Base Unit Prices included in the Advertisement. The Bid Factor of 1.000 shall be 100% of the Base Unit Price, any number above 1.000 will increase the Base Unit Price, and any number below 1.000 will decrease the Base Unit Price. The lowest bidder will be determined by the lowest Bid Factor submitted in response to the Advertisement. Award of the contract is based upon the bidder who submits a responsive and responsible bid with the lowest Bid Factor. An example of a contract unit price calculation is provided below:

Example of Contract Unit Price Calculation:
Base Unit Price ($439.20) x Bid Factor (0.988) = Calculated Contract Unit Price ($433.93)
All Calculated Contract Unit Prices shall be rounded to the nearest penny.

Payment under the Executed contract is based upon actual quantities completed at the Calculated Contract Unit Price.

REQUIREMENTS
The attached modified special provision, ***Award and Execution of Contract (Bid Factor)***, will be required for the contract specifications package. This bulletin provides blanket approval for the use of this Modified Special Provision through December 2019. No further approvals are necessary.

IMPLEMENTATION
This bulletin mandates the use of a single Bid Factor for determining the Award of all Construction Pushbutton and Traffic Operations Pushbutton contracts. Design-Build Pushbutton contracts and Pushbutton contracts which are let using Maintenance Specifications, including Pre-Event, Emergency, and Pushbutton Landscaping, are allowed, but are not required, to use the Bid Factor method.

This change is effective immediately for all Construction and Traffic Operations proposals beginning with July 2019 lettings.

CONTACTS

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AA/SDM/

AWARD AND EXECUTION OF CONTRACT (BID FACTOR)
(REV 4-28-19)

ARTICLE 3-1 is expanded by the following:

The quantities shown on the Bid Price Proposal are approximate and only represent estimated planned requirements based on historical or specific project needs. The Department does not guarantee any maximum or minimum quantity, any range of quantities, or the exact quantities shown for each bid item. Use the Department's quantities and prices listed for each item in the Bid Price Proposal to determine a single bid factor. The bid factor will be used to determine the low bidder; however, actual payment under the awarded contract will be based on actual quantities completed.