

## **003 AWARD AND EXECUTION OF CONTRACT.**

**(REV 7-27-00) (FA 8-3-00) (1-01)**

SECTION 3 (Pages 15-18) is deleted and the following substituted:

### **SECTION 3 AWARD AND EXECUTION OF CONTRACT**

#### **3-1 Consideration of Bids.**

For the purpose of award, after opening and reading the proposals, the Department will consider as the bid the correct summation of each unit bid price multiplied by estimated quantities shown in the proposal. On this basis, the Department will compare the amounts of each bid and make the results of such comparison available to the public. Until the actual award of the Contract, however, the Department reserves the right to reject any or all proposals and to waive technical errors that the Department may deem best for the interest of the State.

The Department reserves the right to delete the bid portion of the utility relocation work from the Contract. When the Department deletes utility relocation work from the Contract, the Department will recalculate the Contract bid tabulations based on the remaining project quantities.

In the event that the Department deletes utility relocation work from the Contract, the utility owner will relocate such utilities in accordance with the utility Relocation Schedule attached to the Specifications Package.

#### **3-2 Award of Contract.**

**3-2.1 General:** If the Department decides to award the Contract, the Department will award the Contract to the lowest responsible bidder whose proposal complies with all the Contract Document requirements. If awarded, the Department will award the Contract within 50 days after the opening of the proposals, unless the Special Provisions change this time limit or the bidder and the Department extend the time period by mutual consent.

Prior to award of the Contract by the Department, a contractor must provide proof of authorization to do business in the State of Florida.

**3-2.2 Bids Exceeding Contractor's Rating:** The Department will address bids exceeding a Contractor's rating, and the resulting impact on the Contractor's qualification to bid, in accordance with Florida Administrative Code Rules 14-22.003 and 14-22.009.

The bidder's proposal guaranties are binding for all projects awarded to the Contractor pursuant to the provisions of this Subarticle.

### **3-3 Cancellation of Award.**

The Department reserves the right to cancel the award of any contract at any time before the execution of the contract by all parties, with no compensation due any of the bidders.

### **3-4 Release of Proposal Guaranty.**

The Department will release all proposal guaranties except those of the two lowest bidders immediately following the opening and checking of the proposals. The Department will immediately release the proposal guaranties of the two lowest bidders after the successful bidder delivers the executed contract and a satisfactory bond to the Department, except that the Department will not retain the proposal guaranty of the next-to-lowest bidder longer than 50 days after the opening of the proposals unless the Department awards the contract to the next lowest bidder prior to the expiration of this time limit.

### **3-5 Contract Bond Required.**

**3-5.1 General Requirements of the Bond:** Upon award, furnish to the Department, and maintain in effect throughout the life of the Contract, an acceptable surety bond in a sum at least equal to the amount of the Contract. Execute such bond on the form furnished by the Department. Obtain a surety that has a resident agent in the State of Florida, meets all of the requirements of the laws of Florida and the regulations of the Department, and has the Department's approval. Ensure that the surety's resident agent's name, address, and telephone number is clearly stated on the face of the Contract Bond.

On contracts of \$150,000 or less, the Department may waive the requirement for all or a portion of a surety bond if it determines that the project is of a noncritical nature and nonperformance will not endanger the public health, safety, or property. The Department may require alternate means of security if it waives the requirement for a surety bond.

**3-5.2 Continued Acceptability of Surety:** Provide a surety bond that remains acceptable to the Department throughout the life of the Contract. In the event that the surety executing the bond, although acceptable to the Department at the time of execution of the Contract, subsequently becomes insolvent or bankrupt, or becomes unreliable or otherwise unsatisfactory due to any cause that becomes apparent after the Department's initial approval of the company, then the Department may require that the Contractor immediately replace the surety bond with a similar bond drawn on a surety company that is reliable and acceptable to the Department. In such an event, the Department will bear all costs of the premium for the new bond, after deducting any amounts that are returned to the Contractor from his payment of premium on the original bond.

**3-5.3 Default by Contractor:** In case of default on the part of the Contractor, the Department will charge against the bond all expenses for services incidental to ascertaining and collecting losses under the bond, including accounting, engineering, and legal services, together with any and all costs incurred in connection with renegotiation of the Contract.

**3-5.4 Surety to Furnish Legal Defense:** The surety company shall indemnify and provide defense for the Department when called upon to do so for all claims or suits against the Department arising out of the Contract. It is expressly understood that the monetary limitation on the extent of the indemnification shall be the approved Contract amount, which amount shall be the original Contract amount as may be increased by subsequent Supplemental Agreements.

**3-5.5 Liability for Wrongful or Criminal Act by Contractor:** The principal and surety executing the bond shall be liable to the State in any civil action that might be instituted by the Department or any officer of the State authorized in such cases, for double any amount in money or property the State might lose, or be overcharged, or otherwise be defrauded of by any wrongful or criminal act of the Contractor, his agent or his employees.

### **3-6 Execution of Contract and Bond.**

Within 20 days after Contract award, execute the necessary agreements to enter into a contract with the Department and return the agreement along with a satisfactory surety bond to the Department's Contracts Office that awarded the Contract. For each calendar day that the successful bidder is late in delivering to the Department's Contracts Office all required documents in properly executed form, the Department will deduct one day from the allowable Contract Time as specified in 8-7.1. The Department will not be bound by any proposal until it executes the associated Contract. The Department will execute the Contract and bond in the manner stipulated in 2-5.1.

The Department will execute the Contract within 15 days after receipt of the necessary agreements and bond from the Contractor.

### **3-7 Failure by Contractor to Execute Contract and Furnish Bond.**

In the event that the bidder fails to execute the awarded Contract and to file an acceptable bond, as prescribed in 3-5 and 3-6, within 20 days of Contract award, the Department may annul the award, causing the bidder to forfeit the proposal guaranty to the Department; not as a penalty but in liquidation of damages sustained. The Department may then award the Contract to the next lowest responsible bidder, re-advertise, or accomplish the work using day labor.

### **3-8 Audit of Contractor's Records.**

Upon execution of the Contract, the Department reserves the right to conduct an audit of the Contractor's records pertaining to the project. The Department or its representatives may conduct an audit, or audits, at any time prior to final payment, or thereafter pursuant to 5-13. The Department may also require submittal of the records from either the prime contractor, the subcontractor, or both. As the Department deems necessary, records include all books of account, supporting documents, and papers pertaining to the cost of performance of the project work.

If the Contractor fails to comply with these requirements, the Department may disqualify or suspend the Contractor from bidding on or working as a subcontractor on future Contracts.

Ensure that the subcontractors provide access to their records pertaining to the project upon request by the Department.

**3-9 Public Records.**

Allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, Florida Statutes, made or received by the Contractor in conjunction with this Contract. Failure to grant such public access will be grounds for immediate unilateral cancellation of this Contract by the Department.