

CHAPTER 14

POST REVIEW PROCESSING / CONTRACT CLOSEOUT

14.1 PURPOSE

This procedure describes methods for the District Final Estimates Office (DFEO) and/or Consultant Construction and Engineering Inspection (CCEI) firm to use in processing final estimates for payment after the reviewing operations are complete.

14.2 PROCEDURE

14.2.1 Post Reviewing Operations

After the final plans, quantities, required construction documentation, and final measurements have been verified and any changes have been discussed with the Project Administrator (PA), the final estimate can be submitted to the Contractor for acceptance.

NOTE: The figures supplied with this chapter show form letters and memos used to convey necessary information to concerned parties throughout the close out process. The letters and memos are templates containing common boilerplate language for most cases. The DFEO/CCEI representative writer will choose the appropriate paragraphs for a specific contract and delete the paragraphs and instructions which do not apply. No form letter or memo can ever cover all situations that might arise. Occasionally, it may be necessary to insert additional paragraphs composed to fit the circumstances arising on a specific contract, an example may be addressing bonds, or value added items. See **Chapter 4** of this manual for the submittal options of a Certified Final Estimate.

14.2.2 Verification of the Final Estimate

- (A) Verify and correct where required all entries transferred from the individual item sheets to the Computation Book Final Estimate Pay Item Summary and Certification Sheet.
- (B) (For Contract Reporting System (CRS) Only) Once the final quantities have been derived, incorporate them into the final estimate.
WARNING: ONCE A WORK SHEET IS PULLED, THE PREVIOUS

ESTIMATE NUMBER IS LOCKED. QUANTITIES SHOWN ON THAT PREVIOUS ESTIMATE CAN NO LONGER BE CHANGED. This work sheet is used to update all quantity changes from the last payable estimate. This is for CRS contracts only; SiteManager contracts are reviewed as soon as Final Approval takes place.

The updated estimate includes:

- (1) Arbitration Rulings as they are approved.
 - (2) Court orders or other legal actions received from the FDOT General Counsel's Office.
 - (3) Pay adjustments for bituminous materials and fuels when applicable.
 - (4) Adjustments for any failing materials including any quality assurance penalties. Each penalty should be shown separately.
 - (5) Contract Time: Determine the contract time overrun or underrun. At the end of the estimate, be sure to code in dollar amounts for:
 - (a) The appropriate liquidated damage dollar amounts on federal aid and non-federal aid projects.
 - (b) Any incentive/disincentive amounts.
- (C) In the letter A address any **outstanding** pay estimates which have been processed for payment but have not been paid (or resolved in case of proposed overpayment estimates), ~~in the~~ Prepare an Offer of Final Payment/Request for Refund letter to the Contractor with including an appropriate summary. A legitimate pay estimate is defined as an estimate which qualifies as follows:
- (1) It has a unique estimate number.
 - (2) It shows a continuity in changing contract amounts ~~thru~~ through sequential estimates; i.e., its previous quantity amounts are the quantity to date amounts from the ~~previous~~ prior (next lower numbered) estimate and its current quantity to date amounts ~~are~~ will be the previous quantity amounts for the following (next larger numbered) estimate if one ~~exists~~ is written.

- (3) It is one of a consecutive series of numbered estimates where all of the consecutively numbered estimates are accounted for.
 - (4) It may show a positive, negative, or zero amount due.
- (D) After final quantities have been derived, ~~send notify by e-mail~~ the Office of Comptroller's Office (CO) (OOC) Disbursement Operations Office, Contract Payment Section a PAYMENT STATUS memorandum. (See Figure No. 14-1) The COOOC will provide information regarding:
- (1) Any retainage released to the Contractor due to their participation in the Securities program . **~~NOTE: After Contract # 21,278 (July 2001) the retainage will not be withheld per Specifications Article 9.6 dated 7/1/2001.~~**
 - (2) Any unprocessed estimates being held.
- (E) Incorporate any amount noted on the PAYMENT STATUS ~~memorandum~~ MEMORANDUM in the final estimate under retainage previously released.
- (F) If the memorandum shows unprocessed estimates, reflect those amounts on the Offer of Final Payment/Request for Refund to the Contractor.
- (G) Check the total effect of claim settlements, liquidated damages, and Supplemental Agreements to ensure that duplicate payments are not made.
- (H) ~~Have~~ Revise the explanations of overruns and underruns ~~revised, if required~~, for any changes in quantities made by the DFEO.
- (I) Run an updated copy of the final estimate:
- (1) Caution: Make sure the previous estimate columns are correct. The quantity to date for each pay item on the previous estimate must be identical to the previous quantity of the estimate being run. Also, the last estimate totals at the bottom of the estimate must match exactly the totals to date for the estimate being run. Should any of the figures not match, correct the discrepancies before submitting the final estimate. This can be done by either

DOUBLE UPDATING the erroneous quantities or having the Central Office of Information Systems (OIS) correct the entries (CRS contracts only). For SiteManager contracts, contact your District SiteManager Administrator for resolutions.

- (2) Double Updating is a correction technique that involves coding the incorrect pay items on two sequential 5 card coding lines. Both lines must have the same purpose; either S for semifinal estimate or F for final estimate, depending on the type of estimate you are running. The quantity coded on the first line is the correct quantity from QUANTITY TO DATE column on the previous estimate. The quantity coded on the second line must be the new QUANTITY TO DATE. When the two sequential 5 card coding lines are run, the second line entry corrects the estimate by pushing or moving the first line entry into the PREVIOUS QUANTITY field.

NOTE: This type of correction is only available on semifinal estimates and final estimates.

- (J) Verify the ~~finished copy of the~~ final estimate to be ~~distributed included with the Offer Letter to the Contractor for and that~~ all entries ~~including include~~ previous estimate quantities and dollar amounts.

14.3 UPDATE AND SUBMITTAL OF FINAL ESTIMATE

- 14.3.1 **Update final estimate changes:** Enter quantity change updates into CRS and print the updated estimate.

Note: Unless shown as applying to the ~~new~~ SiteManager system, the information provided in this Section applies to the Conventional CRS system ~~which the Department has used for a number of years~~. When using the SiteManager system the Department will make the Contractor an ~~offer~~ Offer of Final Payment using the SiteManager offer letters (See Figure No's. 14-12 thru 14-12c).

If the estimates need to be ~~resubmitted modified~~ prior to acceptance, changes can be made if the ~~second next approval~~ level ~~checker approves the rejection~~ rejects the estimate.

- (A) Forward all notifications of legal action to the appropriate District General Counsel's Office.

- (B) The DFEO will be responsible for forwarding a copy of ~~overruns and underruns, Estimates Office Record of Final Plans and the Tentative~~ the Final Estimate to Federal Highway Administration (FHWA) on full-oversight federally funded contracts.
- (C) Review all of the Contractor's documents for correctness (**See Sections 14.4 and 14.5 of this Chapter**).
- (D) Running a Final Estimate Under the SiteManager system, the final quantities are placed on the estimate using Progress Estimates with final approval level set as EED(Electronic Estimate Distribution) Finals. The Estimate will print as a Final. Additional Finals in this manner may be run as issues are resolved until the quantities are correct and the Contractor accepts the quantities. At this time tThe Final Estimate will be processed after the Contractor has taken a full acceptance on all qualified issues and is in "Regular Pass". The Final Estimate in SiteManager will be a Zero Dollar estimate and is used to close the job out. **Note: When a Final Estimate is processed under SiteManager, the system will not allow additional changes. BE SURE YOUR QUANTITIES ARE CORRECT, AND ALL ISSUES ARE RESOLVED BEFORE PROCESSING THE FINAL IN THIS SYSTEM!**

14.3.2 Semifinal Estimates: After final acceptance of the work and receipt of all required documents, a semifinal estimate may be processed to reduce the retainage on the contract in accordance with the Standard Specifications. There are two types of letters used to transmit the Semifinal Estimate to the Contractor (See Figure Nos. 14-2 and 14-3). Send copies of the letter to the District Construction Engineer (DCE) and the Resident Engineer (RE). Issuance of the Semifinal Estimate is subject to the following provisions.
Note: Semifinal Estimates are not used in the SiteManager system.

- (A) The retainage may be reduced to \$1,000 if:
 - (1) The amount retained is sufficient to cover any possible decrease in the quantities shown on the last paid estimate tabulation, plus any amounts the Department elects to deduct for unsatisfied claims or defective work as provided in **Standard Specification ArticleSection 9-65**.
 - (2) The Contractor has submitted all the required, properly executed documents.
- (B) A Certification of Materials and Tests is also required from the State

Materials Office (SMO) in Gainesville and/or the District's Materials Office before payment is made to the Contractor.

- (C) If the DFEO expects to submit a final estimate for payment within a reasonable time, a semifinal estimate will generally not be processed for payment. As stated in the ***Standard Specifications ArticleSection 9-6-5, A-a*** semifinal estimate will not be allowed unless the time elapsing between:
- (1) Final acceptance of the project and receipt of all test reports, invoices, etc., and
 - (2) Submission of the final estimate to the Contractor for acceptance exceeds or is expected to exceed ten (10) days.
- (D) Where there is more than one job in the same contract, the retainage will be distributed in the percentage each job bears proportional to the total original contract amount.~~te~~

14.3.3 Submittal of The Final Estimate

~~(A)~~ Upon completion of the review process and production of the final estimate, notify the Contractor of the results of that review and of any documents necessary to close out the contract. This process is called the **Submit or known as "Offer of Final Payment"**, and the notification is accomplished with a ~~submit~~Submit/offer letter. (See Figure Nos. 14-4 through 14-7).

The Submit process has in the past and is presently being performed by the DFEO. Upon keeping with the Department's vision this Submittal letter will be developed by the in-house personnel as well as CCEI.

This process will be performed in phases, in order to allow for the CCEI and In-House personnel to become skilled in performing this task. These phases are described below:

- (1) The DFEO will provide training to the CCEI and In-House personnel so that they will have the proper knowledge to generate the Submit letter. This training should begin in January 2005. Subsequent to receiving training the CCEI/in-house will prepare the Submit letter and provide it to the DFEO for submittal to the Contractor. The CCEI and In-House personnel will follow the procedures outlined in this section below. Prior to sending the Offer Letter to the Contractor, the completed

paperwork prepared in accordance with this Chapter will be reviewed by the District Final Estimates Manager (DFEM).

If discrepancies are found during review of the Submit letter by the DFEM, the CCEI or in-house personnel responsible will make all necessary corrections and resubmit for review within one (1) workday upon notification by DFEM.

- (2) Beginning January 2006, projects with Final Acceptance after this date, the submittal process will be performed by the CCEI and In-House. CCEI will follow procedures as outlined in their CCEI Scope of Services and in-house shall follow procedures set forth by the Department. (See Chapter 4 of this Manual for CCEI Scope of Services). The Resident Engineer, as an authorized representative of the Consulting firm responsible for the CEI on the Contract, will have the responsibility of making Offer of Final Payment based on the Certified Final Estimates Package for this contract. Offer of Final Payment will be made within 30 days of Final Acceptance. The requirements for making Offer of Final Payment will be adhered to as follows:

Upon making Offer of Final Payment, a copy of the Submit letter shall accompany the Certification As To Accuracy of Final Payment form in the Computation Book. These will be included with the Final Estimate Package and will be turned in to the DFEO within 30 days after the Final Acceptance date. All correspondence from this point forward will go to the DFEO.

The Consultant Firm will be responsible for resolving any issues that may result from the Offer of Final Payment plus the Estimate Package once reviewed by the DFEO.

The CCEI shall utilize its company letterhead for the Submit letter; all in-house shall use FDOT letterhead for their Submit letter. Notes shall reflect that all further correspondence concerning submittal of required contract documents shall be forwarded to the DFEO and the letter shall include the appropriate address and name of the DFEM.

Make sure the **Estimates Office Record of Final Plans and Documents (Form No. 700-050-28)** and **Final Plans and Estimates Transmittal (Form No. 700-050-20)** have been updated and submitted with the Final Estimates Package.

The responsible office preparing the Submit letter shall run the last progress pay estimate, which would pay the Contractor for all acceptable work. The last progress estimate shall match the computation book total including all contract adjustments. The final estimate and offer (Submit letter) should only be for release of retainage and or any bonus or incentive payments. It is incumbent on the responsible CCEI or in-house personnel to notify the DFEO of any incentive payments due the Contractor in order for the encumbrance process to be made.

(NOTE: There will be only one Offer of Final Payment or Request for Refund made to the Contractor per contract. See Section 14.12.3 of this Chapter.)

14.3.3.1 Offer of Final Payment for Value Added Contract Features (In SiteManager). This function will be performed by the DFEO.

The process for making the final offer to the Contractor will be followed with the exceptions listed below:

- a.) Upon full acceptance of the offer, the Contractor will be paid in the normal manner as detailed in **Section 14.10**.
- b.) The Contract Estimate Transmittal - Action Request(Form 700-050-37) will be used to notify the Office of Comptroller that the contract is a value added contract.
- c.) All contracts, except Traffic Marking contracts, will be placed in Status 52 and the remaining funds unencumbered.
- d.) Contracts with Traffic Markings warranties, will remain open(see above).
- e.) All value added contracts will remain open in SiteManager throughout the warranty period. DO NOT ENTER 'PHYSICAL WORK COMPLETE' DATE OR CHANGE STATUS TO 'COMPLETE'.

Note: The contract will remain in "Under Warranty" status until the warranty period has expired. When the contract is closed completely it will go through the Passed and Paid off statuses as currently required. (See **Section 14.12.1** for guidelines).

(BA) The ~~submit~~Submit letter is the official Offer of Final Payment or

Request for Refund on the contract. There are two types of ~~submit~~Submit letters with two versions of each one, the Offer of Final Payment (See Figure No's. 14-4 and 14-5) and the Request for Refund for single or multiple job contracts. (See Figure No's. 14-6 and 14-7). Distribution is currently being made by the DFEO. Beginning January 2006, distribution by CCEI/In-house will be as follows~~of the submit~~Submit letters is as follows:

- (1) Send the Original to the Contractor.
- (2) Send copies of the ~~submit~~Submit letter to the:
 - (a) Surety Company when the ~~submit~~Submit letter is a request for refund
 - (b) SMO when the Materials Certification has not been received by the DFEO with all exceptions acceptably resolved.
- (3) The first segment contains information as to the amount due or owed on the final estimate and includes any unprocessed estimates issued before the final estimate and held by the ~~CO~~OOO or the District.
- (4) The next segment of the ~~submit~~Submit letter is the request for the documents necessary to close the contract that have not previously been submitted by the Contractor or the SMO (See below (a) thru (h)). A discussion of the suitability of the documents supplied by the Contractor will follow in **Sections 14-4 and 14-5**. The following is a list of the documents:
 - (a) Contractor's Affidavit and Surety Release (**Form 21-A**) (Form # 700-050-21) (See Figure No's. 14-8, 14-8a and 14-8b).
 - (b) Certification of Materials (See Figure No.14 -9).
 - (c) Federal Highway Administration(FHWA) Statement of Material and Labor Used by Contractors on Federal Aid Projects—Highway Construction involving Federal FundsFHWA-47) (**Form # 700-050-34**) (See Figure Nos. 14-10, 14-10a thru 14-10c).

(d) Construction Compliance with Specifications and Plans (Form # 700-020-02) (See Figure Nos. 43 thru 43b).

~~(de)~~ Any mill analysis needed to complete testing requirements on the contract.

~~(ef)~~ Any material invoices which the contract may specifically require the Contractor to submit in order to calculate final payment due the Contractor.

~~(fg)~~ Any other documents which the specific contract stipulates the Contractor will turn over to the Department prior to the conclusion of the contract.

(h) Certification Compliance w/EEO Provisions on Federal Aid Contracts (Form # 700-011-13) (See Figure No. 44).

Note: On Contracts using "No Excuse Bonuses", the Contractor shall provide in writing a full and complete waiver of any and all claims against the Department to be eligible for the bonus payment provision. If the Contractor fails to complete "Contract Work Items" or fails to actually complete the "Contract Work Item" and obtain written verification of completion of the "Contract Work Item" from the Engineer on or before the "Bonus Completion Date", or should the Contractor, having done so, fail to timely request the "Bonus" for any reason, the Contractor shall have no right to any payment whatsoever as stated in **Section 8-13.1, of the Standard Specifications**. Collection of this waiver letter is critical to determine whether the Contractor is eligible for the bonus payment.

~~(GB)~~ Acceptance Letter(s): There are two types of acceptance letters: one for an offer of final payment and one for a request for refund. An offer of final payment or a request for refund letter is required for each contract. This document shall be executed by the Contractor. (See Figure Nos. 14-11 thru 14-11c, 14-12 thru 14-12-c).

Note: If the Contractor has been overpaid, send the request for refund letter by **certified mail** so that a record is made of the Contractor's receipt of the request for refund.

14.3.4 Joint Participation Agreements (JPAs): If these exist on the contract, address them when all claims related to the JPA pay items have been resolved. There may be other JPA's such as Locally Funded

Agreements, see the COOOC's manual procedures for more explanation. (**See Manuals-Procedures 350-020-300 & 350-020-301**). Do this by sending a JPA_memo (See Figure No. 14-13) to the Accounting-Accounts Receivable Administrator in the COOOC General Accounting Office. Show the final amount of the Contractor's billing to the Department on behalf of the JPA partner. Attach back up information to support the amount shown to the JPA memo with a copy of the final estimate with the item numbers involved in the JPA highlighted or by a cost breakdown prepared by the PA, showing all applicable pay items, their unit prices, quantities involved, individual pay item dollar costs, and the total dollar cost.

14.4 CONTRACT DOCUMENTATION

14.4.1 Initial notification and collection of contract documents: This The initial notification and collection of required documents is the responsibility of the PA in accordance with **Final Estimates Preparation and Documentation Manual (FEPDM) Chapter 3 (Final Estimates Documents), for the "close-out" process.**

- (A) Collection, review, and approval of the documents submitted by the Contractor are very important steps in contract closure. The receipt of the contract required documents controls the establishment of the payoff date for the contract. These documents are strictly under the control of the Contractor. Once these documents are received in an acceptable form, the seventy-five (75) day payment period will advancebegin. Once time has expired and payment has not been made, the Department is liable for interest on the final amount due if the delays are caused by the Department.
- (B) Prompt review of the Contractor's submitted documents is a priority because the Specifications require that the Contractor be notified within twenty (20) days of any discrepancies or the original date of receipt will control the establishment of the payoff date. This process is detailed in **Chapter 3,3.2.3, (B), (1) and (2)** of this Manual.
- (C) The Contractor shall use the official forms provided by the Department for each specific document. Return other forms the Contractor may attempt to use within twenty (20) days of receipt. Send the Contractor a letter stating that his forms are unacceptable because they are not the official forms provided by the Department and request that the Contractor re-execute the document(s) on the official form(s) provided by the Department. Attach copies of the official form(s).

14.5 DOCUMENT APPLICABILITY

The following documents defines their applicability to a given job, shows areas to REVIEW and designates the final APPROVAL authority for each.

14.5.1 Federal Highway Administration Statement of Materials and Labor Used on Federal Aid Projects: (~~Form FHWA-47, No. 700-050-34 (formerly PR-47)~~) (See Figure Nos. 14-10, 14-10a thru 14-10c) -

This summary of materials and labor cost is required by the FHWA on projects with an original contract amount of \$1,000,000 or more **and** on the National Highway System.

- (A) Prime Contractor's Responsibility: Complete part B of this form by consolidating into one report the materials and labor costs, as well as including Subcontractor's materials and labor cost. The Department will not issue the final voucher until the Form **FHWA-47** is received. The ~~Prime~~ Contractor shall submit the completed **FHWA-47** to the ~~District Final Estimates Office~~ DFEO. An original and two copies are required.
- (B) DFEO Review: Complete the items marked with an asterisk in part A of the form.
 - (1) Verify the validity of the information submitted by the Contractor in part B of the form. The FHWA has provided the Department with guidelines for reviewing quantities submitted by the Contractor on the **FHWA-47**. These guidelines along with a methodical approach should be used when reviewing part B.
 - (a) For example, if the Contractor indicates the use of reinforcing steel, it would follow that ready-mix concrete was also used.
 - (b) If the total cost for materials and supplies plus gross earnings are equal to or more than the final construction cost, the Contractor shall furnish a statement saying that a loss was suffered on the project.
 - (c) If the total for the aforementioned items was substantially less than the final construction cost, then the document may not include all of the subcontractors' information.
 - (2) If your review reveals areas of concern, ~~the form~~ FHWA-47

should be returned to the Contractor for revision along with your findings. If the form appears to be reasonable, immediately forward the Form **FHWA-47** (original plus two copies) with the FHWA routing sheet attached ([See Figure No. 14-14](#)) directly to the FHWA Division Administrator at Mail Station 29, ~~Federal Highway Administration~~, Tallahassee, ~~Florida~~.

- (3) Send a copy of the form to the Federal Aid Program Office, Mail Station 7, FDOT, Tallahassee. When the FHWA completes a review, the document is returned to the DFEO by the FHWA Area Engineer.

(C) Approval by: ~~DFEEDFEM~~ and FHWA Area Engineer.

14.6 SUSPENSION PROCEDURES

In accordance with ~~ArticleSection 9-9-8~~ of the *Standard Specifications*, the failure on the part of the Contractor to return all required contract documents in a satisfactorily completed condition, within ninety (90) days of the Offer of Final Payment, will be sufficient grounds to suspend a Contractor's Certificate of Qualification to bid on Department work under the provisions of **Sections 337.16 and 120.57, Florida Statutes**, as well as **Rule 14-22.012, Florida Administrative Code (F.A.C.)**. If the Contractor's Certificate of Qualification is already suspended, ~~Rule 14-22.0141, Florida Administrative Code F.A.C.~~, applies.

Also in accordance with ~~ArticleSection 9-9-8~~ of the *Standard Specifications*, on contracts completed by the Surety Company due to a takeover agreement, the failure on the part of the Surety to return all contract required documents within ninety (90) days of the Offer of Final Payment will be sufficient grounds to suspend a Surety's Qualification to Bond Department contracts under the provisions of **Rule 14-24.001, Florida Administrative Code F.A.C.**

14.6.1 Required Documents Not Received within 60 Days: If all required contract documents including any overpayment refund check are not received within sixty (60) days of the Offer of Final Payment, at the ~~DFEEDFEM~~/DFEO's discretion, prepare and sign a courtesy letter to the Contractor ([See Figure No. 14-15](#)) stating which of the specific required contract documents have not been received and/or which of the specific required contract documents have not been received in a satisfactorily completed condition. Copies of this letter shall be sent to the DCE.

14.6.2 Required Documents Not Received within 90 Days: If all required contract documents have not been received within ninety (90) days

of the offer of final payment, prepare a letter for signature by the State Highway Engineer (SHE), ([See Figure No's.14-16](#)). Along with the letter, an attachment must be sent informing the Contractor of his administrative right for a hearing ([See Figure No. 14-16a](#)). **This letter and attachment ~~is~~ are used only when the Contractor is already prequalified.** Each case should be reviewed individually when this letter is to be used. In situations where the ~~contractor~~Contractor was prequalified but has allowed it to expire it is important that the correct attachment is sent in each case since the time frames are different. (**See Section 14.6.3**).

- (A) This letter shall advise the Contractor of the Department's intent to suspend ~~their~~its Certificate of Qualification and state that ~~he/she~~it is to contact the ~~DFEEDFEM~~ by phone if ~~he/she~~it has questions on this matter. This letter also details that if the time frames expire, the suspension is conclusive. This eliminates the need for follow up letters.

~~The letter of Notice of Intent to Declare Non-Responsible shall advise the Contractor of the Department's intent is to determine that the firm is non-responsible and ineligible to bid on Department contracts for a period of ninety (90) days for failure to timely furnish the required contract documents.~~

- ~~(C)~~(B) Prepare a cover memo ([See Figure No. 14-17](#)) for the SFEO only if the letter is not transmitted to SFEO electronically. Forward the cover memo and the letter to the SFEO for review. The SFEO will forward the letter to the SHE for signature. ~~NOTE: This cover memo is not needed if the letter is transmitted electronically.~~

- ~~(D)~~(C) After the original is signed by the SHE, the SFEO will return it to the DFEO for mailing. Before mailing, check the office file to see if the missing required contract documents mentioned in the SHE's letter have been received in satisfactorily completed condition. If some documents are received before the letter is sent to the Contractor, the letter will be revised and resigned. If not, mail the original SHE's letter to the Contractor by certified mail with return receipt requested.

- ~~(E)~~(D) Attach the return receipt to the file copy of the SHE's letter as it establishes the date the Contractor received the letter.

- ~~(F)~~(E) Send copies of this letter to the DCE, Delinquency Coordinator of the State Construction Office (SCO), Surety Company, the Pre-Qualifications Specialist, and the Central Office Contracts Administration Manager. The Contractor and the Department then have three options:

- (1) If the Contractor returns the required documents to the Department, the suspension procedure will be halted after his time has expired as shown in the ~~Florida Administrative Rule 14-22, F. A. C.~~ providing all documents are acceptable.
- (2) If the Contractor requests an administrative hearing within ten (10) days of receipt of SHE's letter, this will temporarily halt the suspension procedure, pending the outcome of the hearing.
 - (a) If a hearing has been requested, ~~the DFEE shall ask~~ the Clerk of Agency Proceedings shall send to send the DFEMhim a copy of the outcome of the hearing. If the hearing finds results in a finding that the Contractor has submitted all the missing required contract documents in a satisfactorily completed condition, then the processing of the payment of the Contractor's final estimate will continue without further delays. ~~due to documents mentioned in the SHE's letter.~~
 - (b) If the hearing finds results in a finding that the Contractor has NOT submitted all the missing required contract documents in a satisfactorily completed condition; then the suspension process outlined in the NOTICE OF INTENT TO SUSPEND CERTIFICATE OF QUALIFICATION letter will be conclusive.
- (3) If no hearing was requested and all required documents are still not received, the ~~DFEEDFEM~~ shall notify the SCO Prequalifications Specialist via email that the time frame has expired. The Prequalifications Specialist will take the appropriate action.

14.6.3 Required Documents Not Received within 90 Days from Contractors who are ~~not pre-qualified non-responsible or ineligible~~: In situations where the ~~contractor~~ Contractor was prequalified but has allowed it to expire and all required contract documents have not been received within ninety (90) days of the offer of final payment, prepare a letter for signature by the SHE, (See Figure No's.14-18) This is a two-page part letter with an attachment of Notice of Administrative Hearing Rights (See Figure No. 14-18a). The attachments must accompany the letter since ~~they it~~ explains the process and time frames for requesting a hearing. Ensure that the correct attachment is sent with this letter as the time frames for requesting

a hearing for a non-prequalified ~~contractor~~Contractor vary from a ~~contractor~~Contractor who is prequalified.

- (A) This letter shall advise the Contractor of the Department's intent to declare Non-responsibility and state that he/she is to contact the ~~DFEEDFEM~~ by phone if he/she has questions on this matter. This letter also details that if the time frames expire, the suspension is conclusive. This eliminates the need for follow up letters.
- (B) Prepare a cover memo (See Figure No. 14-17) for the SFEO only if the letter is not transmitted to the SFEO electronically. Forward the cover memo and the letter to the SFEO for review. The SFEO will forward the letter to the SHE for signature. NOTE: This cover memo is not needed if the letter is transmitted electronically. The SCO will coordinate this letter with the SHE and the Office of General Counsel.
- (C) After the original letter is signed by the SHE, the SFEO will return it to the DFEO for mailing. Before mailing, check the office file to see if all of the missing required contract documents mentioned in the SHE's letter have been received in satisfactorily completed condition. If not, mail the original or revised SHE's letter to the Contractor by certified mail with return receipt requested.
- (D) Attach the return receipt to the file copy of the SHE's letter as it establishes the date the Contractor received the letter.
- (E) ~~Send~~Distribute copies of this ~~in accordance with the ccsto the~~ appropriate persons listed on the letter:
 - (1) If the Contractor returns the required documents to the Department, the ~~Nonnon~~-responsible procedure will be halted after ~~his~~-time has expired as shown in the ~~Florida Administrative Rule 14-22.0141, F. A. C.~~ providing all documents are acceptable.
 - (2) If the Contractor requests an administrative hearing within ~~ten~~ twenty-one (21) days of receipt of SHE's letter, this will temporarily halt the suspension procedure, pending the outcome of the hearing.
 - (a) If a hearing has been requested, the ~~DFEEDFEM~~ shall ask the Clerk of Agency Proceedings to send him a copy of the outcome of the hearing. If the hearing ~~finds results~~

in a finding that the Contractor has submitted all the missing required contract documents in a satisfactorily completed condition, ~~then~~ the processing of the payment of the Contractor's final estimate will continue without further delays due to documents mentioned in the SHE's letter.

(b) If the hearing finds results in a finding that the Contractor has NOT submitted all the missing required contract documents in a satisfactorily completed condition, ~~then~~ the suspension process outlined in NOTICE OF INTENT TO DECLARE NON-RESPONSIBLE letter will resume as outlined in the notice.

(3) If no hearing was requested and all required documents are still not received, the DFEEDFEM shall notify the SCO Prequalifications Specialist via email that the time frame has expired. The Prequalifications Specialist will take the appropriate action as outlined in the *Construction Project Administration Manual (CPAM), Section 8.7.*

14.6.4 Required Documents Not Received within 90 Days from the Surety Company: On contracts completed by the Surety Company due to a takeover agreement, the Surety is required to submit all contract required documents within ninety (90) days. If the Surety fails to do so, the DFEEDFEM will take the following steps:

- (A) If all contract-required documents are not received within ninety (90) days of the Offer of Final Payment, prepare a letter (See Figures Nos. 14-19, 14-19a and 14-19ab) for signature by the SHE. This letter shall advise the Surety of the Department's Intent to Suspend the Surety's Qualification to Bond Department Contracts. This is a two-part letter with an attachment of Notice of Administrative Hearing Rights (See Figure No. 14-19a).
- (B) Prepare a cover memo (See Figure No. 14-17) for the SFEO only if the letter is not transmitted to SFEO electronically. Forward the cover memo and the letter to the SFEO for review. The SFEO will forward the letter to the SHE for signature. NOTE: This cover memo is not needed if the letter is transmitted electronically.
- (C) After the original is signed by the SHE, the SFEO will return it to the DFEEDFEM for mailing. Before mailing, check the office file to see if

the missing required contract documents have been received in a satisfactorily completed condition. If not, mail the original SHE's letter to the Surety by certified mail with return receipt requested.

- (D) Attach the returned receipt to the file copy of the SHE's letter as it establishes the date the Surety received the SHE's letter.
- (E) Send copies of the letter to the Central Office Contract Administration Manager and the Prequalifications Specialist. The Surety and the Department then have three options:
 - (1) If the Surety returns the required documents to the Department, the suspension procedure will be halted, providing all documents are acceptable.
 - (2) If the Surety requests an administrative hearing within twenty-one (21) days of receipt of SHE's letter, this will temporarily halt the suspension procedure, pending the outcome of the hearing.
 - (a) If a hearing has been requested, the DFEEDFEM shall request the Clerk of Agency Proceedings to send a copy of the outcome of the hearing. If the hearing finds results in a finding that the Surety has submitted all the missing required contract documents in a satisfactorily completed condition, then the processing of the payment of the final estimate will continue without further delays due to documents mentioned in the SHE's letter.
 - (b) If the hearing finds results in a finding that the Surety has NOT submitted all the missing required contract documents in a satisfactorily completed condition; then the suspension process outlined in the NOTICE OF INTENT TO SUSPEND QUALIFICATION TO ISSUE BONDS letter will resume as outlined in the no. (3) below notice.
 - (3) If no hearing was requested and all required documents are still not received. Prepare a letter (See Figure No. 14-20), for signature by the Secretary confirming the Suspension of the Surety's Qualification to Issue Bonds outlined in the SHE's previous letter. The Secretary's letter will also state that the suspension is effective on date of the twenty-first day after the Surety's receipt of the SHE's letter. The Secretary's letter will

also state that the Suspension of the the Surety's Qualification to Issue Bonds will continue until all documents are received in a satisfactorily completed form.

- (a) Prepare a cover memo (See Figure No.14-17) for the SFEO only if the letter is not transmitted to SFEO electronically. Forward the cover memo and the letter to the SFEO for review. The SFEO will forward the letter to the SHE for signature. NOTE: This cover memo is not needed if the letter is transmitted electronically.
 - (b) The Secretary's letter shall list which of the specific required documents have not been received and/or which of the specific required documents have not been received in a satisfactorily completed condition.
 - (c) After the original is signed by the Secretary, the SFEO will return it to the DCE for mailing. Mail the original Secretary's letter to the Surety by certified mail with return receipt requested.
 - (d) Attach the return receipt to the file copy of the Secretary's letter as it establishes the date the Surety received the Secretary's letter.
 - (e) Send copies of the letter to **all** District Secretaries, the SHE, the Central Office Contracts Administration Manager, and the State Construction Office Prequalification Engineer.
 - (f) The SHE signs any subsequent letter regarding the Surety's Qualification to Issue Bonds status.
- (F) If you still have not received the missing required contract documents mentioned in the Secretary's letter, in satisfactorily completed condition, within twenty-one (21) days after the date the Surety received the Secretary's letter; on the twenty-first day after the date the Surety ~~Company~~ received the Secretary's letter; call the Clerk of Agency Proceedings in the ~~FDOT's Department's~~ Office of the General Counsel to see if the Surety ~~Company~~ has requested the administrative hearing mentioned above.
- (G) If this procedure or the administrative hearing mentioned above ultimately leads to a suspension of the Surety ~~Company~~'s Qualification

to Bond, the suspension shall be lifted upon receipt of all required documents. In order to lift the suspension, send a letter to the Surety ~~Company~~ rescinding the suspension. (See Figure No. 14-21). This letter shall be signed by the SHE.

- (H) Send copies of this letter to all District Office Contracts Offices, the Central Office Contracts Administration Manager and the State Construction Office Prequalifications Engineer.

14.7 OFFSETTING PAYMENTS

This section describes how to facilitate payment of funds owed to the Department pursuant to a construction contract with any party. This procedure shall be applied to any construction contract on which the Department desires to recover funds from the Contractor and such funds cannot be recovered through the normal process of adjusting subsequent monthly progress estimates of payments to the ~~contractor~~Contractor.

14.7.1 District Authorization

For construction contracts on which final payment to the ~~contractor~~Contractor will be determined and authorized by the District:

- (A) The DCE/~~DFEEDFEM~~ will be responsible for identifying construction contracts on which the Department desires to recover funds from the ~~contractor~~Contractor of such project and said funds cannot be recovered through the normal process of adjusting subsequent monthly progress estimated payments to the ~~contractor~~Contractor.
- (B) The DCE/~~DFEEDFEM~~ will obtain legal counsel ~~to assuring~~assure that the Department's intention of recovery is the result of a bona_fide judgment~~-, settlement, arbitration order;-,~~ or final adjudication ~~to determining~~determine the amount due ~~to~~ the Department and that ~~the~~ intent of recovery excludes amounts owed by the ~~contractor~~Contractor to sub~~contractor~~Contractors, suppliers, and laborers ~~due to~~for the performance of that contract.
- (C) The DCE/~~DFEEDFEM~~ will notify the ~~contractor~~Contractor in writing, of the Department's request for reimbursement, specifying the exact amount due the Department, the contract number~~-,~~ the project number, ~~and~~ the reasons for which the Department seeks reimbursement, and that receipt of payment by the Department will be due within 60 days from receipt of said notice by the ~~Contractor~~Contractor or the Department will seek reimbursement as per **Section 337.145, Florida**

Statutes.

~~The Accounts Receivable (AR) Administrator should be notified when the Department requests reimbursement from the Contractor and should receive a copy of same information sent to the Contractor. Receipt of payment should be forwarded to the AR Administrator for monitoring payments.~~

- (D) If payment is not received by the Department within 60 days, the DCE/~~DFEEDFEM~~ will notify the ~~State Construction Engineer~~Director, Office Of Construction (hereinafter called the Director).

14.7.2—Authorization by Final Estimates

~~(A)The DFEE will be responsible for identifying construction contracts on which the Department desires to recover funds from the contractor of such project and said funds cannot be recovered through the normal process of adjusting subsequent monthly progress estimated payments to the contractor.~~

~~(B)The DFEE will obtain legal counsel assuring that the Department's intent of recovery is the result of a bonafide judgment, settlement, arbitration order, or final adjudication determining the amount due the Department and that the intent of recovery excludes amounts owed by the contractor to subcontractors, suppliers, and laborers due to the performance of that contract.~~

~~(C) DFEE will notify the contractor, in writing of the Department's request for reimbursement, specifying the exact amount due the Department, the contract number, the project number and the reasons for which the Department seeks reimbursement, and that receipt of payment by the Department will be due within 60 days from receipt of said notice by the contractor or the Department will seek reimbursement as per **Section 337.145, Florida Statutes.**~~

~~(D) If payment is not received by the Department within 60 days, the DFEE will notify the DCE who will notify the State Construction Engineer.~~

14.7.32 All Construction Contracts

- (A) The ~~State Construction Engineer~~(SCEDirector, Office of Construction), in consultation with the appropriate DCE's will identify another contract (herein known as the donor Contractcontract) from which recovery of

funds can be offset from payments due the ~~contractor~~Contractor.

- (B) The ~~SCE~~Director will notify AR Administrator of the Office of Comptroller's office on the donor contract selected with **Memorandum of Overpayment, Form No. 700-010-31, (Attachment 3-4-1)**.
- (C) The Office of the Comptroller will review the selected donor contract for compatibility of FHWA funding.
- (D) The Office of the Comptroller will withhold offsetting payments from the ~~contractor~~Contractor on the donor contract.

14.8 RECOVERY OF OVERPAYMENTS

~~If because self, as a result~~ of the Final Estimates review, it is determined that the Contractor has been overpaid, steps must be taken to recover money due the ~~FDOT~~Department. The following steps below direct how to recover money due the Department:

14.8.1 Send the Submit Package Certified Mail: Send the ~~submit~~Submit package (~~submit~~Submit letter and associated documents) on overpayment jobs to the Contractor by certified mail with return receipt requested. Send a copy of the ~~submit~~Submit letter to the Surety ~~Company~~ and Accounts Receivable Administrator in the ~~CO-GAO, (Comptroller's Office~~Office of Comptroller General Accounting Office)(OOC-GAO) (See Figure Nos. 14-6 and 14-7).

14.8.2 No Response from Contractor after 60 Days: If after sixty (60) days from the date of the ~~DFEEDFEM~~'s letter to the Contractor there has been no response, send a request for refund letter to the Surety ~~Company~~. (See Figure No. 14-220). Send copies of this letter to the ~~Prime~~ Contractor, the DCE, and the RE.

14.8.3 No Response from Contractor after 90 Days: If after ninety (90) days from the date of the ~~DFEEDFEM~~'s letter to the Surety ~~Company~~ there has been no reimbursement of the overpayment, send a memo to the DCE to determine if there are any negotiations in progress that would reduce or eliminate the overpayment. (See Figure No. 14-2123). Send copies of this memo to the Central Office Chief Civil Litigation Counsel.

14.8.4 Notify Legal Office: If there are no negotiations underway, thirty (30) days after the date of this memo, send a memo (See Figure No. 14-2224) to

the Central Office Chief Civil Litigation Counsel advising ~~them~~ him/her to collect the overpayment through legal means. Send copies of this memo to the Director, Office of Highway Operations.

14.8.5 Receipt of Overpayment Check from Contractor: If a check to reimburse the ~~department~~ Department for an overpayment to the Contractor is received by the ~~DFEEDFEM~~ from the Contractor or its Surety, then the ~~DFEEDFEM~~ must forward the check, and a completed **Form Number 350-060080-32**, and the financial summary page(s) from the most recent final estimate for the contract, to the ~~CO-OOC~~ within seven (7) days. The form to accompany the check is the **Record of Sales of Goods or Services/Cash Receipt Transmittal** (See Figure Nos. 14-253 thru 14-2527). To the completed form, the ~~DFEEDFEM~~ must then attach the reimbursement check and a copy of the financial summary page from the most recent final estimate for each job on the contract. After making 2 copies of this package to keep in the DFEO office contract file, the ~~DFEEDFEM~~ will forward the original package to the appropriate District Financial Services Office to be sent to the COOOC in a locked bag, to Attn: Cashier's Office, MS-42B, 605 Suwannee Street, Tallahassee, Florida 32399-0450. When the check is received at the ~~COOOC~~, the Cashier will return a receipt or e-mail verification to the appropriate District Financial Services Office who will forward a copy to the DFEEDFEM. (See Figure No. 14-2628). The ~~DFEEDFEM~~ will then attach the copy of the Cashier's receipt or e-mail verification to each of the package copies in the DFEO's office file. A copy of this package must be included with the final estimate when all of the rest of the Contractor's required documents are received and the final estimate is passed to the ~~Office of Comptroller (OOC)~~ for further processing or contract closure.

14.9 FORFEITURE OF AMOUNTS DUE

The ~~Florida Statutes, Section 337.141(4)~~, Florida Statutes, provides for the forfeiture of any amount owed as final payment in the event that the Contractor fails to submit all documents required for final payment within two (2) years after final acceptance; or, within one (1) year of the Offer of Final Payment, whichever is later.

14.9.1 Exemption from Forfeiture: The forfeiture will not apply to documents that are the subject of existing claims or pending lawsuits.

14.9.2 Forfeiture Requirements: When all criteria have been met, notify the Contractor of pending forfeiture only in cases when the firm has outstanding documents required to close their contract and then by certified mail at least sixty (60) days before the forfeiture. Send copies of this letter (See Figure No. 14-2729) to the Surety ~~Company~~ and the DCE. If the Contractor does not

respond, the forfeiture process shall continue.

If the job is Federally funded, send a letter to the FHWA to obtain their assurance that Federal Funds will not be withheld from the DOT because of non-receipt of federal documents. ([See Figure No. 14-2830](#))

14.9.3 Forfeiture and Contract Closure: Upon assurance from FHWA that Federal Funds will not be withheld from the DOT, notify the ~~EO OOC~~, [Disbursement Operations Office, Contract Payment Section](#) with a Global Memo ([See Figure No. 14-2931](#)) to close the contract and consider any amounts due the Contractor to be forfeited.

14.10 CONTRACTOR'S ACCEPTANCE OF THE FINAL ESTIMATE

The Contractor has two options in response to the Department's official offer of final payment:

14.10.1 Regular or Regular Overpayment Acceptance Letter:

- (A) The return of one of these letters, signed by the Contractor, signifies ~~his-its~~ agreement to either accept amount offered or refund amount requested by the Department as full and final settlement of any and all claims to compensation.
- (B) When the Contractor returns the Regular Acceptance Letter with all other required documents, pass the final estimate to the OOC for contract closure.

14.10.2 Qualified or Qualified Overpayment: Acceptance Letters:

- (A) The return of one of these letters, signed by the Contractor, signifies ~~his-its~~ agreement to either accept the amount offered or refund the amount requested by the Department with the stipulation that the contract shall remain open while he/she pursues resolution of disputes or pending claims. A written definition of these disputes or pending claims must accompany the Contractor's Qualified Acceptance Letter. The written definition must contain the specific details of each specific issue, listing the dollar value of the dispute, the pay items involved in the dispute [and the specific quantities](#) (if any) and sufficient information about the location of the dispute to isolate the exact area of the dispute. **Any pending arbitration claim or suit must be limited to the areas defined in the Qualified Acceptance Letter and must be commenced within 820 days of the final acceptance date.** Failure

to file a formal claim within these limits constitutes full acceptance. No further claims beyond those listed will be allowed once the Qualified Acceptance Letter is accepted by the Department.

Note: ~~For contracts let from July 2000 forward, a~~ Regular or Qualified Request for Refund Acceptance Letter must be accompanied by the Contractor's check to the Department. If the Contractor's check is not included, the acceptance letter will be considered incomplete.

(B) When a Contractor files a Qualified Acceptance Letter with all other required documents, pass the final estimate to the ~~COOOC~~ for processing and placement into Reserve Status where it will remain until resolution of all qualified issues. (**See Section 14.12.3** for qualified acceptance management)

14.11 CONTRACTOR'S AFFIDAVIT AND SURETY RELEASE

The *Contractor's Affidavit And Surety Consent*, (*Form No. 700-050-21*), is a three page document, commonly known as the *Form 21-A* which must be submitted by the Contractor on all contracts. Page three of this form contains full instructions to the ~~contractor~~ Contractor, ~~surety~~ Surety company for the execution of this document. A copy of these instructions shall be provided with each form distributed. ([See Figure Nos. 14-8, 14-8a, and 14-8b](#)).

14.11.1 Requirements, Page ~~No.~~ One: Page one of this document, which must be executed by the Contractor, states in part, that ~~he~~ it has complied with all terms of the Contract and has paid all just claims related to it.

NOTE: If the Contractor is a corporation, the document must be signed by its President or an officer authorized to legally bind the corporation. Please include the corporate title of the Signatory on the line provided. If an individual or officer other than the President signs, attach a copy of the authorization.

14.11.2 Requirements, Page ~~No.~~ Two: Page two of this document, which must be executed by the Surety ~~Company~~, gives consent to the Department to release final payment on the contract. A Power of Attorney (if any is required) must be provided by the Surety ~~Company~~.

14.11.3 General Counsel Document Review: Before final payment is made, the package formed by page one, page two and the Power of Attorney (if any is required) must be reviewed by the District General Counsel's Office to ascertain that the following statements are true;

- (A) The individual signing the statements for the Contractor has the authority to do so.
- (B) The Surety ~~Company~~ and its attorney-in-fact (if any is required) and Florida resident agent (if any is required) have all signed the documents appropriately.
- (C) The ~~power~~ Power of ~~attorney~~ Attorney (if any is required) from the Surety ~~Company~~ is enclosed with the document.

14.11.4 Contracts Completed by Surety ~~Company~~: On contracts completed by the Surety ~~Company~~ due to a take over agreement, use **Form No. 700-050-22 Form 21-A (Modified Surety Takeover)** instead of **Form No. 700-050-21 Form 21A (Contractor's Affidavit and Surety Consent)(Form 21-A)**. Both pages of **Form No. 700-050-22** are completed by the Surety Company. (See Figure Nos. 14-3032, 14-30a-32a and 14-30b32b). Before final payment is made, the package formed by pages one and two of the **Form No. 700-050-22**, and the Surety ~~Company~~'s Power of Attorney (if any) must be reviewed by the District General Counsel's Office to check that the ~~following~~ statements ~~are true:~~ above in Section 14.11.3 are true.

- ~~(A) The individual signing the statements for the Contractor has the authority to do so.~~
- ~~(B) The Surety Company, and its attorney-in-fact (if any is required) and Florida resident agent (if any is required) have all signed the documents appropriately.~~
- ~~(C) The power of attorney (if any is required) from the Surety Company is enclosed with the document.~~

14.11.5 Receipt of the 21-A and Unpaid Bills: When the ~~DFEEDFEM~~ receives a 21-A, the following steps will be taken to ensure unpaid bills issue(s) have been addressed:

- (A) Review form **21-A** for format, information, compliance, etc. Return the form to the Contractor if there are any discrepancies other than unpaid bills issue(s) within twenty (20) days of receipt of the **21-A**.
- (B) Next, check the Final Estimates Unpaid Bill Inquiry Program (FEUNPAID) for unresolved issue(s) with respect to this specific **21-A**.

If there are no disputes listed on the **21-A** and there are unresolved issue(s) in the FEUNPAID system (or if all the issue(s) in the FEUNPAID system have not been listed on the **21-A**), print a contract report from the FEUNPAID system. Send a copy of this report and a copy of the **21-A** to the RE and request he/she contact the **DFEEDFEM** to review the conflicts with the **21-A** and the report.

- (C) When the Resident Office calls, find out if the issue(s) have been resolved. If the issue(s) listed in the FEUNPAID system have been resolved during the life of the construction contract, revise the FEUNPAID system to reflect their resolution.
- (D) If you find there are discrepancies with the **21-A** and outstanding unresolved issue(s), the RE will notify the DCE and the Legal Office. A determination will be made as to whether good cause exists for nonpayment, whether payment should be withheld or whether the matter should be pursued with regards to Revocation of Certificate of Qualification.
- (E) If the **21-A** is acceptable for all but unresolved unpaid bills issue(s):
 - (1) If the unresolved unpaid bills issue(s) have been determined to be good cause, send the final estimate for payment.
 - (2) If the unresolved unpaid bills issue(s) have not been determined to be good cause, hold the final estimate until the **Prime Contractor** addresses the issue(s) with the subcontractor(s). The DCE will make the determination that the **Prime Contractor** has provided sufficient evidence for addressing the issue(s).

14.12 PASS PROCESS

14.12.1 Regular and Qualified Passes: Once the Contractor has returned all the required documents for a given contract and the documents have been deemed satisfactory, prepare and distribute document packages to facilitate payment and/or closure of the contract. This process is known as a Pass (the contract is passed to the CO-OOC, Disbursement Operations Office, Contract Payment Section for handling). There are two (2) types of passes:

- (A) **Regular Pass:** When the Contractor has submitted a Regular Acceptance Letter, the contract will be paid and closed. This is known as a **Regular Pass**. (Status 50 in FLAIR).

(B) **Qualified Pass:** When the Qualified Acceptance Letter is submitted, the contract will be paid and placed into Qualified Reserve status, but not closed. This is known as a **Qualified Pass**. (Status 20 in FLAIR).

(C) **Value Added Contracts:** When the Contractor has submitted a Regular Acceptance Letter, the contract will be paid and the contract will be placed in status 52. This is known as **Regular Pass/Value Added**.

14.12.2 Pass Packages: The same document packages are created when either type of Pass is done. These packages are known as the COOOC Disbursement package, the Federal Aid package, the Central Files package, and the Final Estimates package. The contents of each package are set forth in the checklists used to prepare each. Distribution and other requirements of the packages are covered in the descriptions below.

(A) The COOOC Disbursement package consists of the Global Memo and other documents necessary to process the Final Estimate. These documents include the Contractor's Acceptance Letter, Final Estimate, copies of settlement agreements, court orders, etc., as appropriate to the situation. Send this package with both types of Passes. The Global Memo contains both the checklist and handling instructions for each type of pass. (See Figure No.14-2931). Write additional comments or requests for action in the space provided. Send copies of this memo to the DCE.

(1) The required submit-Submit date is established by one of the two cases listed below:

(a) Case one: If all documents were received prior to or within thirty (30) days of Final Acceptance, add fifty (50) days to the date the last required document was received.

$$\frac{\text{_____}}{\text{(date)}} + 50 \text{ days} = \frac{\text{_____}}{\text{(target date)}}$$

(b) Case two: If all documents were received thirty (30) days after Final Acceptance, add twenty (20) days to the date last required document was received.

$$\frac{\text{_____}}{\text{(date)}} + 20 \text{ days} = \frac{\text{_____}}{\text{(target date)}}$$

(2) Then compare the required submit-Submit date to the actual

~~submit-Submit~~ date.

- (a) If the actual ~~submit-Submit~~ date is later than the required date, deduct the required date from the actual date to calculate the number of days the submittal date is late.

For example: If the required ~~submit-Submit~~ date is 11/01/2000 and the actual submit date is 11/25/2000:

$$11/25/2000 - 11/01/2000 = 24 \text{ days late.}$$

- (b) If the actual ~~submit-Submit~~ date is earlier than the required date, deduct the actual submit date from the required submit date to calculate the number of days the submittal is early.

For example: If the required ~~submit-Submit~~ date is 05/01/2000 and the actual submit date is 04/15/2000:

$$05/01/2000 - 04/15/2000 = 17 \text{ days early.}$$

- (3) Next, note the date the acceptance letter or **21-A** was received, whichever is later. This date will be used with the amount of days early or late to calculate the number of days required to achieve payoff.

- (4) The Required Payoff date is calculated next.

- (a) If the actual ~~submit-Submit~~ date was late, subtract the number of days late from the number 25. For example, if the submittal was 24 days late:

$$25 - 24 = 1.$$

- (b) If the actual ~~submit-Submit~~ date was early, add the number of days early to the number 25. For example, if the submittal was 17 days early: $25+17 = 42$.

- (5) Take this and add it to the date the 21-A or acceptance letter was received (whichever is later) to calculate the required payoff date.

For Example: If the acceptance letter was received on 06/10/2000 and the 21-A WAS RECEIVED ON 06/10/2000; AND THE ESTIMATE

WAS SUBMITTED TWENTY (20) days early, the calculation would be:

- (a) $20 + 25 = 45$
- (b) $06/10/2000 + 45 \text{ days} = 07/25/2000$ for the required payoff date.
- (6) If the actual payoff date is after the required payoff date, the ~~COOOC~~ will compute the amount of interest due the Contractor and enter the interest paid on the Global memo. The ~~COOOC~~ will send a copy of this memo showing the amount of interest paid to the DFEO. Place this copy in the DFEO office file.
- (7) A worksheet is available to calculate these dates.
([See Figure No. 14-3133](#)).
- (B) The Federal Aid package consists of the documents necessary to satisfy the FHWA. Send this package with Regular Passes to the Office of Federal Aid. ([See Figure No. 14-3234](#)).
- (C) The Central Files package contains the documents necessary for the Department's permanent files on the contract ([See Figure No. 14-3335](#)). Send this package with a Regular Pass or a contract removed from Qualified Reserve.
- (D) The Final Estimates package contains the documents necessary for the DFEO permanent office file. ~~This A~~ checklist is used to create this file and it reflects the minimum documentation necessary for the permanent office file ([See Figure No. 14-3436](#)). Retain the permanent office file in the DFEO for a minimum of 5 years before preparing for storage according to **Document Control Records Retention Schedule #~~No.~~ A-273(1)**.

14.12.3 Qualified Acceptance Management and Tracking Qualified Acceptance Issues

- (A) At the time of Qualified Pass, write a letter ([See Figure No. 14-3537](#)) to the Contractor advising ~~him-it~~ of the Department's action. This letter instructs the Contractor to pursue the claims listed in the Qualified Acceptance Letter through the appropriate Department personnel in the district. Send copies of this letter along with a copy of the qualified acceptance letter to the DCE and the RE.

- (B) Should there be a partial resolution of the Contractor's original qualified issues send a letter of payment with copies to the DCE and RE. (See Figure No.14-36-38and 14-36a). This letter advises the Contractor of partial or full settlement of Qualified Acceptance issues. Use Section B of the letter, only if there is-are still outstanding issues.
- (C) Should there be a full acceptance on all issues within the original qualified acceptance letter, issue a letter that states all issues have been resolved. (See Figure No. 14-38a).

14.12.3.1 Notification Letter on One or More Issues After Offer of Final Payment

NOTE: Submittal of the Offer of Final Payment will only be made once. If you have not received the Acceptance Letter from the Contractor and review of the estimate finds discrepancies you will only send the notification letter. If the Contractor has returned the acceptance letter, then you will send the resolution letter with another estimate showing those findings.

- (A) Once an Offer Letter has been sent to the Contractor there may be a need to offer a notification of issues found after the Offer Letter has been sent. This letter could be sent to the Contractor before or after an acceptance letter has been received. This notification letter to the Contractor will address specific issues that were added or corrected due to issues discovered on the final estimate. These changes are needed based on the findings of the Post Audit Reviews (PAR) or additional information. The letter will state that, only those items listed are eligible to be qualified. If the Contractor takes exception to any of these items listed, they will be in addition to any and all items listed in the original qualified letter. (See Figure No. 14-38b).
- (B) After receiving the Overpayment letter and Refund Check from the Contractor, issue a notification letter to the Contractor of the specific issues, addressing items that were added or corrected due to differences discovered on the final estimate. This may increase or decrease the overpayment. The Contractor has a right to accept or reject any or all of these changes. (See Figure No. 14-38b).

If after receiving the Full Acceptance from the Contractor there is an overpayment found based on the PAR review, then the CCEI responsible for that particular contract will be held accountable to recover those funds due the Department. The Contractor has a right to accept or reject any or all of

these changes.

14.13 CONTRACT CLOSURE

14.13.1 Time Limit on Claims: When a contract has been placed in Qualified Reserve status, the Contractor has 820 days from Final Acceptance of the job to file claims.

14.13.2 Notification of Impending Closure: At the end of the appropriate waiting period, if the DFEEDFEM has received no indication or response of any action on the disputes set forth by the Contractor in the Qualified Acceptance Letter, send a memo of impending contract close out to the DCE with copies to the RE requesting evidence that litigation or an arbitration claim was filed within the required period. (See Figure No. 14-3739).

14.13.3 Contract Closure: If the DCE responds that the claims were not filed or that the Contractor no longer wishes to pursue them, the contract will be considered paid in full and closed by the Department. Notify the CO-OOC, Disbursement Operations Office, Contract Payment Section of this action in the Global Memo. (See Figure No. 14-2931). Send copies of this memo to the Central Office, Chief Civil Litigation Counsel ~~in the FDOT's Central Office~~ and the DCE. Send a letter to the Contractor advising of the contract close out. (See Figure No. 14-3840).

14.13.4 Closing Memorandum from General Counsel's Office: If the DFEO receives a Closing Memorandum from the General Counsel's Office that all claims on a contract have been settled by legal action, prepare a letter to the Contractor. This letter notifies the Contractor that the contract is being closed out due to a legal settlement. (See Figure No. 14-3941). Notify the OOC, Disbursement Operations Office, Contract Payment Section of this action in a Global Memo (See Figure No. 14-2931). Send copies of this memo to the Central Office Chief Civil Litigation Counsel and the DCE.

14.13.5 Contract Closure due to Regular Acceptance by Contractor: Occasionally a Contractor decides not to pursue the claims outlined in the Qualified Acceptance Letter. In this case, send a letter to the Contractor requesting that ~~they execute~~ a regular acceptance letter be executed. The execution of this regular acceptance letter signifies the Contractor's acceptance of the amounts already paid as full and final settlement of all amounts due under the contract. (See Figure No. 14-4042). When this acceptance letter is returned, send a Global Memo to the OOC advising that no further monies are due and the contract may be closed (See Figure No.

~~14-2931~~).

14.13.6 Contract Closure: At the close out of the Final Estimate the responsible District will send the Final "As-Built" Plans set to Image API located in Tallahassee. This plan set will be scanned and indexed with the proper attribution as outlined in the Construction Documentation Management System (CDMS). A list of exceptions will be provided for those sheets with indexing verification and quality problems. It is the responsibility of the DFEO to clarify the list of exceptions that Image API has provided. Within ten (10) business days the documents should be available electronically.

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