

CHAPTER 2 District Final Estimates Office

2.1 PURPOSE

This procedure will serve as a preface to this section on handling contract final estimates in the District Final Estimates Office (DFEO). It ~~will~~ also presents a brief overview of the Final Estimates Section as organized under the District Final Estimates Engineer (DFEE). This procedure ~~will~~ address the various tasks involved in verifying final pay records, ~~it~~ and ~~will~~ details the activities of the DFEO and its relationships to other Department functions. The reviewing principles apply to all Final Estimates functions.

2.2 GLOSSARY OF TERMS

A

Acceptance Letter: Shown with the abbreviation ~~(ALACC-LET)~~ in the status report. Two of these documents are sent to the Contractor with the offer of final payment. ~~There are two types of~~ acceptance letters: ~~comes in two types:~~ the Regular and the Qualified. ~~They may be~~ Each may indicate either positive or negative amounts. The Contractor is required to return one ~~of the~~ acceptance ~~letters-letter~~ for each job on the contract.

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B

Burden: The prime contractor~~s~~ or sub ~~Contractorcontractor~~~~s~~ required additional payroll costs beyond wages paid to employees. This includes the employer~~s~~ contribution to Social Security, unemployment insurance and ~~workmens~~~~workers'~~ compensation insurance., (Extra Work Forms). (See Figure No~~s~~. ~~3-3 & 3-3a~~, in Chapter 3).

C

Certification of Materials: ~~(CM): Shown with the abbreviation (CM) in the status report.~~ This document is a letter from the State Materials Office in Gainesville attesting to the fact that all materials incorporated into projects constructed under the contract meet ~~FDOT Department~~ specifications. ~~This-The~~ certification of materials letter may list exceptions identifying materials incorporated into the project ~~which-that~~ do not meet ~~FDOT Department~~ specifications, and explaining why the use of these non-specification materials is being allowed. On Federal Aid contracts with full federal oversight, this letter is addressed to the FHWA Division Administrator. On Federal Aid contracts with certification acceptance, the letter is addressed to the State Highway Engineer. For ~~Contracts-contracts~~ let ~~at by~~ the Central Office ~~which-that~~ are constructed solely with State Funds, the letter is also

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1 addressed to the State Highway Engineer. Finally, for contracts let at-by the District
2 Offices, which are constructed solely with State Funds, the letter is addressed to the
3 District Director of Operations. NOTE: This letter is no longer mailed to each District, it is
4 scanned into the EDMS System and can be retrieved through the inquiry of Material's
5 Certification by Document Type.

6 **Construction Complete:** (CONSTCPM): Defines the state of a contract in the status
7 report as follows: contract is either conditional or final accepted, but not received by DFEO
8 and is not yet delinquent.

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9 **Construction Materials Affidavit:** (MA): Shown with the abbreviation of (MA) in the
10 status report.—The Contractor certifies in this document he has kept his as well as his
11 subcontractors' invoices and records of materials. This represents all materials used in
12 the construction of a project.

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13 **Contractor Affidavit and Surety Consent:** (21A): Shown with the abbreviation (21A) in
14 the status report.—This document is in two parts: the first is the Contractor's Affidavit, the
15 second is the surety's consent for the release of retainage. It is required on every
16 construction contract.

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17 **D**

18 ~~**DBE Utilization Certification:** Shown with the abbreviation (UC) in the status report. This~~
19 ~~document is prepared by the District Compliance Office (DCO). It is the result of their~~
20 ~~review of the Disadvantaged Business Enterprise (DBE) contract requirements including~~
21 ~~DBE payment certifications and percent of contract dollars spent for DBEs. This document~~
22 ~~notifies the DFEE that the Contractor has submitted all contract required documents~~
23 ~~related to DBEs.~~

24 **Delinquent:** (DELINQ): Defines the state status of a contract in the Status Report as
25 follows: Contract has received Conditional or Final Acceptance but the final estimates
26 has have not not been received by the DFEE within twenty (20) days of the earliest date.

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27 **DFEO Worksheet:** The DFEO worksheet is placed in every office file. It lists attachments
28 needed for the review of such documents as transmittal letter, Overruns and Underruns,
29 tentative estimates, risk based pay item sheets, Contract Reporting System (CRS)
30 printouts. A short description of the job is included. A checklist of reminders to the
31 Reviewer is included. The rest of the document is dedicated to comments and
32 explanations of changes.

33 **Double Updating:** This is a correction technique which involves coding the incorrect pay
34 items on two(2) sequential 5 card coding lines. Both lines must have the same purpose;
35 either S for semifinal or F for final estimate, depending on the type of estimate you are
36 running. The quantity coded on the first line is the correct quantity from Quantity To Date

1 column on the previous estimate. The quantity coded on the second line must be the new
2 Quantity To Date. When the two (2) sequential 5 card coding lines are run, the second line
3 entry corrects the estimate by pushing the first line entry into the Previous Quantity field.
4 **Note: this type of correction is only available on the semifinal estimates and the final**
5 **estimates.**

6 E

7 **Estimates Office Record of Final Plans and Documentation:** Partially filled out by the
8 project personnel ~~& and~~ submitted to the DFEE with the final estimate, this form is ~~a sheet~~
9 used in the DFEE office files. It ~~is establishes~~ a contract history from execution through
10 pay off; a record of all Supplemental Agreements; time suspensions and extensions;
11 Contractor's documentation and certifications; computation of time granted and time
12 used; a record of the job status; record of 60 and 90 day letters; record of pursuit of
13 overpayment; etc.

14 F

15 **Federal Highway Administration Statement of Labor and Materials used on Federal**
16 **Aid Project: (FHWAPR-47):** ~~Shown with the abbreviation (47) in the status report.~~ This
17 document is a statement of labor and materials required on certain Federal Aid projects.

18 ~~**Federal Wage Rate Affidavit:** Shown with the abbreviation (WR) in the status report.~~
19 ~~This document is an affidavit certifying payment of appropriate wage rates on all Federal~~
20 ~~Aid projects.~~

21 **Final Estimate:** A final estimate is run after the Initial review and Overview review
22 procedures have been complete. This is the Department's official estimate of the final
23 amount of monies due the Contractor under the contract.

24 **Final Estimates Review Form:** This form is from the DFEE to the Resident
25 Engineer(RE). It documents the finding of the changes to the final estimate review made
26 by the DFEO and relates any lateness in submitting the final estimate to the DFEE. It may
27 also state that the job was well prepared and received on time. If there are changes due to
28 procedural error, it describes them. (See Figure No. 2-1 thru 2-1c).

29 ~~**Freight Rate Option:** Shown with the abbreviation (FB) in the status report. If the~~
30 ~~Contractor elects freight rate protection at the time of contract award, submission of freight~~
31 ~~bills will become a requirement of the contract. There is no set document for this option. It~~
32 ~~is the Contractor's freight rate protection. He chooses either option A or Option B when~~
33 ~~the contract is let.~~

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1 **G**

2 **Global Memo:** This memo contains both a checklist and handling instructions for each
3 type of pass. Additional comments or requests for action may be written in the space
4 provided.

5 **I**

6 **Initial Review: (INI-RV1 and INI-RV2):** Defines the state-status of a contract in the Status
7 Report as follows; ; the job has been assigned to an Initial Reviewer.

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8 **Initial Hold (1 and 2)(INI-HLD):** Defines the state of a contract in the Status Report as
9 follows; ; For INITIAL HOLD 1 - Initial Review has been stopped because records listed on
10 transmittal memo are incomplete and more information has been requested from the (RE)
11 - For INITIAL HOLD 2 - Initial Review has been stopped because records not listed on
12 transmittal memo are required and more information has been requested from the RE.

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13 **N**

14 **New:** Defines the state of a contract in the Status Report as follows; ; Final Plans, files
15 and tentative final quantities have been received by the DFEE from the RE. Initial Review
16 has not begun.

17 **O**

18 **Overview: (OVRVW1 and OVRVOW2):** Defines the state of a contract in the Status
19 Report as follows; ; The job is being reviewed by an Overviewer to verify changes made by
20 the Initial Reviewer. The final estimate is being prepared.

21 **Overview Hold: (OVR-HLD):** Defines the state of a contract in the Status Report as
22 follows; ; Overview has been stopped because information has been requested from the
23 RE.

24 **P**

25 **Paid Off:** Defines the state of a contract in the Status Reports as follows; ; contract has
26 been paid off and closed by the Office of Comptroller (OOC).

27 **Passed:** Defines the state of a contract in the Status Report as follows; All Contractor
28 documents have been returned to the ~~department~~Department. The final estimate has
29 been sent to the OOC requesting closure or that ~~they make~~ final payment ~~or closure~~
30 made.

31 **Priority Date:** The priority date is day seventy-five (75) of the Contractor s interest clock

1 under the seventy-five (75) day pay off law. It is that date by which the final payment must
2 have been mailed to the Contractor. See formula in **section 14.11.2.**

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3 **Progress Estimate:** A progress estimate may be used to pay a Contractor for a late
4 approved Supplemental Agreement (SA), field quantity changes, etc. Retainage may not
5 be released on a Progress Estimate without documentation such as a SA.

6 **R**

7 **Reserve:** Defines the state of a contract in the Status Report as follows: The Contractor
8 has returned a qualified acceptance letter outlining claims or disputes with the final
9 estimate. All money on the final estimate has been paid, including retainage and the
10 contract has been placed in ~~the~~ reserve status awaiting resolution of disputes or claims.

11 **Resubmit:** **(RESUB):** Defines the state of a contract in the Status Report as follows: The
12 previous final estimate has been revised and the newly revised final estimate sent to the
13 Contractor for review.

14 **Retainage:** A percentage of the Regular Work is deducted from the
15 ~~contractor~~ Contractor's pay estimate each month. The Department will determine the
16 amount retained in accordance with **Subarticle 9-6.1 in the 1999 of the Standard**
17 **Specifications.**

18 **S**

19 **Securities Program:** Some contractors place securities registered in the contractors'
20 names on deposit with the State Treasurer, as provided in **Section 337.175, of the Florida**
21 **Statutes.** A security may be a Certificate of Deposit, or a bond, etc. As retainage is
22 recorded and deducted on the estimate each month, it is refunded by the OOC when they
23 process the estimate. Due to the inflexibility of the Department's estimate generating
24 software, the refund of this retainage is not reflected on the monthly estimates. This is
25 done on the theory that the ~~department~~ Department is holding the Contractor's securities
26 of equal or greater value. In practice it is much more difficult to convert securities than
27 simply withhold payment of retainage. Legal action by the ~~FDOT~~ Department's Office of
28 the General Counsel's Office is required to convert the Contractor's securities.
29 ~~Accordingly~~ gGreat care must be used to avoid overpayment of Contractor's ~~who are~~
30 participating in the Securities Program.
31

32 **Note:** Beginning with the July 2001 lettings, retainage will only be withheld when the
33 project is behind completion requirements per specification. On projects let prior to
34 July 2001 where the contractor wishes to stop retainage the following actions are
35 required:
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1. Contractor is to furnish a letter to the project engineer listing all ongoing projects that the Surety is willing to have the retainage returned to the contractor.
2. The Department will prepare a change order deleting the old retainage specification and inserting the new retainage specification into each contract. The exception to this change will be that all projects that have been final accepted will follow the present specification for the release of the retainage. A copy of the change order will be sent to the OOC.
3. The Department will revise the CRS program so that retainage is optional. This will allow the field to charge retainage on projects that the contractor is behind progress or the surety has not agreed to allow return of the retainage. For the contractor to obtain the return of their securities, send a letter to the Department's Office of Comptroller, attention: Disbursement Operations Office, Contract Payment Section asking that their securities be returned with a copy to each district final estimate engineer in the districts where the projects are located. Attach a copy of the surety's letter agreeing that retainage could be released on all contracts and state which projects are in the final estimate phase and if they want securities or retainage withheld to cover those projects.

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Semifinal Estimate: (SEMI-FI): A semifinal estimate may be run at the request of the prime ~~contractor~~ Contractor. See the requirements as outlined in the applicable editions of the **Standard Specifications, Subarticle 9-6.4.**

Submit: Defines the state of a contract in the Status Report as follows: The final estimate has been sent to the Contractor for review.

Supplemental Agreement: A Supplemental Agreement is a document ~~which records~~ authorizing a change in the scope of the contract. These changes may include the addition of new pay items, changes in existing pay item quantities and unit price and contract time changes associated with the previous two items.

T

Target Date: This is the date by which the Department's offer of final payment to the Contractor must be mailed by the DFEE so that the construction and final estimates offices use no more than fifty (50) of the seventy-five (75) days available under the seventy-five (75) day clock. It is computed as being twenty (20) days after the date of receipt by the ~~department~~ Department of the Contractor's last required document or fifty (50) days after final acceptance date of the contract whichever date is later.

Tentative Final Estimate: The tentative final estimate is run by the RE□\$ office. It reflects all items shown for payment in the Computation Book. It is a non-pay estimate and

1 is sent to the Contractor strictly to inform the Contractor of the Project Engineer's (PE's)
2 reviewed estimate of the final amount due on the contract.

3 **W**

4 **Wait Overview:** (WAIT-OVR): Defines the state of a contract in the Status Report as
5 follows: Initial Review has been completed and the job is waiting for the overview to begin.

6 **2.3 PROCEDURES**

7 **2.3.1 FINAL ESTIMATES - REVIEW FUNCTION**

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8 (A) Operating Objectives of DFEO:

9 (1) The DFEO staff is under the direct supervision of the DFEE. ~~This~~
10 ~~section's~~Their prime responsibility is to perform a final engineering
11 review of the final plans and pay quantities on all contracts handled by
12 the district:

13 (a) To determine final pay quantities have been derived in
14 accordance with the contract special provisions, contract plans
15 and the applicable edition of the ~~Florida Department of~~
16 ~~Transportation's Standard Specifications for Road and~~
17 ~~Bridge Construction~~ (Standard Specifications). To determine
18 that contract items adhere to pay item and Standard
19 Specifications methods of measurement and basis of payment.

20 (b) To determine final pay quantities are mathematically correct
21 within practical limits and conform to sound engineering
22 practices.

23 (c) To determine source records, computation books, final
24 measurement books, and tabulation forms are correct and
25 complete. To determine that they reflect the approved,
26 constructed conditions and that they observed the neat lines of
27 the plans.

28 (d) To determine that contract documents, affidavits, etc. are
29 correct and properly executed. To prepare the submittal of the
30 final estimate to the Contractor so that final payment may be
31 offered to the Contractor as soon as possible after contract
32 Final Acceptance, in accordance with the seventy-five (75) day
33 pay off period required by Section 337.141, Florida Statute
34 337.141.

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- 1 (2) Basic Philosophy of the DFEO: In the performance of the technical
2 review of completed construction contracts, the following principles
3 are stressed:
- 4 (a) Each unit is to be made up of personnel with a sound
5 understanding of the Design and Construction principles as
6 employed throughout the ~~district~~District.
- 7 (b) Unit members are instructed by the DFEE to accomplish the
8 engineering review involved in reviewing final estimates in a
9 competent and efficient manner.
- 10 (c) The DFEE emphasizes to unit members that a full knowledge
11 and understanding of the Standard Specifications is the most
12 important prerequisite for reviewing final estimates. When
13 reviewing the Standard Specifications, special emphasis must
14 be placed on Section 9 and the measurement and payment
15 portion as applied to individual items.
- 16 (d) The DFEE instructs each unit member to use an inquisitive
17 concern for accuracy and integrity when reviewing source
18 records and other data for final pay quantities.
- 19 (e) The DFEO must impartially determine ~~the~~ pay quantities ~~which~~
20 that are equitable and most nearly represent the work as
21 completed and accepted within the limits authorized by the
22 Department.
- 23 (f) Should the reviewer determine that further project records are
24 needed during the course of an engineering review, then the
25 PE can be asked to submit those records and they shall
26 comply.

27 (B) RELATED FINAL ESTIMATES FUNCTION

28 The DFEO, in cooperation with the State Final Estimates Office (SFEO) and
29 the State and District Construction Offices, strives to promote the
30 improvement of the Final Estimates function and the Department. The
31 following related functions (1) through (8) are accomplished by the DFEO on
32 request, as the work schedules and availability of personnel permits.

- 33 (1) Education and Training.

1 (2) Final Estimates Preparation: Personnel involved in final estimates
 2 documentation, and preparation operations are given instructions ~~on a~~
 3 ~~personal basis and in the classroom through classroom style training.~~
 4 ~~It is the DFEE's responsibility to make provisions for the necessary~~
 5 ~~training. The SFEO shall ask the DFEEs if their districts need~~
 6 ~~training. If so, the SFEO will request class scheduling information~~
 7 ~~from the DFEEs by January 21st of each year. Make provisions for~~
 8 ~~the necessary training. Training shall be provided by the SFEO for~~
 9 ~~each district once each year, if requested by the DFEE within thirty~~
 10 ~~(30) days of the SFEO's memo asking about the need for a class.~~
 11 ~~Three regional training classes are provided by the SFEO solely for~~
 12 ~~CEI consultants each year. Training shall be provided by the DFEO~~
 13 ~~for CEI Consultants, in-house construction staff and DFEO staff when~~
 14 ~~training for final estimates documentation and preparation, is required~~
 15 ~~in excess of that provided by the SFEO. Future training will be offered~~
 16 ~~through the University of Florida. This information will be placed on~~
 17 ~~the State Construction Office(SCO's) website.~~

18 (3) Final Estimates Review & ~~and~~ Administrative Closeout: DFEO
 19 personnel are given instruction in final estimate ~~reviewing review~~ and
 20 contract closeout on an ~~an~~ ~~personal as needed~~ basis ~~and in the~~
 21 ~~classroom~~ by the DFEE. ~~Again, it is the DFEE's responsibility to~~
 22 ~~make provisions for the necessary training. This training shall also be~~
 23 ~~provided by the SFEO for DFEO personnel in each district once every~~
 24 ~~two (2) years, if requested by the DFEE. The SFEO shall ask the~~
 25 ~~DFEEs if their districts need training. If so, the SFEO will request~~
 26 ~~class scheduling information from the DFEE's by January 21st of~~
 27 ~~every other year. Training shall be provided by the SFEO for~~
 28 ~~the district, if requested by the DFEE within thirty (30) days of~~
 29 ~~the SFEO's memo asking about the need for a class. Districts~~
 30 ~~Two, Three, Five and the Turnpike will be offered this training~~
 31 ~~on odd-numbered years. Districts One, Four, Six and Seven~~
 32 ~~will be offered training on even-numbered years. This training~~
 33 ~~shall be offered the same as above.~~

34 (C) Development of Final Estimates Aids and Guidelines:

35 (1) The DFEE staff reviews drafts of the ~~Final Estimates Preparation~~
 36 ~~and Documentation Manual~~ and ~~the Final Estimates Review and~~
 37 ~~Administration Manual.~~ ~~this manual.~~

38 (2) The DFEE maintains a file on all current directives on final
 39 measurement, specification interpretations, and procedures related to

- 1 final estimates.
- 2 (3) The DFEE obtains and provides good quality single copies of Final
3 Estimates forms and instructions for their use. **Note:** Many of these
4 forms are ~~also~~ available from the ~~DISOSS library system on FDOT's~~
5 ~~mainframe computer using Informs. For instructions on accessing the~~
6 ~~forms library and Informs, contract the help desk in your district.~~
7 ~~DOT's website in the Organization, Forms, and Procedures (OFP)~~
8 ~~office website.~~
- 9 (4) The DFEE provides notification to the District Construction Engineer
10 (DCE), the RE, and the PE of errors in the final estimate caused by
11 misinterpretation of Standard Specifications, plan details, computer
12 outputs, etc. This is done in an effort to avoid the same types of
13 errors in the future.
- 14 (5) The DFEE reviews drafts of the ***Basis of Estimates Handbook***.
- 15 (6) The DFEE reviews drafts of the ***Computation Methods for Design,***
16 ***Construction and Final Estimates***.
- 17 (D) Personal Assistance: On-site assistance is given by the DFEO ~~Staff~~ ~~staff~~ to
18 the PE, on request, before, during and after construction, to establish
19 methods for obtaining the most accurate final pay quantities possible.
- 20 (E) Request for Computer Program Updates and Changes: Construction and
21 Estimates personnel need computer programs that will provide final pay
22 quantities in a simple format and with minimum coding effort. The DFEE
23 coordinates these needs and makes the request for the required software.
- 24 (F) Standard Specifications: Offer suggestions to SFEO for specification
25 changes and/or corrections to eliminate problem areas in the methods of
26 measurement and pay and clarification of intent.
- 27 (G) Policy and Procedures: Point out problem areas in policy and FDOT work
28 flow systems to SFEO and District Management and offer assistance in
29 developing practical and efficient resolutions.
- 30 (H) Contract Adjustments: Provide training assistance or actual computations to
31 effect contract adjustments such as Bituminous, ~~and Fuel~~ ~~and Freight Rate~~
32 adjustments.
- 33 (I) Standard Indexes: Monitor for clarity and conformity with specification intent
34 as related to measurement and payment. Offer suggestions to Design to

1 eliminate ambiguities.

2 **2.3.2 COORDINATION OF PLANS AND STANDARD SPECIFICATIONS WITH THESE**
3 **PROCEDURES**

4 All instructions outlined in these procedures have been coordinated to aid and
5 support the Standard Specifications, Special Provisions, and policies of Design,
6 Construction and Estimates, presently accepted by the Department. However, due
7 to the dynamic nature of the foregoing, current plan notes, ~~special~~ **Special**
8 ~~provisions~~ **Provisions**, Standard Specifications changes, and directives will take
9 precedence over these procedures in case of discrepancy. All such conflicts shall
10 be brought to the attention of the SFEE so the procedures can be updated.

11 **2.4 LIST OF FIGURES FOLLOWING THIS CHAPTER**

12	Figure No.2-1	Final Estimates Review Form
13	Figure No. 2-1a	Final Estimates Review Form
14	Figure No. 2-1b	Final Estimates Review Form
15	Figure No. 2-1c	Final Estimates Review Form