



Florida Department of Transportation

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SECRETARY

ESTIMATES BULLETIN 07-01

DATE: June 6, 2007

TO: District Estimate Managers & Coordinators

FROM: Phillip "Greg" Davis, PE, State Estimates Engineer

A handwritten signature in black ink that reads "Phillip G. Davis".

COPIES TO: Ananth Prasad, Lora Hollingsworth, Duane Brautigam, Josephine Jones and District Design Engineers

SUBJECT: Initial Contingency Amount – Do Not Bid (Pay Item 999-25)

ISSUE:

The current practice is to calculate the initial contingency amount based on the official estimate in accordance with the requirements of section 7.4.6.1 (Maximum Funding Limits) in the Construction Project Administration Manual (CPAM). Budget amount for the project in Work Program is determined by the authorization estimate which is done prior to the official estimate. Project funds are encumbered based on the amount in the Work Program which is different than the official estimate. This creates a conflict when the amount encumbered for the project does not conform to the requirements in CPAM because the initial contingency amount is based on the official estimate which is usually higher than the budget amount. The Comptroller Office can't encumber funds for the project until the discrepancy is resolved.

REQUIREMENTS:

To mitigate the issue above, the initial contingency amount shall be based on the authorization (or budget) estimate for the project. No additional adjustments shall be made to the initial contingency amount due to the official estimate or any revisions to official estimate during advertisement.

IMPLEMENTATION:

This practice shall begin immediately for all projects.

If there are any questions concerning this bulletin, please feel free to contact Greg Davis at (850)414-4170.