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Department of Transportation

CONTRACT FUNDS MANAGEMENT - FUNDS APPROVAL

PURPOSE:

To establish uniform internal controls to ensure all commitments of funds by the Department receive prior approval by the Comptroller and are properly established and maintained in the accounting and financial management systems.

AUTHORITY:

Sections 20.23(3)(a) and Section 334.048(3), Florida Statutes (F.S.)

REFERENCES:

Section 215.97, F.S.
Section 215.985, F.S.
Chapter 287, F.S.
Section 311.09(9), F.S.
Chapter 337, F.S.
Section 339.135(6)(a), F.S.
Procedure No. 350-020-300 Locally Funded Agreements Financial Provisions & Processing
Procedure No. 350-030-450 Operating Appropriations Carry Forward and Fixed Capital Outlay/Work Program Certification Forward Processes
Procedure No. 375-000-001, Road and Bridge Contract Procurement
Procedure No. 375-040-020 Commodities and Contractual Services Procurement Manual
Procedure No. 375-040-130 Emergency Procurement During Governor Declared Emergencies
Procedure No. 625-020-010, Design-Build Procurement and Administration
Procedure No. 700-000-000, Construction Project Administration Manual (CPAM)
Procedure No. 725-000-005 Public Transportation Joint Participation Agreement
Environmental Mitigation Handbook
Private-Public Partnership (P3) Handbook
Work Program Instructions

SCOPE:

All Department employees responsible for commitment of funds are impacted by this procedure.

DEFINITIONS:

Contract: A legally binding agreement between the Department and a vendor setting forth terms and obligations.

Contract Classification: The designation of the type of contract within the Contract Funds Management System, defined as follows.

“A” Contracts - contracts between state and local governmental agencies, metropolitan planning organizations, for-profit organizations and/or private companies which involve joint efforts and/or funding. Examples include: non-financial assistance (grant) railroad crossing maintenance agreements, utilities relocation agreements, highway beautification agreements, Joint Participation Agreements (“JPAs”), and Local Agency Program agreements (“LAPs”).

“B” Contracts - contracts used to procure miscellaneous contractual services. Some examples include: custodial services, planning and research, fixed capital outlay (“FCO”), expert witness, legal/court reporter agreements, and FCO design-build contracts.

“C” Contracts - contracts for professional consultant services. Some examples include: engineering, architecture, landscape architecture, land surveying, and construction engineering inspection (“CEI”) agreements.

“D” Contracts - contracts procuring certain professional consulting and miscellaneous services associated with right of way activities. Some examples include: asbestos right of way (“ROW”) surveys, demolition, and general consultant for ROW services agreements.

“E” Contracts – Chapter 337 non-federally funded construction and maintenance contracts. These contracts require funds approval for advertisement and award with the exception of fast response contracts (“Fast Response Contracts”) and contracts for Secretary declared emergencies. Some examples include: road, bridge, rest area, and weigh station construction and maintenance, roadside mowing, building construction, building renovations and modifications, FCO, and demolition agreements.

“G” Contracts – grants between federal, state, and local governmental agencies, metropolitan planning organizations, non-profit organizations which involve state or federal financial assistance to the other party. Examples include: agreements to recipients or sub-recipients through safety program grants, highway planning grants, aviation grants, and Seaport grants.

“H” Contracts - emergency contracts utilized for a Governor declared emergency only. When statutes and rules are suspended allowing the Department to execute an emergency contract/agreement prior to budget being available and receiving a funds approval from the Department’s Comptroller. Some examples of “H” contracts include, but are not limited to: road repair, bridge repair, facility repair, and debris removal agreements.

“S” Contracts - settlement agreements are used to settle contract claims against the Department. The Office of General Counsel (Central, Turnpike Enterprise or Districts) will draft the settlement agreement for processing with Central Office General Counsel approval and Secretary’s execution.

“T” Contracts – Chapter 337 federally funded (in whole or in part) major road and bridge Central Office let construction and maintenance contracts. Contracts beginning with a “T” are the contracts generated within the Site Manager. Contracts that begin with a “1” or a “2” are the remaining Contract Reporting System (CRS) generated contracts which were executed prior to the implementation of the Site Manager. These contracts require funds approval for advertisement and award.

“X” (Chapter 287) and “Z” (Chapter 337) Contracts - term contracts for equipment and services that could be used before, during, and after a Governor declared emergency. These pre-event term contracts for transportation facilities repair and restoration, professional and contractual services, and commodities must be acquired in accordance with law, rule, and procedure.

Contract Funds Management Section: The section within Contracts, Grants, and Funds Management responsible for the contract funds approval process.

Contract Funding Terms: Designation within the Contract Funds Management System that identifies the amount and the method of availability of the funds for the commodities or services as specified in the contract. For specific contract funding term values and definitions, see *Appendix 2*.

Contracts, Grants, and Funds Management: The section within the Office of Comptroller responsible for contracts oversight, administration of funds approval, encumbrance processing, budget control, indirect cost allocation, grants oversight, and single audit monitoring for sub-recipients.

FLAIR: The Florida Accounting Information Resource System.

FDOT FACTS: The Department’s Florida Accountability Contract Tracking System. The Department’s computer application which is used to store and systematically upload contract data into the Department of Financial Services’ FACTS system.

Encumbrance: A financial commitment of the State that is recorded in FLAIR.

Funds Approval: A statement, as required by Section 339.135(6)(a), F.S., from the comptroller of the department that funds are available prior to entering into any such contract or other binding commitment of funds. The Department uses the encumbrance transaction in FLAIR to manage the funds approvals.

Memo Encumbrance: A financial commitment related to a future obligation for which the contracting party has not yet been identified that is recorded in FLAIR. Used for construction, maintenance, and design-build contracts at advertisement.

Purchase Orders: A document used to procure contractual services and commodities authorized under **Section 287.057, F.S.** using MyFloridaMarketPlace. Some examples are: automobiles, computer maintenance, expert witness, and facility maintenance.

Reviewed Funds Approval: A fund approval for financial commitments, specified on a contract for future year obligations, that are **contingent upon annual legislative appropriation approval.**

GENERAL

Prior to commitment of funds (or additional funds) through a Contract, Amendment, Supplement, Letter of Authorization (LOA), Purchase Order, or Change Order, a funds approval must be obtained through the Office of Comptroller, Contract Funds Management Section. A blanket approval has been provided for some commitments and may be found on the Contract Funds Management (CFM) SharePoint site. In addition, prior to executing an agreement committing future year funds contingent upon annual legislative appropriation, an approved Reviewed Funds Approval must be obtained through the Contract Funds Management System.

1. CONTRACT FUNDS MANAGEMENT SYSTEM

The Contract Funds Management (“CFM”) system is a web based application which communicates to the Department’s mainframe computer via a Web browser. Users may access the application Monday through Friday, 7:00 am to 9:00 pm and Saturday, 7:00 am to 7:00 pm to manage the encumbrance and approval of funds for a contract and/or purchase order using the following application’s modules:

- (1) New Contract
- (2) Edit Contract
- (3) New Advertisement
- (4) Edit Advertisement
- (5) Award
- (6) Status Change
- (7) Contract Search
- (8) Amendment Search
- (9) New Purchase Order

- (10) Edit Purchase Order
- (11) Search Purchase Order
- (12) New Non-Contractual Encumbrance
- (13) Edit Non-Contractual Encumbrance
- (14) Search Non-Contractual Encumbrance

For detailed CFM System guidance, see the **CFM Handbook** on the CFM SharePoint site. (<http://cosharepoint.dot.state.fl.us/sites/OOC/FMO/CFM/CFMHandbookTOC.aspx>)

1.1 SYSTEM EDITS

The CFM system checks for available budget as well as financial project cost estimate and authorizations in the Department's Financial Management ("FM") system. The system also checks for the existence of a FDOT FACTS record for each request. The CFM System reads current data from the Department's FM System and FLAIR data from the preceding business day. Once the funds approval request has passed all system edits, it will be included in the daily batch processing to FLAIR. When the request has been processed through FLAIR, the CFM System will send a funds approval to the funds approval folder ([\\dotscoibi01.co.dot.state.fl.us\cfmcont\\$](http://dotscoibi01.co.dot.state.fl.us/cfmcont$)) identifying the request as "Funds Approved" (for the current state fiscal year) or "Funds Reviewed" (for future state fiscal years). The funds approval request will be included in the nightly Cost Allocation process within the FM System and will be included in the financial project committed amount the following day. However, if funds approval is not granted, the requestor will be contacted by a member of the CFM Section within one business day of submitting the request.

Funds approval requests are processed via the batch interface to FLAIR and will begin at approximately 10:00 am and 2:00 pm each day. Any requests submitted after 2:00 pm will not be processed until the next business day. In order to fulfill statutory requirements, it is critical to select the appropriate contracting method and obtain funds approval for the total amount of the Department's commitment described in the contract. Assistance with the system is available by contacting a member of the CFM Section.

1.1.1 Work Program Edits

Listed below are Work Program edits the CFM System performs to process funds approval requests:

- Valid financial project
- Appropriate budget year for the financial project
- Sufficient funds (Financial Project Cost Estimate) in the appropriate budget year
- Authorized Financial Project Cost Estimate for state funded projects
- Sufficient federal authorization for federal funded projects. For non-construction contracts, the federal authorization must be in one of the following statuses: "reviewed", "certified", "transmitted", or "approved." For a non-design-build construction project to be advertised or awarded, the federal authorization must be in an "approved" status. A design-build construction project may be advertised

without the federal authorization, but the federal authorization must be in an “approved” status prior to award (NOTE: this is the edit within CFM. The federal authorization must be approved prior to issuing the Final RFP).

- Valid work activity for the phase on the financial project

1.1.2 Florida Accounting Information Resource (FLAIR) Edits

Listed below are FLAIR edits the CFM System performs to process funds approval requests:

- Active Vendor Identification Number
- Verified Substitute W-9 Form on file
- Valid financial project on Project Information File
- Valid correlation for financial project
- Valid cost distribution (organization code, expansion option, object code)
- Valid Catalog of State Financial Assistance (CSFA)
- Valid Catalog of Federal Domestic Assistance (CFDA)
- Sufficient Available balance

1.1.3 Florida and Federal Single Audit Act (FSAA)

Pursuant to the reporting requirements set forth by the Department of Financial Services, when an object code with a ‘75’ prefix is used, a CSFA number will also be required for input into the CFM System. The project number associated with the request must contain state funding for a ‘75’ prefix object code to be used. A CSFA number will not be allowed for an object code without a ‘75’ prefix. The CSFA number is stored in the CFM system as part of the contract record, not as part of each individual encumbrance record. Therefore, once the CSFA number has been recorded for an encumbrance record, the CSFA number becomes a part of the contract record. See the Office of Comptroller – Statewide Grant Coordination SharePoint site under **Single Audit Act** for more information.

Pursuant to the reporting requirements set forth by the Department of Financial Services, when an object code with a ‘78’ prefix is used, a CFSA number will also be required for input into the CFM System. The project number associated with the request must contain federal funding for a ‘78’ prefix object code to be used. A CFSA number will not be allowed for an object code without a ‘78’ prefix. The CFSA number is stored in the CFM system as part of the contract record, not as part of each individual encumbrance record. Therefore, once the CFSA number has been recorded for an encumbrance record, the CFSA number becomes a part of the contract record. See the Office of Comptroller – Statewide Grant Coordination SharePoint site under **Single Audit Act** for more information.

1.1.4 FACTS Record Requirement

For all funds approval requests except for advertisements, a FACTS record must be established in DOT FACTS for transmission to DFS FACTS. The DOT FACTS system

is designed to capture all of the contract and amendment information required for DFS FACTS and to successfully process in FLAIR the encumbrance requests.

2. ENCUMBERING CONTRACTS

An encumbrance action must be chosen when requesting funds approval. The seven action types are: “New”, “Advertisement”, “Award”, “Correction”, “Supplement/Amendment”, “Letter of Authorization” (LOA), and “Renewal”. Of these, the first three types are used for new contracts. The remaining types are for existing contracts.

2.1 INITIAL/NEW CONTRACTS

The following provisions **must** be identified when requesting an initial funds approval:

- Anticipated beginning and ending dates for contract
- Contract funding term (See **Appendix 2** for a complete listing and additional information regarding applicability to contracts)
- Procurement method (See **Appendix 3**)
- Contract Type (CFM SharePoint site has a complete list)
- Vendor ID
- Renewal option
- Contract Total (Optional, Depending on Funding Term)
- Annual Year Maxes (Optional, Depending on Funding Term)
- Max Amount Per LOA (Depending on Funding Term)
- Contract description
- Cost distribution information (including financial project number)

Contract types “T” and “E” (other than “E” Fast Response Contracts) will use the Advertisement and Award modules of the CFM System. All other contract types (including category “E” Fast Response Contracts) will use the New Contracts module of the CFM System.

2.1.1 Reviewed Funds Approval

A **Reviewed Funds Approval** must be requested for contracts with specified funding in a future year. The contract language must clearly identify the amount of funds that will be available for each fiscal year and state they are contingent upon annual legislative approval. These funds will not become available until the beginning of each future fiscal year (July 1). If the contract includes funding for the current fiscal year, when the funds approval request is processed, funds will be encumbered in FLAIR for the current fiscal year only.

In July of each fiscal year, the CFM System will automatically encumber the funds for that fiscal year and send the funds approval to the funds approval folder. The future fiscal years must be programmed in the Department’s Work Program and the financial

project cost estimate must be equal to or greater than the amount requested for funds approval.

If a contract (not “T” or “E”) is to be advertised and executed in the current fiscal year with an effective date of July 1 or later and the work will begin in the subsequent fiscal year, the financial project estimate must be programmed and a **Reviewed Funds Approval** must be received prior to the execution of the agreement. The **Notice to Proceed** for these types of agreements may not be issued until the requestor receives a funds approval in the year the work is to begin that funds are available.

A “T” or “E” (not Public-Private Partnership) contract may be advertised and let with a **Reviewed Funds Approval**, but must have all funding available and have received a **Funds Approval** prior to moving forward with an award.

2.1.2 CONTINGENCY FUNDS FOR ORIGINAL CONTRACTS

Contingency funds are used to address the funding requirements of “unforeseen work” for the original contract. Contingency supplemental agreements will be processed in the Edit Contract module of the CFM System and will require a work activity code of 202. See Section 2.2.2.1 for additional information. The limits imposed on the use of contingency funds are as follows:

<u>Original Contract Amount</u>	<u>Maximum Amount allowed on each Contingency Agreement</u>
Less than \$5,000,000	The lesser of 5% of original contract or \$50,000
\$5,000,000 or more	The lesser of 1% of original contract or \$150,000

Use of initial contingency pay item or contingency supplemental agreement is for “T” and “E” contract only but not allowed on Push Button Contracts or Fast Response Contracts.

The District Secretary may request an exception to the above limits by providing the Comptroller with reason(s) for the exception. The Comptroller must approve the exception prior to certification of availability of funds. The District Secretary may delegate authority to the District Director of Operations to request an exception to the limits for a specific contingency supplemental agreement as stated in the **Construction Project Administration Manual (CPAM) Procedure No: 700-000-000**.

In the event multiple projects are included in the contract, the above-mentioned limits would apply to the contract as a whole, so the aggregate amount of funds encumbered to the individual projects on the contract under a contingency supplemental agreement or initial contingency amount will not exceed the limits set forth above.

In the event a contract has local funds involved and the local governmental entity has placed the money on deposit with the Department, the previous contingency supplemental agreement must be in an executed status (10) before a new contingency supplemental agreement is processed through the CFM System. However, the 50% committed work orders on previous supplements rule will not apply.

2.1.3 “T” and “E” Contracts - Advertisements

Prior to advertising for a contract category “T” or “E” (excluding Fast Response Contracts), a funds approval request must be generated and approved through the New Advertisement module of the CFM System. The result of this action will be a **Memo Encumbrance** and will automatically be deleted when the request to encumber the award is processed.

2.1.3.1 Memo Encumbrances

“T” contracts are processed monthly for the statewide advertisement by the Contracts Administration Office in Central Office in accordance with **Chapter 337, F.S.** Contracts beginning with a “T” are the contracts generated within the Site Manager. Contracts beginning with a “1” or a “2” are the remaining Contract Reporting System (“CRS”) generated contracts which were executed prior to the implementation of the Site Manager.

The Production Management Office will forward a copy of the **Notice to Advertise** spreadsheet to the CFM Section for a **Notification of Funds Approval**.

The **Memo Encumbrance** for “T” contracts will be processed by a member of the CFM Section. The Contracts Administration Office cannot advertise the projects until the **Notification of Funds Approval** is received from the CFM Section.

For design-build contracts, the contracting unit or Project Manager will request a **Memo Encumbrance** through the CFM System prior to advertising the project. The CFM System will by-pass the federal authorization check at this time since federal authorization is usually not obtained until the RFP has been approved by FHWA and it is ready to be released. The CFM System will generate a **Funds Approval** once the funds are memo encumbered in FLAIR successfully. The CFM System will send the funds approval to the funds approval folder. The requestor must have the funds approval before the design-build project can be advertised. Please see **Design-Build Procurement and Administration Procedure No.625-020-010** for additional information.

With the exception of design-build projects, funds approvals requested through the advertisement module of the CFM system require all federal authorization requests be in an approved status prior to the memo encumbrance being processed.

Advertisements for projects to begin in the subsequent fiscal year must clearly state that funding is contingent upon annual legislative approval.

2.1.3.2 Award

After the contract has gone through the advertisement process and a contractor has been selected, a fund approval request must be processed through the Award module of the CFM System **prior** to awarding the contract.

For “T” contracts, the Contracts Administration Office will forward the **Notice of Award** spreadsheet to the CFM Section for **Notification of Funds Approval**. The encumbrance will be processed by a member of the CFM staff. The Contracts Administration Office cannot award the projects until the **Notification of Funds Approval** is received from the CFM Section.

The award amount may differ from the amount originally memo encumbered in the Advertisement module. Once the encumbrance request has been processed for the award, the memo encumbrance will automatically be deleted from the Advertisement module.

All federal authorization requests, including design-build projects, must be in an approved status prior to the award encumbrance being processed. In the event that the award is higher than the advertisement, federal authorization must be in an “Approved” status for the additional funding that is above the advertised amount and the Work Program estimate must be adjusted before the award encumbrance is processed.

2.2 EXISTING CONTRACTS

In order to modify previously processed contracts, use the Edit Contract module of the CFM System. Within this module, Corrections, Supplemental/Amendments, LOAs and Renewals may be processed.

2.2.1 Corrections

Corrections are typically for, but not limited to: object codes, other cost accumulator (OCA), organization codes, financial project numbers or work activities. Amounts may be changed using a correction action if the contract is in a pending status (03 or 04). Changes to **Memo Encumbrances** for advertised amounts require an addendum to the advertisement to be changed. Contracts in an executed status (10) require a supplemental agreement or amendment to change the amount.

2.2.2 Supplemental Agreements/Amendments

Changes to the dollar amount (increases or decreases) of an existing contract are processed through the Edit Contract module of the CFM System. Supplemental agreements/amendments issued to extend the time period, without additional funds will be processed through the status change module of the CFM System.

2.2.2.1 Contingency Supplemental Agreements

Before a contingency supplemental agreement can be issued against the contract, 50% of the initial contingency pay items must be authorized for payment. An initial contingency pay item commitment summary must be included with the funds approval request for the contingency supplemental agreement.

The contingency supplemental agreement must adhere to the same dollar limitations as set forth in **Section 2.1.2** above for the initial contingency amount. Contingency Supplemental Agreements will require a work activity code of 202.

Before the next contingency supplemental agreement can be issued against the contract, the previous contingency supplemental agreement must have 50% of that contingency supplemental agreement authorized for payment. A funds commitment summary showing the minimum 50% funds authorization against the previous contingency supplemental agreement must be submitted with each encumbrance request for an additional contingency supplemental agreement.

2.2.3 LOAs

The **LOA** action is to be used for any written document issued to identify the availability of funds for a specific task or project. The following documents may be classified as an LOA for encumbrance processing: **Task Work Orders, Letters of Authorization, Work Orders for Rail, Change Orders for Utility, and Notice to Proceed** with funding specified to authorize the work.

2.2.4 Renewals/Time Extension

The Edit Contract Renewal action is to be used for contracts which are renewable by the terms and provisions of the contract. A renewal does not change the scope of work. The contract must specify the time period for each renewal and the dollar value. A funds approval request must be approved through the CFM System before the renewal may be executed. Renewals issued to increase funding and to extend the time period will be processed through the Edit Contract module of the CFM System. Renewals issued to extend the time period, without additional funds, will be processed through the Status Change module of the CFM System.

2.2.5 Status Change

All funds approval requests **must be** processed and approved **prior to the execution of the contract**. Specific contract information must be verified and updated after the execution of the contract. The following information must be verified before placing the contractual document into an executed (10) status:

- Contract begin date
- Contract end date
- Contract execution date

- Contract/budget ceiling amount
- Financial project number
- Vendor number
- Renewal options
- Service type
- Correct contract funding term selected
- Funds are REVIEWED for contracts with specified future years

The contractual document may be the ***New Contract, Supplemental/Amendment, LOA, Work Order, Notice to Proceed, or Renewal***. Payments shall not be processed in FLAIR until the contractual document has been placed in an executed status. Instructions on how to process a status change can be found in the CFM Handbook. A list of employees with the update capabilities may be found on the CFM SharePoint site under Contract Status Changes. Additions or changes to this update capabilities (employee) list may be made with an e-mail to the CFM Coordinator from the District Director of Transportation Support or the Deputy Comptroller of the Disbursement Operations Office as appropriate.

2.2.6 Closing Contracts With Encumbrance Balances

Encumbrance balances are removed when contracts are closed. The contract status change process includes a review of the contract and a certification that the final invoice has been processed prior to closure. Contact the CFM Section at ContractFunds.ManagementSection@dot.state.fl.us if you have further questions regarding closing contracts with encumbrance balances.

2.2.7 Request To Release Contingency Funds

Contingency funds may be released upon final acceptance of the contract. The Construction Office must submit a statement in e-mail to the CFM Section requesting release of contingency funds with the following certification:

“I certify the contract is in final acceptance status, the funds are not needed for the Regional Disputes Review Board, and the uncommitted contingency amount is \$ _____.”

The CFM section will coordinate the release of the contingency encumbrance.

2.3 SPECIAL FUNDING REQUIREMENTS/PROVISIONS

More information on all contingency and special agreements may be found in ***Construction Project Administration Manual (CPAM), Topic No. 700-000-000.***

2.3.1 Alternative And Innovative Contracts

The Department has several alternative/innovative contracting methods pursuant to **Sections 337.025 and 337.027 F.S.** Alternative contracting methods may be used based on the proper item group codes contained in the current year **Department's Work Program Instructions**. The process for programming alternative contracts is delegated to each District.

Alternative/innovative contracting methods are subject to a statutory total limit, (excluding Turnpike Enterprise). They must be pre-approved by the Secretary and are monitored by the Production Support Office. The following are examples of the alternative contracting methods used by the Department: A+B bidding, bid averaging method (BAM), incentive/disincentive, lane rental, liquidated savings, lump sum, no excuse savings, construction management at risk (CMAR), and Business Development Initiative (BDI). The work activity must be specific to the alternative contracting method used. See **Appendix 1** for the list of work activities.

Incentive payments shall be programmed using phase 5A in the fiscal year in which the incentive payment is expected to be made, and a reviewed funds approval for the incentive payment is required prior to advertisement and award. The incentive payment will occur when the contractor has met the early completion dates noted in the contract (bonus days).

It is the responsibility of the Resident Engineer to ensure that the funds are approved and encumbered prior to requesting payment of an incentive.

2.3.1.1 Construction Management General Contractor (CMGC)

The estimate for the construction cost is to be included with the funds approval request (future years if necessary) for the Construction Management Contract. Exceptions to this must be approved by the Department's Comptroller via the CFM Section. Changes to the construction portion of the funds approval may be made by contacting the CFM Section. Once the construction portion of the project is advertised, changes to the construction encumbrance will follow standard "E" contract procedures.

2.3.2 Unilateral Agreements

Unilateral agreements are used to pay the contractor for work performed on a project when:

- The contractor agrees to perform the work at an agreed upon cost but refuses to timely execute a supplemental agreement so as to allow timely payment for the work by the Department,
- The Department and the contractor cannot agree on the cost of the work, and the contractor refuses to execute a supplemental agreement,
- The Department determines it is in its best interest to make a unilateral payment for work the Department directed to be performed in lieu of pursuing a supplemental agreement.

Unilateral agreements may also be a decrease to the contract limits.

Additional information regarding unilateral agreements may be found in the **CPAM Manual, Topic No: 700-000-000**.

The funds approval request will be processed in the Edit Contract module of the CFM System and will require a work activity code of 230.

2.3.3 Overruns For Contracts Procured Under Chapter 337, F.S.

Contracts with an original contract amount of \$5 million or less may incur an overrun to the total contract amount up to 2.5% of the original contract amount. Although overruns up to 2.5% may be paid as unencumbered disbursements, management encourages project managers to program and encumber additional funds prior to the expenditures exceeding the contract/project amount. Overruns in excess of 2.5% of the original contract amount must have additional funds encumbered prior to the authorization of the work that will cause the contract (not pay item or project) to overrun.

Contracts with an original contract amount of more than \$5 million are required to have additional funds encumbered at the project level to cover overruns on regular work prior to the authorization of the work that will cause the project to overrun. Contingency funds may not be used for overruns. Prior to receiving funds approval (encumbrance), the funds must be programmed in the FM System, and if federal funds are involved an authorization must be requested (see **Section 1.1.1**). The CFM system will check FM daily to see if the authorization has been approved and if so, the CFM will change the encumbrance to status 10 (available for payment).

Overrun funds may be encumbered on the contract once the Project Manager determines the need for an overrun encumbrance. These funds shall be used for overruns only. Work Activity code 240 must be used for monitoring and tracking expenditures related to overruns. Requests for additional funding must be based on an analysis of the project and calculated estimated overruns.

If funds are not approved/encumbered prior to authorizing the additional regular work that will cause the contract (not pay item or project) to overrun, an **After the Fact Funds Approval** letter to the Department's Comptroller from the Turnpike Enterprise Executive Director, the Rail Enterprise Executive Director, or District/Assistant Secretary, as appropriate, will be required. The letter should request authorization for an after-the-fact funds approval detailing the situation, contract number, amount, cause of non-compliance, and the measures put into place to prevent a repeat occurrence (See **Section 3**).

2.3.4 Environmental Mitigation Agreements

As the approved mitigation plans are received from the Water Management Districts, it is the responsibility of each District to reconcile the approved plan to the current work

program (i.e., ensure that the programming and encumbrances agree to the approved plan.) In addition to reconciling to work program, each District should ensure the CFM Section within the Office of Comptroller has been sent a **Funds Approval Request** for each Department financial project number on the plan that may have work started, be permitted, or have an anticipated invoice pending for the current fiscal year. Additionally, for projects not in the current fiscal year, a “reviewed” funds approval must be requested. Districts must also ensure that the request was approved by the CFM Section (i.e. the encumbrance was established). These requests should be sent to the CFM Section email address, ContractFunds.ManagementSection@dot.state.fl.us. Funds approval should be sought for the highest total amount of acreage on the plan, subject to quarterly adjustment. For processing details, see the Contracts, Grants, and Funds Management SharePoint site and reference the **Environmental Mitigation Handbook**.

2.3.5 Rail Force Account Agreements

Rail Force Account Agreements – The District Rail Office is primarily responsible for tracking the progress of railroad work and obtaining a **Change Order Authorization** prior to the final invoice. If the final invoice exceeds five (5%) percent of the estimate/encumbrance for work performed, an **After the Fact Funds Approval** letter is required. The contract manager will be responsible for obtaining a copy of the **After the Fact Funds Approval** letter for their file. The letter should be attached to the **Change Order** for future reference.

For rail force account agreements, current year funds may be utilized for services performed in a prior year. All estimates shall be as realistic as possible, given the information available at the time of execution and funding approval, unless there are changes in the scope of work. See **Rail Office Programs Handbook Adoption Procedure, No. 725-080-002** for more information.

2.3.6 Local Fund Agreements

If local funds (“LF”) are programmed on the financial project, the following requirements must be met based on the allocation type in Work Program:

- Allocation type 1 - Funds must be on deposit with the Department, before the funds are approved through the CFM System.
- Allocation type 4 – Funds are not required to be on deposit with the Department and no funds approval will be processed through the CFM System.

For more detailed information on LF funds, please see the current year **Work Program Instructions**.

2.3.7 Seaport Project Funding

Pursuant to provisions made effective July 1, 2010 in **Section 311.09(9) F.S.**, funds may be released from a prior year encumbrance to be used for current year funding on

a different seaport project. The contract releasing the funds must either be closed or amended to reflect the reduction, the encumbrance released, and then a Work Program Amendment must be processed. Due to the required approvals and budget transfers, these changes will be handled manually, outside of the CFM System. Contact the CFM Supervisor for assistance with these transfers.

2.3.8 “B”, “C”, And “D” Contracts

Renewal provisions must be input into the CFM System on the initial funds approval request.

Any budgetary ceiling must be input into the CFM System on the initial funds approval request.

The total of all **LOAs** cannot exceed the budgetary ceiling on the contract.

2.3.9 Fast Response Contracts

The Comptroller has granted the authority to establish a **Memo Encumbrance** in advance for district wide **Fast Response Emergency Contracts**. The award encumbrance must be processed through the CFM System by the next business day of authorizing the work to be performed. The financial project that has been established for the contracted work should be used. Once the **Memo Encumbrance** is used (after the award), the District may establish another **Memo Encumbrance** for the next emergency incident.

Each district will be responsible for establishing a district wide financial project number in advance for an incident that may occur during the fiscal year. Use Contract type EF (Emergency Fast Response) in the Advertisement module for this contract. The **Memo Encumbrance** must be unencumbered before the end of the fiscal year if nothing occurs during the current fiscal year in order for the funds to be included in the roll forward process.

2.3.10 Pushbutton Contracts

Pushbutton contracts may be utilized to provide a quick response for resolving unexpected problems concerning signalization, signing, pavement markings, and miscellaneous roadway improvements for a period of one year.

The budgetary ceiling for these contracts shall be One Million and 00/100 Dollars (\$1,000,000) and shall be awarded with an initial encumbrance of zero dollars. The funds approval request may be submitted in the New Advertisement or New Contract module of the CFM System by the District/Central Office personnel.

The use of initial contingency pay items and contingency supplemental agreements on Pushbutton Contracts is not appropriate. Funding for extra work required on Pushbutton Contracts shall be accomplished either by the issuance of subsequent Task Work Orders when existing pay items in the contract are sufficient to address the required extra work or by adding required pay items to the Pushbutton Contract via Supplemental Agreements, followed by the issuance of subsequent Task Work Orders.

Renewal provisions must be input into the CFM System on the initial funds approval request.

Funds approval for pushbutton contracts is determined by the contract funding term used upon award of the contract. Contract funding terms available for pushbutton contracts are 1, 3, 6, and 7. See **Appendix 2** for details on the **Contract Funding Terms**.

2.3.11 Secretary Declared Emergency

If the Secretary of the Department declares an emergency, the Comptroller's policy is to obtain funds approval by the next business day of authorizing the work to be performed or by the next business day of execution of the contract, whichever occurs first. The funds approval request is to be processed in the New Contract module of the CFM System.

A copy of the Secretary's memorandum declaring the emergency must be submitted to the CFM Section by the next business day.

2.3.12 Governor Declared Emergency ("H" Contracts)

The **Executive Order** specifies the declaration period for which the **Executive Order** applies. The language in the **Executive Order** determines if it is possible to suspend statutes and rules and who can approve the suspension. This approval must be in place before "H" contracts can be used.

Detailed codes and descriptions of valid contract types to use with "H" contracts may be found on the CFM SharePoint site.

Contract Renewal - In accordance with **Section 287.057, F.S.**, contracts initially procured for an emergency cannot be renewed.

During an emergency, the Comptroller's policy is to obtain funds approval by the next business day of authorizing the work to be performed or by the next business day of execution of the contract, whichever occurs first. If extenuating circumstances prevent a District from receiving a next business day funds approval, the Comptroller may waive this requirement. Please do not delay executing an agreement to meet a critical need due to the funds approval process. However, it is each District's responsibility to

document in its contract file why funds approval was received after execution of the agreement.

Numbers for emergency contracts are assigned by the Procurement Office in each District/Central office.

Any budgetary ceiling must be input into the CFM System on the initial funds approval request.

The total of all **LOAs** cannot exceed the budgetary ceiling on the contract.

See ***Emergency Procurement during Governor Declared Emergencies, Procedure No: 375-040-130*** for more information on H Contracts.

2.3.13 Pre-Event Contracts – “X” And “Z”

The Department may formally procure and execute term contracts for equipment and services that could be used before, during, and after a Governor declared emergency. These pre-event term contracts for transportation facilities repair and restoration, professional and contractual services, and commodities must be acquired in accordance with the law, rule, and procedure.

The Construction/Maintenance Office will assign a “Z” contract number to pre-event contracts acquired under ***Chapter 337, F.S.***

The CFM System will assign an “X” contract number to pre-event contracts acquired under ***Chapter 287, F.S.*** or other procurement methods not acquired under ***Chapter 337, F.S.***

The “X” and “Z” contract prefix numbers are designed to facilitate tracking, reporting, records retention, and federal reimbursement requirements.

Detailed codes and descriptions of valid contract types to use with “X” and “Z” contracts may be found on the CFM SharePoint site.

Use Contract Funding Term 6 for these contracts. A complete list of Contract Funding Terms with sample language can be found in ***Appendix 2.***

2.3.14 Settlement Agreements

Settlement agreements are used to settle contract claims against the Department. The Office of General Counsel will draft the settlement agreement for processing, and Central Office General Counsel approval is required.

The funds approval for all settlement agreements will be processed by a member of the CFM staff. The following information must be provided in an e-mail to the CFM Inbox (ContractFunds.ManagementSection@dot.state.fl.us) request to procure the funds:

- Contract number (required if funds are being utilized from an existing contract)
- Organization code
- Expansion option
- Object code
- Vendor ID
- Amount
- Financial project number
- Work activity
- Contract Manager
- Commodity Service Code

Detailed codes and descriptions of valid contract types to use with “S” contracts may be found on the CFM SharePoint site.

2.3.15 Deferred Reimbursement Agreements (using a Joint Participation Agreement (JPA) or Local Agency Project (LAP), as appropriate):

A Reviewed Funds Approval is needed prior to execution of a contract that states the Department will reimburse the funds advanced by the Participant/Agency in a future fiscal year.

If funds are programmed in a future year in the Department’s Work Program, but approval has been given by the Assistant Secretary, Finance and Administration, to enter into a contract with reimbursement contingent upon appropriation, a request must be submitted for **Reviewed Funds Approval** prior to execution of the contract. If the Department is doing the work and the LFA is for a local fund reimbursement, the CFM Section will verify the receipt of the local funds. Once the verification is completed, the CFM Section will release the reviewed funds approval and the CFM System will send the reviewed funds approval to the funds approval folder. The request will be automatically processed by the CFM System at the beginning of the future fiscal year that the funds are to be available. Once the request has been successfully processed, the CFM System will send the funds approval to the funds approval folder indicating that funds have been approved on this contract.

In the event that a LAP project’s low bid is less than the encumbered amount, the District should process a negative amendment to the LAP agreement adjusting the amount to the accepted low bid.

2.3.16 Public-Private Partnerships (P3)

The Department currently uses three contract types under the public private partnership authority (**Section 334.30, F.S.**): design build finance, build finance, and concession.

Shortlisted proposers may receive a stipend payment. The stipend agreement must be executed immediately after the project is shortlisted and may be adjusted at the discretion of the Comptroller. The funds shall be programmed in the year that it is anticipated that the stipend agreement will be executed. Funds shall be encumbered for the identified equity member prior to FDOT's execution of the stipend agreement.

2.3.16.1 Design Build Finance Agreement

A request for funds approval (***Memo Encumbrance***) must be submitted and approved prior to advertisement. The request must be submitted via the CFM System and must contain all years commitment of funds. The CFM System will by-pass the federal authorization check at this time since federal authorization is usually not obtained until issuance of the RFP. Prior to award a request must be submitted and approved via the CFM System to change the encumbrance from a memo to a regular encumbrance adding the vendor information and modifying any funding as necessary. All federal authorization requests must be in an approved status prior to the award encumbrance being processed.

2.3.16.2 Build Finance Agreement

A request for funds approval (***Memo Encumbrance***) must be submitted and approved prior to advertisement. The request must be submitted via the CFM System and must contain all years commitment of funds. Prior to award a request must be submitted and approved via the CFM System to change the memo encumbrance to a regular encumbrance adding the vendor information and modify any funding as necessary.

2.3.16.3 Concession Agreement

A request for funds approval (***Memo Encumbrance***) must be submitted and approved prior to issuing the advertisement. The request must be submitted via the CFM System and must contain all years commitment of funds. Prior to award a request must be submitted and approved via the CFM System to change the memo encumbrance to a regular encumbrance adding the vendor information and modifying any funding as necessary.

If during the final days of negotiations the rates are locked in and the agreement is executed, the request for the release of the encumbrances, re-programming of funds to match the agreement payout and the request for funds approvals may be delayed but must be done within 72 hours. The Comptroller will address circumstances that may alter this time frame on a case by case basis.

3. AFTER THE FACT FUNDS APPROVAL

Contracts that have been advertised and/or executed without obtaining the appropriate funds approval will require an ***After the Fact Funds Approval*** from the Comptroller or designee before the status of the contract may be changed to executed (status 10).

To obtain an ***After the Fact Funds Approval***, please contact the Contract Funds Management team or use Contract Payment Grid (available at: <http://infonet.dot.state.fl.us/procurement/ccs/reference.htm>) to determine if an approval is necessary. If determined necessary, a request must be sent to the Comptroller from the appropriate District Secretary, Assistant Secretary or Enterprise Executive Director. The request must reference the contract number, amount, and explain the situation that enabled the contract to become fully executed without following the standard funds approval process and the actions that have taken place to prevent a repeated occurrence. The authorization for an ***After the Fact Funds Approval*** will be sent via e-mail from the Comptroller or designee to the person who submitted the request.

Please note: After contacting the CFM Supervisor and determining if an ***After the Fact Funds Approval*** is required, please proceed with programming the additional funds needed on the appropriate project within Work Program and obtain Federal authorization if needed. The actual funds approval request can be processed through CFM prior to receiving approval of the official ***After the Fact Funds Approval*** letter. Once the approval has been received, the contract may be placed in an executed status by the appropriate employee with contract status change update abilities.

4. ENCUMBERING PURCHASE ORDERS

Purchase Orders are used to procure a wide variety of commodities and services. Contractual services and commodities authorized under ***Section 287.057, F.S.***, will be procured using MyFloridaMarketPlace. Some examples are:

- Automobiles
- Computer maintenance
- Consumable supplies
- Expert witness services
- Facility maintenance
- Janitorial services
- Landscaping services
- Outside counsel services
- Office equipment rental/lease
- Printing

There are two types of purchase orders: unencumbered purchase orders and encumbered purchase orders. Unencumbered purchase orders may be used for all requisitions utilizing Work Program and/or Operating funds of \$35,000 or less. Encumbered purchase orders must be used for all requisitions utilizing Work Program and/or Operating funds greater than \$35,000. The accounting information in

MyFloridaMarketPlace must match the accounting information in the CFM System on all encumbered requisitions. Periodic audit checks will be performed to make sure both systems are synchronized.

The New Purchase Order module within the CFM System is used to encumber **Purchase Requisitions** or **Contract Requests (CR)** in a composing status in MyFloridaMarketPlace. The Edit Purchase Order module within the CFM System is used to increase or decrease a **Direct Order** or **Contract Request (CR)** requested through MyFloridaMarketPlace. This action is also used for any modification due to a change in the accounting information (e.g., object code, financial project, work activity or organization code).

4.1 METHODS TO ENCUMBER FUNDS FOR PURCHASE ORDERS

There are two methods used for encumbered purchase orders:

- 1. Encumber Purchase Order Amount for Term:** This is a one-time encumbrance to set aside the full amount of the funds identified in the Purchase Order.
- 2. Encumber Purchase Order Amount by Fiscal Year:** The Purchase Order language must clearly identify the amount of funds available for each fiscal year and specify these funds are contingent upon annual legislative approval. Only current year funds will be encumbered in FLAIR. All funds in future fiscal years will be “reviewed” and reflected in the future year encumbrance balances within the CFM System as well as financial project committed amounts in the FM System. On the first work day of each fiscal year, the CFM System will begin to automatically encumber future year funds that have been previously reviewed/approved based on what was identified in the contract.

4.2 FUNDING REQUIREMENTS SPECIFIC TO PURCHASE ORDERS

If the amount of an unencumbered Purchase Order increases so that its total exceeds the threshold amount of \$35,000 of Work Program and/or Operating funds, the old requisition must be cancelled and replaced with a new requisition. In the comment field of the new requisition, a statement to the vendor should be included indicating the new requisition is replacing the old requisition. The remaining funds left on the old requisition plus the additional funds must be encumbered in the New Purchase Order module of the CFM System.

4.3 CONTRACT REQUESTS (CR)

A Contract Requisition for contractual services must include the start and end dates (if applicable), a clear specification of the scope of services, method of compensation, and unit rates/price sheet.

Commonly used types of **Contract Requests** are:

Unencumbered Contract Requests with releases: Used for indefinite quantity Term Contracts utilized by multiple cost centers. Each purchase requisition is to be encumbered through the New Purchase Order module of the CFM System. This type of **CR** may also be created at the Supplier level or Commodity level if each requisition (release) issued contains the line item descriptions and details to facilitate invoice processing.

4.3.1 Methods to Encumber Funds for a CR

Unencumbered CR with releases: The full amount for each Purchase Requisition will be encumbered prior to releasing the Direct Order to the vendor.

Encumbered CR: The funds may be encumbered for the full amount of the **CR** or the amount for each fiscal year may be encumbered as identified in the **CR**. If the funds are encumbered by fiscal year the language must clearly identify the amount available for each fiscal year and specify these funds are contingent upon annual legislative approval.

4.4 CHANGE ORDERS

Change orders are used to make revisions to existing Purchase Orders. Some examples are: change in unit price, change in quantity ordered, change to cost distribution codes, or termination of Purchase Order. See **Procurement of Commodities and Contractual Services Procedure No. 375-040-020**, to determine if a change order is required or if the change may be handled internally.

5. BLANKET FUNDS APPROVAL

The Department's Comptroller has allowed limited exceptions to funds approval process requirements. The exceptions are included in a **Blanket Funds Approval** document which may be found on the CFM SharePoint site.

6. HANDBOOK

A handbook providing detailed processing guidelines for the CFM System is available on the CFM SharePoint site.

7. TRAINING

The district CFM Training Coordinators along with the CFM System users will be advised of any enhancements to the system and changes in supporting documentation throughout the year. The CFM Training Coordinator is responsible for training the district personnel on encumbrance rules and processes. Central Office personnel will be trained by the CFM Staff.

In addition, the CFM Section may offer training if requested by the Districts or Central Office Personnel.

All users must receive training and verify that training has been received by completing an access request through the AARF request system before CFM access is granted.

8. FORMS

The following forms are for reference only and can be found in the Department's Forms Library:

Public Transportation Joint Participation Agreement (Form No. 725-030-06).

Emergency Contract (Form No. 375-040-61).

9. APPENDIX:

Alternative Contracting Work Activities (Appendix 1)

Contract Funding Terms (Appendix 2)

Procurement Methods (Appendix 3)

Appendix 1

ALTERNATIVE CONTRACTING WORK ACTIVITES

The work activities listed below should only be used on District construction and Central Office let construction contracts.

074 - LANE RENTAL-DAMAGE RECOVERY/CONTRACTING

To record fees assessed if lanes are not re-opened per the terms of the contract.

075 - LIQUIDATED SAVINGS/CONTRACTING

To reward the contractor for each calendar day the contract is completed and accepted prior to the expiration of the allowable contract time.

076 - LANE RENTAL/CONTRACTING

This is a bid item in a Contract Proposal to encourage contractors to minimize road-user impacts during construction.

077 - NO EXCUSE BONUS/CONTRACTING

To reward a contractor for early completion of a contract. The bonus can be tied to milestones, a final completion date, or both.

078 - INCENTIVE-DISINCENTIVE/CONTRACTING

To provide an incentive to the contractor for early completion and also increase the penalty for failure to complete a project on time.

079 - A + B/CONTRACTING

Cost + Time bidding. The bid for award consideration is based on a combination of the bid for the contract items and the associated cost of the time needed to complete the work according to a formula.

Appendix 2

CONTRACT FUNDING TERMS

The contract's funding terms ("CFT") identify the amount and availability of the funds for the commodities or services specified in the contract. This language is usually located in the **Method of Compensation** or **Project Budget** which may be an exhibit attached to the contract.

CFT = 1 - Encumber Contract Amount for Contract Term: This is a one-time encumbrance to set aside the full amount of the funds identified in the contract.

Sample Language: "The Department agrees to maximum participation in the project in the amount of \$100,000.00."

Applicable to the following contract types: A, B, C, D, E, G, H, S, T

CFT = 2 - Encumber Contract Amount by Fiscal Year: The contract language must clearly identify the amount of funds available for each fiscal year and state these funds are **contingent upon annual legislative approval**. Only current year funds will be encumbered in FLAIR. All funds in future fiscal years will be "reviewed" and reflected in the future year encumbrance balance within the CFM System as well as the financial project committed amounts within the FM System. On the first work day of each fiscal year, the CFM System will begin to automatically encumber future year funds that have been previously reviewed/approved based on what was identified in the contract.

Sample language:

"The Department agrees to maximum participation, including contingencies in the project in the amount of \$100,000.00. The funds are programmed in the Department's Work Program in the following fiscal year(s):

<i>FY yy/yy</i>	<i>\$50,000.00</i>
<i>FY yy/yy</i>	<i>\$25,000.00</i>
<i>FY yy/yy</i>	<i>\$25,000.00</i>

Only the first year of funding is available. Future year funding is contingent upon an annual appropriation.

Applicable to the following contract types: A, B, C, E, G

CFT = 3 - Encumber by Letter of Authorization/Work Order ("LOA/WO") with Contract Ceiling: The contract language identifies a maximum amount of funds for the contract and the work will not begin until written authorization is provided (e.g. LOA/WO). The written authorization must specify the amount of funds available for the work to be performed.

Sample language:

"The Department shall request Vendor services on an as-needed basis. The total of all authorizations shall not exceed a budgetary ceiling of \$ 100,000.00. This is a Term Contract for an indefinite quantity whereby the Vendor agrees to furnish

services during a prescribed period of time. Execution of this agreement does not guarantee that the work will be authorized.”

Applicable to the following contract types: B, C, D, E, H

CFT = 4 - Encumber by LOA/WO with Contract Ceiling by Fiscal Year: The contract language identifies a maximum amount of funds available in each fiscal year and indicates the work will not begin until written authorization is provided (e.g. LOA/ WO). The written authorization must specify the amount of funds available for the work to be performed.

Sample language:

“The Department shall request Vendor services on an as-needed basis. The total of all authorizations shall not exceed an Annual (July 1 – June 30) budgetary ceiling of \$ 100,000.00. This is a Term Contract for an indefinite quantity whereby the Vendor agrees to furnish services during a prescribed period of time...Execution of this agreement does not guarantee that the work will be authorized.”

Applicable to the following contract types: B

CFT = 5 - Encumber by LOA/WO with Contract Ceiling by Calendar Year: The contract language identifies a maximum amount of funds available in each calendar year and indicates the work will not begin until written authorization is provided (e.g. LOA, WO). The written authorization must specify the amount of funds available for the work to be performed.

Sample language:

“The Department shall request Vendor services on an as-needed basis....The total of all authorizations shall not exceed an Annual (January 1 – December 31) budgetary ceiling of \$ 100,000.00. This is a Term Contract for an indefinite quantity whereby the Vendor agrees to furnish services during a prescribed period of time...Execution of this agreement does not guarantee that the work will be authorized.”

Applicable to the following contract types: B

CFT = 6 - Encumber by LOA/WO with No Contract Ceiling: The contract language does not provide a budgetary ceiling, but does identify that an LOA or WO will be issued before services are rendered. The LOA or WO must specify the amount of funds available for the services.

Sample language:

“The Department shall request Contractor services on an as-needed basis....A Letter of Authorization will be issued for each project scheduled....There is no budgetary ceiling. This is a Term Contract for an indefinite quantity whereby the Contractor agrees to furnish services during a prescribed period of time...Execution of this agreement does not guarantee that the work will be authorized.”

Applicable to the following contract types: A, B, C, D, X, Z

CFT = 7 - Partial Encumbrance – Balance of Ceiling by LOA: The contract language must clearly identify 1) a budgetary ceiling for the contract, 2) only a portion of total funds are available (specify amount available), and 3) the remaining funds will be available when either a Letter of Authorization or Notice of Available Funds is issued. The written authorization must specify the amount of funds available for the work to be performed.

*Sample language: **See LAP Agreement Exhibit “B” (Form 525-010-40B)***

Applicable to the following contract types: A, B, C, D, E, G, H

CFT = 8 - Indefinite Quantity Contract - No Contract Ceiling - No LOA/WO: Funds will be encumbered on an “as-needed” basis. This method of funding must have prior written approval from the Department’s Comptroller.

NOTE: To ensure the proper use of contract funding term 8, before entering information into the CFM System, contact a member of the CFM staff to determine if CFT = 8 is appropriate. If it is determined a CFT = 8 is appropriate, input the following into the New Contract module of the CFM System: contract beginning and ending dates, FLAIR contract type, vendor number, financial project, organization code, expansion option, work activity, object code and encumbrance amount. A member of the CFM staff will coordinate approval from the Department’s Comptroller. Upon approval, a contract number will be provided to the requestor. If not approved, the requestor will be notified with the reason.

Subsequent encumbrance requests will be processed as a Supplemental Agreement or LOA in the Edit Contract module of the CFM System. Renewal provisions must be input into the CFM System on the initial funds approval request.

Applicable to the following contract types: B

Appendix 3

PROCUREMENT METHODS

CODE	TITLE	DESCRIPTION
X	Competitive Bid (s. 337.11, F.S.)	Construction, Maintenance and District Contracts competitively bid under Section 337.11, Florida Statutes. For FCO projects, see Procurement Method "T".
A	Competitive Bid (s. 287.057, F.S.)	Award is made to the qualified and responsive bidder who submits the lowest and best bid in response to an invitation to bid. The project is advertised in accordance with Florida law.
B	Request for Proposal (s. 287.057, F.S.)	Award is made to the responsive and responsible proposer (offerer) whose proposal is determined to be the most advantageous to the Department taking into consideration price and other selection criteria. The project is advertised in accordance with Florida law.
C	Request for Proposal (s. 287.055, F.S.)	Award is made to the responsive and responsible professional services proposer (offerer) whose proposal (without price) is determined to be the most advantageous to the Department taking into consideration selection criteria other than price. Price is negotiated with the selected proposer. The project is advertised in accordance with Florida Law.
D	Informal Bid (s. 287.057, F.S.)	Non-engineering less than or equal to \$ 35,000 where quotes were solicited from a limited group of contractors and award was made without formal advertisement. (This includes single source less than or equal to \$35,000.)
E	Single Source (s. 287.057, F.S.)	Non-engineering projects greater than \$35,000 where the work is obtainable from only one source. Prior approval from the Department of Management Services is required for all single

source contracts exceeding \$195,000. The Procurement Office may authorize (non-engineering) single source contracts less than, or equal to \$195,000.

F	State Contract (s. 287.056, F.S.)	Services acquired for use by any state agency pursuant to the terms and conditions of a Department of Management Services contract.
G	Governmental Agency (s. 287.057, F.S.)	Contracts with any local, state, or federal agency. Includes contracts with universities, community colleges, and vocational-technical schools, which are not private.
H	Emergency (s. 287.055(3)(a), F.S.) (s. 287.057(3)(a), F.S.) (s. 337.11, F.S.)	Contracts necessitated by a sudden unexpected turn of events (e.g., acts of God, riot, fires, floods, accidents or any circumstances or cause beyond the control of the agency in the normal conduct of its business) where the delay incident to competitive selection would be detrimental to the interests of the State. Emergencies must be supported by a statement from the Secretary or Assistant Secretary certifying the conditions and circumstances requiring an emergency purchase.
I	Exemption (s. 287.055, F.S.)	Engineering projects less than or equal to \$35,000.00 awarded without formal advertisement.
J	Exemption (s. 287.057 (3)(f)&(g), F.S.) (s. 287.057(20), F.S.) (s. 255.043, F.S.)	Services exempt from the competitive selection process as identified by 287.057(20), F.S., 287.057(20), F.S., and 255.043 F.S. (Procurement of art work through the Art and State Building Program (FCO)) and awarded without formal advertisement. If obtained through a formal advertisement, the appropriate procurement method should be used.
K	Exemption (s. 287.057, F.S.)	Acquisitions of services from Respect of Florida/Florida Association for Rehabilitation Facilities. (Contracts for qualified non-profit agencies for the blind and non-profit for severely handicapped.)

L	Exemption (s. 337.02, F.S.)	Contracts for the purchase of parts and repairs valued at \$25,000 or less without receiving competitive bids (without formal advertisement) for the repair of mobile road maintenance equipment, marine vessels, permanent vehicle scales, and mechanical and electrical equipment for movable bridges, toll facilities, including Florida Turnpike.
M	Exemption (s. 946.515, F.S.)	Contracts with PRIDE (Prison Rehabilitative Industries and Diversified Enterprises, Inc.) for services or items manufactured processed or produced in a correctional work program.
N	Government Agency Assignment	Contract with another governmental agency which requires the Department to pay for services the other agency has under contract with a contractor or consultant on behalf of the Department.
O	Transportation Disadvantaged (s. 427.011, F.S.)	Type of contracts may include planning and trip equipment (buses, minivans, etc.).
P	Invitation to Negotiate (s. 287.057, F.S.)	A written solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or contractual services. The invitation to negotiate is used when the agency determines that negotiations may be necessary for the state to receive the best value. A written solicitation includes a solicitation that is electronically posted.
R	Railroad/Utilities Agreements (s. 337.403, F.S.)	Contracts for railroad and utilities agreements.
S	Settlement Agreement (s. 337.221, F.S.)	Settlement Agreement.
T	District Building Construction Contracts (F.S. 255.29)	This procurement deals with building construction contracts, except for Toll Booths, Turnpike Service Plazas, Rest Areas,

(DMS Rule 60D-5)

Weigh Stations, Welcome Centers or any other buildings incidental to the Roadway system which do not fall under Rule 60D-5.