

EXHIBIT "B"
METHOD OF COMPENSATION
(SAMPLE)
DISTRICTWIDE MOWING, DEBRIS REMOVAL AND TREE SERVICES

1.0 PURPOSE

This exhibit defines the limits and method of compensation to be made to the Vendor for services set forth in Exhibit "A" and the method by which payments shall be made.

2.0 ASSIGNMENT OF WORK

The Department shall request Vendor services on an as-needed basis. Services to be provided on each project will be initiated and completed as directed by the Contract Manager. A "Letter of Authorization" (LOA) with an approved encumbrance will be issued for each project scheduled specifying the work to be done for each work assignment.

3.0 COMPENSATION

For the satisfactory **performance** of services detailed in Exhibit "A", the Vendor shall be paid up to a Maximum Limiting Amount of **\$900,000.00**. It is agreed that this amount will be the limit of all compensation due the Vendor for performance of the services described in Exhibit "A". The Vendor shall not provide services that exceed the maximum limiting amount without an approved Amendment from the Department.

The total amount of this agreement is expected to be funded by multiple appropriations and the State of Florida's performance and obligation to pay under this contract is contingent upon annual appropriation by the Legislature.

Currently, **\$20,000.00** of the total amount has been approved and encumbered for this contract. Therefore, it is agreed that the Vendor will not be obligated to perform services nor incur costs which would result in exceeding the funding currently approved, nor will the Department be obligated to reimburse the Vendor for costs or make payments in excess of currently established funding. The Department will provide written authorization (by Letter of Authorization (LOA) or with an email LOA) if and when subsequent funding is approved and encumbered for this contract.

This is a term contract for an indefinite quantity whereby the Vendor agrees to furnish services during a prescribed period of time. The specific period of time completes such a contract. The Department will authorize services based on need and availability of budget, may increase or decrease the budgetary ceiling by amendment. Execution of this agreement does not guarantee that the work will be authorized.

4.0 ESTABLISHMENT OF LETTER OF AUTHORIZATION AMOUNT

For each "Letter of Authorization" (LOA) the Vendor, following the Scope of Services as set forth in Exhibit "A", shall prepare an estimate of work and price based on the rates established in Exhibit "C"— Bid Sheet. **Once an acceptable maximum amount has been agreed upon by the Vendor and the Department's Project Manager, a "Letter of Authorization" (LOA) with an approved encumbrance shall be issued by the Project**

Manager. The Project Manager shall obtain funds approval for each authorization by an approved encumbrance prior to issuing the "Letter of Authorization" (LOA).

The Maximum Amount of each "Letter of Authorization" (LOA) shall be the total compensation to the Vendor for that "Letter of Authorization" (LOA) and shall contain all costs including, but not limited to, salaries, overhead, travel, mobilization, general and administrative expenses, incidental expenses, operating margin, and subcontractor costs.

The Vendor will, at its own expense, obtain all required permits from any governing entities.

All work authorizations shall be completed within the terms of this Agreement.

5.0 PROGRESS PAYMENTS / INVOICING

The Vendor shall submit invoices (1 copy) in a format acceptable to the Department. For the satisfactory **performance** of the services detailed in each "Letter of Authorization", the Vendor shall be paid up to the Maximum Amount of each Authorization. Payment shall be made at the contract hourly billing rates in Exhibit "C", for services provided, as approved by the Department. The contract billing rates shall include but not be limited to the costs of overhead, salaries, fringe benefits, operating margin, administrative expenses, materials, profit, insurance, bonding, and all other incidentals required for the work described, as outlined in Exhibit "A".

The Department will compensate the Vendor in accordance with one or more of the following methods of payment:

1. Upon completion of the work specified in the Letter of Authorization (LOA), the Vendor shall submit one (1) original invoice in a format acceptable to the Department.

The invoice shall be labeled "FINAL".

2. The Vendor may receive progress payments for work that has been completed and accepted by the Department during the service period specified in a Letter of Authorization (LOA). The Department's Project Manager has the sole discretion to determine the percentage of work that the Vendor may bill for. It is the responsibility of the Vendor to gain pre-approval from the Department's Project Manager prior to submitting an invoice for progress payments.

The invoice shall be labeled "Partial Invoice".

The Vendor shall include the following with each invoice:

- One (1) copy of the documentation of the appropriate proposed fees for the work assignment (as submitted by the department);
- A picture of the property before the work was performed taken on the same day as the work;
- A picture proving completion of the work assigned;
- The corresponding Letter of Authorization (LOA) issued by the Department; and
- The relevant encumbrance.

Invoices shall be submitted to: **Florida Department of Transportation**
Right of Way Property Management Office
3400 West Commercial Boulevard
Fort Lauderdale, Florida 33309

The Vendor has certified that ____% MBE/DBE utilization would be achieved for this contract. If MBE utilization was certified by the Vendor, an MBE payment certification form shall be submitted with each invoice to verify the MBE utilization.

If DBE utilization was certified, DBE payments are to be input each month at the following link: <https://www3.dot.state.fl.us/EqualOpportunityOffice/bizweb/>

New users reporting DBE payments will need to contact the FDOT Service Desk at FDOT.ServiceDesk@dot.state.fl.us to get a BizWeb user ID and password to access the application.

7.0 DETAILS OF UNIT RATES

Details of unit rates for the performance of the Vendor's services as set forth in Exhibit "A" – Scope of Services are contained in Exhibit "C" — Bid Sheet, attached hereto and made a part hereof.

8.0 TANGIBLE PERSONAL PROPERTY

This contract does not involve the purchase of tangible personal property, as defined in Chapter 273, F.S.