State of Florida
Department of Transportation

EXHIBIT “B”
METHOD OF COMPENSATION

FOR

DISTRICTWIDE RIGHT-OF-WAY APPRAISAL
CONSULTANT SERVICES

PROJECT/PROPOSAL NUMBER.: ITN-DOT-16/17-6019SD
FINANCIAL PROJECT NUMBER. : T.B.A
1.0 **PURPOSE**

This exhibit describes and defines the limits and methods of compensation to be made to the Vendor for services described in Exhibit "A" Scope of Services, 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 Deputy District Right of Way Manager – Valuation (DDRWM-V). A "Letter of Authorization/Task Assignment" will be issued for each project scheduled.

3.0 **COMPENSATION:**

There is no Budgetary Ceiling. Funds will be encumbered for each "Letter of Authorization/Task Assignment".

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/ Deputy District Right of Way Manager – Valuation (DDRWM-V) will authorize services based on need and availability of budget. 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/Task Assignment" 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" Price Proposal/Billing Rates. Once an acceptable Maximum Amount has been agreed upon by the Vendor and the Deputy District Right of Way Manager – Valuation (DDRWM-V), a "Letter of Authorization/Task Assignment" shall be issued by the Deputy District Right of Way Manager - Valuation (DDRWM-V). The Deputy District Right of Way Manager - Valuation (DDRWM-V) shall obtain funds approval for each authorization by an approved encumbrance prior to issuing the "Letter of Authorization/Task Assignment". All work authorizations shall be completed within the term of this Agreement.

No work shall be commenced by the Vendor until receipt of a "Letter of Authorization/Task Assignment". A "Letter of Authorization/Task Assignment" shall specify the services required and fees to be paid and must include confirmation that availability of funds has been verified by the Department's Comptroller (i.e. encumbrance information).

The Project Manager shall obtain fund approval for each authorization by an approved encumbrance prior to issuing the "Letter of Authorization/Task Assignment".

5.0 **PROGRESS PAYMENTS**

The Vendor will be eligible for payments under this agreement when the individual tasks are completed. Invoices for this agreement will be prepared by the Vendor and submitted to the Department on FDOT approved invoice forms at the time of the submission. One original invoice will be submitted and will be supported by such information as may be required by the Department procedures. The Vendor will maintain for this purpose a job cost accounting system that is acceptable to the Department. The final invoice for this agreement will be accompanied by a certified job cost summary report generated by the accounting system. The report will include at a minimum the total number of hours and salary cost actually charged to
the project and the total sub-consultant cost charged to the project. The invoice shall accompany the appraisal reports submitted to the Deputy District Right of Way Manager – Valuation (DDRWM-V). A format shall include all identifying numbers, dates, and headings positioned as on the Department’s form.

The Department will render a decision on the acceptability of the services within sixty (60) days of receipt. The Department reserves the right to withhold payment for work not completed, or work completed unsatisfactory, or work that is deemed inadequate or untimely by the Department. Any payment withheld shall be released and paid to the Vendor promptly when work is subsequently performed.

The Vendor will promptly pay all sub-consultants their proportionate share of payments received from the Department.

5.1 Summary of Fees Payment

Fees for each task assignment will be negotiated as a lump sum amount. The lump sum fee established in a task assignment will be based on the rates provided in Exhibit “C” Price Proposal/Billing Rates. “Letter of Authorization/Task Assignment” shall be issued by the Deputy District Right of Way Manager, Valuation for each assignment specifying the work to be performed, and the fees to be paid.

5.2 Optional Services Payment

Compensation for letter updates (i.e. restricted format) will be negotiated as a maximum amount, based on the rates provided in Exhibit “C” Price Proposal/Billing Rates, and cannot exceed twenty five (25%) of the total parcel cost minus sub-consultant service unless required. Compensation for complete updates (i.e. summary format) will be negotiated as a maximum amount, based on the rates provided in Exhibit “C” Price Proposal/Billing Rates, and cannot exceed fifty percent (50%) of total parcel cost minus sub-consultant services unless required. In both cases, prior to issuing a Letter of Authorization/Task Assignment, the Department requires a written fee quote from the consultant reflecting the agreed amount.

Fees for other optional services will be negotiated as a maximum amount. The maximum fee established will be based on the rates provided in Exhibit “C” Price Proposal/Billing Rates. A “Letter of Authorization/Task Assignment” shall be issued by the Deputy District Right of Way Manager - Valuation (DDRWM-V) specifying the work to be performed, and the fees to be paid.

5.3 Payment Adjustment/Liquidated Damages

Penalties - The Vendor shall be assessed a penalty for late delivery or failure to provide the work product or requested corrections.

For late delivery of any appraisal services, or failure to provide additional support, or failure to make requested corrections, liquidated damages shall be assessed at the rate of one percent (1%) of the appraisal or analysis assignment fee per calendar day for the first seven (7) calendar days and two percent (2%) per calendar day thereafter, between the due date and the date on which the appraisal, analysis assignment or corrections/additional support is received by the Department. The correction period will be assigned by the Deputy District Right of Way Manager – Valuation (DDRWM-V), when the “Letter of Authorization/Task Assignment” is issued.

Payment being made and the Vendor not notified of corrections or the need for additional support until after the review period of sixty (60) calendar days will not relieve
the Vendor from making the necessary corrections or providing the additional support. Liquidated damages may be charged against any future sums owed to the Vendor by the Department or the Vendor may reimburse the Department.

6.0 PROJECT CLOSEOUT

6.1 Final Audit

If requested, the Vendor will permit the Department to perform or have performed, an audit of the records of the Vendor and any or all sub-consultants to support the compensation paid the Vendor. The audit will be performed as soon as practical after completion and acceptance of all contracted services. In the event funds paid to the Vendor under this Agreement are properly disallowed by the Department because of accounting errors or charges not in conformity with this Agreement, the Vendor agrees that such disallowed funds are due to the Department upon demand. Further, the Department shall have the right to deduct, from any payment due to the Vendor under any other contract, any amount due the Department under this Agreement. Final payment to the Vendor will be adjusted for audit results.

6.2 Certificate of Completion

Subsequent to the satisfactory completion of the final audit, a Certificate of Completion shall be prepared for execution by both parties stating the total compensation due the Vendor, the amount previously paid, and the difference.

Upon execution of the Certificate of Completion, the Vendor shall either submit a termination invoice for any amount due or refund to the Department any overpayment, provided the net difference is not zero.

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 Rates for the performance of the Vendor's services set forth in Exhibit "A", Scope of Services are contained in Exhibit "C" Price Proposal/Billing Rates, 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.