

**EXHIBIT "B"  
(SAMPLE)  
METHOD OF COMPENSATION**

**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 Project Manager. A "Letter of Authorization" will be issued for each project scheduled.

**3.0 COMPENSATION:**

The total of all authorizations shall not exceed a Budgetary Ceiling of \$10,914,620.00

This is a Term Contract for an Indefinite Quantity whereby the Vendor agrees to furnish services during a prescribed period. The Contract expires at the end of the prescribed period. The Department, 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.

The contract Budgetary Ceiling shall be made up of:

\$2,200,000.00 from Fiscal Year 2018/2019 (July 1, 2018 – June 30, 2019)

\$2,000,000.00 from Fiscal Year 2019/2020 (July 1, 2019 – June 30, 2020)

\$2,000,000.00 from Fiscal Year 2020/2021 (July 1, 2020 – June 30, 2021)

\$1,925,848.00 from Fiscal Year 2021/2022 (July 1, 2021 – June 30, 2022)

\$1,925,848.00 from Fiscal Year 2022/2023 (July 1, 2022 – June 30, 2023)

\$862,924.00 from Fiscal Year 2023/2024 (July 1, 2023 – June 30, 2024)

The Vendor shall not provide services that exceed the Fiscal Year amount(s) without an approved Amendment from the Department.

Any unused prior year funds will automatically transfer to the following year budget until the end of the contract term. The funds may be reassigned to unforeseen tasks that arise during the project.

**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", and allowable expenses. **Once an acceptable Maximum Amount has been agreed upon by the Vendor and the Department's Project Manager, a "Letter of Authorization" shall be issued by the Project Manager.** All work authorizations shall be completed within the term of this Agreement. All cost estimates are to be reviewed by the Department's Project Manager.

#### 5.0 PROGRESS PAYMENTS:

The Vendor shall submit monthly invoices (3 copies) 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 hourly billing rates shall include the costs of salaries, overhead, fringe benefits and operating margin. Payment for expenses shall be made based on actual allowable cost incurred as authorized and approved by the Department. **The invoice shall include documentation of man-hours provided and itemization of costs incurred (including receipts).**

Invoices shall be submitted to: Florida Department of Transportation  
ITS – Maintenance Manager  
2300 West Commercial Blvd  
Ft. Lauderdale, FL 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](mailto:FDOT.ServiceDesk@dot.state.fl.us) to get a BizWeb user ID and password to access the application.

#### 6.0 DETAILS OF UNIT RATES:

Details of Unit Rates for the performance of the Vendor's services set forth in Exhibit "A" are contained in Exhibit "C", attached hereto and made a part hereof.

When submitting any invoice to the Department where the Vendor incurred costs as defined in Exhibit A Scope of Services, it is the Vendor's responsibility to provide the Department with a copy of the invoice from each supplier used. Items

with poor descriptions that are not easily discernable in plain English shall be explained in writing to the Department's Project Manager or designee in detail to the Department's Project Manager's satisfaction before the invoice will be approved.

The Department reserves the right to reject any or all charges on any reimbursement request and/or invoice. The Department reserves the right to enforce payment reductions, in accordance with Section 8 Financial Consequences of Exhibit B.

#### **PAYMENT FOR ITEMS PURCHASED FOR THIS CONTRACT:**

The Vendor shall submit the written request(s) to the Department's Project Manager for the approval for any additional purchasing materials, tools and equipment outside of an issued LOA. The Vendor shall provide the written request with full justification and back up in the form of three quotes for any physical material item with a unit cost greater than \$1,000.00.

#### **7.0 TANGIBLE PERSONAL PROPERTY:**

This contract includes the purchase of Tangible Personal Property as defined in Chapter 273, F.S., and is acquired in accordance with Rule 60A-1.017, Florida Administrative Code. The specific property(ies) and line item cost(s) is(are) pursuant to Exhibit A, and will be subsequently transferred to and controlled by the Department upon completion of services or end of the contract, whichever occurs first. Upon receipt of property, the Vendor shall forward to the Department a copy of the purchase invoice/property description/serial number and date of receipt. The Department will forward inventory control label(s) to be affixed to all property. The Vendor will accommodate physical inventories required by the Department.

#### **8.0 FINANCIAL CONSEQUENCES:**

- 8.1 It is recognized that this contract, the Vendor's performance and compliance with the Scope of Services shall be evaluated periodically by the Department.
- 8.2 On occurrences in which the Department determines that the Vendor does not meet the performance standards established herein, the Department shall reserve the right to assess the Vendor financial consequences that shall be deducted from the monthly vendor invoice.
- 8.3 The Department shall document the reason for financial consequences assessed and inform the Vendor in writing of the reason(s) and amount by which the monthly invoice will be reduced.

- 8.4 The infractions that shall result in the assessment of financial consequences for non-performance shall include:
- 8.4.1 Not meeting the device uptime goals monthly outlined in Section 4.10.3 of Exhibit A Scope of Services, specifically Tables 4.10.3-1 and 4.10.3-2 - \$500.00 per device, per day.
  - 8.4.2 Not providing the Preventive Maintenance Plan Schedule as requested by an issued LOA - \$500.00 per occurrence, per day.
  - 8.4.3 Not providing the maintenance device equipment logs upon request as stated in Section 4.1.5 of Exhibit A Scope of Services - \$250.00 per occurrence, per day.
  - 8.4.4 Not conducting scheduled preventive maintenance within the monthly time frame as required by sections 4.1.2 and 4.1.2.3 of Exhibit A, Scope of Services - \$250.00 per occurrence, per day until the scheduled devices are completed.
  - 8.4.5 Not meeting the repair services response times as defined in Exhibit A Section 4.4.3.2 - \$250.00 per occurrence.
  - 8.4.6 Not meeting the On-Call acknowledgement response times as defined in Exhibit A Section 4.4.3.3 - \$150.00 per occurrence.
  - 8.4.7 Not fulfilling warranty requirements for devices - \$500.00 per occurrence, per device plus actual cost of repair or damages to the Department.
  - 8.4.8 Not performing an authorized task within the specific time as designated by a LOA - \$100.00 per occurrence, per day.
  - 8.4.9 Not meeting dress code as stated in Section 4.8.1.4 of Exhibit A Scope of Services - \$150.00 per occurrence, per position, per day until the requirement is met.
  - 8.4.10 Not submitting progress reports within 30 calendars from the end of the previous invoice period - \$250.00 per occurrence, per day.
  - 8.4.11 Not submitting invoices within 30 calendars from the end of the previous invoice period - \$250.00 per occurrence, per day.
  - 8.4.12 Not keeping generators fueled at 100% - \$100.00 per site, per day until filled.

8.5 The reduction in payment as described herein on some infractions will continue to be applied daily until the Vendor complies with the terms and conditions of the contract.

9.0 DAMAGE CAUSED BY VEHICLE CRASHES

All costs related to repair of damage caused by vehicle crashes shall be borne by the DEPARTMENT. The VENDOR will be responsible for reporting damage found during any of the maintenance tasks defined in Exhibit "A" Scope of Services, which appears to be related to a vehicle crash. The time spent investigating the damage may be handled, at the DEPARTMENT'S discretion, under a general services LOA held open for on-going support services. An estimate must be approved by the DEPARTMENT'S Project Manager before any work may be done. When the work is completed, the VENDOR must send a copy of the invoice for those repair services to the DEPARTMENT'S Project Manager so that a claim may be filed with the responsible party's insurance company.