

**FDOT District Two**  
**PM Academy**  
**Module 5 – Construction Project Management**  
**Q&A**

**Question:** Table A is part of the Contract Documents. Why are they not available? Did I misunderstand the comment?

**Response:** The abbreviated information provided during the presentation was due to limited space in the slides for the purposes of the presentation. Table A is a Contract document, but it is one that frequently needs to be requested. What the presenter was sharing is a best management practice (BMP) that if you are a PM on project with a JPA, to make sure you ask for the Table A because many times this table is not usually found with the executed documents that are provided in PSSP.

**Question:** Related to entitlement, there was discussion about a scenario in which you agree with a portion of entitlement, but don't agree with full entitlement. Is it incumbent upon us to pay what we believe is entitled and then let the remainder move toward Dispute Review Board (DRB)? What is the in between before going to the next level?

**Response:** There are multiple avenues for the portion for which entitlement is not found. One avenue after completing negotiations for the work of which entitled is agreed, is to issue a unilateral payment. A unilateral payment allows the Department to pay the Contractor for the entitled portion of work without requiring the Contractor to waive his rights for the remaining portion. Unilateral payment can also eliminate the potential to pay interest for an issue which is determined later that the Contractor was entitled to the remaining portion. Other avenues include further negotiations, escalation, and the use of a DRB. While there are multiple ways to potentially achieve resolution, it is not necessarily incumbent upon the project team to resolve the outstanding portion, especially if the Department believes strongly in its position.

**Question:** Has there been an instance in the last several years where the CPPR grade was used to deny a contractor the ability to bid? What is the real consequence of a CPPR grade **contractually** (not as noted in CPAM), and have those consequences ever been implemented against a contractor in the last several years?

**Response:** *Florida Administrative Code, Chapter 14-22, Contractors – Highway – Qualification to Bid*, specifically *14-22.003 Rating the Applicant* outlines the process by which the Department will verify and evaluate whether the applicant is competent, responsible, and possesses the necessary financial resources to perform the requested work. This rating includes an "Ability Score" based upon the last five years of CPPR final grades. The higher the Contractor's average CPPR score, the higher the Ability Factor. The Ability Factor ranges from one to fifteen based upon the average of the CPPR grades during the renewal period and the Ability Factor directly impacts an applicant's calculated maximum bidding capacity (i.e., poor scores greatly reduce bidding capacity). The AF will be limited to a maximum of 4 if the applicant receives an ability score of 76 or less on two or more Contractor Past Performance Reports for projects on file and completed during the period.

Ability Score	AF
64 or less	1
65-69	2
70-73	3
74-76	4
77-79	5
80-84	8
85-89	10
90-93	12
94-97	14
98-100	15

Poor CPPR scores are always addressed during the yearly prequalification application process and have been used to deny an applicant prequalification. Below is a real example where an applicant was not allowed to bid for over 5 years based on poor performance. Further, those poor CPPR scores were used in the determination of their Ability Score, thus significantly lowering their Ability Factor, which directly impacts their bidding capacity.

Example:

**RE: Additional Information for Application for Qualification**

Dear Mr. [REDACTED]:

The Florida Department of Transportation ("Department") has received [REDACTED], ("[REDACTED]") Application for Qualification.

Rule 14-22.002(1)(g), Florida Administrative Code ("F.A.C."), provides: "In the event the Department finds an application is incomplete or contains inadequate or inaccurate information needed for processing of the application, or the Department needs more information to make a decision regarding the applicant's competency, responsibility, or financial resources, the Department shall verbally request or request in writing that the applicant provide the necessary information or the source for verification of the information."

In order for the Department to process [REDACTED] Application, please address the following concerns and enumerate any/all steps that [REDACTED] has taken or will take to ensure that these issues will not recur:

1) [REDACTED] has four (4) District Two contracts that have earnings lagging significantly behind elapsed time as of the date of this letter, the contracts are as follows:

<u>Contract #</u>	<u>Finproj #</u>	<u>Description</u>	<u>County</u>	<u>% \$ Earned</u>	<u>%Time Used</u>
[REDACTED]	[REDACTED]	[REDACTED]	Duval	48 %	73 %
[REDACTED]	[REDACTED]	[REDACTED]	Clay	30 %	64 %
[REDACTED]	[REDACTED]	[REDACTED]	Duval	22%	41%
[REDACTED]	[REDACTED]	[REDACTED]	Duval	79%	111%

The table below shows the drastic impact on an applicant's Maximum Capacity Rating (MCR) when the Ability Factor is low vs high.

Average Past Performance Scores	Ability Factor	x	CRF	x	ANW (in millions)	=	MCR (in millions)
<b>Large Company – ANW of \$100 million or more: ( 2*)</b>							
98 to 100	15		1.3		\$334.10		\$6,515
74 to 76	4		1.3		\$334.10		\$1,737
64 or less	1		1.3		\$334.10		\$434
<b>Medium Company – ANW between \$20 million and \$99.9 million: ( 9*):</b>							
98 to 100	15		1.3		\$52.70		\$1,028
74 to 76	4		1.3		\$52.70		\$274
64 or less	1		1.3		\$52.70		\$69
<b>Small Company – ANW less than \$20 million: ( 128*)</b>							
98 to 100	15		1.3		\$1.50		\$29
74 to 76	4		1.3		\$1.50		\$8
64 or less	1		1.3		\$1.50		\$2

Poor performance and poor CPPR scores can (and have) led to the contractor being defaulted on construction contracts.

In short, the CPPR process is the best tool we have for rewarding high performing contractors and impacting poor performing contractors on each individual construction contract.