

Clarification of Amendment to the Agreement for PD 02-03.79, Professional Services as Governed by Florida Statute 287.055

Beginning October 2, 2003 the County began awarding contracts based on a FDOT memo establishing department limits on overhead, profit and FCCM (Facilities Cost of Capital Monies). The percentages established at that time are as follows:

Maximum Overhead – 168%
Maximum Profit – 12%
Maximum FCCM – 1.5%

These percentages have been in place since October 2, 2003. The Amendment to the Agreement (BCC approved November 5, 2015) establishes a means for adjustment to these percentages (FDOT Negotiation Handbook <http://www.dot.state.fl.us/procurement/Negotiations.shtm>). Because FDOT updates their limits every three years the County amended the agreement to allow for those changes. Those changes are articulated in the FDOT Negotiation Handbook, Attachment D. The current rates are as follows:

Home Office Overhead	169.21%	<u>Indirect costs which include fringe benefits</u>
Field Office Overhead	123.69%	<u>Will be used only in special conditions</u>
Home Office Direct Expense	9.80%	Direct expenses are project specific costs
Field Office Direct Expense	13.19%	<u>Will be used only in special conditions</u>
FCCM	0.347%	Facilities Cost of Capital Monies
Operating Margin	negotiated	An operating margin includes profit, but not exclusively profit

Departments shall negotiate (per FDOT Negotiation Handbook):

1. Scope of Work
2. Work Effort
 - a. Staff Hours, overtime, survey crew days, etc.
 - b. Levels of personnel required
 - c. Distribution of work among levels of personnel
 - d. Subconsultants
 - e. Delineation of work to be work to be provided by consultant, department or others
3. Negotiation of Cost of Services
 - a. Wage Rates
 - b. Overhead
 - c. Direct Expenses
 - d. Profit

Preferred method of Compensation shall be Lump Sum. “A firm fixed price not subject to adjustment due to the actual cost experience of the Consultant in the performance of the contract. This places the maximum risk on the Consultant and provides motivation for efficient cost management to maximize profits. It also minimizes the Department's time in contract administration. It is the recommended method of compensation when the scope of services is well defined and the level of effort can be reasonably predicted.” (FDOT Negotiations Handbook).

This does not preclude establishing a lump sum for Architectural services using the DMS (Department of Management Services) Fee Curve (<https://fp.state.fl.us/docs/DMSAEFeeGuidedefinition.asp>). Wage rates, overhead, direct expenses and profit must be noted in the final fee proposal.