



## Where:

BondingCap = The vendor's most recently demonstrated limits of Performance or Financial Guarantee Bonding\* for performance of the corresponding petroleum restoration services on a state-wide basis, with an upper limit of \$3 million for the purposes of this calculation. The BondingCap term is raised to the power c, where the exponent c = 0.85.

EncBal = The total available Encumbrance Balance from STCM for work being performed for the Petroleum Restoration Program (PRP), excluding performance based contract encumbrances, and contract encumbrances subject to the alternative contractor selection provisions of Rule 62-772.401, F.S., where the participant or applicant has selected the agency term contractor. For the purpose of this calculation, the EncBal term includes potential purchase order assignment values for agency term contractors, while identified as a candidate for a given purchase order issuance under the associated PRP procurement. The EncBal reflects reductions for pending invoice payments for invoices once they are approved by the Petroleum Restoration Program, even prior to their actual disbursement. The EncBal term is raised to the power b, where the exponent b = 0.7.

SchRank = The rank of the eligible vendors within a given region based on each vendor's contracted Schedule of Pay Item Prices (Pay Schedule) for the expected Scope of Work; where the resulting lowest Pay Schedule calculated cost is ranked as 1 for the expected work elements, and where the highest cost is ranked n for a particular region, where n is the number of eligible contracted PRP vendors in the region. The rank is to be raised to the power r, where the exponent r = 2.5.

## Notes:

\* The financial Institution or surety company providing the performance or financial guarantee bonding commitment to the eligible Vendor must be authorized to do business in the State of Florida and be listed currently and continuously on U.S Treasury Department Circular 570 to constitute an acceptable surety commitment. The Vendor shall give notice to the Department not more than five days following any listing removal therefrom, and in the event of any other change in the financial Institution or surety company providing the surety commitment or in the amount of the surety commitment.

It is expected that a uniform retainage rate (e.g., 10%) would be initially applied during invoice payments for each contracted purchase order, in lieu of requiring that a performance bond be obtained. The retainage rate may be adjusted, up to a maximum of 25%, for a contractor's future purchase orders based on relevant factors such as contractor performance.

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