



DEPARTMENT OF MANAGEMENT SERVICES  
Private Prison Monitoring

**TITLE: Major Maintenance & Repair Fund Management**

**POLICY NUMBER**

**Private Prison  
Monitoring  
08-101**

**EFFECTIVE:** July 16, 2008  
**REVISED:** July 24, 2009  
**REVIEWED:** July 24, 2009

### PURPOSE

This policy creates procedures and guidelines for processing approvals for reimbursements for major maintenance and repairs and payment of all expenses associated with the contractor's obligation under the contract for facility maintenance.

### SCOPE

This policy applies to private correctional facilities and its employees under contract with the State of Florida, Department of Management Services, Bureau of Private Prison Monitoring.

### AUTHORITY

State/Federal Statutes:

Chapter 957 Correctional Privatization  
Chapter 286 Public Business: Miscellaneous Provisions  
Chapter 287 Procurement of Personal Property and Services

Contract References:

Article 4.8 Maintenance.  
Article 4.9 Major Maintenance and Repair Reserve Fund.

### RESPONSIBLE OFFICE

Private Prison Monitoring

### DISTRIBUTION

The following contractors should be notified of this policy	Method of notification
Contractors	<ul style="list-style-type: none"> <li>• E-mail and/or letter</li> <li>• Meeting</li> </ul>
Division of Specialized Services	<ul style="list-style-type: none"> <li>• E-mail and/or Interoffice Memo</li> <li>• Staff Meeting</li> </ul>
Department of Corrections – Bureau of Policy Development	<ul style="list-style-type: none"> <li>• E-mail</li> </ul>

## DEFINITIONS

**Bureau of Private Prison Monitoring (bureau):** The Department of Management Services' Bureau of Private Prison Monitoring oversees the contractual requirements for the private correctional facilities.

**Bureau Chief:** The Chief of the Bureau of Private Prison Monitoring.

**Contract Manager:** The bureau employee who is primarily responsible for management and oversight of the contract and evaluation of the contractor's performance of its duties and obligations pursuant to the terms of the contract. The contract manager is currently the Bureau Chief.

**Contractor:** The vendor or vendors under contract with the Florida Department of Management Services, Bureau of Private Prison Monitoring, to operate and manage a private correctional facility.

**DC:** The Florida Department of Corrections.

**Department:** The Florida Department of Management Services.

**Leased Furnishings and Equipment:** Personal property items as described in Article 4.3 of contracts to be financed or refinanced by disbursements from the project account and leased to the bureau according to the terms of the lease agreement.

**Major Maintenance and Repair Reserve Fund (Fund):** On the first day of the month, the bureau deducts a set amount from the contractor's monthly per diem based payment and transfers it to the Operating Trust Fund. Requests for reimbursement for maintenance, replacement or repair costs in excess of \$5,000 should be submitted to the Bureau Chief.

**Major Maintenance and Repair Fund Committee (Committee):** The Committee, acting under the current membership of the Bureau Chief, Budget Operations and Management Consultant, Procurement Operations & Management Consultant, and the designated Management Review Specialist, is responsible for reviewing and approving or denying written, documented requests for reimbursement from the fund.

**Management Services Agreement, or Contract:** The operation and management services contract, including all attachments, exhibits, amendments and modifications,

between the department and the contractor.

**On-Site Contract Monitor:** The employee or employees of the bureau who monitor the daily operations of the facility for contract compliance and to coordinate actions and communications between the Department of Corrections, the department, and the contractor. The On-site Contract Monitor is designated by the bureau. The On-site Contract Monitor is the official liaison between the bureau and the contractor on all on-site matters pertaining to the operation and management services of the facility.

**Per Item, Per Occurrence:** In a single occurrence, the equipment, including any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for its acquired purpose.

**Price:** The cost of equipment means the net invoice price, paid by the contractor, including the costs of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired. This includes ancillary charges, such as taxes, freight and transportation charges (if applicable), site preparation costs, professional fees, and disposal costs.

**Quality of Life:** The following items should be considered when evaluating quality of life within the facility: inmate recreation; food services standards; medical care; sanitation and hygiene practices; inmate exercise; access to mail, telephone and visitation; staff working conditions; and, inmate work assignments.

## PROCEDURE

### **Responsibilities**

The operation of a correctional facility is a highly important and sensitive function of state government. The integrity, safety, and security of a correctional facility depends on the maintenance and integrity of its physical structure. According to the contracts for the operation of the private correctional facilities, each contractor must maintain the physical structure of their facility in accordance with the contract, Florida Statutes, and all applicable American Correctional Association standards and Department of Corrections' policies and procedures. The contractors shall maintain, preserve, and keep the facility and leased furnishings and equipment in good repair, working order and condition, subject to normal wear and tear. The contractor shall promptly make, or cause to be made, all necessary and proper repairs, including those identified by self-monitoring and the bureau's inspections. The contractors shall adhere to all applicable manufacturers' warranties.

All replaced items will be disposed of in compliance with the Property Asset Management Policy and Procedure established by the department. Forms and further information can be found at the web site: <http://dms.myflorida.com/pam>.

Contractors cannot withdraw funds in excess of the spending authority granted to the department by the Legislature. Interest in the fund continues to accrue and be used in accordance with spending authority granted by the Legislature. All deposits, withdrawals, and revenue will be tracked by bureau staff and reported to the Bureau Chief in a timely manner.

Maintenance of the facility is the sole responsibility of the contractor. The contractor shall develop and maintain a preventative and routine maintenance plan for all equipment, adhering to the manufacturer's recommended preventative maintenance schedule, and shall keep all inspection and maintenance records. The maintenance plan shall include: 1) plant equipment, 2) structural maintenance; and, 3) vehicle preventative maintenance programs. Maintenance of the facility includes, but not be limited to, the proper maintenance of kitchen equipment, fencing, perimeter lighting, electronic security systems, radio communication systems/man-down systems, razor wire rolls, tools, locks, alarm systems, vehicles, microwave systems, gates, physical barriers, spotlights, flashlights, metal detectors, medical equipment, firearms/weapons, and drainage grates, manholes and electrical and communication bunkers.

The contractor shall be responsible for all routine and necessary repairs of the facility, and shall be responsible for the repair and replacement of all facility furnishings, fixtures, and equipment, so long as the cost associated with any such maintenance, replacement, or repair is \$5,000 or less (per item, per occurrence). Routine and necessary repairs are defined as any necessary or advisable maintenance, replacement, or repair work which costs \$5,000 or less (per item, per occurrence). "Per item, per occurrence" requirement is strictly construed by the committee. An aggregation of individual items or occurrences is not permitted. On the first day of each month, the bureau deducts 1/12 from the facility's invoice payment and transfers the amount to the Operating Trust Fund, as provided in the contract.

Upon execution of this policy, the department implements the following process for requests for reimbursement for maintenance, replacement or repair costs in excess of \$5,000 per item/per occurrence.

### **Steps to Obtain Reimbursement**

Follow these steps for all reimbursement requests from the Fund:

- 1) Submit all reimbursement requests to the Bureau Chief within thirty (30) days of determination of need for repair, maintenance or replacement of items. No items can be submitted for reimbursement after the closing of the fiscal year unless the funds certified forward specifically to pay for items ordered on or before June 30, but to be received after June 30.
- 2) Requests to the Bureau Chief are date stamped upon arrival and shall include:
  - a. Statement of need documenting the item(s) to be replaced and shall include an explanation for repair/maintenance/replacement need and date.
  - b. Detailed and itemized breakdown of costs for the repairs.
  - c. Minimum of three (3) quotes from separate and unrelated service contractors to include details for discarding of replaced material. Quotes shall not be shared among the service contractors. Bureau Chief may determine the necessity for additional quote(s). We encourage the use of certified minority, women-owned and/or small businesses as certified by the department's Office of Supplier Diversity. Certified service disabled veteran businesses are also encouraged to be used after November 11, 2008 when the new law takes effect.
  - d. Anticipated timeline for repair/maintenance/replacement of item.

- e. Documentation from insurance provider (if applicable) of review and reimbursement/denial of costs of repair/maintenance/replacement of item to include any deductibles.
  - f. Documentation of item to be repaired/replaced showing 3 years of preventative maintenance adhering to the manufacturers recommended maintenance schedule. This documentation should show that that item being repaired/replaced was appropriately maintained.
- 3) All requests are added to the tracking log by the Budget Operations and Management Consultant and forwarded to the Committee for review and final determination within thirty (30) days of the department's receipt.
  - 4) Committee will meet within thirty (30) days of the department's receipt of reimbursement request to determine approval/denial. Review and determination based on the following criteria:
    - a. Feasibility of proposed or completed repair/maintenance/replacement of item: Does the proposed work in the statement of need from the contractor take into consideration that work may be completed within a secure correctional facility?
    - b. Necessity of proposed or completed repair/maintenance/replacement of item: Is the proposed work in the statement of need from the Contractor necessary or required by the contract, Florida law, or American Correctional Association or the Department of Corrections standards to run a secure correctional facility?
    - c. Compliance with the terms of the contract: Does the proposed or completed work conform to the "Per item, per occurrence" and applicable monetary caps entitling the contractor to reimbursement from the fund?
    - d. Amount available in the fund: Is the funding available to cover the costs of the proposed or completed repair/maintenance/replacement of the item in question?
    - e. Feedback from the DMS facility maintenance/engineering staff to the Committee detailing the scope of work and reimbursement costs for the item being reviewed is appropriate and reasonable. Committee may also solicit feedback from sources outside DMS to make this determination.
  - 5) Committee's determination, whether approval or denial of the proposed or completed work, will be communicated in writing to the contractor along with any additional recommendations based upon Committee's deliberations, including any discretionary consultation with the department's Office of General Counsel or other subject matter experts.
    - a. The Committee's determination is contingent upon spending authority granted by the Legislature.
    - b. The department reserves the right to issue partial payments for requests for reimbursement depending on Committee's determination of feasibility, need, compliance and funds available. The partial payment will be submitted with detailed explanation to the contractor within thirty (30) days of the department's receipt of the request.
  - 6) Upon Committee approval, where applicable, the contractor shall procure and complete the proposed repair, maintenance or replacement of approved item within thirty (30) days. All work requiring more than thirty (30) days shall be documented in the statement of need and reviewed, approved or disapproved by the Committee in the determination letter.
  - 7) Upon contractor's notification of completion of the approved repair, maintenance or replacement, the facility's On-Site Contract Monitor will

- inspect the work to determine whether the work was completed as documented in the statement of need. The On-Site Contract Monitor has fifteen (15) days to submit a written report to the Committee.
- 8) To receive reimbursement of repair, maintenance or replacement of item, the contractor shall submit to the Bureau Chief copies of:
    - a. Paid invoice,
    - b. Proof of payment, and
    - c. The approved statement of work.
  - 9) Committee has thirty (30) days to review documentation and reimburse the contractor. If the contractor feels the proposed repair, maintenance or replacement of item was unfairly denied, the contractor may revise the proposed statement of need and resubmit the request to the Bureau Chief. The department has thirty (30) days from receipt of the revised request to review the revised proposal and tender a determination to the contractor.

## **Emergency Repairs**

Emergency Repairs – The department recognizes that some repairs may require immediate attention due to the impact of the damaged item on the secure and orderly operation of the facility. If the broken item negatively impacts the health and welfare of the inmates and/or staff within the facility, or the safe and secure operations of the facility, or the quality of life standards for the inmates housed and staff working at the facility, the contractor may request an emergency repair to be reimbursed from the fund. The contractor must immediately notify the On-Site Contract Monitor, in writing, of the emergency repair. An estimate of the repair costs and justification of the repair meeting the above requirements must be included in the notification. The contractor must receive tentative approval from the Committee. Once the work is completed and confirmed in writing by the On-Site Contract Monitor, the contractor shall submit the following information to the Bureau Chief:

- a. the actual detailed and itemized invoice,
- b. the written notification,
- c. repair estimate,
- d. proof of prior approval
- e. proof of payment, and
- f. the justification of the emergency repair for reimbursement.

The Committee will review the documentation and reimburse the contract as appropriate within thirty (30) days of the department's receipt of the above documentation.

## **Advanced Payments**

Advance Payments are subject to approval pursuant to Section 215.422(14) F.S. and Rule 3A-40.120(3), Florida Administrative Code, and may be made in accordance with the following criteria:

- 1) Advance payments may be made for maintenance agreements, software license agreements and subscriptions that meet one of the following criteria:
  - i. Advance payment will result in a savings to the state that is equal to or greater than the amount the state would earn by investing the funds and paying in arrears.
  - ii. The goods or services must be essential to the operation of the state agency and are available only if paid in advance.

Prior approval by the Bureau of Auditing is required for advance payments that are more than the threshold of Category Two as defined in Section 287.017, F.S. and meets one of the above criteria.

- 2) Advance payment may be made for other goods and services if approved in advance by the Bureau of Auditing. Criteria for approval is the same as (1) above.

## RESPONSIBILITIES

Individual or Group	Responsibilities
Chief, Private Prison Monitoring	<ul style="list-style-type: none"> <li>• Chair Major Maintenance &amp; Repair Fund Committee.</li> <li>• Accept requests for reimbursement from contractors.</li> <li>• Be available to review and make determinations of necessity of work for emergency repairs.</li> </ul>
Major Maintenance & Repair Fund Committee	<ul style="list-style-type: none"> <li>• Review and make determination on each proposal reimbursement request within 30 days of its arrival</li> <li>• Notify contractor of committee's decision.</li> <li>• Review and make determination of payment for each completed repair, maintenance or replacement work.</li> <li>• Be available to review and make determinations of necessity of work for emergency repairs.</li> <li>• Review documentation and reimburse contractor as appropriate for emergency repairs within 30 days of receipt.</li> <li>• Review and process advance payments in compliance with Florida Administrative Code.</li> </ul>
Contractor	<ul style="list-style-type: none"> <li>• Maintain, preserve and keep facility in good working condition.</li> <li>• Make, or cause to be made, all necessary &amp; proper repairs.</li> <li>• Adhere to all warranties.</li> <li>• Dispose of replaced items in compliance with Property Asset Management.</li> <li>• Submit reimbursement request to Bureau Chief within 30 days of determination of need.</li> <li>• Procure and complete, or cause to be completed, repairs, maintenance, and/or replacement of items.</li> <li>• Notify On-Site Contract Monitor of completion of work.</li> <li>• Submit paid invoices, proof of payment and approved statement of work to committee for reimbursement.</li> </ul>
On-Site Contract Monitor	<ul style="list-style-type: none"> <li>• Conduct physical inspection of work.</li> <li>• Document whether work was completed as documented in the statement of need.</li> <li>• Send documentation to committee.</li> </ul>
Bureau of Private Prison Monitoring, Budget Operations & Management	<ul style="list-style-type: none"> <li>• Maintain Trust Fund records, including deposits and payments and interest accrued.</li> <li>• Deduct appropriate amount from man day billings and deposit into the Fund.</li> <li>• Request Committee meetings and ensure timelines are met for responses.</li> </ul>

Consultant	<ul style="list-style-type: none"> <li>• Date stamp requests for reimbursement on the day it arrives.</li> <li>• Track all requests in a log.</li> </ul>
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### ASSOCIATED FORMS

None