

Leon County Research and Development Authority
Executive Committee Meeting
Knight Administrative Centre
1736 W Paul Dirac Dr 32310

March 26, 2019
2:00pm to 4:00pm

Agenda

1. Call to Order
2. Introduction of Guests
3. Modifications to the Agenda
4. Public Comment
5. Approval of Draft Meeting Minutes, January 28, 2019 (Attachment A)
6. Audited Financial Statements 2017-2018 (Attachment B1-B2)

The Audit Committee requests ratification of its approval of the Audited Financial Statements for the fiscal year ended September 30, 2018. The auditor's report included an unmodified opinion and they identified no issues related to internal controls, or recommendations to management.

7. Collins Building Repair & Renovation Agreement (Attachment C1-C4)

Staff requests approval of the Reviewers recommendation to award to Oliver Sperry Renovation & Construction, Inc (OS) the contract in the amount of \$157,345 for RFP 19-02 for repair & renovation of the Collins Building. Based on a preliminary estimate, the board approved a budget of \$70,000 for the project when approving the RFP. A report detailing the review and recommendation is attached.

8. Big Bend Floor Covering, LLC Agreement (Attachment D1-D2)

Staff requests approval of its recommendation to award to Big Bend Floor Covering, LLC a contract in the amount of \$22,497.95 for the replacement of carpet in the Johnson Building National Park Service leased space in compliance with GSA lease requirements. This amount was not budgeted for this fiscal year. The authority received the three attached bids for both roll carpet and carpet squares.

9. Innovation Park TLH, Inc. Loan Agreement (Attachment E)

Staff requests approval of a Loan Agreement with Innovation Park TLH, Inc. (IPTLH) for the periodic advancement of funds to meet the initial working capital needs of IPTLH. The loan shall be non-interest bearing, payable upon demand by the Authority, with a maximum amount of \$10,000. The maximum amount may be increased by agreement of the parties via amendment to the Loan Agreement.

10. Business Incubator Discussion

- a. Next steps related to the development of the Business Incubator.
- b. Governance structure

11. Chair's Report

- a. Compensation Committee
- b. Tech Grant Pitch Night Governor Participation

12. Staff Reports

- a. Executive Director
- b. Director of Entrepreneurship
- c. Director of Programs and Communications

13. New Business

14. Adjourn

Leon County Research and Development Authority
Executive Committee Meeting
Knight Administrative Centre
1736 W Paul Dirac Dr 32310
Monday, January 28, 2019, 2:00pm

DRAFT Minutes

Members in Attendance:

Chair Dave Ramsay, Immediate Past Chair Anne Longman, Member at Large Kristin Dozier, Treasurer April Salter.

Members Not in Attendance:

Vice Chair Kim Williams.

Guests:

Melissa VanSickle, Nelson Mullins Broad & Cassel; LCRDA Staff: Ron Miller, Executive Director; Michael Tentnowski, Director of Entrepreneurship; Denise Bilbow, Director of Programs and Communications; Peggy Bielby, Administrative Coordinator.

1. Call to Order

The meeting was called to order at 2:00pm.

2. Introduction of Guests

All present introduced themselves.

3. Modifications to the Agenda

Ron Miller requested that the committee address Agenda Item 8 first in the general business portion of the meeting, and that Agenda Item 7 be modified to state that expected costs are \$60,000 to \$70,000.

April Salter offered a motion to modify the agenda as requested. Kristin Dozier seconded the motion which passed unanimously.

4. Public Comment

None.

5. Approval of Draft Meeting Minutes, September 19, 2018

April Salter offered a motion to approve the September 19, 2018 Executive Committee meeting minutes. Anne Longman seconded the motion which passed unanimously.

6. IBR 19-01 HVAC Preventative Maintenance & Repair Agreement

Staff requests approval of its recommendation to award Informal Bid Request 19-01 to the lowest bidder Engineered Cooling Services, Inc. (ECS.) The authority received two bids in response to its request and ECS price is \$13,797.48 per year, which was \$482.52 per year less than the second bidder. The agreement is for one year with Authority options for two additional one-year terms at the same price.

Anne Longman offered a motion to approve the staff request to award IBR 19-01 to Engineered Cooling Services, Inc. Kristin Dozier seconded the motion which passed unanimously.

7. Collins Building Renovation

Staff requests approval to issue RFP 19-02 for partial renovation of the Collins Building to allow for relocation of the Authority offices and Knight tenants, to begin developing programs, and to begin incubating companies. Renovations will include basic clean up and repairs necessary to get the lab ready for general use of one private lab, and a large shared lab. Renovations are expected to cost between \$50,000 and \$60,000 for carpet, paint, ceiling tiles, repairs to doors, partitioning doors, kitchen plumbing and cabinets, and partition wall removal to create a large meeting room. A detailed furniture and

equipment budget will be submitted separately but will not exceed \$25,000. This amount was not previously budgeted and would come from reserve funds if approved by the Board.

After discussion, the committee recommended that the Executive Director confer with the property manager to obtain a recommendation for an interior designer to assist in the selection of materials and finishes. The RFP should be included on the consent agenda for the next Board of Governors meeting.

April Salter offered a motion to approval to issuance of RFP 19-02. Kristin Dozier seconded the motion which passed unanimously.

8. Innovation Park TLH, Inc. Non-profit Incorporation Documents

Staff requests approval of the Articles of Incorporation, Bylaws, and Organization Action documents, and direction to file documents with the State of Florida necessary to create the Innovation Park TLH, Inc. (IPT) non-profit corporation. The documents as prepared differ from the direction previously given by the Board. Upon further review by General Counsel, the Authority did not qualify to create the previously proposed structure. Staff will provide further details at the meeting.

Melissa VanSickle explained that at the June 7, 2018 Board of Governors meeting, the Board approved creating a nonprofit organization to facilitate the acceptance of charitable donations. General counsel initially pursued forming a 509(a)(3) supporting organization, but after research determined that 501(c)(3) nonprofit with a demonstrated charitable purpose of education (i.e., business educational programs and services) was the appropriate entity for IPT. The Innovation Park of TLH Articles of Incorporation, Bylaws, and Organizational Action documents were drafted accordingly.

After discussion, Anne Longman offered a motion to approve the change of entity form and place the item on the general business portion of the Board of Governors agenda with the Executive Committee recommendation for the Board to ratify the approval of the Executive Committee. April Salter seconded the motion, which passed unanimously.

9. Strategic Plan Draft Discussion

Ron Miller explained that the outline provided by Ray Bye was a concise summary of the strategic plan points, and that the more detailed strategic plan draft, created by the Executive Director from the December 6, 2018 Board of Governors meeting discussion and follow up suggestions, would best serve as the action plan to implement the strategic plan. After discussion, the Executive Committee directed the Executive Director to group and map the outline items into four or five strategic plan points or “big picture” goals and include the detailed points in a separate action plan and present the revised items to the Board for its review and consideration.

10. Chair’s Report

None.

11. Staff Reports

a. Executive Director

Ron Miller reported that a food truck employee reported a slip and fall in the Fuqua atrium restroom area. CNA is handling the claim. Audit Committee will meet in February or March, with Board approval in April. Paul Dean is the new committee chair. Trail permitting has caused a 3-week delay. Axion Technologies is leasing the Morgan lab, and IT Services extended its lease 2 months. Two Board of Governors alternates are retiring in 2019.

b. Director of Entrepreneurship

Michael Tentnowski reported that I-Corps, SBIR/STTR training sessions are planned. EEP starts April 9, FAS Grant, and mentoring collaboration/coordination with DOMI, JMS, other community partners. EDA grant announcement expected “soon.”

c. Director of Programs and Communications

Denise Bilbow reported that TechGrant finalists will be invited to join EEP which will be completed prior to the May 16 Pitch Night event. Tech Topics at the MagLab Mar. 6. MagLab Open House is Feb. 23.

12. New Business

- EDA Grant press release: should be ready to go as soon as an announcement is made, be sure to include congressional partners who offered assistance.
- Develop a relationship with Ken Lawson, new Executive Director of DEO.
- Include “Marketing Discussion” for next Board of Governors meeting.
- WFSU is always looking for content, and Anne Longman suggested a brief but regular/recurring Innovation Park spot: April Salter suggested “Tech Spotlight” and Michael Tentnowski suggested abundant content was available.
- Kristin Dozier suggested re-establishing the relationship with the Tallahassee Democrat, and April Salter recommended meeting with Skip Foster and Byron Dobson in advance of the grant announcement and providing several related story angles re: Innovation Park and recent accomplishments other than the grant and provide a head’s up for the prospective grant award.
- Kristin suggested the rebuilding of Innovation Park bullet points story: present to the Editorial Review Board a bullet list of tangible accomplishments to date/turn-around story. Tom Flanigan WFSU and a reporter at Tallahassee magazine are also interested. Be ready even if the grant isn’t awarded.

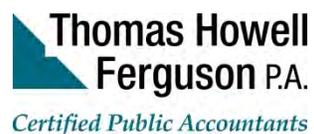
13. Adjourn

The meeting adjourned at 4:35pm.

Financial Statements

Leon County Research and Development Authority

*Years ended September 30, 2018 and 2017
with Report of Independent Auditors*



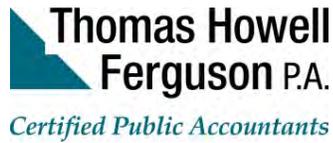
Leon County Research and Development Authority

Financial Statements

Years ended September 30, 2018 and 2017

Contents

Report of Independent Auditors	1
Management’s Discussion and Analysis	4
Audited Financial Statements	
Statements of Net Position.....	8
Statements of Revenues, Expenses, and Changes in Net Position	9
Statements of Cash Flows.....	10
Notes to Financial Statements.....	11
Other Required Supplementary Information	
Schedule of Proportionate Share of Net Pension Liability – Florida Retirement System	31
Schedule of Contributions – Florida Retirement System	32
Schedule of Proportionate Share of Net Pension Liability – Health Insurance Subsidy Program	33
Schedule of Contributions – Health Insurance Subsidy Program.....	34
Other Reports	
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	35
Report of Independent Accountants on Compliance with Section 218.415, <i>Florida Statutes</i> , Local Government Investment Policies	37
Management Letter	38



Report of Independent Auditors

The Board of Governors
Leon County Research and Development Authority

Report on the Financial Statements

We have audited the accompanying financial statements of Leon County Research and Development Authority (the Authority) which comprise the statements of net position as of September 30, 2018 and 2017, the related statement of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Page Two

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Leon County Research and Development Authority, as of September 30, 2018 and 2017, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of Net Pension Liability – Florida Retirement System, Schedule of Contributions – Florida Retirement System, Schedule of Proportionate Share of Net Pension Liability – Health Insurance Subsidy Program, and Schedule of Contributions – Health Insurance Subsidy Program, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Page Three

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
February 28, 2019

Leon County Research and Development Authority Management's Discussion and Analysis

As management of the Leon County Research and Development Authority (the Authority), we offer users of the Authority's financial statements this management discussion and analysis of the Authority's financial activities for the fiscal year ended September 30, 2018. Management's Discussion and Analysis is a narrative overview designed to: (a) assist a financial statement user in focusing on significant financial issues, (b) provide an overview of the Authority's financial activities, (c) identify changes in the Authority's financial position and operations, and (d) bring attention to individual concerns and issues. This discussion and analysis should be read in conjunction with the Authority's financial statements and notes to the financial statements which follow this section.

Financial Highlights

- During the current and prior fiscal year, several lease transactions impacted the financial performance of the Authority for the current year:
 - Effective November 1, 2016, the Northwest Regional Data Center increased its space in the Morgan Building increasing monthly lease payments \$2,041, or \$24,492 per year.
 - On April 25, 2017, the Authority entered into a lease agreement with the Florida State University Board of Trustees with monthly lease payments of \$15,234, or \$182,808 per year. The lease has been extended through July 31, 2020.
 - Effective April 1, 2018, the Authority entered into a short-term lease agreement with the Florida State University Board of Trustees with monthly lease payments, as amended, of \$18,355. The lease is expected to terminate May 31, 2019. This lease added approximately \$92,000 in lease revenue for the 2018 fiscal year.
- On September 27, 2017, the courts confirmed Bing Energy's Plan of Reorganization. As a result, the Authority was awarded and received its administrative claim of \$43,714.
- On April 5, 2018, the Authority entered into an agreement with Leon County for the construction of the Central Pond Trail. The project has a budget of \$184,905 and is expected to be completed in April, 2019.
- The Authority completed major renovations of four restrooms in the Don Fuqua Atrium, and work is ongoing renovating restrooms in the Morgan Building. Approximately \$83,000 was expended for these projects in the 2018 fiscal year.
- A new position, Director of Entrepreneurship, was created and filled in January, 2018. This increases the Authority's staffing to three full-time and one part-time position.
- No significant deficiencies in internal control over financial reporting were identified by the independent auditors for the year ended September 30, 2018.

Leon County Research and Development Authority Management's Discussion and Analysis (continued)

Overview of the Financial Statements

While identified as a dependent special district, the Authority is not considered by Leon County, its governing authority, to be a component unit of Leon County. The Authority's financial statements consist of the financial statements and the notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Fund Financial Statements

The Authority follows financial reporting requirements for enterprise funds, which use the accrual basis of accounting. This reporting follows accounting methods similar to those used by private-sector companies. As a business type activity, Authority operating revenues come from leases, maintenance, and management and common area management fees. Nonoperating revenues come from interest earned on deposits with financial institutions and other authorized depositories.

Enterprise Fund Analysis

The Statement of Net Position provides useful information about the Authority's financial position. The following table shows a condensed Statement of Net Position for the current and prior two years:

Table 1
Statement of Net Position
As of September 30
(in thousands)

	2018	2017	2016	Change 2018	Change 2017
Assets					
Current assets	\$ 4,241	\$ 4,222	\$ 4,236	\$ 19	\$ (14)
Noncurrent assets	3,849	4,010	4,267	(161)	(257)
Deferred outflows of resources	96	79	73	17	6
Total assets and deferred outflows of resources	<u>\$ 8,186</u>	<u>\$ 8,311</u>	<u>\$ 8,576</u>	<u>\$ (125)</u>	<u>\$ (265)</u>
Liabilities and deferred inflows of resources					
Current liabilities	\$ 50	\$ 37	\$ 29	\$ 13	\$ 8
Noncurrent liabilities	164	131	105	33	26
Deferred inflows of resources	21	16	18	5	(2)
Total liabilities and deferred inflows of resources	<u>235</u>	<u>184</u>	<u>152</u>	<u>51</u>	<u>32</u>
Net Position					
Invested in capital assets net of related debt	3,795	3,949	4,224	(154)	(275)
Unrestricted	4,156	4,178	4,200	(22)	(22)
Total net position	<u>7,951</u>	<u>8,127</u>	<u>8,424</u>	<u>(176)</u>	<u>(297)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 8,186</u>	<u>\$ 8,311</u>	<u>\$ 8,576</u>	<u>\$ (125)</u>	<u>\$ (265)</u>

The Authority's total assets and deferred outflow of resources exceeded total liabilities and deferred inflow of resources as of September 30, 2018, by \$7.951 million (net position). Of this amount, \$4.156 million represents unrestricted net position that is available to meet ongoing obligations to tenants and creditors.

Leon County Research and Development Authority Management's Discussion and Analysis (continued)

Fund net position decreased by \$176,275. Depreciation and amortization expense accounts for \$289,323 of the decrease.

Current assets consisting of cash and cash equivalents, accounts receivable, and prepaid expenses increased by \$18,856 for the fiscal year 2018 from the fiscal year 2017. Current liabilities consisting of accounts payable and accrued expenses increased by \$12,147.

Capital Asset and Debt Administration

The majority of Authority assets are capital assets having a depreciated value of \$3.795 million and representing 47 percent of total assets. These capital assets primarily consist of Authority buildings leased to scientific research and development entities affiliated with institutions of higher education and other entities that foster economic development in affiliation with one or more institutions of higher education.

Table 2
Statement of Revenue, Expenses, and Changes in Net Position
(in thousands)

The following table summarizes the changes in net position for the current and prior two years.

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>Change 2018</u>	<u>Change 2017</u>
Operating revenues	\$ 942	\$ 713	\$ 697	\$ 229	\$ 16
Operating expenses	(1,188)	(1,062)	(1,048)	(126)	(14)
Operating income (loss)	(246)	(349)	(351)	103	2
Nonoperating revenues (expenses)	70	52	116	18	(64)
Change in net position	(176)	(297)	(235)	121	(62)
Net position at the beginning of the year	8,127	8,421	8,656	(294)	(235)
Prior period adjustment	-	3	-	(3)	3
Net position restated	8,127	8,424	8,656	(297)	(232)
Net position at end of year	<u>\$ 7,951</u>	<u>\$ 8,127</u>	<u>\$ 8,421</u>	<u>\$ (176)</u>	<u>\$ (294)</u>

For the year ended September 30, 2018, Authority operating expenses exceeded operating revenues by \$246,330.

Total operating revenues increased by \$228,772. This is attributed to a \$22,030 decrease in other income from program grants and fees, and licenses; and an increase in lease revenue of \$217,460. The net increase in lease revenue is attributed to an increase of \$95,582 in the Morgan Building due in part from space added by Florida State University (FSU), an increase of \$2,154 in the Knight Building, an increase of \$153,431 in the Johnson Building due in large part to the FSU Anthropology lease, and a decrease of \$32,610 in the Collins Building due to a reduction in space by the Florida Department of Agriculture.

Total operating expenses increased by \$126,224. Depreciation and amortization increased by \$2,661. Salaries and benefits increased by \$106,456 due to the addition of a full-time position, salary increases, and increased pension expense. Other expenses increased by \$17,107 due expenses related to increased building occupancy such as utilities and janitorial services.

Leon County Research and Development Authority
Management's Discussion and Analysis (continued)

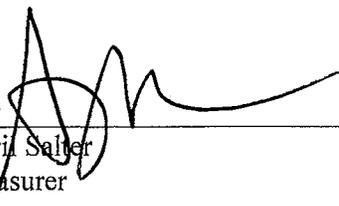
Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Leon County Research and Development Authority's office at 1736 West Paul Dirac Drive, Tallahassee, Florida.

Submitted by,



Ronald J. Miller, Jr.
Executive Director



April Salter
Treasurer

Leon County Research and Development Authority

Statements of Net Position

	September 30,	
	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,608,583	\$ 2,646,561
Designated cash and cash equivalents	1,400,000	1,400,000
Accounts receivable - leases and other, net	89,723	170,980
Accrued interest receivable	2,818	4,219
Prepaid expenses and other current assets	139,492	-
Total current assets	<u>4,240,616</u>	<u>4,221,760</u>
Noncurrent assets:		
Other assets	53,931	61,359
Capital assets, net of accumulated depreciation	<u>3,795,211</u>	<u>3,948,824</u>
Total assets	<u>8,089,758</u>	<u>8,231,943</u>
Deferred outflows of resources		
Pension	<u>95,753</u>	<u>79,174</u>
Total deferred outflows of resources	<u>95,753</u>	<u>79,174</u>
Total assets and deferred outflows of resources	<u><u>\$ 8,185,511</u></u>	<u><u>\$ 8,311,117</u></u>
Liabilities, deferred inflows of resources and net position		
Current liabilities:		
Accounts payable and accrued expenses	<u>\$ 48,874</u>	<u>\$ 36,727</u>
Total current liabilities	<u>48,874</u>	<u>36,727</u>
Noncurrent liabilities:		
Unearned revenue	1,120	384
Net pension liability	<u>163,199</u>	<u>131,058</u>
Total noncurrent liabilities	<u>164,319</u>	<u>131,442</u>
Total liabilities	<u>213,193</u>	<u>168,169</u>
Deferred inflows of resources		
Pension	<u>21,256</u>	<u>15,611</u>
Total deferred inflows of resources	<u>21,256</u>	<u>15,611</u>
Net position:		
Net investment in capital assets	3,795,211	3,948,824
Unrestricted	<u>4,155,851</u>	<u>4,178,513</u>
Total net position	<u>7,951,062</u>	<u>8,127,337</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 8,185,511</u></u>	<u><u>\$ 8,311,117</u></u>

See accompanying notes.

Leon County Research and Development Authority

Statements of Revenues, Expenses, and Changes in Net Position

	Years ended September 30,	
	2018	2017
Operating revenues		
Leases	\$ 855,400	\$ 605,329
Common area management fees	61,067	60,336
Other income	25,436	47,466
Total operating revenues	<u>941,903</u>	<u>713,131</u>
Operating expenses		
Salaries and employee benefits	388,073	281,617
Depreciation and amortization expense	289,323	286,662
Other expenses	510,837	493,730
Total operating expenses	<u>1,188,233</u>	<u>1,062,009</u>
Operating loss	<u>(246,330)</u>	<u>(348,878)</u>
Nonoperating revenues		
Interest income	70,055	51,549
Total nonoperating revenues	<u>70,055</u>	<u>51,549</u>
Change in net position	(176,275)	(297,329)
Net position at beginning of year	8,127,337	8,421,478
Prior period adjustment	-	3,188
Net position restated	8,127,337	8,424,666
Net position at end of year	<u>\$ 7,951,062</u>	<u>\$ 8,127,337</u>

See accompanying notes.

Leon County Research and Development Authority

Statements of Cash Flows

	Years ended September 30,	
	2018	2017
Operating activities		
Cash received from tenants	\$ 858,234	\$ 600,120
Other cash receipts	26,836	46,422
Cash payments to suppliers for goods and services	(518,757)	(478,095)
Cash payments to employees	(346,063)	(263,215)
Net cash provided by (used in) operating activities	<u>20,250</u>	<u>(94,768)</u>
Capital and related financing activities		
Purchase of capital assets	(128,283)	(5,066)
Payments of capitalized fees	-	(24,175)
Net cash used in capital and related financing activities	<u>(128,283)</u>	<u>(29,241)</u>
Investing activities		
Interest and dividends on investments	70,055	51,549
Net cash provided by investing activities	<u>70,055</u>	<u>51,549</u>
Net decrease in cash and cash equivalents	(37,978)	(72,460)
Cash and cash equivalents at beginning of year	4,046,561	4,119,021
Cash and cash equivalents at end of year	<u>\$ 4,008,583</u>	<u>\$ 4,046,561</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	\$ (246,330)	\$ (348,878)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	289,323	286,662
Changes in operating assets and liabilities:		
Unearned revenue and net pension liability	21,944	17,632
Accounts receivable - leases and other, net	82,658	(66,588)
Prepaid expenses and other assets	(139,492)	8,205
Accounts payable and accrued expenses	12,147	8,199
Net cash provided by (used in) operating activities	<u>\$ 20,250</u>	<u>\$ (94,768)</u>
Cash and cash equivalents consist of:		
Cash and cash equivalents	\$ 2,608,583	\$ 2,646,561
Designated cash and cash equivalents	1,400,000	1,400,000
Total	<u>\$ 4,008,583</u>	<u>\$ 4,046,561</u>

See accompanying notes.

Leon County Research and Development Authority

Notes to Financial Statements

Years ended September 30, 2018 and 2017

1. Summary of Significant Accounting Policies

Description of Organization

The Leon County Research and Development Authority (the Authority) was created by the Leon County Board of County Commissioners pursuant to County Ordinance No. 80-68 in accordance with Section 159.703, *Florida Statutes*. The Authority was created for the purpose of promoting scientific research and development in affiliation with and related to the research and development activities of one or more state-based, accredited, public or private institutions of higher education; for the purpose of financing and refinancing capital projects related to the establishment of a research and development park in affiliation with one or more institutions of higher education, including facilities that complement or encourage the complete operation thereof, as defined by and in the manner provided by the Florida Industrial Development Financing Act; and for the purpose of fostering the economic development and broadening the economic base of a county in affiliation with one or more institutions of higher education.

The Authority has acquired land within Leon County to perform any and all functions related or incidental to the operation of Innovation Park, Tallahassee (the Park). The Park is to provide a compatible location where selected applied research operations can be established to build upon and mutually benefit the economy of North Florida, the research capabilities of Florida A&M and Florida State Universities, and the services of Florida's capital city.

The Authority was notified on October 22, 1991, by the Office of the Comptroller, Department of Banking and Finance, State of Florida, that it had been reclassified from an independent to a dependent special district. The Authority is not considered by Leon County, its governing authority, to be a component unit of Leon County.

Basis of Accounting

The Authority follows Governmental Accounting Standards Board (GASB) financial reporting requirements for enterprise funds, which use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred.

Revenue Recognition

Operating revenues – Operating revenues generally result from providing services in connection with ongoing operations. Operating revenues consist of lease, maintenance, management, and common area management fee revenues collected from tenants, as well as program fees and grant revenue. Operating revenues are recognized as revenue in the period earned.

Nonoperating revenues – Nonoperating revenues consist of interest earned on deposits held with financial institutions and are recognized as revenue in the period earned.

Leon County Research and Development Authority

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)**Cash and Cash Equivalents**

Cash consists of demand deposits held at qualified public depositories, cash held with the State Treasury Special Purpose Investment Account (SPIA) investment pools, and cash held with the State Board of Administration (SBA) in the Florida PRIME investment pool (SBA PRIME). For reporting cash flows, the Authority considers all highly liquid investments with original maturities of 3 months or less to be cash equivalents. Under this definition, the Authority considers amounts invested in the State Treasury SPIA and SBA PRIME to be cash equivalents.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, *Florida Statutes*. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. Therefore, any amount of the Authority's demand deposits in excess of FDIC protection would be fully insured or collateralized.

Designated cash and cash equivalents consist of amounts for the completion of capital projects.

At September 30, 2018, the Authority reported as cash equivalents at fair value \$1,784,547 in the State Treasury SPIA investment pool representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, *Florida Statutes*. The authorized investment types are set forth in Section 17.57, *Florida Statutes*. The SPIA carried a credit rating of A+f by Standard & Poor's, had an effective duration of 2.97 years and fair value factor of 0.9796 at September 30, 2018. Participants contribute to the Treasury Pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The Authority relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. The State Treasury may, at its sole option, require the Authority to maintain a minimum balance equal to 60% of the previous three months average balance. Withdrawals below the minimum balance will require six months' notice. Disclosures for the State Treasury SPIA investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

Leon County Research and Development Authority

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents (continued)

At September 30, 2018, the Authority reported as cash equivalents at amortized cost \$2,017,629 in the SBA PRIME investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the SBA are not registered with the Securities and Exchange Commission, however SBA PRIME operates in conformity with the Securities and Exchange Commission’s Rule 2a-7. Oversight of the pooled investments with the SBA is provided by a group of individuals that function as a board of directors. The authorized investment types are set forth in Section 215.47, Florida Statutes. The SBA PRIME carried a credit rating of AAAM by Standard & Poor’s, had a weighted average maturity of 33 days and fair value factor of 0.9999 at September 30, 2018. Participants may experience restrictions on withdrawals from 48 hours to 15 days. The withdrawal restrictions may not exceed 15 days. The SBA provides a separate audit of the SBA PRIME financial statements on their website www.sbafla.com/prime.

Accounts Receivable

Accounts receivable consists of amounts due from tenants for leases, common area fees, maintenance fees, and management fees.

The Authority provides an allowance for doubtful accounts based upon the anticipated collectability of each specific account. At September 30, 2018 and 2017, the Authority has recorded an allowance of \$53,544.

Capital Assets

Capital assets are recorded at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

	<u>Useful Lives</u>
Buildings	10 – 40 years
Improvements	5 – 20 years
Equipment and furnishings	5 – 8 years
Development costs	10 years

Beginning October 1, 1986, capital outlays for the construction of streets, parks, water and sewer lines, and other types of infrastructure expenditures are capitalized and included in improvements. To date, all such completed projects have been transferred to and accepted by the City of Tallahassee.

Leon County Research and Development Authority

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and the Retiree Health Insurance Subsidy (HIS) and addition to/deduction from the FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Amortization

The costs of obtaining various building studies are capitalized as finite-lived intangible assets and amortized over the life of the asset using the straight line method.

Subsequent Events

The Authority has evaluated subsequent events through February 28, 2019, the date the financial statements were available to be issued. During the period from September 30, 2018 to February 28, 2019, the Authority did not have any material recognizable subsequent events.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

2. Ground Lease

The Authority entered into an agreement on January 28, 1980, with the State of Florida Board of Trustees of the Internal Improvement Trust Fund (the Board) to lease Park lands from the Board comprised of 207.92 acres for a period of 94 years. The agreement does not call for any lease payments from the Authority but specifies that the Park lands shall be used for research, design, development, light manufacturing and assembly, and educational and related purposes in furtherance of essential public purposes. In prior years, the Authority transferred its leasehold interest in approximately 33 acres to Florida State University. On March 18, 2014, the Authority transferred its leasehold interest in approximately 96 gross acres of developed and undeveloped Park land to Florida State University and Florida A&M University.

Leon County Research and Development Authority

Notes to Financial Statements

3. Retirement Plan

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Authority are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The Authority's pension expense totaled \$43,248 for the fiscal year ended September 30, 2018.

FRS Pension Plan

The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.

Senior Management Service Class (SMSC) – Members in senior management level positions.

Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Leon County Research and Development Authority

Notes to Financial Statements

3. Retirement Plan (continued)

FRS Pension Plan (continued)

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

Leon County Research and Development Authority

Notes to Financial Statements

3. Retirement Plan (continued)**Benefits Provided (continued)**

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00
Senior Management Service Class	2.00
Elected Officers' Class	3.00

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Leon County Research and Development Authority

Notes to Financial Statements

3. Retirement Plan (continued)

Contributions

Prior to July 1, 2011, the FRS was noncontributory for employees. Beginning July 1, 2011, employees who are not participating in DROP are required to contribute 3% of their salary to the FRS. The Authority is required to contribute at an actuarially-determined rate. Contribution rates for the 2017-2018 fiscal year are as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	7.92
FRS, Senior Management Services	3.00	22.71
Elected County, City, and Special District Officers	3.00	45.50
FRS, Special Risk	3.00	23.27
Deferred Retirement Option Program – Applicable to Members from All of the Above Classes	N/A	13.26
FRS Reemployed Retiree	(2)	(2)

Notes: (1) These Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The Authority’s contributions, including employee contributions, to the defined benefit pension plan totaled \$9,187 for the fiscal year ended September 30, 2018, excluding HIS plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2018, the Authority reported a liability of \$82,749 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Authority’s proportionate share of the net pension liability was based on the Authority’s 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At September 30, 2018, the Authority’s proportionate share was 0.000274726 percent, which was an increase of 27% percent from its proportionate share measured as of September 30, 2017.

Leon County Research and Development Authority

Notes to Financial Statements

3. Retirement Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the fiscal year ended September 30, 2018, the Authority recognized pension expense of \$22,131. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,010	\$ (254)
Change of assumptions	27,038	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(6,393)
Changes in proportion and differences between Authority FRS contributions and proportionate share of contributions	23,182	(5,529)
Authority FRS contributions subsequent to the measurement date	<u>2,662</u>	<u>-</u>
Total	<u>\$ 59,892</u>	<u>\$ (12,176)</u>

The deferred outflows of resources related to pensions totaling \$2,662 resulting from the Authority contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30,</u>	
2019	\$ 17,330
2020	11,192
2021	2,807
2022	7,184
2023	5,409
Thereafter	<u>1,132</u>
Total	<u>\$ 45,054</u>

Leon County Research and Development Authority

Notes to Financial Statements

3. Retirement Plan (continued)

Actuarial Assumptions

The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB table.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013. As of June 30, 2018, the investment rate of return decreased from 7.10% to 7.00%.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation ¹</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash equivalents	1%	2.9%	2.9%	1.8%
Fixed income	18%	4.4%	4.3%	4.0%
Global equity	54%	7.6%	6.3%	17.0%
Real estate	11%	6.6%	6.0%	11.3%
Private equity	10%	10.7%	7.8%	26.5%
Strategic investments	6%	6.0%	5.7%	8.6%
Total	<u>100%</u>			
Assumed Inflation – Mean			2.6%	1.9%

¹ As outlined in the Plan's investment policy.

Leon County Research and Development Authority

Notes to Financial Statements

3. Retirement Plan (continued)**Discount Rate**

The discount rate used to measure the total pension liability was 7.00 percent. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability - FRS	\$151,020	\$82,749	\$26,046

Pension Plan Fiduciary Net Position

Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Leon County Research and Development Authority

Notes to Financial Statements

3. Retirement Plan (continued)

Benefits Provided

For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, *Florida Statutes*. The Authority contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Authority's contributions to the HIS Plan totaled \$4,408 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2018, the Authority reported a net pension liability of \$80,450 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, with update procedures used to determine liabilities as of June 30, 2018. The Authority's proportionate share of the net pension liability was based on the Authority's 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At September 30, 2018, the Authority's proportionate share was 0.0007601 percent, which was an increase of 21 percent from its proportionate share measured as of September 30, 2017.

Leon County Research and Development Authority

Notes to Financial Statements

3. Retirement Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the fiscal year ended September 30, 2018, the Authority recognized pension expense of \$12,628. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,232	\$ (137)
Change of assumptions	8,947	(8,506)
Net difference between projected and actual earnings on HIS pension plan investments	49	—
Changes in proportion and differences between Authority HIS contributions and proportionate share of HIS contributions	24,347	(437)
Authority contributions subsequent to the measurement date	<u>1,286</u>	<u>—</u>
Total	<u>\$ 35,861</u>	<u>\$ (9,080)</u>

The deferred outflows of resources totaling \$1,286 was related to pensions resulting from Authority contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30,</u>	
2019	\$ 7,208
2020	7,204
2021	4,236
2022	3,086
2023	1,818
Thereafter	<u>1,943</u>
Total	<u>\$ 25,495</u>

Leon County Research and Development Authority

Notes to Financial Statements

3. Retirement Plan (continued)

Actuarial Assumptions

The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, including inflation
Municipal bond rate	3.87 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB table.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013. As of June 30, 2018, the municipal rate used to determine total pension liability increased from 3.58% to 3.87%.

Discount Rate

The discount rate used to measure the total pension liability was 3.87 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 3.87 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87 percent) or one percentage point higher (4.87 percent) than the current rate:

Leon County Research and Development Authority

Notes to Financial Statements

3. Retirement Plan (continued)**Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (continued)**

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
Authority's proportionate share of the net pension liability – HIS	\$91,628	\$80,450	\$71,132

Pension Plan Fiduciary Net Position

Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

FRS Investment Plan

The State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees already participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions rates, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

Leon County Research and Development Authority

Notes to Financial Statements

3. Retirement Plan (continued)

FRS Investment Plan (continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Authority's Investment Plan pension expense totaled \$8,489 for the fiscal year ended September 30, 2018.

Deferred Compensation Program

On November 18, 1997, the Authority adopted the National Association of Counties Deferred Compensation Program pursuant to Section 457 of the Internal Revenue Code (IRC). The deferred compensation plan allows for the voluntary participation of all eligible employees of the Authority. All assets of this plan, including all deferred amounts, property, and rights purchased with deferred amounts, and all income attributable to such deferred amounts, property, or rights, other than assets held in annuity contracts, will be held in a custodial account described in IRC Section 457(g).

The custodian shall hold the assets for the exclusive benefit of the participants and beneficiaries and the assets may not be diverted to any other use. Contributions to the plan for the years ended September 30, 2018 and 2017 were \$15,904 and \$15,336, respectively.

Leon County Research and Development Authority

Notes to Financial Statements

4. Commitments and Contingencies

Master Plan Update and Future Park Development – The Authority’s Planned Unit Development (PUD) master development plan for the Park was amended and approved May 15, 2013. As of September 30, 2018 and 2017, \$754,961 has been incurred and capitalized as park development costs. The costs are being amortized over a period of 10 years. Accumulated amortization of these costs is \$684,941 and \$650,129 as of September 30, 2018 and 2017, respectively. Such costs are for various projects including Park amenities, a business incubator program, PUD/DRI, landscaping and park beautification, and other miscellaneous expenses.

On May 26, 2015, Danfoss and the Authority entered into a ground lease for Lots 1D, 2D and 3D through January 28, 2074 for \$1.00 per year. Effective September 27, 2017, the ground lease was amended to add Lot 1E to the lease. The amendment requires the construction of a parking lot on Lot 1E and an approximately 40,000 square foot building on Lot 1D. Concurrently, Danfoss and the Authority entered into a Right of First Refusal Agreement granting Danfoss a right of first refusal to purchase approximately six acres of land adjacent to Lot 1E for a period of three years, with an option to extend the agreement for two additional one-year terms upon the payment of \$10,000 before the expiration of the preceding term.

Sunnyland Solar Ground Lease – On August 3, 2011, the Authority and Sunnyland Solar Re, LLC entered into a ground lease. The terms of the lease include rental of approximately 9.8 acres. The term of the ground lease is for seven (7) years, with an option to renew for two additional seven (7) year terms, for a total of twenty-one (21) years. Sunnyland Solar Re, LLC, as tenant, will pay the Authority the sum of \$7,000 per year for the term of the lease. As an inducement to enter into this lease, an entity related to the tenant, Inkbridge, LLC, transferred \$100,000 into an escrow account for unrestricted use by the Authority for purposes that will be determined by the Board in conjunction with Inkbridge, LLC. The Authority expended escrowed funds during the fiscal year ended September 30, 2017 of \$55,000. There is a \$0 remaining balance in the escrow as of September 30, 2018. Sunnyland did not exercise its option to renew and terminated its lease effective August 3, 2018.

Innovation Park Central Pond Trail Project – On April 5, 2018, the Authority and Leon County entered into an agreement in which Leon County agreed to survey, design, permit, and construct the Central Pond Trail location at Innovation Park. The Authority deposited \$184,905 in funds for the project with Leon County on April 13, 2018. As of September 30, 2018, Leon County has expended \$45,413 in funds for this project on behalf of the Authority, which is included in construction in progress in the accompanying Statements of Net Position. The remaining balance of unexpended funds of \$139,492 is included in prepaid expenses in the accompanying Statements of Net Position.

Leon County Research and Development Authority

Notes to Financial Statements

5. Operating Leases

Phipps Building

The agreement with the Florida Department of Transportation (FDOT) for the Phipps Building is for 14,661 square feet and requires monthly payments of \$10,719 beginning June 1, 2007, through September 30, 2022, with an option to renew for an additional five-year term at monthly lease payments of \$2,444.

Collins Building

On June 12, 2007, the Authority entered into an agreement with the Florida Department of Agriculture and Consumer Services (FDACS) for 25% of the Collins Building. The agreement was for 6,126 square feet and required monthly payments of \$4,671 beginning July 1, 2007, through June 30, 2022, with an option to renew for an additional five-year term. The agreement was amended, effective May 31, 2016, to reduce the leased space to 1,926 square feet, to require monthly payments of \$2,664 through June 30, 2022 and to eliminate the renewal option.

Johnson Building

On February 18, 2015, the Authority entered into a lease agreement with the Government of the United States of America with monthly lease payments of \$22,065, annually adjusted for inflation, through February 17, 2020 with an option to renew for an additional five-year term.

On April 25, 2017, the Authority entered into a lease agreement with the Florida State University Board of Trustees with monthly lease payments of \$15,234 through July 31, 2019. Effective January 15, 2019, the lease was extended through July 31, 2020 with monthly lease payments of \$15,691 beginning August 1, 2019.

Morgan Building

During the years ended September 30, 2018 and 2017, the Authority recognized other short-term lease revenues from space in the Morgan Building in the amount of \$227,676 and \$132,099, respectively.

Administrative Office

During the years ended September 30, 2018 and 2017, the Authority also recognized other short-term lease revenues from space in the Administrative Office in the amount of \$11,189 and \$9,217, respectively.

Leon County Research and Development Authority

Notes to Financial Statements

5. Operating Leases (continued)

Common Area Management Fees

The Authority maintains all of the common area in the Park. Owners of long-term leases purchased from the Authority and certain other tenants are charged an annual common area fee based on the Park's adjusted annual administrative overhead costs divided by the developable acres. For the years ended September 30, 2018 and 2017, the Authority recognized common area revenue in the amount of \$61,067 and \$60,336, respectively.

Following is a table of the minimum future rentals expected to be collected over the next five years:

	September 30,						Total
	2019	2020	2021	2022	2023	Thereafter	
Johnson	\$420,003	\$267,667	\$267,667	\$267,667	\$267,667	\$ 370,496	\$1,861,167
FDOT	128,635	128,635	128,635	85,757	-	-	471,662
FDACS	31,972	31,972	31,972	23,979	-	-	119,895
Morgan	152,716	5,171	-	-	-	-	157,887
Admin Center	7,917	-	-	-	-	-	7,917
	<u>\$741,243</u>	<u>\$433,445</u>	<u>\$428,274</u>	<u>\$377,402</u>	<u>\$267,667</u>	<u>\$ 370,496</u>	<u>\$2,618,528</u>

6. Capital Assets

Following is a summary of the changes in capital assets for the year ending September 30, 2018:

Descriptions	Balance at September 30, 2017	Additions	Deletions	Balance at September 30, 2018
Buildings	\$ 8,824,586	\$ 64,519	\$ -	\$ 8,889,105
Equipment and furnishings	72,357	1,021	-	73,378
Improvements	62,336	-	-	62,336
Park and development costs	754,961	-	-	754,961
Total capital assets subject to depreciation	9,714,240	65,540	-	9,779,780
Accumulated depreciation	(6,401,337)	(281,896)	-	6,683,233
Total capital assets subject to depreciation, net	3,312,903	(216,356)	-	3,096,547
Construction in progress	-	62,743	-	62,743
Land	635,921	-	-	635,921
Total capital assets, net	<u>\$ 3,948,824</u>	<u>\$ (153,613)</u>	<u>\$ -</u>	<u>\$ 3,795,211</u>

Depreciation expense was \$281,896 and \$280,913 for the years ended September 30, 2018 and 2017, respectively.

Leon County Research and Development Authority

Notes to Financial Statements

7. Designated Net Position and Cash and Cash Equivalents

The Board of Governors has designated unrestricted net position for each of the years ended September 30, 2018 and 2017 for future capital projects in the amount of \$1,400,000. In addition, the Board of Governors has designated cash and cash equivalents in the amount equal to the above designation.

8. Risk Management

The Authority is exposed to various risks of loss associated with normal operations and has purchased commercial insurance to mitigate such risks.

9. Related Parties

During the years ended September 2018 and 2017, the Authority entered into various transactions with a former tenant in which a board member of the Authority is a shareholder. Amounts due to the Authority as of September 30, 2018 and 2017 were \$37,206 and \$74,817, respectively. The allowance for doubtful accounts of \$37,206 was recorded at September 30, 2018 and 2017 to establish a reserve for the uncollectible portion of these amounts.

10. Prior Period Adjustments

During the fiscal year ended September 30, 2018 the Authority discovered that it had overstated 2017 accrued leave liability by \$13,448 and understated accrued utility liabilities by \$6,804. The correction of these errors increased 2018 opening net position by \$3,455 and required a restatement of fiscal year 2017 financial statements.

Other Required Supplementary Information

Leon County Research and Development Authority

Required Supplementary Information

Year ended September 30, 2018

Schedule of Proportionate Share of Net Pension Liability -
Florida Retirement System
Last 10 Fiscal Years

	Year Ending September 30,				
	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.000275%	0.000216%	0.000159%	0.000233%	0.017800%
Proportionate share of the net pension liability	\$ 82,749	\$ 63,936	\$ 40,209	\$ 30,111	\$ 10,830
Covered-employee payroll	\$ 275,517	\$ 199,722	\$ 179,219	\$ 168,450	\$ 113,542
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	30.03%	32.01%	22.44%	17.88%	9.54%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See report of independent auditors.

Leon County Research and Development Authority

Required Supplementary Information

Year ended September 30, 2018

Schedule of Contributions -
Florida Retirement System
Last 10 Fiscal Years

	Year Ending September 30,				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 7,829	\$ 5,627	\$ 3,883	\$ 5,684	\$ 3,888
Contributions in relation to the contractually required contribution	<u>(7,829)</u>	<u>(5,627)</u>	<u>(3,883)</u>	<u>(5,684)</u>	<u>(3,888)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 275,517	\$ 199,722	\$ 179,219	\$ 168,450	\$ 113,542
Contributions as a percentage of covered-employee payroll	2.84%	2.82%	2.17%	3.37%	3.42%

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as the information become available.

See report of independent auditors.

Leon County Research and Development Authority

Required Supplementary Information

Year ended September 30, 2018

Schedule of Proportionate Share of Net Pension Liability -
Health Insurance Subsidy Program
Last 10 Fiscal Years

	Year Ending September 30,				
	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.00076%	0.00063%	0.00055%	0.00055%	0.00056%
Proportionate share of the net pension liability	\$ 80,450	\$ 67,122	\$ 64,459	\$ 55,965	\$ 52,330
Covered-employee payroll	\$ 275,517	\$ 199,722	\$ 179,219	\$ 168,450	\$ 113,542
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	29.20%	33.61%	35.97%	33.22%	46.09%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as the information become available.

See report of independent auditors.

Leon County Research and Development Authority

Required Supplementary Information

Year ended September 30, 2018

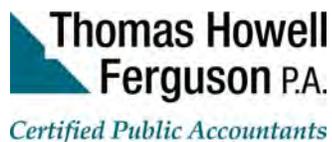
Schedule of Contributions -
Health Insurance Subsidy Program
Last 10 Fiscal Years

	Year Ending September 30,				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,122	\$ 3,322	\$ 2,835	\$ 2,098	\$ 1,917
Contributions in relation to the contractually required contribution	<u>(4,122)</u>	<u>(3,322)</u>	<u>(2,835)</u>	<u>(2,098)</u>	<u>(1,917)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 275,517</u>	<u>\$ 199,722</u>	<u>\$ 179,219</u>	<u>\$ 168,450</u>	<u>\$ 113,542</u>
Contributions as a percentage of covered-employee payroll	1.50%	1.66%	1.58%	1.25%	1.69%

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See report of independent auditors.

Other Reports



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Governors
Leon County Research and Development Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Leon County Research and Development Authority (the Authority), which comprise the statement of net position as of September 30, 2018, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Page Two

Compliance and Other Matters

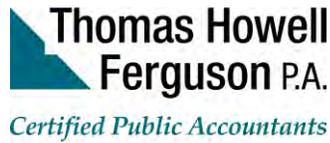
As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
February 28, 2019



Report of Independent Accountants on Compliance with
Section 218.415, *Florida Statutes*, Local Government Investment Policies

The Board of Governors
Leon County Research and Development Authority

We have examined the Leon County Research and Development Authority's (the Authority) compliance with local government investment policies provided in Chapter 218.415, *Florida Statutes*, during the year ended September 30, 2018. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the investment policies are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the investment policies. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the investment policies, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of the Leon County Research and Development Authority and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
February 28, 2019

Management Letter



Management Letter

The Board of Governors
Leon County Research and Development Authority

Report on the Financial Statements

We have audited the financial statements of the Leon County Research and Development Authority (the Authority) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated February 28, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated February 28, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report

Page Two

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and to identify the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the Authority for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2018. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), *Florida Statutes*. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), *Florida Statutes*.



Page Three

Additional Matters

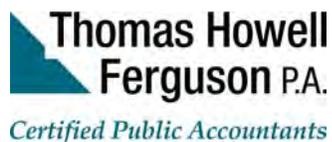
Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Board of Governors, the Leon County Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
February 28, 2019



To the Audit Committee
Leon County Research and Development Authority

We are pleased to present this report related to our audit of the financial statements of Leon County Research and Development Authority (the Authority) as of and for the year ended September 30, 2018. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial reporting process.

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States have been described to you in our arrangement letter dated August 3, 2017. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We discussed with members of the Audit Committee and the Authority's management various matters about which generally accepted auditing standards require communication. These include matters concerning two-way communication, our independence, the audit planning process, the concept of materiality in planning and executing the audit, our approach to internal control relevant to the audit, and the timing of the audit.

Area	Comments
Accounting Policies and Practices	<p data-bbox="771 394 1412 430">Adoption of, or Change in, Accounting Policies</p> <p data-bbox="771 447 1458 661">Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p data-bbox="771 699 1266 735">Significant or Unusual Transactions</p> <p data-bbox="771 751 1458 892">We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>
Management’s Judgments and Accounting Estimates	<p data-bbox="771 930 1458 1354">Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us that they used all the relevant facts available to them at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit. Estimates significant to the financial statements include:</p> <ul data-bbox="820 1386 1458 1858" style="list-style-type: none"><li data-bbox="820 1386 1347 1417">• Allowance for uncollectible accounts<li data-bbox="820 1438 1096 1470">• Pension liabilities<li data-bbox="820 1491 1458 1858">• The allocation of certain maintenance expenses and common area maintenance fees. The Authority has established through lease agreements with specific tenants that certain maintenance costs incurred by the Authority may be allocated and billed to the tenants. In addition, the Authority calculates an annual charge to the tenants for common area maintenance fees based on actual costs incurred during the year.

Page Three

Area	Comments
Management’s Judgments and Accounting Estimates (continued)	<ul style="list-style-type: none"> • Amortization of capitalized fees. • Useful lives used to calculate depreciation of capital assets. <p>The Audit Committee may wish to monitor throughout the year the process used to determine and record these accounting estimates.</p>
Audit Adjustments	<p>Audit adjustments proposed by us and recorded by the Authority are shown on the attached Exhibit A.</p>
Uncorrected Misstatements	<p>There were no uncorrected misstatements that management determined to be immaterial.</p>
Disagreements With Management	<p>We encountered no disagreements with management over the application of significant accounting principles, the basis for management’s judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.</p>
Consultations With Other Accountants	<p>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</p>
Significant Issues Discussed With Management	<p>No significant issues arising from the audit were discussed with or the subject of correspondence with management.</p>
Significant Difficulties Encountered in Performing the Audit	<p>We did not encounter any significant difficulties in dealing with management during the audit. We received full cooperation and appreciate the assistance provided by the Authority’s financial and accounting personnel.</p>

Page Four

<u>Area</u>	<u>Comments</u>
Letter(s) Communicating Significant Deficiencies and Material Weaknesses in Internal Control Over Financial Reporting	We have separately communicated any significant deficiencies and material weaknesses in internal control over financial reporting identified during our audit of the financial statements as required by <i>Government Auditing Standards</i> . This communication is included in the Other Reports section of the financial statements.
Significant Written Communications Between Management and Our Firm	See Exhibit B for a copy of the representation letter provided to us by the Authority's management.

This report is intended solely for the information and use of the Audit Committee and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this letter. We appreciate the opportunity to continue to be of service to Leon County Research and Development Authority.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
February 28, 2019

Leon County Research and Development Authority

Year End: September 30, 2018

Trial balance

Date: 10/1/2017 To 9/30/2018

Account No: AJE #1 To AJE #2

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence
Net Income (Loss) Before Adjustments							(176,037.00)		
AJE #1	9/30/2018	Accumulated Depreciation	1590-0000	4001. 1		238.00			
AJE #1	9/30/2018	Depreciation Expense	8210-0000	4001. 1	238.00				
to adjust depreciation									
					238.00	238.00	(176,275.00)	(238.00)	
AJE #2	9/30/2018	Invested in Capital Assets-Net of Debt	2730-0000	7501. 1	237.00				
AJE #2	9/30/2018	Unrestricted	2750-0000	7501. 1		237.00			
to adjust for AJE#1 to agree equity bal to invested in capital assets.									
					237.00	237.00	(176,275.00)	0.00	
					475.00	475.00	(176,275.00)	(238.00)	

February 28, 2019

Thomas Howell Ferguson P.A.
2615 Centennial Boulevard, Suite 200
Tallahassee, Florida 32308

This representation letter is provided in connection with your audit of the basic financial statements of Leon County Research and Development Authority (the Authority) as of and for the years ended September 30, 2018 and 2017 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated August 3, 2017, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions, including those with Leon County Florida, the primary government having accountability for the Authority, other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, and jointly governed organizations in which the Authority participates, and sale and purchase transactions, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. The following have been properly recorded and/or disclosed in the financial statements:

- a. Guarantees, whether written or oral, under which the Authority is contingently liable.
 - b. Agreements to repurchase assets previously sold.
 - c. Security agreements in effect under the Uniform Commercial Code.
 - d. Amounts of contractual obligations for construction and purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
 - e. All other liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - f. All liabilities that are subordinated to any other actual or possible liabilities of the Authority.
 - g. All leases and material amounts of rental obligations under long-term leases.
 - h. Authorized but unissued bonds and/or notes.
 - i. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.
 - j. Debt issue provisions.
 - k. Risk financing activities.
 - l. The fair value of investments.
 - m. Derivative financial instruments.
 - n. Deposits and investment securities categories of risk.
 - o. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed.
 - p. Impairment of capital assets.
 - q. Net positions and fund balance classifications.
 - r. All significant estimates and material concentrations known to management that are required to be disclosed. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year.
9. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No.5 and/or GASB Statement No.10.
 10. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statements.
 11. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we

specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act, because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.

12. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

13. We have provided you with:

- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
- b. Additional information that you have requested from us for the purpose of the audit;
- c. Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence; and
- d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

14. All transactions have been recorded in the accounting records and are reflected in the financial statements.

15. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

16. We have no knowledge of allegations of fraud or suspected fraud, affecting the Authority's financial statements involving:

- a. Management.
- b. Employees who have significant roles in the internal control.
- c. Others where the fraud could have a material effect on the financial statements.

17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.

18. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.

19. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims, other than the slip and fall accident that occurred at one of our buildings. There has been no adverse development on the claim as of the date of your report and we believe it will be fully covered by our insurance policy.

20. We have disclosed to you the identity of the Authority's related parties and all the related-party relationships and transactions of which we are aware.

21. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Authority's ability to record, process, summarize, and report financial data.
22. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
23. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
 - a. The Authority has no significant amounts of idle property and equipment or property or equipment.
 - b. The Authority has no plans or intentions to discontinue the operations of any activities or programs or to discontinue any significant operations.
24. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
 - a. To reduce receivables to their estimated net collectable amounts.
 - b. To reduce investments, intangibles, and other assets which have permanently declined in value to their realizable values.
 - d. For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through September 30, 2018 and/or for expected retroactive insurance premium adjustments applicable to periods through September 30, 2018.
 - e. For pension obligations, post-retirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through September 30, 2018.
25. There are no:
 - a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Agency in connection with any environmental contamination.
 - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
26. The Authority has satisfactory title to all owned assets.
27. Net positions invested in capital assets, net of related debt; restricted; and unrestricted and fund balances are properly classified and, when applicable, approved.

28. Expenses or expenditures have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
29. Revenues are appropriately classified in the statements of activities within program revenues and general revenues and contributions to term or permanent endowments, or contributions to permanent fund principal.
30. Capital assets, including infrastructure assets, are properly capitalized, reported, and depreciated.
31. We agree with the findings of specialists in evaluating the pension liability for the Florida Retirement System and Health Insurance Subsidy Program and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
32. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
33. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
34. With respect to Management's Discussion and Analysis and the pension liability and contribution schedules presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

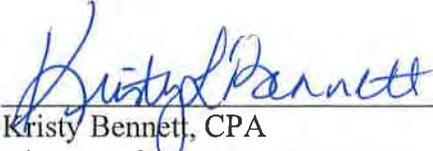
35. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
36. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
37. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
38. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
39. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
40. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
41. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
42. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that the auditor reports.
43. Has a process to track the status of audit findings and recommendations.
44. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
45. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.
46. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

Leon County Research and Development Authority



Ronald J. Miller, Jr.
Executive Director

NAI Talcor



Kristy Bennett, CPA
Director of Property Management Accounting

RFP 19-02 Collins Building Repairs & Renovation
Proposals Review and Recommendation
03/26/19

Background

Staff issued RFP 19-02 on February 8, 2019 and advertised it in the Tallahassee Democrat on February 8 and February 11, 2019. A mandatory pre-bid meeting was held on February 18, 2019. Three firms attended and walked through the job site and asked questions. Additional questions were accepted via email until February 25, 2019. All questions and answers from the meeting and those received via email were documented, posted on the RFP's website page and emailed to attendees. Two proposals were received by the March 4, 2019 deadline. Oliver Sperry Renovation & Construction, Inc. (OS) was not present at the opening. WestScott Construction, Inc. (WS) was in attendance for the opening and the proposed prices were announced and emailed to proposers.

Given the limited scope of work for the project, no architectural design specifications were provided with the RFP. A floor plan with scope of work and a material specification sheet were provided based on the desired finished product with the expectation that the Proposer would have sufficient information from the specifications and pre-bid meeting to apply their professional knowledge to provide a reasonable proposal. Staff responded to the question "How should the response to the RFP address specifications which may conflict with, or fail to address issues with, building code?" with the answer "LCRDA desires for all work to comply with building codes. Respondents shall propose accordingly and identify any deviations from specifications it reasonably expects to be required. Where possible, identify added cost of compliance in order to differentiate from proposers who don't identify any deviations."

Reviewers' Evaluation

The Executive Director and the Talcor Property Manager (the Reviewers) reviewed the proposals.

A. Completeness of Proposal and Approach to Required Services

The Reviewers noted the significant difference in the proposal prices (see section "D") as well as the more detailed proposed scope in the OS proposal. OS' proposed scope noted that it included consultation with its proposed architect. Reviewers believe OS' proposed scope demonstrated a better understanding of the project including ADA and permitting requirements which OS and its architect determined would be needed. OS provided its price proposal in an AIA standard cost breakdown form in addition to the RFP requested format. OS also provided a detailed GANTT chart schedule identifying each step of the construction process. OS provided a detailed approach to required services including steps in the process, roles and responsibilities of key members of the team, and identity of the architect to be used. OS addressed important issues like quality control, safety, communications, jobsite cleanliness, and relationships with existing building occupants.

WS' proposed scope and approach mimicked the scope of work supplied with the RFP but did not address any other issues. They provided a narrative schedule with approximate times to complete by week.

B. Qualifications of Proposer and personnel selected to perform the services

Both firms provided the names and years of experience for principal members of their teams. OS provided a narrative for each member explaining the qualifications of each team member. Based on this limited information, both firms appear qualified to perform the required services.

However, during the pre-bid meeting reviewers observed, based on questions and comments, that OS demonstrated an extensive knowledge of potential code and ADA compliance concerns, in addition to the prudence of consulting an architect in proposal preparation. This was confirmed in their expanded and more detailed proposed scope of work. While a fixed price contract is contemplated, without an architectural design specification, there are items which could arise outside the contracted scope which would result in a higher final cost than anticipated. Given this exposure, the professional knowledge of the contractor is a critical risk factor to consider in evaluating the proposals. Reviewers agree that OS demonstrated the professional knowledge to mitigate the risk of substantially exceeding their proposed price due to unforeseen issues.

C. Past Performance on contracts for similar services

Both firms provided a list of projects for similar contracts including references for these projects. Reference checks were conducted and did not identify any past performance issues on contracts for similar services.

D. Price

Initially, WS proposed \$93,036 and OS proposed \$150,867. Given the differences in scope of work between proposers as noted in section "A", and in order to provide a better price comparison, the Reviewers provided WS with a revised scope based on the OS proposal, and a blank AIA standard cost breakdown form that did not include the OS cost information. WS completed a revised cost breakdown (price proposal) which was \$139,692.14, or 50% higher than its original proposal. As requested, based on the pre-bid meeting discussion, both proposals included an option to replace the lay-in ceiling insulation above the new ceiling tiles. WS proposed \$3,894 and OS proposed \$6,478 for this additions. The Reviewers recommend replacing the insulation due to its age and condition caused by periodic leaks in roofing and/or air conditioning unit condensation. Total final proposals are: WS \$143,586.14, and OS \$157,345.00, or a difference of \$13,758.86.

E. Schedule to Complete Required Services

WS estimated time necessary to perform design work and receive permits as 2-4 weeks. They indicated no other work to be completed prior to receipt of permits. WS estimated 8 weeks to complete construction following receipt of permits. Total estimated time to complete 10-12 weeks plus time for City to approve permits.

OS provided a detailed GANTT chart which detailed time to complete each step including steps prior to receipt of permits. These steps included design work and procurement prior to permitting, meeting with owner, etc. OS total estimated time to get to through permitting 10 weeks, and approximately 8 weeks to complete construction.

F. Local Preference in Purchasing and contracting

Both firms are local firms with no difference in local preferences.

Recommendation

The Reviewers believe both firms are qualified to perform the required services. However, OS demonstrated a more professional approach to its proposal and inspires greater confidence in its ability to deliver the required services at the proposed price and on schedule. The Reviewers recommend that the Contract for RFP 19-02 be awarded to Oliver Sperry Renovation & Construction, Inc. including the replacement of ceiling insulation in the scope of work at a total cost of \$157,345.

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (this "Agreement") is entered into this 5th day of April, 2019 (the "Effective Date") by and between the **Leon County Research and Development Authority**, a public Authority created pursuant to Chapter 159, Part V, Florida Statutes, having its principal place of business in Tallahassee, Florida (the "LCRDA"), and **Oliver Sperry Renovation and Construction, Inc.**, a State of Florida corporation having its principal place of business in Tallahassee, Florida (the "Contractor").

WHEREAS, the LCRDA issued RFP 19-02 Collins Building Repair and Renovation on March 4, 2019, and;

WHEREAS, the LCRDA wishes to allow for the Contractor to provide Required Services defined in the RFP independent of the LCRDA, and the Contractor desires to provide such services;

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the LCRDA and the Contractor hereby agree as follows:

1. SERVICES. The LCRDA hereby allows the Contractor to provide the required services described in Exhibit "A" attached hereto and made a part hereof (the "Required Services"), upon the terms and subject to the conditions of this Agreement.
2. TIME. The Required Services to be performed under this RFP shall be commenced upon execution of an agreement and within fifteen (15) days of the Notice to Proceed. All work to be performed shall be completed within one-hundred forty (140) consecutive calendar days of the Notice to Proceed. If the Required Services are not completed within the time set forth above, or within such extra time as may be granted by LCRDA, Contractor shall be deemed to be in default. For each day Contractor is in default, Contractor or its Surety shall pay to LCRDA, not as a penalty, but as liquidated damages, the amount of \$100.00. Permitting the Contractor to continue and finish the work or any part of it after the expiration of the contract time allowed, including extensions, if any, shall in no way act as a waiver by the LCRDA of the liquidated damages due under the contract.
3. COMPENSATION. The amount of compensation payable by the LCRDA to Contractor shall be based on the rates and schedules described in Exhibit "B" attached hereto and made a part hereof. Unless otherwise specifically provided in Exhibit "B", payment shall be made within thirty (30) days after receipt of Contractor's invoice, which shall be accompanied by sufficient supporting documentation and contain sufficient detail to allow a proper audit of expenditures should the LCRDA require one to be performed.
4. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS. Contractor shall, in its performance of this Agreement, comply fully with all federal, state, county and other municipal laws and regulations, as they may be amended from time to time.

5. INSURANCE. Contractor shall, at all times during the term hereof, maintain the insurance coverages as set forth in Exhibit “C” attached hereto and made a part hereof.

6. PERMITS. The Contractor shall pay for all necessary permits as required by law.

7. INDEMNIFICATION. Contractor shall indemnify, defend and hold harmless the LCRDA, its partners, officers, directors, shareholders, employees and agents (collectively referred to as “Indemnities”) and each of them from and against all loss, costs, penalties, fines, damages, claims, expenses (including reasonable attorney’s fees) or liabilities (collectively referred to as “Liabilities”) by reason of any injury to or death of any person or damage to or destruction or loss of any property arising out of, resulting from or in connection with (i) the performance or non-performance of the Required Services contemplated by this Agreement which is or is alleged to be directly caused, in whole or in part, by any act, omission, default or negligence (whether active or passive) of Contractor or its employees, agents or subcontractors (collectively referred to as “Contractor”) or (ii) the failure of the Contractor to comply with any of the paragraphs herein or the failure of the Contractor to conform to statutes, ordinances or other regulations or requirements of any governmental authority, federal, state or local, in connection with the performance of this Agreement. Contractor expressly agrees to indemnify and hold harmless the Indemnities, or any of them, from and against all liabilities which may be asserted by an employee or former employee of Contractor, or any of its subcontractors, as provided above, for which the Contractor’s liability to such employee or former employee would otherwise be limited to payments under state Workers’ Compensation or similar laws. The indemnity set forth herein shall be in addition to those indemnities otherwise provided by law.

8. AUDITS, RECORDS, AND RECORDS RETENTION. Contractor shall agree as follows:

- a. To establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting procedures and practices, which sufficiently and properly reflect all revenues and expenditures of funds provided under this contract.
- b. To retain all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this contract for a period of five (5) years after termination of the contract, or if an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of this contract.
- c. Upon completion or termination of the contract and at the request of the LCRDA, the Contractor will cooperate with the LCRDA to facilitate the duplication and transfer of any said records or documents during the required retention period as specified hereinabove.
- d. To assure that these records shall be subject at all reasonable time to inspection, review, or audit by Federal, state, or other personnel duly authorized by the LCRDA.
- e. Persons duly authorized by the LCRDA and Federal auditors, pursuant to 45 CFR Part 92.36(I)(10), shall have full access to and right to examine any of provider’s contract and related records and documents, regardless of the form in which kept, at all reasonable times for as long as records are retained.

- f. To include the aforementioned audit and record keeping requirements in all approved subcontracts and assignments.
- g. **IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTORS DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORD AT:**

**LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY
ATTN: RON MILLER, EXECUTIVE DIRECTOR
1736 W. PAUL DIRAC DRIVE
TALLAHASSEE, FL 32310
PHONE: 850-575-0343
EMAIL: RMILLER@INN-PARK.COM**

9. CANCELLATION OR DEFAULT. In the event the Contractor's performance is deficient, the LCRDA shall notify the Contractor in writing of the deficiencies and the Contractor shall have ten (10) days to correct such deficiencies. Should the Contractor fail to take appropriate action (acceptable to the LCRDA in its sole discretion) to correct such deficiencies, the LCRDA, in addition to all remedies available to it by law, may immediately upon written notice to Contractor by U.S. Mail terminate this Agreement whereupon all payments, advances or other compensation paid by LCRDA to the Contractor while Contractor was in default shall be immediately returned to the LCRDA. Contractor understands and agrees that termination of this Agreement under this section shall not release Contractor from any obligation accruing prior to the effective date of termination.

10. LCRDA'S RIGHT TO TERMINATE. The LCRDA shall have the right to terminate this Agreement, in its sole discretion, at any time, by giving written notice to Contractor at least thirty (30) days prior to the effective date of such termination. In such event, the LCRDA shall pay to Contractor compensation for Required Services rendered and expenses incurred prior to the effective date of termination. In no event shall the LCRDA be liable to Contractor for any additional compensation, other than that provided herein, or for any consequential or incidental damages.

11. STRIKES OR LOCKOUTS. In the event the Contractor should become involved in a labor dispute, strike or lockout, it shall be required to make whatever arrangements that may be necessary to ensure that the conditions of the Contract are met in their entirety. Should the Contractor be unable to fulfill the Contract requirements, the LCRDA reserves the right to make alternative arrangements to insure the satisfactory completion of work Contractor is unable to perform. Any costs, provided those costs would have been covered under this Agreement, incurred by the LCRDA as a result of such job action shall be the responsibility of the Contractor.

Under no circumstances, shall either party be liable for any loss, damage or delay due to any cause beyond either party's reasonable control, including but not limited to acts of government, strikes, lockouts, labor disputes, fires, explosion, theft, weather damage, flood, earthquake, riot, civil commotion, war, malicious mischief or act of God. However, in

connection with any causes, if the Contractor has a duty to take certain actions, it shall be responsible for the losses caused by the Contractor's negligent acts or omissions.

Under no circumstances, shall either party be liable for special, indirect or consequential damages of any kind including, but not limited to, loss of profits, loss of good will, loss of business opportunity, additional financing costs or loss of use of any equipment or property, whether in contract, tort, warranty or otherwise, notwithstanding any indemnity provision to the contrary.

12. NOTICES. All notices or other communications required under this Agreement shall be in writing and shall be given by hand delivery, by U.S. Mail, or by recognized overnight courier at the address indicated herein or to such other address as a party may designate by notice given as herein provided. Notice shall be deemed given on the day on which personally delivered, or if by mail, on the fifth day after being posted or the date of actual delivery, whichever is earlier, or if by courier, on the date of receipt.

If to Contractor:

Oliver Sperry Renovation and Construction, Inc.
401 Office Plaza Drive
Tallahassee, FL 32301
Attention: Todd Sperry, Vice President/CFO
tsperry@oliversperryrenovation.com

If to LCRDA:

Leon County Research and Development Authority
1736 West Paul Dirac Drive
Tallahassee, FL 32310
Attention: Ron Miller, Executive Director
Rmiller@inn-park.com

With copies to:

Nelson Mullins Broad and Cassell
Attention: Melissa VanSickle
215 South Monroe Street, Suite 400
Tallahassee, FL 32301
Melissa.VanSickle@nelsonmullins.com

13. MISCELLANEOUS

- a. This Agreement shall be construed and enforced according to the laws of the State of Florida. Venue for all purposes shall be Leon County, Florida.
- b. The captions in this Agreement are inserted for convenience of reference and in no way define, describe or limit the scope or intent of the provisions of this Agreement.

- c. No waiver or breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provision hereof, and no waiver shall be effective unless made in writing.
- d. Should any provision, paragraph, sentence, word or phrase contained in this Agreement be determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable under the laws of the State of Florida, such provision, paragraph, sentence, word or phrase shall be deemed modified to the extent necessary in order to conform with such laws or if not modifiable, then same shall be deemed severable, and in either event, the remaining terms and provisions of this Agreement shall remain unmodified and in full force and effect or limitation of its use.
- e. The filing of any petitions in bankruptcy whether voluntary or involuntary on the part of Contractor, shall give LCRDA the right to terminate this Agreement.
- f. No amendment, change or modification of this Agreement shall be valid or binding upon the parties unless same shall be in writing and signed by the parties.
- g. This agreement, including all attachments and exhibits thereto, constitutes the full agreement of the parties and there are no further or other agreements, statements or warranties, whether written or oral, relied upon or in between them relating to the subject matter hereof, except as expressly herein stated. This Agreement shall inure to the benefit of and be binding upon the parties, their successors and assigns.
- h. This Agreement shall not be assigned by Contractor, in whole or in part, without the prior written consent of the LCRDA, which may be withheld or conditioned, in the LCRDA's sole discretion, and any such purported assignment in breach of this Agreement shall be null and void. The LCRDA reserves the right to assign this Agreement without first obtaining the consent of Contractor.
- i. The prevailing party in any action or proceeding to enforce this Agreement or for damages or declaratory relief in connection herewith shall be entitled to recover its reasonable costs and expenses, including attorney's fees, and costs through litigation, all appeals and any bankruptcy proceedings. LCRDA's liability to pay such costs and expenses shall be limited to the extent provided in Section 768.28 Florida Statutes, as may be amended from time to time. Nothing herein shall be construed to be a waiver of LCRDA's sovereign immunity.
- j. Contractor shall be an independent contractor and not an employee, partner or joint venture of LCRDA under this Agreement. Contractor shall be responsible for all income taxes, social security taxes, self-employment taxes and any other taxes to which Contractor or LCRDA may be subject to as a result of this Agreement or Contractor's performance hereunder.
- k. Contractor shall comply with all LCRDA rules and regulations, as they may be amended from time to time, governing access to and conduct on the property.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

THE CONTRACTOR

Oliver Sperry Renovation and Construction, Inc.
a State of Florida corporation

By: _____

Name: Todd Sperry

Title: Vice President/CFO

THE LCRDA

Leon County Research and Development Authority,
a public Authority created pursuant to Chapter 159, Part V, Florida Statutes

By: _____

Name: David B. Ramsay

Title: Chair

DRAFT

EXHIBIT A REQUIRED SERVICES

Required Services:

1. As shown in Exhibit A-1 remove walls in training room and kitchen, manipulate electrical (light switches and plugs) and adjust or replace ceiling grid as needed; relocate thermostat from any demo wall as needed
2. Provide and install 12' "box" cabinets top and bottom with counter top, with sink, faucet, garbage disposal, and basin pump tied into existing hot/cold water and drain; install/relocate electrical outlets for refrigerator & counter top; matching "bar" height cabinet and top with appropriate overhang for bar seating
3. In assistant area, build 4' drywall wall with stained wood cap--retain min 36" aisle opening
4. Provide and install (2) half lite doors with panic exit bars and (1) full lite door as indicated on Exhibit B
5. Repair wall, reinstall existing door & casing in lab and old conference room
6. Provide and replace all ceiling tiles in all new painted areas
7. Paint with 2 coats all walls (including touching up drywall) and door casings in areas with new floor covering as well as the restrooms
8. Remove and replace existing carpet and cove base with carpet and LVT as indicated in Exhibit B
9. Provide appropriate transitions between new carpet, new LVT, and existing floor coverings
10. Contractor shall coordinate owner's vendor installation of electronic door access on all new doors
11. Acquire and pay for all required permits
12. Remove all debris from site
13. Site shall be clean and move-in ready upon completion
14. Access to occupied areas, including common area restrooms shall be maintained and coordinated with existing tenant

All materials are to be provided as specified in Exhibit A-2.

Required Services shall include the scope of work detailed in the Contractors response to RFP 19-02 and included in Exhibit A-3.

Exhibit A-2 Material Specifications

All materials shall be the same or better quality compared to that specified below. Contractor shall provide samples to the LCRDA for selection and approval. Any required material not listed shall be commercial quality typically used in Class B or better office space. Reference materials are samples examined by the LCRDA in determining specifications. Proposed materials must be clearly identified and any deviations from the following specs noted.

1. Carpet

Commercial grade, Nylon, 20-ounce Tufted Weight, 1/10-gauge, glue down--no pad
Reference: Philadelphia Mainstreet, New Statement, Send Packing 94501

2. Resilient Flooring (LVT)

Luxury Vinyl Plank, Class III Printed Film, Type B (embossed), Wear layer thickness 20 mil, Overall thickness 2.5mm, 6" nominal width, 48" nominal length, direct glue installation, ADA Compliant slip resistance.
Reference: Philadelphia Commercial LVT, Sustain 20 5535V, FIR 00174

3. Wall Base

Vinyl cove base, glue down 4", 1/8" thick (toeless for carpet areas, with toe for LVT areas)
Reference: Johnsonite Traditional Wall Base 4", 71 Storm Cloud CG

4. Paint

- a. Walls: Egg Shell, single color; Reference: Sherwin Williams Ice Cube SW6252
- b. Door Trim: Semi-gloss, single color; Reference: Sherwin Williams Serious Gray SW6256

5. Doors

All: Commercial grade solid core wood door, 1-3/4", 36" x 80", finish to match existing
Qty 1-Full glass
Qty 2-Half glass

Hardware: Hinges, lockable lever trim door handles, panic bar exit devices, door closer w/hold open arm, wall stop, satin chrome finish, medium duty

6. Cabinets (Reference: Home Depot Hampton Bay Cognac Collection)

- a. Back wall (total width ~12')
 - i. Base: 24" deep x 34.5" high, 1 sink unit, 1 shelf unit, remaining drawer units
 - ii. Wall units: 12" deep x 30" high, 2 door shelf units
 - iii. Top: Laminate with integrated back splash and rolled edges
- b. Bar (total width ~12')
 - i. Base cabinets 42" height x 24" deep

- ii. Laminate top, min 10" overhang on seating side
- c. All cabinet molding, and end panels and fillers as required
- d. Hardware

Dynasty Hardware European Style, 5.25" long, 3" Center-to Center Satin Nickle Bar Cabinet Pull

Reference: Home Depot Model# P-1001-SN, Internet #206951260

7. Sink & Garbage Disposal

- a. Sink: 33" Brushed Stainless Steel, drop in, 2 bowl 8 in deep, 50/50, 3-hole, 18 gauge
Reference: Home Depot Transolid Model CRDE332228-3, Internet #305856139
- b. Garbage disposal: 1/3 hp continuous feed

8. Faucet

Single-Handle Pull-Down Sprayer Kitchen Faucet, Stainless Steel

Reference: Home Depot Fairbury Model 4005SSF, Sku# 529222

9. Basin Pump

Proposer to provide specifications based on application

10. ½ Wall in Assistant Area

Metal stud, drywall, painted

Top, 1" x 6" oak, rounded edges, bottom edges trimmed



**Collins Building Repair and Renovation
Renovation Scope
3/04/19**

**Collins Building Repair and Renovation
2051 E. Paul Dirac Drive
Tallahassee, Fla**

This budget scope was determined from a pre-submittal Conference Meeting & walk thru, direction from Ron Miller, the Request for Proposal, including a proposed Scope of Work and consultation with our proposed architect of record, Conn Architects. Pricing was also based on Exhibit "C" Material Specifications and two RFI responses dated February 18th 2019 & February 25th 2019 respectively. Work consists of minor demolition of walls and ceilings, new floor and wall finishes, millwork, constructing several new walls, minor plumbing and electrical work. Plans to permitting usually takes 6 weeks, but this can be shortened by expediting the plans through the permitting process. See ADDs for expedited permit fees. Work includes the following:

General Conditions

- Architectural fees of \$4,200
- Building permit fees
- Fire Marshal fees
- Job Management & onsite Supervision
- Temporary Facilities (dumpster rental & fees)
- Builder's Risk, General Liability and Workman's Compensation insurance
- Daily & final clean-up including windows and all other surfaces

Demolition

- Walls as shown. Includes one office wall demo to the deck above
- Acoustic ceiling tiles. All grid to remain except 147sf in one Office
- Flooring as indicated

Carpentry & Millwork

- Carpentry includes:
 - Blocking for new Break Room cabinets
 - 8lf of stain grade 1x wall cap with stain grade casing trim under each side on the 48" knee wall in the Assistant area
- Millwork includes:
 - Break Room cabinets include:
 - 12lf of plywood veneer wall cabinets with plastic laminate countertops. Please note these base cabinets will be lowered to 34" to the top of the countertop to adhere to ADA requirements. 30" upper cabinets are also included.

- 12lf of plywood veneer island cabinets with plastic laminate countertops. Please note that a section of these base cabinets will be lowered to 34" to the top of the countertop to adhere to ADA requirements.

Doors & Hardware

- Three 3068 solid core wood doors finish matching existing. Two will have ½ glass and one will be full glass.
- Lever hardware, panic bar devices and closers on all three doors.

Framing, Drywall & Acoustic Ceilings

- Framing & level 4 gypsum finishes include:
 - All walls, per plan & will be constructed to the existing acoustic grid
 - Sound Attenuation Batts in all new walls
 - 48" high gypsum knee wall in the Assistant's Area. Includes bollards per plan
 - Wall repairs due to renovation and demolition
 - Non-rated Corridor walls in three locations
- Ceilings include:
 - Replace 200sf of ceiling grid in one Office where demo'd walls extend thru the existing grid. All other existing ceiling grid to remain
 - Replace 6,450sf of ceiling tiles. Includes manipulation of existing R-19 batt insulation

Flooring & Base

- Flooring includes:
 - Minor floor preparation. Please note we have included normal, minor floor prep. After flooring and glue demolition, should major floor prep be required, an additional cost may occur.
 - 464sy of Philadelphia Mainstreet, New Statement, Send Packing 94501 commercial grade, nylon 20oz., glue down carpet with no pad
 - 2,952sf of Philadelphia Commercial LVT, Sustain 20 5535V, FIR 00174 luxury vinyl tile
 - 4" Johnsonite Traditional, 71 Storm Cloud CG vinyl cove base
 - Flooring transitions as required

Painting

- Paint includes:
 - Two topcoats of paint on existing walls
 - Primer and two coats of top coat on all new gypsum walls
 - Existing & doors

Plumbing

- CPVC water lines
- PVC Drain lines
- One, P382LE41 grinder pump
- Specified sink and faucet
- Ice maker line

HVAC

- Relocate the existing thermostats

Electrical

- Selective demo/safe-off as required
- Modify twenty-one, existing 2x4 fluorescent lay in fixtures to accommodate new layout, (Does not include repairing any fluorescent fixture not working)
- Supply and install ceiling occupancy sensors in areas where lighting will be altered to meet energy codes
- Six, exit/emergency combo lights in corridors on each side of new doors being installed
- One, emergency light for space that is possibly going to be turned into conference/meeting room
- One, emergency light in kitchen
- One, dedicated 20-amp circuit from existing panel for refrigerator
- One, dedicated 20-amp circuit from existing panel for garbage disposal (Includes single pole switch for operation)
- One, dedicated 20-amp circuit from existing panel for basin pump
- Two, 20-amp GFI receptacles above new counter in break area.
- Note: Excludes the following:
 - Does not include Fire Alarm
 - Does not include repair of any existing lighting/emergency lighting

General Conditions		\$ 25,951
Demolition		\$ 4,455
Carpentry		\$ 330
Millwork		\$ 13,255
Doors & Hardware		\$ 5,600
Framing & Drywall		\$ 6,805
Acoustic Ceilings		\$ 6,450
Flooring (demo included below)		\$ 26,980
• Carpet	\$9,332	
• LVT	\$13,773	
• Cove Base & Transitions	\$3,875	
Paint		\$ 21,500
Plumbing		\$ 3,900
HVAC		\$ 350
Electrical		<u>\$ 9,825</u>
	Subtotal	\$125,401
	Profit & OH	<u>\$ 21,266</u>
	Construction Cost	\$146,667
	Architectural Fees	<u>\$ 4,200</u>
	Total	\$150,867

ADDs

- Furnish and install new R-19 ceiling insulation, add.....\$6,478
 - Demo existing ceiling insulation
 - Place in dumpsters and dispose of properly
 - Install 6,450sf of new R-19 insulation above the ceiling grid

EXHIBIT B COMPENSATION

PRICE OF REQUIRED SERVICES (for each item as described in Exhibit A):

1. Remove walls in training room and kitchen	\$ <u>6549</u>
2. Provide and install kitchen cabinets/top, sink, faucets, etc.	\$ <u>25218</u>
3. Assistant area 1/2 wall	\$ <u>1250</u>
4. Provide and install 3 Doors	\$ <u>8232</u>
5. Repair walls and reinstall 2 existing doors and casings	\$ <u>10,003</u>
6. Provide and replace all ceiling tiles	\$ <u>9482</u>
7. Painting	\$ <u>31,605</u>
8. Remove and Replace Carpet, Cove Base with:	
a. Removal and disposal	\$ <u>Inc. Below</u>
b. Provide and install carpet	\$ <u>13,718</u>
c. Provide and install LVT	\$ <u>20,246</u>
d. Cove base & transitions	\$ <u>5696</u>
9. Permits	\$ <u>1615</u>
10. Other <u>Architectural + Electrical</u>	\$ <u>17253</u>
11. TOTAL PRICE	\$ <u>150,867</u>

The above unit prices listed in the Price Schedule shall include all labor, materials, removal, permits, cleaning, overhead, profit, insurance, and any other cost necessary to cover the finished work of the several kinds called for in the RFP.

Optional Services:

Furnish and install new R-19 ceiling insulation, add.... \$6,478

- Demo existing ceiling insulation
- Place in dumpsters and dispose of properly
- Install 6,450sf of new R-19 insulation above the ceiling grid

Payment requests shall be made monthly based on Standard AIA Application and Certificate for Payment documents. 5% of Completed Work shall be retained from each payment until substantial completion of the Required Services including any punch list items and cleaning.

EXHIBIT C INSURANCE

- a. **CONTRACTOR'S INSURANCE.** Contractor shall, at its sole cost, maintain limits no less than the following throughout the Term:
- i. **General Liability.** \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage with a \$2,000,000 annual aggregate. Contractor's insurance shall include LCRDA as an additional insured as provided herein below.
 - ii. **Automobile Liability:** \$1,000,000 combined single limit per accident for bodily injury and property damage for non-owned, hired automobile. Contractor's insurance shall include LCRDA as an additional insured as provided herein below. The requirements of this provision may be waived upon submission by Contractor of a written statement that no automobiles are used to conduct business.
 - iii. **Worker's Compensation and Employers Liability:** Insurance covering all employees meeting statutory requirements in compliance with the applicable state and federal laws. In lieu of naming LCRDA as an additional insured, Contractor shall provide to LCRDA a waiver of all rights of subrogation against LCRDA with respect to losses payable under such workers' compensation policy(ies).
- b. **AMENDED INSURANCE REQUIREMENTS.** LCRDA reserves the right to reasonably amend the insurance requirements to standards reasonable and customary for the size and type of business being conducted by Contractor by the issuance of a notice in writing to Contractor. The Contractor shall provide any other insurance or security reasonably required by LCRDA.
- c. **DEDUCTIBLES AND SELF-INSURED RETENTIONS.** Any deductibles or self-insured retentions applicable to any of Contractor's policies required above shall be declared to and approved by LCRDA. Thereafter, at the request of LCRDA, Contractor shall cause its insurer to reduce or eliminate such deductibles or self-insured retentions as they may apply to LCRDA, its agents, officers, officials, employees and volunteers or, in lieu of such reductions or eliminations, Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.
- d. **LCRDA AS ADDITIONAL INSURED.** LCRDA, its agents, officers, officials, employees, and volunteers are to be named and covered as additional insureds, with no limitations on the scope of protection afforded, in all of Contractor's insurance policies, other than workers' compensation policies, that include coverage for the following:
- i. liability arising from, or in connection with, activities performed by, or on behalf of, Contractor;
 - ii. products and completed operations of Contractor;
 - iii. premises owned, occupied, or used by Contractor; or

- iv. automobiles owned, leased, hired, or borrowed by Contractor.
- e. **CONTRACTOR'S INSURANCE AS PRIMARY.** With regard to claims for injuries to persons or damages to property which may arise from, or in connection with, the performance by Contractor, its agents, representatives, employees, and/or subcontractors of the rights, duties and responsibilities pursuant to this Agreement, Contractor's insurance coverage shall be primary insurance with respect to LCRDA, its agents, officers, officials, employees, and volunteers. As such, any insurance or self-insurance maintained by LCRDA, its agents, officers, officials, employees, or volunteers shall be excess of Contractor's insurance and shall not contribute with it. In such instances when Contractor's insurance coverage is primary, Contractor hereby waives all rights of subrogation against LCRDA with respect to losses payable under such insurance coverage.
- f. **CERTIFICATES OF INSURANCE.** Contractor shall furnish LCRDA with certificates of insurance and with any original endorsements evidencing the coverages described above. Such certificates shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by LCRDA prior to the commencement of Contractor's services under this Agreement. LCRDA reserves the right to require complete, certified copies of all Contractor's required insurance policies at any time. Each of Contractor's required insurance policies shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, or reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to LCRDA. All of Contractor's required insurance policies shall be placed with insurers with a Best's rating of no less than A:VII and which are licensed in the state of Florida.
- g. **OTHER ENDORSEMENTS REQUIREMENTS FOR CONTRACTOR'S INSURANCE.** Each of Contractor's required insurance policies shall contain endorsements for, or otherwise provide, the following:
 - i. that any failure to comply with the reporting provisions of the policies shall not affect coverage provided to LCRDA, its agents, officers, officials, employees, or volunteers;
 - ii. that, to the extent of insurer's limits of liability, Contractor's insurance coverage shall apply separately to each insured against whom claims are made or suit is brought; and
 - iii. that the companies issuing the insurance policy(ies) shall have no recourse against LCRDA for payment of premiums or assessments for any deductibles which are the sole responsibility and risk of Contractor.



401 Office Plaza Drive/Tallahassee, FL 32301/p (850) 386-6383/f (850)325-1186/Lic# CGC1515431

RFP 19-02 Collins Building Repair and Renovation Leon County

Proposer: OliverSperry Renovation and Construction, Inc.

Todd Sperry, CFO/VP
401 Office Plaza Drive
Tallahassee, FL 32301
tsperry@oliversperryrenovation.com
850-386-6383 office
850-325-1186 fax



401 Office Plaza Drive/Tallahassee, FL 32301/p (850) 386-6383/f (850)325-1186/Lic# CGC1515431

Table of Contents

Approach to Required Services	3 – 4
Customer Relationship Agreement	5
Schedule	6 – 7
Qualifications	8 – 9
Experience	10
References & Client List	11
Required Forms	12 – 20
Attachment 1: Proposal Form	12 – 13
Attachment 2: Price Schedule	14
Attachment 3: Equal Opportunity/Affirmative Action Statement	15
Attachment 4: Certification Regarding Debarment, Suspension, and Other Responsibility Matters	16
Attachment 5: Affidavit Certification	17
Attachment 6: Insurance Certification Form	18 – 19
Attachment 7: Drug Free Work Place Form	20
Attachment 8: Local Vendor Certification	21
License & Insurance	22 – 23



401 Office Plaza Drive/Tallahassee, FL 32301/p (850) 386-6383/f (850)325-1186/Lic# CGC1515431

Approach to Required Services

When planning a Design Build project, it is important to select a team that is a good fit for the scope of work. The design professional we have chosen to be on our team is Conn and Associates Inc. We have worked together with Conn for over two dozen projects of similar scope of work in the past decade, with over half of those projects being a design build.

Preconstruction Services

The first step after the contract is executed is for the Architect to do an As-Built drawings of existing conditions in the building. They will then take the defined scope of work in the contract and show that on the plans. During this process they will verify all applicable codes that will be reviewed in the permit process. Once plans are completed, they will be submitted to the owner for review and comment. After the owner signs off on the set of plans, it will be submitted for building permit. We will provide an additional fee if the owner would like to accelerate the permit review process by sending it through the “expedited review process.”

Construction Services

This project will be assigned a Project Manager and a field Superintendent. The Project Manager’s role is to manage all associated paperwork including subcontracts, purchase orders and pay request. They will be the primary point of contact with the owner’s representative during the construction process. The field Superintendent will be on the job full-time during construction. Their responsibility includes scheduling vendors for work, managing material deliveries and staging, jobsite cleanliness, relationships with building occupants during the renovation, and safety oversight. We also have a safety officer that will visit the job site weekly to assure there is no oversight by our vendors.

Upon issuance of the permit, OliverSperry Renovation (OSR) will have a preconstruction meeting on site with all of our vendors and the owner. During this meeting we will cover the construction schedule, allowable working hours, staging of materials, cleanup requirements,



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protection of area not impacted by the renovation, access to the building, working hours, existing tenants needs, and safety requirements.

We will also provide the owner with a Customer Relationship Agreement (see attached). The agreement will define who we communicate with, how often they want to be communicated with, and the best way to communication with them. It also gives us clear information on how to apply for payment.

In consideration of the existing tenant, disruptive work will be scheduled before and after normal business hours. Construction related debris will be removed from the building daily. We also will have four quality inspections during the course of the project by our QC officer. Any identified deficiencies will be reported to the field Superintendent for correction.

During the project's duration, the owner's representative will receive schedule updates and notified of any unforeseen conditions that may arise. Should an unforeseen condition be discovered, a potential solution shall be identified and any cost associated with the corrected measure will be communicated to the owner's representative prior to any work being completed. Once substantial completion has been reached, OSR will walk through the job with the owner and develop a punch list. Upon the completion of the punch list OSR will present the final bill.

Post Construction Services

Six months after the completion of the job OSR will schedule a site visit with the owner to identify any issue associated with the renovation and correct them.

There will be another walk-through at 12 months after project completion to address any issues the owner has before the warranty period ends.



CUSTOMER RELATIONSHIP AGREEMENT

THIS DOCUMENT HELPS ENSURE ALL PROJECT COMMUNICATION IS DIRECTED TO THE CORRECT INDIVIDUALS AND HELPS MAINTAIN CONTINUOUS CONTACT BETWEEN CLIENT, CONTRACTOR, AND OTHER INVOLVED PARTIES.

1. Project Name: _____
2. Project Manager: _____ EMAIL: _____ PHONE: _____
3. Superintendent: _____ EMAIL: _____ PHONE: _____
4. Who is our point of contact during the project?
 - NAME: _____ EMAIL: _____ PHONE: _____
 - ADDRESS: _____
5. Who should be present at our Pre-Construction Meeting? _____
6. Who should the Project Manager review the construction schedule with prior to the start of construction?
 - NAME: _____ EMAIL: _____ PHONE: _____
 - ADDITIONAL: _____
7. How often would you like to be updated on project progress? (Check one)
 - WEEKLY EMAIL
 - BIWEEKLY EMAIL
 - MONTHLY PROGRESS REPORTS WITH PHOTOS WITH PAY REQUEST
8. What is your preferred means of communication? (Check any that apply)
 - PHONE
 - TEXT
 - EMAIL
 - FACE TO FACE
9. Who is authorized to approve additional work? _____
10. Where/To whom do we send our Pay Requests? _____
11. Who is responsible for payment? _____
12. Who needs to be present at the final walk-through: _____

Please designate the individual who should receive communication for the following, with their email and phone numbers:

1. Feedback During Construction (Progress Reports, etc.): _____
2. Scope-of-Work Change: _____
3. Closeout Manual/Documents: _____
4. Photo/Video Coordination: _____
5. Warranty Follow-Ups (6 Month & 12 Month Walk-through): _____

ADDITIONAL NOTES: _____

THANK YOU FOR YOUR COOPERATION! WE APPRECIATE YOUR BUSINESS, AND WE LOOK FORWARD TO A GREAT PROJECT.

-BILL OLIVER & TODD SPERRY

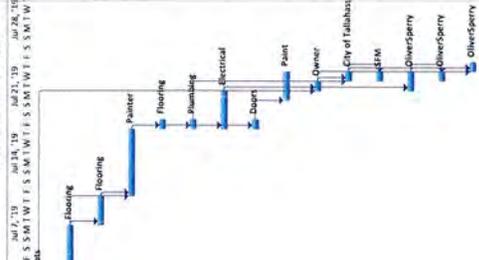


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**PRELIMINARY CONSTRUCTION SCHEDULE
COLLINS BUILDING REPAIR & RENOVATION**



ID	Task Name	Duration	Start	Finish
35	Set cabinets	1 day	Mon 7/1/19	Mon 7/1/19
36	Install LVT	4 days	Tue 7/2/19	Mon 7/8/19
37	Install carpet	3 days	Tue 7/9/19	Thu 7/11/19
38	Finish paint	5 days	Fri 7/12/19	Thu 7/18/19
39	Install wall base	1 day	Fri 7/19/19	Fri 7/19/19
40	Plumbing Trim	1 day	Fri 7/19/19	Fri 7/19/19
41	Electrical trim	2 days	Fri 7/19/19	Mon 7/22/19
42	Doors and Hardware	1 day	Fri 7/19/19	Fri 7/19/19
43	Paint doors	3 days	Mon 7/22/19	Wed 7/24/19
44	Owner - Install Refrigerator	1 day	Tue 7/23/19	Tue 7/23/19
45	Final Inspections	1 day	Wed 7/24/19	Wed 7/24/19
46	State Fire Marshal Inspection	1 day	Wed 7/24/19	Wed 7/24/19
47	Punch List	2 days	Tue 7/23/19	Wed 7/24/19
48	Final cleaning	1 day	Wed 7/24/19	Wed 7/24/19
49	Substantial Completion	1 day	Thu 7/25/19	Thu 7/25/19





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Qualifications

OliverSperry has over a decade in commercial renovation experience. The company has provided its renovation services to banks, law offices, churches, businesses, government entities, and much more.

The Florida Institute of Certified Public Accountants needed to upgrade their office space to allow for better workflow and unified sense of office community. OliverSperry was able to update all office fronts with large floor-to-ceiling glass windows which allowed much lighter to enter the building, allowing for a brighter and more uplifting work space. OliverSperry also provided them with renovations services while keeping them in business, and completed their project within a 90-day frame.

OliverSperry has also provided its services to the Leon County Facilities Management Division, conducting the renovation of the Leon County Courthouse Restrooms. The Department of Children and Families enlisted OliverSperry's help when they needed to renovate their District 2 office. On both occasions OliverSperry provided reliable supervision and dependable subcontractors, to complete the allotted job within the necessary time frame.

Jerry Bonesteel is one of our experienced Project Managers. Jerry joined OliverSperry with 31 years of experience in the construction industry. He has helped deliver quality products, grow companies and make profit. He provides management to the Operational Department at OliverSperry by defining authority, accountability, reporting relationships, responsibilities, duties and measures of performance that align with OliverSperry's standards.

Del Wilkinson is our seasoned Superintendent who has 30 years' experience, is OSHA Certified (10 hour & Scaffolding), CPR certified, and state certified in drywall and plastering. Del started his career working for Southwest Plaster and Drywall where he managed large projects in Epcot, Warner Robbins Air Force Museum, and multiple crews on the construction of residential, commercial and industrial building. He then moved on to own his own Construction company "Now Construction" for 10 years, where he also worked on residential, commercial and industrial buildings. He is experienced in examining needs for projects, permitting



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requirements, telescoping forklifts, backhoes, skid steer tractors, truck cranes, carpentry and estimating. Del is experienced in just about every construction situation that could arise, and has a proven track record of success.

Brad Campbell is our Safety Officer who will be conducting job site checks twice a month to ensure all safety procedures are being followed and all personnel is equipped with appropriate safety gear. Brad has 21 years of experience, is OSHA Certified (30 hour), Ramset Certified, an and an SDS Instructor. Brad started his career with the US Marines and is a Master Carpenter. He transitioned from carpenter to construction foreman to superintendent at OliverSperry. Brad specializes in smaller fast-track renovation and maintenance projects. Brad's expertise in safety makes him a natural fit as OliverSperry's Safety Administrator, where he oversees all OSHA and safety regulations for all projects and job sites. Brad has over 7 years of commercial experience and is OliverSperry's "go-to" foreman for the project that requires expedited or accelerated schedules and time constraints. He is very familiar working in occupied buildings and on busy and tight sites.



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Experience

OliverSperry Renovation was founded in 2007 by veteran builders Bill Oliver and Todd Sperry, because they believed that commercial renovation projects deserved to be treated as a specialized sector, instead of just a way to keep employees busy between new construction projects. We have always focused on delivering a unique client experience for projects that fit our thoughtfully created niche.

The first employee was hired four months after the company opened, and we currently have a staff of 21 employees with an annual volume of between \$8 and \$10 million. The company experienced steady growth during the construction slow-down in large part because of our proven value in the suddenly crowded renovation field. We also have invested in our community and in personal relationships with those who trust our work, our price and our commitment to excellence.



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References & Client List

Leon County Courthouse Restroom Renovations *November 13, 2017 – March 19, 2018*

Leon County Facilities Management Division

Contact: Shelley Cason

1907-A South Monroe Street

Tallahassee, FL 32301

850-606-500

casons@leoncountyfl.gov

Proof Brewery

June 1, 2018 – January 18, 2019

Contact: Byron Burroughs

644 McDonnell Drive

Tallahassee, FL 32310

850-443-6757

byron@proofbrewingco.com

Jimmy Johns Restaurant

January 21, 2019 – March 26, 2019

Contact: Bob Sandburg

42 Ridgeland Court

Crawfordville, FL 32327

850-519-1277

rsand3259@aol.com

Salvation Army

October 5, 2018 – Present

Contact: Lt. Ryan Meo

2410 Allen Road

Tallahassee, Florida 32312

850-222-0304

ryan.meo@uss.salvationarmy.org

Synovus Bank

October 29, 2018 – Present

Contact: Bill Moore

601 N Monroe Street

Tallahassee, FL 32303

850-205-5164

billmoore@synovus.com

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

ATTACHMENT 1

PROPOSAL FORM
RFP 19-02 Collins Building Repair and Renovation
At Innovation Park

Place: Leon County R&D Authority
1736 W. Paul Dirac Drive
Tallahassee, FL 32310
Due Date: March 4, 2019 at 1:00 PM

Proposal of OliverSperry Renovation and Construction, Inc. hereinafter-called
PROPOSER, a corporation organized and existing under the laws of the State of
Florida, or, a partnership, a company, or an individual doing business as _____
a commercial renovation company.

To the Leon County Research and Development Authority, hereinafter referred to as
“LCRDA”.

The PROPOSER, in compliance with the request for proposals for Collins Building
Repair and Renovation Services, having examined the specifications with related documents and
the sites of the proposed work, and being familiar with all of the conditions of the proposed work,
including the availability of materials and labor, hereby proposes to furnish all labor, material and
supplies and at the prices shown in the attached Price Schedule. These prices are to cover all
expenses incurred in performing the work required under the proposal documents, of which this
proposal is a part. These prices are firm and shall not be subject to adjustment provided this
Proposal is accepted within ninety (90) days after the time set for receipt of proposals.

PROPOSER hereby agrees to commence work under this contract on or before a date to
be specified in a written “Notice to Proceed” to be issued by the LCRDA.

PROPOSER agrees to perform all work for which he contracts as described in the
specifications for the unit prices shown on the attached Price Schedule.

Upon receipt of the Notice of Award, PROPOSER will execute the formal contract
attached within seven (7) days and deliver Insurance Certificates and Bonds as required.

The undersigned hereby declares that only the persons or firms interested in the proposal
as principal or principals are named herein, and that no other persons or firms than are herein
mentioned have any interest in this Proposal or in the contract to be entered into; that this
proposal is made without connection with any other person, company, or parties likewise
submitting a proposal; and that it is in all respects for and in good faith, without collusion or
fraud.

DEVIATIONS FROM SPECIFICATIONS IF ANY:

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

I have read all of the specifications and requirements and do hereby certify that all items submitted meet specifications.

COMPANY: OliverSperry Renovation and Construction, Inc. AGENT NAME: Todd Sperry

ADDRESS: 401 Office Plaza Drive

CITY: Tallahassee STATE: FL ZIP CODE: 32301

TELEPHONE: 850-386-6383 TELEFAX: 850-325-1186

FEDERAL ID#: 26-0610310 AND/OR SOCIAL SECURITY #: _____

Respectfully submitted,

Attest:

By: 

Print Name Christina Youman

Date 2-26-19

By: 

Print Name Todd Sperry

Title Vice President/CFO

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

ATTACHMENT 2

PRICE SCHEDULE

The PROPOSER, in compliance with the request for proposals for the **Collins Building Repair and Renovation**, having examined the scope of work and written specifications, hereby proposes to furnish **Collins Building Repair and Renovation** services for the following unit prices.

PRICE OF REQUIRED SERVICES (for each item as described in Exhibit A):

1. Remove walls in training room and kitchen	\$ <u>6549</u>
2. Provide and install kitchen cabinets/top, sink, faucets, etc.	\$ <u>25218</u>
3. Assistant area 1/2 wall	\$ <u>1250</u>
4. Provide and install 3 Doors	\$ <u>8232</u>
5. Repair walls and reinstall 2 existing doors and casings	\$ <u>10,003</u>
6. Provide and replace all ceiling tiles	\$ <u>9482</u>
7. Painting	\$ <u>31,605</u>
8. Remove and Replace Carpet, Cove Base with:	
a. Removal and disposal	\$ <u>Inc. Below</u>
b. Provide and install carpet	\$ <u>13,718</u>
c. Provide and install LVT	\$ <u>20,246</u>
d. Cove base & transitions	\$ <u>5696</u>
9. Permits	\$ <u>1615</u>
10. Other <u>Architectural + Electrical</u>	\$ <u>17253</u>
11. TOTAL PRICE	\$ <u>150,867</u>

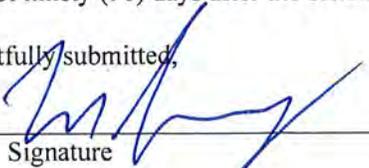
The above unit prices listed in the Price Schedule shall include all labor, materials, removal, permits, cleaning, overhead, profit, insurance, and any other cost necessary to cover the finished work of the several kinds called for in the RFP.

PROPOSED PAYMENT SCHEDULE (The final payment schedule will be subject to contract negotiation):

Monthly pay requests via standard AIA document

PROPOSER agrees that this proposal shall be good and may not be withdrawn for a period of ninety (90) days after the scheduled closing time for receiving proposals.

Respectfully submitted,

By: 
Signature

Todd Sperry
Print Name

Vice President/CFO
Print Title



**Collins Building Repair and Renovation
Renovation Scope
3/04/19**

**Collins Building Repair and Renovation
2051 E. Paul Dirac Drive
Tallahassee, Fla**

This budget scope was determined from a pre-submittal Conference Meeting & walk thru, direction from Ron Miller, the Request for Proposal, including a proposed Scope of Work and consultation with our proposed architect of record, Conn Architects. Pricing was also based on Exhibit "C" Material Specifications and two RFI responses dated February 18th 2019 & February 25th 2019 respectively. Work consists of minor demolition of walls and ceilings, new floor and wall finishes, millwork, constructing several new walls, minor plumbing and electrical work. Plans to permitting usually takes 6 weeks, but this can be shortened by expediting the plans through the permitting process. See ADDs for expedited permit fees. Work includes the following:

General Conditions

- Architectural fees of \$4,200
- Building permit fees
- Fire Marshal fees
- Job Management & onsite Supervision
- Temporary Facilities (dumpster rental & fees)
- Builder's Risk, General Liability and Workman's Compensation insurance
- Daily & final clean-up including windows and all other surfaces

Demolition

- Walls as shown. Includes one office wall demo to the deck above
- Acoustic ceiling tiles. All grid to remain except 147sf in one Office
- Flooring as indicated

Carpentry & Millwork

- Carpentry includes:
 - Blocking for new Break Room cabinets
 - 8lf of stain grade 1x wall cap with stain grade casing trim under each side on the 48" knee wall in the Assistant area
- Millwork includes:
 - Break Room cabinets include:
 - 12lf of plywood veneer wall cabinets with plastic laminate countertops. Please note these base cabinets will be lowered to 34" to the top of the countertop to adhere to ADA requirements. 30" upper cabinets are also included.

- 12lf of plywood veneer island cabinets with plastic laminate countertops. Please note that a section of these base cabinets will be lowered to 34" to the top of the countertop to adhere to ADA requirements.

Doors & Hardware

- Three 3068 solid core wood doors finish matching existing. Two will have ½ glass and one will be full glass.
- Lever hardware, panic bar devices and closers on all three doors.

Framing, Drywall & Acoustic Ceilings

- Framing & level 4 gypsum finishes include:
 - All walls, per plan & will be constructed to the existing acoustic grid
 - Sound Attenuation Batts in all new walls
 - 48" high gypsum knee wall in the Assistant's Area. Includes bollards per plan
 - Wall repairs due to renovation and demolition
 - Non-rated Corridor walls in three locations
- Ceilings include:
 - Replace 200sf of ceiling grid in one Office where demo'd walls extend thru the existing grid. All other existing ceiling grid to remain
 - Replace 6,450sf of ceiling tiles. Includes manipulation of existing R-19 batt insulation

Flooring & Base

- Flooring includes:
 - Minor floor preparation. Please note we have included normal, minor floor prep. After flooring and glue demolition, should major floor prep be required, an additional cost may occur.
 - 464sy of Philadelphia Mainstreet, New Statement, Send Packing 94501 commercial grade, nylon 20oz., glue down carpet with no pad
 - 2,952sf of Philadelphia Commercial LVT, Sustain 20 5535V, FIR 00174 luxury vinyl tile
 - 4" Johnsonite Traditional, 71 Storm Cloud CG vinyl cove base
 - Flooring transitions as required

Painting

- Paint includes:
 - Two topcoats of paint on existing walls
 - Primer and two coats of top coat on all new gypsum walls
 - Existing & doors

Plumbing

- CPVC water lines
- PVC Drain lines
- One, P382LE41 grinder pump
- Specified sink and faucet
- Ice maker line

HVAC

- Relocate the existing thermostats

Electrical

- Selective demo/safe-off as required
- Modify twenty-one, existing 2x4 fluorescent lay in fixtures to accommodate new layout, (Does not include repairing any fluorescent fixture not working)
- Supply and install ceiling occupancy sensors in areas where lighting will be altered to meet energy codes
- Six, exit/emergency combo lights in corridors on each side of new doors being installed
- One, emergency light for space that is possibly going to be turned into conference/meeting room
- One, emergency light in kitchen
- One, dedicated 20-amp circuit from existing panel for refrigerator
- One, dedicated 20-amp circuit from existing panel for garbage disposal (Includes single pole switch for operation)
- One, dedicated 20-amp circuit from existing panel for basin pump
- Two, 20-amp GFI receptacles above new counter in break area.
- Note: Excludes the following:
 - Does not include Fire Alarm
 - Does not include repair of any existing lighting/emergency lighting

General Conditions		\$ 25,951
Demolition		\$ 4,455
Carpentry		\$ 330
Millwork		\$ 13,255
Doors & Hardware		\$ 5,600
Framing & Drywall		\$ 6,805
Acoustic Ceilings		\$ 6,450
Flooring (demo included below)		\$ 26,980
• Carpet	\$9,332	
• LVT	\$13,773	
• Cove Base & Transitions	\$3,875	
Paint		\$ 21,500
Plumbing		\$ 3,900
HVAC		\$ 350
Electrical		<u>\$ 9,825</u>
	Subtotal	\$125,401
	Profit & OH	<u>\$ 21,266</u>
	Construction Cost	\$146,667
	Architectural Fees	<u>\$ 4,200</u>
	Total	\$150,867

ADDs

- Furnish and install new R-19 ceiling insulation, add.....\$6,478
 - Demo existing ceiling insulation
 - Place in dumpsters and dispose of properly
 - Install 6,450sf of new R-19 insulation above the ceiling grid

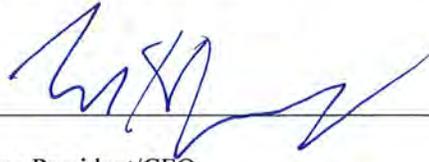
RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

ATTACHMENT 3

EQUAL OPPORTUNITY/AFFIRMATIVE ACTION STATEMENT

1. The Proposer hereby agrees to a commitment to the principles and practices of equal opportunity in employment and to comply with the letter and spirit of federal, state, and local laws and regulations prohibiting discrimination based on race, color, religion, national region, sex, age, handicap, marital status, and political affiliation or belief.
2. The Proposer agrees to comply with Executive Order 11246, as amended, and to comply with specific affirmative action obligations contained therein.

Signed: _____



Title: Vice President/CFO

Proposer: OliverSperry Renovation and Construction, Inc.

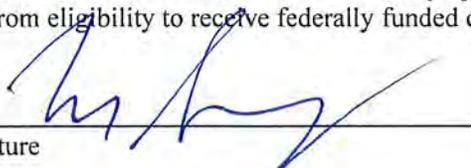
Address: 401 Office Plaza Drive, Tallahassee, FL 32301

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

ATTACHMENT 4

**CERTIFICATION REGARDING
DEBARMENT, SUSPENSION,
AND OTHER RESPONSIBILITY MATTERS**

- 1) The Proposer certifies to the best of its knowledge and belief, that it and its principals:
 - a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - b) Have not within a three-year period preceding this been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of these offenses enumerated in paragraph (1)(b) of this certification; and
 - d) Have not within a three-year period preceding this application/Proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- 2) Where the Proposer is unable to certify to any of the statements in this certification, such Respondent shall attach an explanation to this Proposal.
- 3) No subcontract will be issued for this project to any party which is debarred or suspended from eligibility to receive federally funded contracts.



Signature

Vice President/CFO

Title

OliverSperry Renovation and Construction, Inc.

Proposer's name

401 Office Plaza Drive, Tallahassee, FL 32301

Address

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

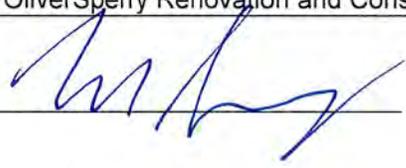
ATTACHMENT 5
AFFIDAVIT CERTIFICATION
IMMIGRATION LAWS

The LCRDA will not intentionally award LCRDA contracts to any Proposer who knowingly employs unauthorized alien workers, constituting a violation of the employment provisions contained in 8 U.S.C. Section 1324 A(e) (Section 274a(e) of the Immigration and Nationality Act).

The LCRDA may consider the employment by any Proposer of Unauthorized Aliens a violation of Section 274A(e) of the INA. **Such violation by the Proposer of the employment provision contained in Section 274A(e) of the INA shall be ground for unilateral cancellation of the contract by the LCRDA.**

RESPONDENT ATTESTS THAT THEY ARE FULLY COMPLIANT WITH ALL APPLICABLE IMMIGRATION LAWS (SPECIFICALLY TO THE 1986 IMMIGRATION ACT AND SUBSEQUENT AMENDMENTS).

Company Name: OliverSperry Renovation and Construction, Inc.

Signature:  Title: Vice President/CFO

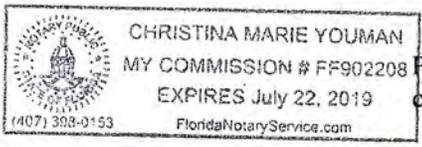
STATE OF Florida
COUNTY OF Leon

Sworn to and subscribed before me this 26 day of February, 2019.

Personally known X 
NOTARY PUBLIC

OR Produced identification _____
Notary Public - State of Florida

(Type of identification) My commission expires: 7/22/19



Printed, typed, or stamped
commissioned name of notary public

The signee of this Affidavit guarantees, as evidenced by the sworn affidavit required herein, the truth and accuracy of this affidavit to interrogatories hereinafter made.

THE LCRDA RESERVES THE RIGHT TO REQUEST SUPPORTING DOCUMENTATION, AS EVIDENCE OF SERVICES PROVIDED, AT ANY TIME.

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

ATTACHMENT 6
INSURANCE CERTIFICATION FORM

To indicate that Proposer understands and is able to comply with the required insurance, as stated in the RFP document, the Proposer shall submit this insurance sign-off form, signed by the company Risk Manager or authorized manager with risk authority.

1. Is/are the insurer(s) to be used for all required insurance (except Workers' Compensation) listed by Best with a rating of no less than A:VII?

YES NO

Commercial General
Liability:

Indicate Best Rating: *A*
Indicate Best Financial Classification: *IX*

Automobile Liability:

Indicate Best Rating: *A*
Indicate Best Financial Classification: *X-1*

2. Is the insurer to be used for Workers' Compensation insurance listed by Best with a rating of no less than A:VII?

YES NO

Indicate Best Rating: *A*
Indicate Best Financial Classification: *X*

If answer is NO, provide name and address of insurer:

3. Is the Proposer able to obtain the required types and limits of coverage for this RFP, as identified within the solicitation package? Be sure to carefully review and ascertain that the Proposer either has coverage or will place coverage at these or higher levels.

YES NO

Please mark the appropriate box:

Coverage is in place Coverage will be placed, without exception

The undersigned declares under penalty of perjury that all of the above insurer information is true and correct.

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

Name Kay Phillips Signature Kay Phillip's
Typed or Printed

Date 2-21-19 Title Comm Acct Mgr
(Company Risk Manager or
Manager with Risk Authority)

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

ATTACHMENT 7
Drug Free Work Place Form

Drug-Free Work Place: Yes X N/A _____

If **Yes** please complete the form.

The undersigned proposer hereby certifies that Oliver Sperry Renovation and Construction, Inc.
(Name of Business) does:

Publish statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.

Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.

Give each employee engaged in providing the commodities or contractual services that are proposed a copy of the statement specified in subsection (1).

In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or novo contender to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.

Impose a sanction on or required the satisfactory participation in a drug abuse assistance or rehabilitation program is such is available in the employee's community, by any employee who is so convicted.

Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.



Proposer's Signature

2/26/19

Date

*This form **must** be completed, signed and returned with your response to fulfill the requirements of this RFP*

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

**ATTACHMENT 8
LOCAL VENDOR CERTIFICATION**

The undersigned, as a duly authorized representative of the vendor listed herein, certifies to the best of his/her knowledge and belief, that the vendor meets the definition of a Local Business. For purposes of this section, "local business" shall mean a business which:

- a) Has had a fixed office located in and having a street address within Leon, Gadsden, Wakulla, or Jefferson County for at least six (6) months immediately prior to the issuance of the request for competitive bids or request for proposals by the Leon County R&D Authority; and
- b) Holds any business license required by Leon County (or one of the other local counties), and, if applicable, the City of Tallahassee; and
- c) Is the principal offeror who is a single offeror; a business which is the prime contractor and not a subcontractor; or a partner or joint venturer submitting an offer in conjunction with other businesses.

Please complete the following in support of the self-certification and submit copies of your County and City business licenses. Failure to provide the information requested will result in denial of certification as a local business.

Business Name: OliverSperry Renovation and Construction, Inc.	
Current Local Address: 401 Office Plaza Drive, Tallahassee, FL 32301	Phone: 850-386-6383 Fax: 850-325-1186
If the above address has been for less than six months, please provide the prior address.	
Length of time at this address:	
Home Office Address:	Phone: Fax:

Signature of Authorized Representative

2-26-19

Date

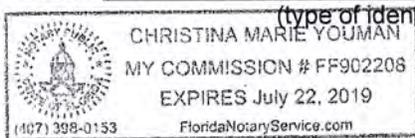
STATE OF Florida
COUNTY OF Leon

The foregoing instrument was acknowledged before me this 26th day of February, 2019.

By Todd Sperry, of OliverSperry Renovation and Construction, Inc.,
(Name of officer or agent, title of officer or agent) (Name of corporation acknowledging)

a Florida corporation, on behalf of the corporation. He/she is personally known to me
(State or place of incorporation)

or has produced _____ as identification.



Signature of Notary

Christina Youman

Print, Type or Stamp Name of Notary

Administrative Assistant

Title or Rank

FF902208

Serial Number, If Any

Return Completed form with supporting documents to:

**Leon County R&D Authority, Ron Miller
1736 W. Paul Dirac Drive
Tallahassee, Florida 32310**

OliverSperry

RENOVATION

401 Office Plaza Drive/Tallahassee, FL 32301/p (850) 386-6383/f (850)325-1186/Lic# CGC1515431

Licenses & Insurance



RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
CONSTRUCTION INDUSTRY LICENSING BOARD

THE GENERAL CONTRACTOR HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 489, FLORIDA STATUTES

SPERRY, TODD HUNTER
OLIVER SPERRY RENOVATION AND CONSTRUCTION, INC.
401 OFFICE PLAZA DRIVE
TALLAHASSEE FL 32301

LICENSE NUMBER: CGC1515431
EXPIRATION DATE: AUGUST 31, 2020

Always verify licenses online at MyFloridaLicense.com



Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

WestScott Revised Proposal
AIA FORMAT COST BREAKDOWN

General Conditions	\$ 6,500.00
Demolition	\$ 5,820.00
Carpentry	\$ 2,500.00
Millwork	\$ 15,844.00
Doors & Hardware	\$ 5,500.00
Framing & Drywall	\$ 3,500.00
Acoustic Ceilings	\$ 10,720.00
Flooring (demo included below)	26,000.00
• Carpet	
• LVT	
• Cove Base & Transitions	\$ 4,800.00
Paint	\$ 3,525.00
Plumbing	\$ 660.00
HVAC	\$22,720.00
Electrical	
Subtotal	\$108,089.00
Profit & OH	\$ 21,617.80
Construction Cost	\$ 6,485.34
Architectural Fees	\$ 3,500.00
Total	\$139,692.14

ADDs

- Furnish and install new R-19 ceiling insulation, add.....\$3,894.00
- Demo existing ceiling insulation
 - Place in dumpsters and dispose of properly
 - Install 6,450sf of new R-19 insulation above the ceiling grid

Information Provided by:

WestScott Construction, Inc.
3927 North Monroe Street
Tallahassee, Florida 32303
850.841.9102
info@westscottinc.com


Scott McLuckie
WestScott Construction



WestScott Construction, Inc.

3927 North Monroe Street www.westscottinc.com
Tallahassee, FL 32303 850-841-9102

Tab 1: Title Page

RFP Title:

19-02 Collins Building Repair and Renovation AT INNOVATION PARK

Proposer:

WestScott Construction, Inc.

3927 North Monroe Street

Tallahassee, Florida 32303

850.841.9102

info@westscottinc.com

Contact Person(s):

Scott Mcluckie, Owner/President – scott@westscottinc.com, 850-545-5243

Jerahme Ryan, Commercial Project Manager – jerahme@westscottinc.com – 850-879-5562

License #: CGC1516996 – Commercial & Residential Construction – Additions/Remodels/Buildouts



WestScott Construction, Inc.

3927 North Monroe Street www.westscottinc.com
 Tallahassee, FL 32303 850-841-9102

Tab 2: Table of Contents

Approach to Required Services including schedule, Page 1

Qualifications, Page 2

Experience, Page 3

References/Client List, Page 4

Required Forms, Page 5

- Attachment 1-Proposal Form
- Attachment 2-Price Schedule
- Attachment 3-Equal Opportunity/Affirmative Action Statement
- Attachment 4-Certification, Regarding Debarment, Suspension and Other Responsibility Matters
- Attachment 5-Affidavit Certification Immigration Laws
- Attachment 6-Insurance Certification Form
- Attachment 7-Drug-Free Work Place Forms
- Attachment 8-Local Vendor Certification
- Attachment 9-Proposer Registration Form (as submitted prior to March 04, 2019)
- Copies of required licenses, registrations and certifications

Certificate of Insurance

Hold Harmless Agreement, Page 6

List of Subcontractors, Page 7

License #: CGC1516996 – Commercial & Residential Construction – Additions/Remodels/Buildouts



WestScott Construction, Inc.

3927 North Monroe Street www.westscottinc.com
Tallahassee, FL 32303 850-841-9102

Tab 3: Approach to Required Services including schedule

WestScott Construction, Inc. will furnish all equipment, machinery, transportation and other implements necessary to execute the contract as outlined below:

Remove walls in training room and kitchen, manipulate electrical (light switches and plugs) and adjust or replace ceiling grid as needed; relocate thermostat from any demo wall as needed

Provide and install 12" "box" cabinets top and bottom with counter top, with sink, faucet and basin pump tied into existing hot/cold water and drain; install/relocate electrical outlets for refrigerator & counter top; matching "bar" height cabinet and top with appropriate overhang for bar seating

In assistant area, build 4' drywall wall with stained wood cap--retain min 36" aisle opening

Provide and install (2) half lite doors with panic exit bars and (1) full lite door as indicated on Exhibit B

Repair wall, reinstall existing door & casing in lab and old conference room

Provide and replace all ceiling tiles in all new painted areas

Paint with 2 coats all walls (including touching up drywall) and door casings in areas with new floor covering as well as the restrooms

Remove and replace existing carpet and cove base with carpet and LVT as indicated in Exhibit B

Provide appropriate transitions between new carpet, new LVT, and existing floor coverings

Contractor shall coordinate owner's vendor installation of electronic door access on all new doors

Acquire and pay for all required permits

Remove all debris from site

Site shall be clean and move-in ready upon completion

Access to occupied areas, including common area restrooms shall be maintained and coordinated with existing tenant



WestScott Construction, Inc.

3927 North Monroe Street www.westscottinc.com
Tallahassee, FL 32303 850-841-9102

Required Services Schedule:

Day 1-Begin paperwork for permitting 1 guy 2-4 weeks depending on city comments/questions

****Everything below starts from day of receiving permit from city****

Day1-Order material needed to complete project. Including but not limited to doors, flooring, cabinets, ceiling tiles etc.

Day1-Begin demolition. To include walls and flooring.4-6 guys, approx. time frame 1 week electrical 1-2 guys 1 day relocate thermostats

Day1-Begin framing in existing doors and new doors 1-2 guys, approx. time frame 1 week

Week 1-Begin framing new assistant half wall 1 guy 2-3 days

Week 2-Begin ceiling tile replacement and floor prep 4-5 guys, approx. time frame 1-2 weeks

Week 3-Continue with ceiling tile replacement and begin drywall patch and repair 2-3 guys, approx. time frame 1 week,

Week 3-Rough in plumbing 1-2 guys 1 day

Week 3-Install door frames for new and existing doors 2guys 2 days, coordinate with owner for door electronics

Week 4-Finish ceiling tile repair and begin flooring install 2-4 guys, approx. time frame 2 weeks

Week 4-Install new doors if they have arrived 2 guys 2 days

Week 4-Begin paint 3-5 guys, approx. time 1-2 weeks

Week 5-Set cabinets if they have been delivered 1-2 guys 2 days and continue with flooring install.

Week 6-Finish flooring.

Week 7-Begin final walkthroughs, painting touch up, cap on assistant wall, countertops etc. 2-8 guys final week.

Week 8-City final inspections and CO

License #: CGC1516996 – Commercial & Residential Construction – Additions/Remodels/Buildouts



WestScott Construction, Inc.

3927 North Monroe Street www.westscottinc.com
Tallahassee, FL 32303 850-841-9102

Tab 4: Qualifications

Services Provided To:

Leon County Board of Commissioners
Retaining Wall Construction / BC-03-27-18-28

Florida Dept. of Agriculture and Consumer
Monticello Forestry Station / FFS-D4-Monticello FS-2017

Ochlockonee River State Park
Camp Upgrades -FCO Project #: 61112C / Contract #: CN401
Department of Environmental Protection



WestScott Construction, Inc.

3927 North Monroe Street www.westscottinc.com
Tallahassee, FL 32303 850-841-9102

Tab 5: Experience

Qualifications of Proposer

WestScott Construction, Inc., 3927 North Monroe Street, Tallahassee, FL 32303

Certified General Contractors State of Florida license # CGC 1516996, effective date 03/26/2009, established 2001

Jeremy Ryan, Project manager , 5 years employed, 26 years total experience
Jose Yzaguirre, Supervisor, 3 years employed, 11 years total experience
Mike Prather, Lead, 3.5 years employed, 33 years total experience
Travis Veal, Carpenter, 4 years employed, 22 years total experience

References/ Client List

Florida Fish and Wildlife, Bryant Building, Suite 111 office remodel,
Mellisa Seitzinger- 617-1656

Department of Management Services, CCOC 4030 3rd floor office remodel,
Spencer Shepard- 510-7630

Department Of Health, CCOC 4042, Suite MQA 145 floor office remodel
Kevin Lehrmann -544-4697

Florida Fish and Wildlife, Bryant Building, Suite 167 office remodel,
Ray Landry – 510-7630

Department of Corrections, Wakulla Correctional, Dental office improvements,
Michael Jara – 717-3902

DeerLake United Methodist Church, Sanctuary remodel, Doug Bishop-
Doug.bishop99@gmail.com



WestScott Construction, Inc.

3927 North Monroe Street www.westscottinc.com
Tallahassee, FL 32303 850-841-9102

Tab 6: References / Client List

Mr. Doug Bishop
Deer Lake United Methodist Church
8013 Deer Lake South
Tallahassee, Florida 32312
850-728-6654
Dougbishop99@comcast.net

Mr. Ken Nolder
Westminster Oaks Retirement Community
4449 Meandering Way
Tallahassee, Florida 32308
850-509-4982
knolder@wservices.org

Mr. Davis Dodson
Florida Dept. of Agriculture and Consumer
Florida Forest Service
3125 Conner Boulevard
Tallahassee, Florida 32399.1650
850-681-5859
Davis.Dodson@freshfromflorida.com

Mr. James Farrell
Four Points by Sheraton Tallahassee
320 West Tennessee Street
Tallahassee, Florida 32303
303-565-2130
jfarrell@unionlc.com

Mr. Donald Finkbeiner
Dept. of Environmental Protection
3800 Commonwealth Blvd., MS 520
Tallahassee, FL 32399.3000
850-245-2587
Donald.Finkbeiner@dep.state.fl.us



WestScott Construction, Inc.

3927 North Monroe Street www.westscottinc.com
Tallahassee, FL 32303 850-841-9102

Tab 7: Required Forms / Attachments 1 - 9

- Proposal Form
- Price Schedule
- Equal Opportunity/Affirmative Action Statement
- Certification, Regarding Debarment, Suspension and other Responsibility Matters
- Affidavit Certification Immigration Laws
- Insurance Certification Form
- Drug Free Workplace Forms
- Local Vendor Certification
- Proposer Registration Form

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

ATTACHMENT 1

PROPOSAL FORM

RFP 19-02 Collins Building Repair and Renovation
At Innovation Park

Place: Leon County R&D Authority
1736 W. Paul Dirac Drive
Tallahassee, FL 32310
Due Date: March 4, 2019 at 1:00 PM

Proposal of Westscott Construction Inc. hereinafter-called
PROPOSER, a corporation organized and existing under the laws of the State of
Florida, or, a partnership, a company, or an individual doing business as
Westscott Construction, Inc.

To the Leon County Research and Development Authority, hereinafter referred to as
"LCRDA".

The PROPOSER, in compliance with the request for proposals for Collins Building
Repair and Renovation Services, having examined the specifications with related documents and
the sites of the proposed work, and being familiar with all of the conditions of the proposed work,
including the availability of materials and labor, hereby proposes to furnish all labor, material and
supplies and at the prices shown in the attached Price Schedule. These prices are to cover all
expenses incurred in performing the work required under the proposal documents, of which this
proposal is a part. These prices are firm and shall not be subject to adjustment provided this
Proposal is accepted within ninety (90) days after the time set for receipt of proposals.

PROPOSER hereby agrees to commence work under this contract on or before a date to
be specified in a written "Notice to Proceed" to be issued by the LCRDA.

PROPOSER agrees to perform all work for which he contracts as described in the
specifications for the unit prices shown on the attached Price Schedule.

Upon receipt of the Notice of Award, PROPOSER will execute the formal contract
attached within seven (7) days and deliver Insurance Certificates and Bonds as required.

The undersigned hereby declares that only the persons or firms interested in the proposal
as principal or principals are named herein, and that no other persons or firms than are herein
mentioned have any interest in this Proposal or in the contract to be entered into; that this
proposal is made without connection with any other person, company, or parties likewise
submitting a proposal; and that it is in all respects for and in good faith, without collusion or
fraud.

DEVIATIONS FROM SPECIFICATIONS IF ANY:

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

I have read all of the specifications and requirements and do hereby certify that all items submitted meet specifications.

COMPANY: Westcott Construction, Inc. AGENT NAME: Scott McLuckie, President

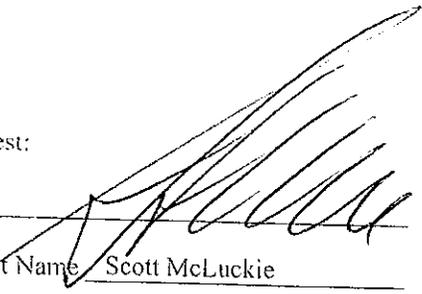
ADDRESS: 3927 North Monroe Street

CITY: Tallahassee STATE: Florida ZIP CODE: 32303

TELEPHONE: 850-841-9102 TELEFAX: _____

FEDERAL ID#: 020543971 AND/OR SOCIAL SECURITY #: _____

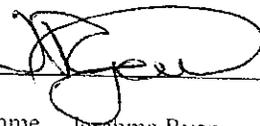
Attest:

By: 

Print Name Scott McLuckie

Date 03.04.2019

Respectfully submitted,

By: 

Print Name Jerahme Ryan

Title Project Manager

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

ATTACHMENT 2

PRICE SCHEDULE

The PROPOSER, in compliance with the request for proposals for the **Collins Building Repair and Renovation**, having examined the scope of work and written specifications, hereby proposes to furnish **Collins Building Repair and Renovation** services for the following unit prices.

PRICE OF REQUIRED SERVICES (for each item as described in Exhibit A):

1. Remove walls in training room and kitchen	\$ <u>5,820.00</u>
2. Provide and install kitchen cabinets/top, sink, faucets, etc.	\$ <u>18,411.00</u>
3. Assistant area ½ wall	\$ <u>1,600.00</u>
4. Provide and install 3 Doors	\$ <u>16,155.00</u>
5. Repair walls and reinstall 2 existing doors and casings	\$ <u>2,700.00</u>
6. Provide and replace all ceiling tiles	\$ <u>10,200.00</u>
7. Painting	\$ <u>11,400.00</u>
8. Remove and Replace Carpet, Cove Base with:	
a. Removal and disposal	\$ <u>2,650.00</u>
b. Provide and install carpet	\$ <u>8,400.00</u>
c. Provide and install LVT	\$ <u>11,100.00</u>
d. Cove base & transitions	\$ <u>3,850.00</u>
9. Permits	\$ <u>750.00</u>
10. Other _____	\$ _____
11. TOTAL PRICE	\$ <u>93,036.00</u>
Option: 1. Catch basin, \$750.00	
2. New insulation, \$2,894.00	

The above unit prices listed in the Price Schedule shall include all labor, materials, removal, permits, cleaning, overhead, profit, insurance, and any other cost necessary to cover the finished work of the several kinds called for in the RFP.

PROPOSED PAYMENT SCHEDULE (The final payment schedule will be subject to contract negotiation):

PROPOSER agrees that this proposal shall be good and may not be withdrawn for a period of ninety (90) days after the scheduled closing time for receiving proposals.

Respectfully submitted,

By: _____
Signature

Scott McLuckie
Print Name

President, Westscott Construction, Inc.
Print Title

ATTACHMENT 3

EQUAL OPPORTUNITY/AFFIRMATIVE ACTION STATEMENT

1. The Proposer hereby agrees to a commitment to the principles and practices of equal opportunity in employment and to comply with the letter and spirit of federal, state, and local laws and regulations prohibiting discrimination based on race, color, religion, national region, sex, age, handicap, marital status, and political affiliation or belief.
2. The Proposer agrees to comply with Executive Order 11246, as amended, and to comply with specific affirmative action obligations contained therein.

Signed: _____
Title: President, Westscott Construction, Inc.
Proposer: Scott McLuckie
Address: 3927 North Monroe St., Tallahassee, FL 32303

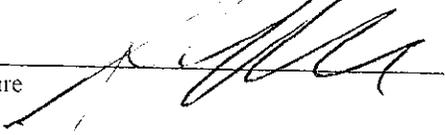
RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

ATTACHMENT 4

**CERTIFICATION REGARDING
DEBARMENT, SUSPENSION,
AND OTHER RESPONSIBILITY MATTERS**

- 1) The Proposer certifies to the best of its knowledge and belief, that it and its principals:
 - a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - b) Have not within a three-year period preceding this been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of these offenses enumerated in paragraph (1)(b) of this certification; and
 - d) Have not within a three-year period preceding this application/Proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- 2) Where the Proposer is unable to certify to any of the statements in this certification, such Respondent shall attach an explanation to this Proposal.
- 3) No subcontract will be issued for this project to any party which is debarred or suspended from eligibility to receive federally funded contracts.

Signature



President, Westscott Construction, Inc.

Title

Scott McLuckie

Proposer's name

3927 North Monroe Street, Tallahassee Fl. 32303

Address

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

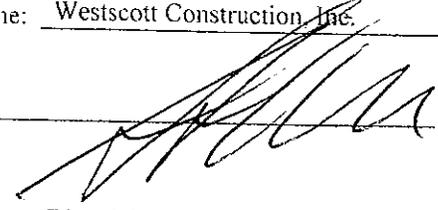
ATTACHMENT 5
AFFIDAVIT CERTIFICATION
IMMIGRATION LAWS

The LCRDA will not intentionally award LCRDA contracts to any Proposer who knowingly employs unauthorized alien workers, constituting a violation of the employment provisions contained in 8 U.S.C. Section 1324 A(e) (Section 274a(e) of the Immigration and Nationality Act).

The LCRDA may consider the employment by any Proposer of Unauthorized Aliens a violation of Section 274A(e) of the INA. Such violation by the Proposer of the employment provision contained in Section 274A(e) of the INA shall be ground for unilateral cancellation of the contract by the LCRDA.

RESPONDENT ATTESTS THAT THEY ARE FULLY COMPLIANT WITH ALL APPLICABLE IMMIGRATION LAWS (SPECIFICALLY TO THE 1986 IMMIGRATION ACT AND SUBSEQUENT AMENDMENTS).

Company Name: Westscott Construction, Inc.

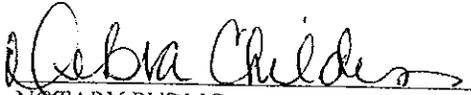
Signature: 

Title: President, Westscott Construction, Inc.

STATE OF Florida
COUNTY OF Leon

Sworn to and subscribed before me this 4th day of March, 2019.

Personally known X


NOTARY PUBLIC

OR Produced identification _____

Notary Public - State of Florida

(Type of identification)

My commission expires:

08.15.2019



Printed, typed, or stamped
commissioned name of notary public

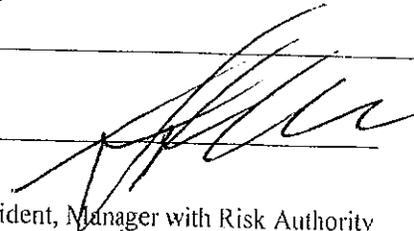
The signee of this Affidavit guarantees, as evidenced by the sworn affidavit required herein, the truth and accuracy of this affidavit to interrogatories hereinafter made.

THE LCRDA RESERVES THE RIGHT TO REQUEST SUPPORTING DOCUMENTATION, AS EVIDENCE OF SERVICES PROVIDED, AT ANY TIME.

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

Name Scott McLuckie
Typed or Printed

Signature



Date 03.04.2019

Title

President, Manager with Risk Authority
(Company Risk Manager or
Manager with Risk Authority)

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

ATTACHMENT 8
LOCAL VENDOR CERTIFICATION

The undersigned, as a duly authorized representative of the vendor listed herein, certifies to the best of his/her knowledge and belief, that the vendor meets the definition of a Local Business. For purposes of this section, "local business" shall mean a business which:

- a) Has had a fixed office located in and having a street address within Leon, Gadsden, Wakulla, or Jefferson County for at least six (6) months immediately prior to the issuance of the request for competitive bids or request for proposals by the Leon County R&D Authority; and
- b) Holds any business license required by Leon County (or one of the other local counties), and, if applicable, the City of Tallahassee; and
- c) Is the principal offeror who is a single offeror; a business which is the prime contractor and not a subcontractor; or a partner or joint venturer submitting an offer in conjunction with other businesses.

Please complete the following in support of the self-certification and submit copies of your County and City business licenses. Failure to provide the information requested will result in denial of certification as a local business.

Business Name: <u>Westscott Construction, Inc.</u>	
Current Local Address: <u>3927 North Monroe Street, Tallahassee Fl. 32303</u>	Phone: Fax: <u>(850)841-9102</u>
If the above address has been for less than six months, please provide the prior address.	
Length of time at this address:	
Home Office Address: <u>3927 North Monroe Street, Tallahassee Fl. 32303</u>	Phone: Fax: <u>(850) 841-9102</u>

Signature of Authorized Representative

03.04.2019

Date

STATE OF Florida

COUNTY OF Leon

The foregoing instrument was acknowledged before me this 4th day of March, 2019.

By Scott McLuckie, President of Westscott Construction, Inc.
(Name of officer or agent, title of officer or agent) (Name of corporation acknowledging)

a Florida S corporation, on behalf of the corporation. He/she is personally known to me
(State or place of incorporation)

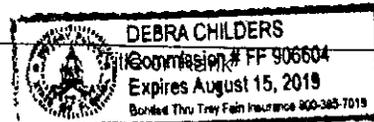
or has produced _____ Drivers License as identification.
(type of identification)

Debra Childers

Signature of Notary

Debra Childers

Print, Type or Stamp Name of Notary



Serial Number, If Any

Return Completed form with supporting documents to:

Leon County R&D Authority, Ron Miller
1736 W. Paul Dirac Drive
Tallahassee, Florida 32310

RFP 19-02 Collins Building Repair and Renovation
Leon County Research and Development Authority
Submission Deadline: March 4, 2019 @ 1:00 p.m.

ATTACHMENT 9

PROPOSER REGISTRATION FORM

Distribution of Solicitation Documents – Documents related to the subject RFP are being distributed via the LCRDA’s website, <http://innovation-park.com/opportunities/>.

Official Registration - Companies must officially register, before March 4, 2019, in order to be placed on the proposer registration list for this solicitation. This list is used for communications to prospective companies.

- To register as a proposer, complete the following information in its entirety and email the completed registration form to Ron Miller at rmiller@inn-park.com.
- Potential respondents to the RFP are responsible for reviewing the complete RFP documents and for collecting all addenda prior to submitting their response. Addenda and revisions will not be forwarded automatically. Potential respondents are advised to check the LCRDA’s website <http://innovation-park.com/opportunities/> periodically and prior to submitting their response.

Name of the Company: Westcoast Construction, Inc		
Company's Mailing Address: 3927 North Monroe Street		
City: Tallahassee	State: Florida	Zip Code: 32303
Telephone: (850)841-9102	Fax:	E-Mail: info@westcoastinc.com
Primary Contact Person for the Company: Scott McLuckie, President		
Contact Person's Mailing Address: 3927 North Monroe Street		
City: Tallahassee	State: Florida	Zip Code: 32303
Telephone: (850)841-9102	Fax:	E-Mail: scott@westcoastinc.com

Questions & Answers - Questions concerning the RFP, required submittals, evaluation criteria, response schedule, or selection process, and requests for interpretations or corrections of any or actual or perceived ambiguity, inconsistency or error which the company may discover shall be directed in writing to Ron Miller. Such written questions and requests shall be: (1) received by Ron Miller no later than February 25, 2019 at 2:00 p.m. EST; (2) signed by a person authorized to contractually bind such company; and (3) directed to Ron Miller by the company by e-mail. Answers to such questions will be posted on the LCRDA’s website <http://innovation-park.com/opportunities/>.

Communication Prohibition - Prospective respondents are cautioned not to contact any officials other than Ron Miller concerning this RFP.

Contact Information for Ron Miller –

- E-mail: rmiller@inn-park.com

Submit completed registration form to Ron Miller via email at rmiller@inn-park.com



WestScott Construction, Inc.

3927 North Monroe Street www.westscottinc.com
Tallahassee, FL 32303 850-841-9102

RFP 19-02 Collings Building Repair and Renovation AT INNOVATION PARK

By submitting this Proposal, the Proposer, *WestScott Construction, Inc.* acknowledges and agrees to comply with the following if they become the Proposer chosen by the Board:

Hold Harmless - The Proposer, *WestScott Construction, Inc.* shall agree to indemnify and hold harmless the LCRDA from all claims, damages, liabilities, or suits of any nature whatsoever arising out of, because of, or due to the breach of this agreement by the Proposer, its delegates, agents or employees, or due to any act or occurrence of omission or commission of the Proposer, including but not limited to costs and a reasonable attorney's fee.

Scott Mcluckie
Owner/President
WestScott Construction, Inc.



WestScott Construction, Inc.

3927 North Monroe Street www.westscottinc.com
Tallahassee, FL 32303 850-841-9102

RFP 19-02 Collins Building Repair and Renovation AT INNOVATION PARK

List of subcontractors provided by *WestScott Construction, Inc.*:

- Suncoast Drywall, 4405 Widgeon Way, Tallahassee, Florida 32303
- Meeks Electric, 4971 Capital Circle, SE, Tallahassee, Florida 32311
- Southern Flooring, 1940 Thomasville Road, Tallahassee, Florida 32303
- Escalante Painting, 311 Putnam Drive, Tallahassee, Florida 32301
- Advanced Plumbing, 657 West Brevard Street, Tallahassee, Florida 32304

VENDOR CONTRACT

THIS VENDOR CONTRACT (“Contract”) is entered into as of the date specified in Paragraph 2.01(f) by and between the Owner identified in Paragraph 2.01(a) and the Contractor identified in Paragraph 2.01(b).

ARTICLE I RECITALS

1.01 **WHEREAS**, TALCOR Commercial Real Estate Services, Inc. d/b/a NAI TALCOR has been engaged as the property manager of the Property and has been authorized by the Owner to enter into and administer this Contract on behalf of the Owner; and

1.02 **WHEREAS**, TALCOR Commercial Real Estate Services, Inc. d/b/a NAI TALCOR desires to avail itself of the services of Contractor to provide services for the Property and Contractor is willing to so act;

1.03 **NOW, THEREFORE**, in consideration of the mutual covenants and promises contained herein, the parties hereby agree as follows:

ARTICLE II DEFINITIONS

2.01 As used in the Contract the following terms shall have the following meanings:

a.	“Owner” means	Leon County Research and Development Authority 1736 W. Paul Dirac Drive, Tallahassee, FL 32310
b.	“Contractor” means	Big Bend Floor Covering, LLC. 578 Appleyard Dr. Suite C Tallahassee, FL 32304
c.	“Owner’s Agent” means	TALCOR Commercial Real Estate Services, Inc. d/b/a NAI TALCOR 1018 Thomasville Road, Suite 200A Tallahassee, Florida 32303 (NOTE: This is the required billing address.)
d.	“Property” means	2007 E Paul Dirac Dr. Tallahassee, FL 32310 Phipps Building
e.	“Agent’s Representative” means	NAI Talcor
f.	“Contract Date” means	Date of execution of the contract herein by the Owner
g.	“Work”	Shall mean the tools, products and services set forth in Exhibit “A” and “B” attached hereto and incorporated herein by reference.
h.	Landlord Disclaimer	Where there is a conflict between this Vendor Contract, definitions, and addendums, this Contract herein shall prevail over all other Contract(s).

**ARTICLE III
TERM AND CANCELLATION**

3.01 Contract Term:

Please select one (1) of the following options:

A. This is a contract for continuing services. "Contract Term" means from _____ to _____; provided however,

- (1) That the Contract Term shall automatically be extended on a month-to-month basis except as otherwise agreed in a written instrument executed by and between Contractor and Owner; and
- (2) Owner or Owner's Agent shall have the right to cancel and terminate this Contract with or without cause at any time upon thirty (30) days written notice to Contractor, all as more particularly set forth in Paragraph 3.02 of this Contract.
- (3) "Contract Price" shall mean \$0.00/month, _____/quarter or \$_____/year. See **Attached Exhibit "A" and Exhibit "B"**
- (4) "Payment Terms" shall mean net 30 days.

B. This is a contract for the performance of services as a single event. Service is anticipated to take no longer than forty-five (45) days to complete unless agreed upon by Owner and Contractor and shall commence on the execution date of the Contract herein. See Attached Exhibits "A" and "B" and Addenda to the Contact herein.

C. This is a contract for performance of services on a periodic basis, as requested by Owner's Agent. The services as attached hereto as Exhibit "A" shall be performed for the Contract Price listed in Exhibits "A" and "B" and Addenda to the Contact herein.

3.02 Cancellation: Owner, Owner's Agent and Contractor shall have the right to cancel this Contract, with or without cause and without cost, payment or penalty, at any time upon thirty (30) days prior written notice.

3.03 Property Sale: In the event the Property is sold or in any way conveyed to new ownership or Owner's Agent, the Owner may, at its election on the effective date of sale: (i) assign this Contract to the New Owner, Owner's Agent or Property Manager of the Property, or (ii) immediately terminate this Contract without cost, payment or penalty.

3.04 Change of Owner's Agent or Property Manager: In the event the Owner's Agent or Property Manager is transferred to new, replacement or substitute Owner's Agent or Property Manager, the Owner may, at its election on the effective date of transfer: (i) assign this Contract to the new Owner's Agent or Property Manager of the Property, or (ii) immediately terminate this Contract without cost, payment or penalty.

ARTICLE IV PAYMENT AND COMPENSATION

4.01 During the term of this Contract or until sooner terminated, Owner shall pay Contractor for the Services set forth herein the amount or amounts and at the time or times set forth in Exhibit "B". If no time for payment is specified in this Contract, payments shall be made monthly in arrears and within thirty (30) days after receipt of appropriate billing from Contractor. Contractor must provide Owner with its Federal Identification Number and Certification (Exhibit C) prior to Owner releasing any form of payment to Contractor.

ARTICLE V CONTRACTOR RESPONSIBILITIES

5.01 General: Contractor shall furnish all labor, supplies, materials and equipment to perform those services and that work at the time or times and as further specified and described in Exhibit "A" and/or "B" (attached hereto and incorporated by this reference) (such services and work are collectively referred to herein as the "Services"). The Services shall be performed diligently and in a first-class manner with good quality supplies, materials, equipment and workmanship. The Services shall be performed in such a manner as to minimize the possibility of any annoyance, interference or disruption to the occupants of the Property and their invitees.

5.02 Personnel Criteria: Contractor shall provide, at its sole cost and expense, all personnel necessary to perform its duties and who meet the following criteria:

- A. Contractor agrees that each of its employees and any subcontractors, suppliers and materialmen will be properly qualified and will use reasonable care in the performance of their duties.
- B. Contractor personnel shall be neat, clean, and acceptable to Owner or Owner's Agent in its sole discretion. The Contractor shall transfer or release as the Contractor deems appropriate any personnel that, with or without cause, Owner or Owner's Agent finds objectionable.
- C. All personnel shall be dressed in a uniform subject to the reasonable approval of Owner or Owner's Agent.
- D. Contractor shall provide, and Contractor's personnel shall carry, an identification card indicating Contractor's name and the name and photograph of the personnel, and union identification, if any.

5.03 Supervision: Contractor shall be responsible for the supervision and direction of the Services by its employees and any approved subcontractors, suppliers and material and shall, if Owner or Owner's Agent shall request, provide supervisory personnel on the Property acceptable to Owner or Owner's Agent to carry out this responsibility. Periodic inspections will be conducted by any designated supervisor or Contractor to ensure that all Services hereunder are properly performed. Contractor will inform Owner or Owner's Agent of the name of such supervisor responsible for the work and the supervisor shall have the authority to act as Contractor's agent in Contractor's absence.

5.04 Reporting: Contractor shall report, in writing on a daily basis, the services performed within the Property. Contractor shall report to Owner or Owner's Agent, on an as-needed basis, all items which its employees recognize as being in need of repair or replacement, such that Owner or Owner's Agent is able to maintain a first-class property.

5.05 Equipment: Contractor shall provide its personnel with all necessary equipment and supplies. Contractor shall provide such equipment and supplies as are appropriate, in the professional opinion of the Contractor, to perform the duties in the most efficient and safest manner possible. Contractor shall only use the equipment and supplies for their intended use(s), and shall discontinue usage of any product which, in the sole discretion of Owner or Owner's Agent, is inappropriate for its designated use; however, the right of Owner or Owner's Agent to prohibit usage of a product shall not relieve the Contractor of its requirement to exercise its professional judgment.

- A. **Equipment Repair and Maintenance:** Contractor, at its sole cost, shall perform any and all repairs, maintenance and adjustments to equipment placed at the Property to maintain its complete and efficient operation at all times. This shall include, but is not limited to, regularly scheduled repainting/refurbishing of equipment to maintain a new appearance.
- B. **Equipment/Materials Delivery and Storage:** In each and every instance, Contractor shall coordinate with Owner or Owner's Agent prior to delivery to the Property of equipment and/or materials used in performing the services outlined herein. Contractor shall not store equipment and/or materials on-site without written permission from Owner or Owner's Agent. Storeroom(s) which may be provided shall be kept in neat, orderly and broom clean condition. Neither Owner nor Owner's Agent assumes any liability or responsibility for Contractor's equipment or materials stored on-site.
- C. **Equipment Ratings:** All devices installed or equipment used by Contractor shall meet all federal, state and local ordinances and possess U.L. ratings or its equal which pertain to the use of said equipment. Contractor shall maintain said equipment in accordance with the original manufacturer's specifications and in accordance with industry standard maintenance procedures.
- D. **Termination/Removal of Equipment/Materials:** Upon expiration or termination of this Contract, Contractor, at its sole cost, shall remove all of its equipment and/or materials placed at the Property, leaving the area in neat, orderly and broom clean condition. Said removal shall be completed no later than 12:00 midnight of the date of expiration or termination set forth by Owner or Owner's Agent.
- E. **Property - Owned Equipment:** Contractor may use specially designed equipment owned by the Property, Owner or Owner's Agent for the sole purpose of performing the Services on the Property, but only after obtaining prior written consent from Owner or Owner's Agent for each instance of requested use. During the time period Contractor is allowed use of said equipment, Contractor assumes full liability for the appropriate use, care and security of said equipment including, but not limited to, removing the equipment from service in the event of malfunctions or required maintenance. Contractor agrees to return said equipment to Owner or Owner's Agent in the same good condition as existed prior to Contractor's use, subject to reasonable wear and tear.

5.06 Subcontractors: Unless first approved in writing by Owner or Owner's Agent, Contractor shall not, and shall have no authority to, engage any subcontractors, suppliers or material to perform the Services and shall instead engage only trained individuals directly employed and supervised by Contractor. Neither Owner or Owner's Agent's approval of any subcontractors, suppliers or material nor the failure of performance thereof by such parties shall relieve, release or affect in any manner any of Contractor's duties, liabilities or obligations hereunder and Contractor shall at all times be and remain fully liable hereunder.

5.07 Relationship of the Parties: Contractor does hereby state, represent and warrant that it is an independent contractor. In no event and under no circumstances shall Contractor, in the performance of its contractual obligation hereunder, be deemed or considered to be acting as a servant, agent or employee of Owner and/or Owner's Agent. Contractor agrees that it is solely responsible for all payments due or to become due to all its employees or material suppliers, including the withholding of appropriate taxes and compliance with any and all worker's compensation laws or similar employer obligations or requirements with respect to its employees, Contractor hereby agrees to indemnify and save harmless Owner and/or Owner's Agent and their affiliates, subsidiaries, employees or parent corporations of any and all liability therefor.

5.08 Payment of Taxes and Contributions: Contractor shall pay any and all taxes and contributions assessed against Contractor for unemployment insurance, old age retirement benefits, pensions and annuities now imposed, or hereafter imposed by any governmental unit, that is measured by wages, salaries or other remuneration paid to persons employed by Contractor in connection with the service Contractor is required to perform and/or has performed under the terms of the Contract. Contractor shall provide copies of its payroll books and records, including payment instruments, upon reasonable request of Owner or Owner's Agent.

5.09 Insurance: Commencing with performance of Contractor's services hereunder and continuing during the term of this Contract, Contractor shall provide insurance policies and maintain said policies in full force and effect. Said policies are to be of the following types and amounts:

- A. **Worker's Compensation:** Worker's compensation and employer liability insurance which shall comply with the statutory requirements of the State of Florida and any other state in which the services are being performed and shall apply to all persons employed by Contractor.
- B. **Comprehensive Liability:** Comprehensive general liability insurance including bodily injury, property damage, contractual liability and automobile liability (owner, non-owned and hired) in an amount of not less than \$1,000,000 combined single limit.
- C. **Commercial Automobile Liability:** Commercial Automobile Liability Insurance written on an occurrence form covering Contractor's and all subcontractors owned, leased, hired or non-owned vehicles used in the performance of the Work or brought onto the Property, in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage liability.
- D. **Umbrella or Excess Liability:** Umbrella or Excess Liability Insurance written on an occurrence form in an amount not less than \$1,000,000 each occurrence and \$1,000,000 aggregate.

- E. **Certificate of Insurance:** Contractor shall submit to Owner or Owner's Agent certificates issued by the insurance company or companies issuing said insurance policies, which certificates shall provide that thirty (30) days written notice shall be given Owner and Owner's Agent prior to cancellation or reduction of coverage of any such policy. Owner and Owner's Agent shall have the right to examine at all times during business hours as requested by Owner or Owner's Agent, all original insurance policies so secured by Contractor. **Contractor shall provide Owner with the requested Certificate of Insurance prior to commencement of any work in Exhibit "A" or "B".**

- F. **Additional Insured:** Owner and Owner's Agent and such other parties as may be requested by Owner and Owner's Agent, shall be included as Additional Insureds on Contractor's policies for liability insurance required hereunder and such liability policies shall be endorsed to make such insurance primary to any liability insurance carried by Owner or Owner's Agent. The Additional Insureds shall be listed on Contractor's policy. A copy of contractor's insurance shall be attached as Exhibit "D".

- G. **Carrier Rating:** Insurance required under this Article shall be with companies rated A XV or better in "Best's Insurance Guide."

- H. **Limits of Coverage:** The adequacy of the coverage afforded by said liability insurance, whether obtained by Contractor or Owner on Contractor's behalf, shall be subject to review by Owner or Owner's Agent from time to time. If it appears as a consequence of such a review that a prudent businessman in the area operating business similar to those operated by Contractor would obtain higher limits of liability insurance, Contractor shall forthwith increase its liability insurance coverage to such limits.

- I. **Subrogation:** Contractor waives its subrogation rights against Owner and Owner's Agent with respect to any claims (including but not limited to claims for bodily injury and property damage) which are caused by or result from (i) risks insured against under any valid and collectable insurance contract or policy carried by Contractor and in force at the time of any such injury and/or damage or (ii) risks which would be covered under any insurance required to be obtained and maintained by Contractor under this Section 5.09, even if such required insurance is not in fact obtained and maintained. Said waiver shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Contract with respect to any bodily injury or any loss or damage to property of the parties hereto. Contractor shall cause each insurance policy obtained by it with respect to this Contract to provide that the insurer waives all rights of recovery by way of subrogation against Owner and Owner's Agent and their members, partners, directors, officers and employees in connection with any claims for bodily injury or property damage covered by such policy, and such waiver shall be indicated in any insurance certificate to be provided pursuant to this Contract.

5.10 Compliance With Laws and Regulations: In performing the Services required under this Contract, Contractor shall comply with all applicable federal, state, county and municipal statutes, ordinances and regulations, including without limitation, any licensing, bonding and permit requirements as they may be amended from time to time. If such compliance is impossible for reasons beyond its control, Contractor shall immediately notify Owner or Owner's Agent of that fact and the reasons therefore.

ARTICLE VI INDEMNIFICATION

6.01 To the extent allowable by law, Contractor shall indemnify, defend and hold harmless Owner and Owner's Agent, and each of their respective present and former general and limited partners, affiliates, wholly owned subsidiaries, principals, partners, directors, officers, shareholders, members, beneficiaries, trustees, employees, agents, successors, and assigns from:

- A.** any claim arising out of or related to the execution of the duties required pursuant to this Contract, or injury caused by conditions now existing or hereafter created on the Property or conditions now existing or hereafter created in the facilities, materials and equipment located thereon, or claim for injury to or the death of Contractor's officers, agents, owners, employees, or loss or damage to Contractor's facilities, materials, and equipment; and
- B.** any infringement of any patent or copyright arising out of or in connection with the performance of said Services or the use of materials and equipment furnished by Contractor for or in connection with said Services; and
- C.** any taxes, penalties, interest and/or fines assessed Owner or Owner's Agent in connection with this Contract or from the use, presence and performance of Contractor's personnel, by any governmental unit; and
- D.** any funds assessed any of the foregoing entities for pension, welfare, vacation annuity and other union benefits, contributions, payable under or in connection with labor Contracts, with respect to all persons, by whomsoever employed, engaged in the performance of the services under this Contract; and
- E.** any attorneys' fees and other expenses, including interest, that Owner and Owner's Agent and/or any of the foregoing indemnified entities incurs, arising out of the performance of this Contract, or defending against any charges assessed hereunder.

ARTICLE VII DEFAULT

7.01 In the event of a default by Contractor, Owner or Owner's Agent may, in its sole discretion: (i) send notice of the default to Contractor and demand strict compliance with the terms of this Contract; (ii) cancel this Contract upon five (5) days written notice to Contractor; or (iii) cure the default, with or without notice to Contractor, and deduct the costs and charges incurred from any payment due at the time of the default or from payment which becomes due. If no further payment is due, Contractor agrees to immediately, upon presentation of invoice by Owner or Owner's Agent, pay all charges incurred hereunder.

ARTICLE VIII AUDIT

8.01 As to all Services for which compensation may include either reimbursement to Contractor for costs or payment based upon quantity of service or products, Owner's or Owner's Agent's duly authorized representatives (including internal auditors) shall have at all reasonable times, access to and the right to reproduce records, books, documents, files, receipts, vouchers, data stored in computers and memoranda of every description, as well as the right to interview personnel, necessary to audit and verify Contractor's charges to Owner or Owner's Agent hereunder. Contractor agrees to preserve and retain records, books, documents, files, receipts, vouchers, data and memoranda related to charges, hereunder for a period of three (3) years following the date of final payment for Contractor's services hereunder. Owner or Owner's Agent shall have sufficient audit access to Contractor's records in the fixed rate areas to satisfy themselves that all Services that are supposed to be included in Contractor's fixed rates are performed.

ARTICLE IX LIENS AND ENCUMBRANCES

9.01 Contractor agrees to protect Owner from all liens for labor performed, materials supplied or used by Contractor and/or any other person in connection with the Services undertaken by Contractor hereunder and shall not, at any time during the term of this Contract, suffer or permit any lien or attachment or encumbrance to be imposed by any person, firm or corporation upon the Property or any improvements thereon, by reason of any claim or demand against Contractor or otherwise. Contractor further agrees to execute a sworn affidavit respecting the payment and lien releases of all subcontractors, suppliers and materialmen and a release of lien respecting the Services at such time or times and in such form as may be reasonably requested by Owner or Owner's Agent. Owner or Owner's Agent shall have the right to cure any liens, attachments or encumbrances in the event Contractor fails to do so and charge Contractor for any amount expended curing such items.

ARTICLE X ASSIGNMENTS AND SUBCONTRACTS

10.01 It is expressly understood and agreed that this Contract is personal to Contractor and was awarded to Contractor based upon its professional skill and knowledge. Contractor shall have no right, power or authority to assign this Contract or any portion thereof, either voluntarily or involuntarily, or by operation of law, and Contractor shall not have any right, power or authority to sublet or subcontract the Services to be performed hereunder, or any portion thereof, without Owner's or Owner's Agent's express written approval and consent being first had and obtained. Neither approval nor consent by Owner or Owner's Agent for Contractor to enter into any subcontract or the failure or performance thereof by any such subcontractor shall relieve, release or affect, in any manner, any of Contractor's duties, liabilities or obligations hereunder, and Contractor shall be and remain liable hereunder to the same extent as if no subcontract had been made or entered into. Except to the extent above indicated, all of the rights, benefits, duties, liabilities and obligations of the parties hereto shall inure to the benefit of and be binding upon their respective successors and assigns.

ARTICLE XI NON-RECOURSE CONTRACT

11.01 This Contract and all the terms and conditions hereof (including, without limitation, any and all hold harmless and indemnification provisions herein provided) shall inure to the benefit of Owner, Owner's Agent and their respective successors and assigns thereof and shall be binding on Contractor and its permitted successors and assigns.

It is expressly understood and agreed by and between the parties hereto, notwithstanding anything herein contained to the contrary, that no personal recourse shall be had by Contractor (or any person claiming by, through or under Contractor) for the payment or performance of any obligation under, or for any claim based on, this Contract against Owner or Owner's Agent or against any principal, member, director, officer, shareholder, beneficiary, trustee, employee, agent, successor or assign of Owner or Owner's Agent beyond the interest of Owner in the Property, it being understood that such claimants shall look solely to the interests of Owner in the Property with respect to any and all such claims and that all other personal liability of the above-described persons and entities is hereby expressly waived by Contractor on behalf of itself and on behalf of all persons claiming by, through or under Contractor.

ARTICLE XII RELEASE

12.01 To the extent permitted by applicable law, Contractor agrees to look solely to its insurers and does hereby release and waive any and all rights it has now, or may in the future have, to recover against Owner, Owner's Agent and their respective present and former general and limited partners, affiliates, principals, members, trustees, beneficiaries, shareholders, directors, officers, employees, agents and servants and the successors and assigns thereof and shall be binding on Contractor and its permitted successors and assigns (collectively the "Releasees") for loss or damage to property or personal injury or death (including, but not limited to, claims for damage to property of Contractor and injury to or death of employees of Contractor and claims for contribution or indemnity or for reimbursement of workers' compensation benefits) in any way relating to or resulting from the Services performed or to be performed under or in connection with this Contract. Contractor hereby waives all rights of subrogation of its insurers with respect to claims against Releasees.

ARTICLE XIII NOTICES

13.01 **Notice Address:** Any written notice required to be made or to be given by Contractor to Owner or Owner's Agent shall be addressed to:

TALCOR Commercial Real Estate Services, Inc. d/b/a NAI TALCOR
Attention: Property Manager
1018 Thomasville Road, Suite 200A
Tallahassee, Florida 32303
Tel: 850.224.2300

With a copy to owner at:

Leon County Research and Development Authority
Attention: Executive Director
1736 W. Paul Dirac Drive
Tallahassee, FL 32310
Tel: 850.575.0343

and any written notice required or made to be given by Owner or Owner's Agent to Contractor shall be addressed to the same address noted above in Section 2.01(b).

13.02 **Notice Delivery:** Any and all written notices shall be delivered in person or shall be sent by certified or registered mail, with return receipt requested and shall be deemed effective when deposited in the United States Post Office, postage prepaid, and addressed as above provided. Notice

may also be given by means of a nationally recognized overnight courier and shall be deemed effective upon delivery to such courier. The parties hereto may, by notice in writing, designate another address to which notice shall be given pursuant to this Contract.

ARTICLE XIV MISCELLANEOUS

14.01 Waiver: Any failure of Contractor or its insurer to comply in full with any provisions of this Contract and any failure by Owner to enforce the provisions of this Contract shall in no way constitute a waiver by Owner or Owner's Agent of any contractual right hereunder, unless such waiver is in writing and signed by Owner or Owner's Agent.

14.02 Voidability: In the event that any provision of this Contract should be held to be void, voidable or unenforceable, the remaining portions hereof shall remain in full force and effect.

14.03 Modification: This Contract may only be modified in writing signed by the party to be charged.

14.04 Choice of Law: The rights and duties arising under this Contract shall be governed by the laws of the state in which the Property is located. Contractor hereby consents to the jurisdiction of the courts of the state in which the Property is located. Venue for all purposes shall be Leon County, Florida.

14.05 Attorney's Fees: In the event that any action, suit or other proceeding is instituted to remedy, present or obtain relief from a breach of this Contract or arising out of a breach of this Contract, the prevailing party shall recover all of such party's attorneys' fees incurred in each and every such action, suit or other proceeding, whether the same be incurred before, during, or after trial, on appeal, or in any bankruptcy or similar debtor-relief proceeding.

14.06 Time of the Essence: All time limits provided in this Contract and any addendum hereto are of the essence of this Contract.

14.07 Survival: All obligations under this Contract accruing prior to the date of expiration or other termination of this Contract shall survive the expiration or other termination of this Contract. In addition, all of Contractor's release, indemnification, defense and hold harmless obligations under this Contract with respect to matters arising or accruing prior to the date of expiration or earlier termination of this Contract shall survive the expiration or other termination hereof, without limitation.

14.08 Hazardous Materials: Contractor shall not introduce nor permit its subcontractors, suppliers, agents or employees to introduce asbestos containing materials, lead based paint or other materials commonly deemed as hazardous into the Property. In the event and while performing its services, Contractor, its subcontractors, suppliers, agents or employees encounter what they believe to be hazardous material(s), Contractor shall immediately cause all work to cease and shall notify Owner or Owner's Agent of its observation.

14.09 Entire Contract: All negotiations and agreements are merged herein and there are no provisions, covenants or other agreements between the parties other than those contained herein or incorporated herein by reference. This Contract along with all exhibits and addenda hereto, constitute the entire Contract between the parties hereto with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date set forth above.

EXECUTED BY OWNER:
Leon County R&D Authority

EXECUTED BY CONTRACTOR:
Big Bend Floor Covering LLC.

By: _____

By: Tommy Thompson

Print: Dave Ramsay

Print: Tommy Thompson

Title: President

Title: Owner

Date: _____

Date: 3/14/19

EXHIBIT "A"

DESCRIPTION & SCOPE OF SERVICES

**SECTION 1
DESCRIPTION OF WORK**

DESCRIPTION	AMOUNT
Location: 2035 E Paul Dirac Drive, Tallahassee, FL 32310 Removal of old carpet and install of new for National Park Service and SEAC in the Johnson Building.	\$22,497.95

1.01 In the event of any inconsistency between the Contract, any addenda and any exhibits, the Contract shall control over the addenda and exhibits. In the event of inconsistency among addenda or exhibits, the more detailed addenda or exhibit shall control. In no event shall any proposal or contract form submitted by Contractor be part of this Contract unless attached and referred to herein as an addendum and in such event only the portions of such proposal or contract form consistent with this Contract and other addenda and exhibits shall be part hereof.

**SECTION 2
EXECUTION OF SERVICES**

2.01 Hours of Work/Coordination with Owner or Owner's Agent: Contractor and/or its subcontractors shall perform all work on Mondays through Sundays.

2.02 Noise/Disturbances: If Contractor's and/or subcontractors work in performing the services described herein disturbs Property tenants as determined solely by Owner or Owner's Agent, Contractor shall cease work immediately and reschedule for a time acceptable to Owner or Owner's Agent.

2.03 Building Systems: Contractor and/or its subcontractors shall coordinate with Owner or Owner's Agent prior to shutting off or testing any of the building's electrical, plumbing, mechanical life safety or energy management systems. Under no circumstances will Contractor and/or its subcontractors disturb these systems without the express permission and written authorization of the Owner or Owner's Agent.

2.04 Property Rules/Procedures: Contractor and its employees, agents and subcontractors shall, at all times, observe the Property's rules and procedures as set forth by Owner or Owner's Agent. Said rules and procedures are available from Owner or Owner's Agent.

2.05 Damage to Property: Contractor shall immediately report to Owner or Owner's Agent any and all damage caused by its employees, agents or subcontractors and shall reimburse Owner or Owner's Agent for the cost of repairs within ten (10) days from receipt of invoice. In the event Contractor fails to report such incidents and Owner or Owner's Agent determines in its sole opinion, based on inspection of the site, that damage was caused by Contractor, Contractor shall likewise reimburse Owner for the cost of repairs within ten (10) days from receipt of invoice.

2.06 Worker's Affiliations: Contractor shall ensure that all labor, whether directly employed by Contractor or engaged through a contractor/subcontractor relationship, is in good standing with the local trade or craft union(s) having jurisdiction such that the operations of the Property are in no way encumbered or disturbed by the performance of Contractor's or its subcontractor's work under this Contract.

SECTION 3 SCOPE OF SERVICES

Scope of Work

Remove all old carpet, install Approximately 8,000 square feet of new carpet, and vinyl base in National Park Service and SEAC spaces located in the Johnson Building. Move all furniture required to remove and install carpet.

EXHIBIT B
COMPENSATION

The Contract shall be paid based upon the scope of work outlined in Exhibit A, and Addendum, Vendors Accepted Proposal.

EXHIBIT C & D

Copy of COI and W9

Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
Tommy Thompson

2 Business name/disregarded entity name, if different from above
Big Bend Floor Covering LLC

3 Check appropriate box for federal tax classification; check only one of the following seven boxes:
 Individual/sole proprietor or single-member LLC
 C Corporation
 S Corporation
 Partnership
 Trust/estate
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶
Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
 Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities; not individuals; see instructions on page 3):
 Exempt payee code (if any) _____
 Exemption from FATCA reporting code (if any) _____
(applicable to trusts and estates only)

5 Address (number, street, and apt. or suite no.)
578 Appleyard Dr. Suite C

6 City, state, and ZIP code
Tallahassee, FL 32304

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									
8	0	-	0	4	1	8	2	7	7

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here Signature of U.S. person ▶ *Tommy Thompson* Date ▶ 3/14/19

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/ir9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

* Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-I (tuition)
 * Form 1099-C (canceled debt)
 * Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

A D D E N D U M

VENDORS ACCEPTED PROPOSAL

Big Bend Floor Covering LLC

578 Appleyard Dr.
Suite C
Tallahassee, FL 32304

Estimate

Date	Estimate #
2/28/2019	236

Name / Address
NAI Talcor 1018 Thomasville Rd. Suite 200A Tallahassee, FL 32303

Ship To
National Park Service 2035 E Paul Durac Tallahassee, FL Inovation Park

Description	Qty	Cost	Project
			Total
Shaw Power Up BL (Sheet carpet)	932	9.477	8,832.56T
Flexco 4" Vinyl cove (Color TBS)	2,300	0.729	1,676.70T
REMOVE AND DISPOSE OF OLD FLOORING	932	1.35	1,258.20T
Carpet and Base	1	969.74	969.74T
Gold Stix 2230 (carpet adhesive)	30	38.67767	1,160.33T
LABOR TO INSTALL FLOORS	932	4.05	3,774.60T
LABOR TO INSTALL BASE	2,300	0.54	1,242.00T
ECO 575 30oz. tubes cove base adhesive	23	5.40	124.20T
MOVE FURNITURE	28	67.50	1,890.00T
Sales Tax		7.50%	1,569.62
Thank you for your business.		Total	\$22,497.95

	<u>Broadloom</u>	<u>Carpet Tiles</u>
ABC Flooring	\$26,828.48	\$30,658.84
Big Bend Flooring	\$22,497.95	\$26,935.79
Southern Flooring	\$28,853.58	\$34,453.54

ABC FLOORING
1516B CAPITAL CIRCLE SE
TALLAHASSEE, FL 32301
Telephone: 850 877-6600 Fax: 850 942-8596

ES901769

QUOTE

Sold To	Ship To
TALCOR COMMERCIAL REAL ESTATE 1018 THOMASVILLE ROAD SUITE 200A TALLAHASSEE, FL 32303	JOHNSON BLD PARK SERVICE 2035 PAUL DIRAC BROADLOOM CPT

Quote Date	Tele #1	PO Number	Quote Number
02/05/19	850-224-2300		ES901769

Inventory	Style/Item	Color/Description	Quantity	Units	Price	Extension
	SCHOLARSHIP -2 26	TBD	7,752.00	SF	0.00	0.00
	INSTALL CPT/HALLWAY TAKE UP		7,752.00	SF	2.59	20,077.68
1	BURKE 4 INCH BASE	TBD	2,000.00	SF	0.00	0.00
	DEMO/FLOOR PREP		1.00	EA	750.00	750.00
	INSTALL BASE		2,000.00	SF	1.45	2,900.00
	MOVE FURNITURE		7,752.00	SF	0.40	3,100.80

RETURN POLICY: Special orders and cut materials may or may not be returnable and will be subject to a 25% restocking fee and freight charges. Grouts and setting materials are not returnable.

— 02/05/19

Sales Representative(s):
REID BRETT

2:41PM

Material: 0.00
 Service: 26,828.48
 Misc. Charges: 0.00
 Sales Tax: 0.00
 Misc. Tax: 0.00

*****NOTE;FLOOR PREP IS UNFORSEEN;THERE WILL BE ADDITIONAL CHARGE WHEN NEEDED FOR PROPER INSTALLATION.*****

QUOTE TOTAL: \$26,828.48

ABC FLOORING
1516B CAPITAL CIRCLE SE
TALLAHASSEE, FL 32301
Telephone: 850 877-6600 Fax: 850 942-8596

ES901770

QUOTE

Sold To	Ship To
TALCOR COMMERCIAL REAL ESTATE 1018 THOMASVILLE ROAD SUITE 200A TALLAHASSEE, FL 32303	JOHNSON BLD PARK SERVICE 2035 PAUL DIRAC CPT SQUARES

Quote Date	Tele #1	PO Number	Quote Number
02/05/19	850-224-2300		ES901770

Inventory	Style/Item	Color/Description	Quantity	Units	Price	Extension
1	GENIUS	TBD	7,996.00	SF	0.00	0.00
	INSTALL CPT/ HALLWAY TAKE UP		7,996.00	SF	2.99	23,908.04
1	BURKE 4 INCH BASE	TBD	2,000.00	SF	0.00	0.00
	DEMO/FLOOR PREP		1.00	EA	750.00	750.00
	INSTALL BASE		2,000.00	SF	1.45	2,900.00
	MOVE FURNITURE		7,752.00	SF	0.40	3,100.80

RETURN POLICY: Special orders and cut materials may or may not be returnable and will be subject to a 25% restocking fee and freight charges. Grouts and setting materials are not returnable.

— 02/05/19	2:39PM
Sales Representative(s):	Material: 0.00
REID BRETT	Service: 30,658.84
	Misc. Charges: 0.00
	Sales Tax: 0.00
	Misc. Tax: 0.00
	QUOTE TOTAL: \$30,658.84

*****NOTE;FLOOR PREP IS UNFORSEEN;THERE WILL BE ADDITIONAL CHARGE WHEN NEEDED FOR PROPER INSTALLATION.*****

Big Bend Floor Covering LLC

578 Appleyard Dr.
Suite C
Tallahassee, FL 32304

Estimate

Date	Estimate #
2/28/2019	236

Name / Address
NAI Talcor 1018 Thomasville Rd. Suite 200A Tallahassee, FL 32303

Ship To
National Park Service 2035 E Paul Durac Tallahassee, FL Inovation Park

			Project
Description	Qty	Cost	Total
Shaw Power Up BL (Sheet carpet)	932	9.477	8,832.561
Flexco 4" Vinyl cove (Color TBS)	2,300	0.729	1,676.701
REMOVE AND DISPOSE OF OLD FLOORING	932	1.35	1,258.201
Carpet and Base	1	969.74	969.741
Gold Stix 2230 (carpet adhesive)	30	38.67767	1,160.331
LABOR TO INSTALL FLOORS	932	4.05	3,774.601
LABOR TO INSTALL BASE	2,300	0.54	1,242.001
ECO 575 30oz tubes cove base adhesive	23	5.40	124.201
MOVE FURNITURE	28	67.50	1,890.001
Sales Tax		7.50%	1,569.62
Thank you for your business.		Total	\$22,497.95

Big Bend Floor Covering LLC

578 Appleyard Dr.
Suite C
Tallahassee, FL 32304

Estimate

Date	Estimate #
2/28/2019	236

Name / Address
NAI Talcor 1018 Thomasville Rd. Suite 200A Tallahassee, FL 32303

Ship To
National Park Service 2035 E Paul Durac Tallahassee, FL Inovation Park

Project

Description	Qty	Cost	Total
Shaw Mainstream Dynamo II / Genius / Intellect (Carpet Tile)	932	14.094	13,135.61T
Flexco 4" Vinyl cove (Color TBS)	2,300	0.729	1,676.70T
REMOVE AND DISPOSE OF OLD FLOORING	932	1.35	1,258.20T
Carpet and Base	1	969.74	969.74T
Stix 2280 (carpet tile adhesive)	10	98.55	985.50T
LABOR TO INSTALL FLOORS	932	4.05	3,774.60T
LABOR TO INSTALL BASE	2,300	0.54	1,242.00T
ECO 575 30oz tubes cove base adhesive	23	5.40	124.20T
MOVE FURNITURE	28	67.50	1,890.00T
Sales Tax		7.50%	1,879.24

Thank you for your business.	Total	\$26,935.79
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Southern Flooring and Design, Inc.
1940 Thomasville Rd.
Tallahassee, FL 32303
850--224-9850

Proposal #: TA039048
Sale Date: 01/17/2019
Install Date:
Sales Rep: Jackson, Tony
Sales Rep:

SOLD TO

Talcor, Nai
1018 Thomasville Rd #200A
Tallahassee FL 32303
850-224-2300
lbillberry@talcor.com

SHIPPED TO

Printed 01/17/19 08:46:50

Johnson Building
2035 E. Paul Dorcik Dr.

MATERIALS

		QUANTITY	PRICE	TOTAL
(1) New Basics III	TBD	7128.00SqFt	\$1.29	\$9,195.12
(2) New Broadlock Premium Plus	4 gal	27.00Each	\$64.36	\$1,737.72
(4) Cove Base 4" Mercer .080	TBD	2200.00LnFt	\$1.09	\$2,398.00
(5) Covebase Adhesive (Sh)	30 oz Tubes	22.00Each	\$9.78	\$215.16
Materials Subtotal:				\$13,546.00

LABOR

		QUANTITY	PRICE	TOTAL
(1) Carpet Lab. Reg. --,		7128.00 SqFt	\$0.52	\$3,706.56
(2) Glue down Removal --,		7128.00 SqFt		\$2,500.00
(3) Furniture --, ** **		7128.00 SqFt		\$5,800.00
(4) Covebase --,		2200.00 LnFt	\$0.70	\$1,540.00
Labor SubTotal:				\$13,546.56

Subtotal: \$27,092.56
Misc: \$1,761.02
Total: \$28,853.58
Payments:
Balance: \$28,853.58

Southern Flooring and Design, Inc.
1940 Thomasville Rd.
Tallahassee, FL 32303
850--224-9850

Proposal #: TA039047
Sale Date: 01/17/2019
Install Date:
Sales Rep: Jackson, T
Sales Rep:

SOLD TO

Talcor, Nai
1018 Thomasville Rd #200A
Tallahassee Fl 32303
850-224-2300
lbillberry@talcor.com

SHIPPED TO

Johnson Building
2035 E. Paul Dorcik Dr.

Printed 01/17/19 08:47:04

MATERIALS

		QUANTITY	PRICE	TOTAL
(1) Threaded Craft Cpt Tile	TBD	7128.00SqFt	\$2.19	\$15,610.32
(2) Enpress	4 Gal	10.00Each	\$163.07	\$1,630.70
(4) Cove Base 4" Mercer .080	TBD	2200.00LnFt	\$1.09	\$2,398.00
(5) Covebase Adhesive (Sh)	30 oz Tubes	22.00Each	\$9.78	\$215.16
Materials Subtotal:				\$19,854.18

LABOR

		QUANTITY	PRICE	TOTAL
(1) Carpet Lab. Reg. --,		7128.00 SqFt	\$0.52	\$3,706.56
(2) Glue down Removal --,		7128.00 SqFt		\$2,500.00
(3) Furniture --, ** **		7128.00 SqFt		\$4,750.00
(4) Covebase --,		2200.00 LnFt	\$0.70	\$1,540.00
Labor SubTotal:				\$12,496.56

Subtotal: \$32,350.74
Misc: \$2,102.80
Total: \$34,453.54
Payments: \$0.00
Balance: \$34,453.54

LOAN AGREEMENT

This LOAN AGREEMENT (this “Agreement”) is entered into as of March _____, 2019 by and between Leon County Research and Development Authority (“LCRDA”), a public body governed by Chapter 159, Florida Statutes, whose address is 1736 W. Paul Dirac Drive, Tallahassee, Florida 32310 (“Lender”), and Innovation Park TLH, INC., a Florida not for profit corporation, whose address is 1736 W. Paul Dirac Drive, Tallahassee, Florida 32310 (“Borrower”).

WITNESSETH:

WHEREAS, Lender and Borrower have a business relationship and Lender has agreed to make loans (individually an “Advance” and collectively, the “Loan”) to Borrower; and

WHEREAS, Lender and Borrower have entered into this Agreement to confirm the terms upon which the Loan is provided by Lender to Borrower.

NOW, THEREFORE, the Parties, intending to be legally bound, agree as follows:

1. Interpretation In this Agreement, unless the context otherwise requires: (a) headings and underlinings are for convenience only and shall not affect the interpretation of this Agreement; (b) reference to the singular includes a reference to the plural and vice versa, and reference to any gender includes a reference to all other genders; (c) reference to an individual shall include his legal representative, successor, legal heir, executor and administrator; (d) reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the date of this Agreement) for the time being in force and to all statutory instruments or orders made pursuant to statutory provisions; (e) references to any Section shall be deemed to be a reference to such clause of or to this Agreement; (f) reference to any document (including this Agreement) includes references to that document as amended, consolidated, supplemented, novated or replaced from time to time; (g) words such as “include”, “including”, or words of similar import shall be construed without limitation; and (h) references to “dollars” or “\$” or “USD” are references to United States dollars.

2. Conditions Precedent

Lender’s obligation to make the Loan available to Borrower is subject to fulfillment of the following conditions precedent: (a) Lender shall have received such other documents supplemental and/or ancillary to this Agreement as Lender may request; and (b) no Event of Default (as hereinafter defined), or event which with notice or lapse of time or both would constitute an Event of Default, has occurred and is continuing.

3. The Loan

Subject to the terms and conditions of this Agreement, Lender agrees, at its discretion, to make available to Borrower the Loan, through one or more Advances, in order to fund Borrower’s working capital requirements. Advances may additionally be made by Lender paying expenses of Borrower and providing a written invoice of the expense to the Borrower within thirty (30) days of paying the expense. Lender shall, at its discretion, upon receipt of a written request from Borrower specifying the date and amount of the Advance, and provided that no Event of Default is continuing, disburse the Advance. Borrower shall use the Advances solely for the purposes of funding working capital. The Loan shall be a revolving facility, and any borrowing which is repaid by Borrower may be made available for re-advance by Lender under this Agreement, in the discretion of Lender. The maximum amount of the Loan advanced and not repaid at any time shall not exceed \$ _____ (“Maximum Loan Amount”).

4. Interest and Repayment of the Loan

Interest shall not accrue, provided, however, that interest on the outstanding principal at the rate of 10% per annum (the "Interest Rate") shall accrue beginning immediately upon an Event of Default, as determined by Lender in its sole and absolute discretion. If an Event of Default is continuing, Lender may in its sole discretion demand immediate repayment of the Loan and any other outstanding amount under this Agreement immediately upon written notice to Borrower. All payments to be made by Borrower hereunder shall be paid in full (without setoff or deduction of any kind) in Dollars using such payment instructions as Lender may designate to Borrower from time to time. Any bank charges by whatever name incurred with respect to such payments shall be borne by Borrower. Lender shall maintain accurate records of all Advances and all repayments made by Borrower. Borrower agrees that a statement of the chief financial officer of Lender as to the amount from time to time owed by Borrower pursuant to this Agreement shall be binding for all purposes in the absence of manifest error in calculation.

5. Borrower Representations, Warranties and Covenants

5.1 Borrower hereby represents and warrants to Lender as follows, which will be true and accurate on the date of this Agreement and throughout the continuance of this Agreement with reference to the facts and circumstances subsisting from time to time: (a) Borrower is an entity established and existing under the laws of its jurisdiction of organization as specified above and has full legal right, power and authority to enter into this Agreement and to perform its obligations hereunder and thereunder; (b) this Agreement is (and each other document or agreement referred to herein to be made and performed by Borrower pursuant to the terms of this Agreement when executed and delivered will be) the legal, valid and binding obligations of Borrower enforceable against it in all respects in accordance with its terms and conditions; (c) there has not occurred, and the execution, delivery and performance of this Agreement or any other agreement or instrument contemplated herein will not cause the occurrence, of any Event of Default or event which, with the giving of notice or lapse of time or both, would constitute an event of default under any agreement to which Borrower is a party or by which its property is bound; and (d) there are no actions, suits, or proceedings pending, or to Borrower's best knowledge, threatened, against or affecting it in any court or administrative body or arbitral tribunal that could reasonably be expected to materially adversely affect its ability to meet and carry out its obligations under this Agreement or that purports to affect the legality, validity, or enforceability of this Agreement.

5.2 Borrower shall comply with all laws and regulations applicable to Borrower that relate to, or could reasonably be expected to materially affect, the performance of its obligations under this Agreement.

6. Events of Default; Remedies

6.1 Each of the following shall constitute an "Event of Default": (a) failure by Borrower to perform any of its obligations under, or any event constituting a default under, this Agreement, or the taking of any action by Borrower that in Lender's reasonable opinion materially jeopardizes, or infringes upon Lender's rights under this Agreement; (b) any of the representations or warranties contained herein or in any other agreement between Borrower and Lender or in any certificate required to be provided hereunder or thereunder shall be or be shown to be untrue, inaccurate or misleading in any material manner; (c) Borrower becomes bankrupt or insolvent (as the case may be) or admits in writing its inability to pay debts as they mature; (d) Borrower applies for, consents to, or acquiesces in the appointment of a receiver or other person requested by a creditor to manage any of its property or business, or in the absence of any such application, consent, or acquiescence, a receiver or other person is appointed to manage any of its property or business; or (e) Borrower otherwise commits an act of bankruptcy, or any bankruptcy, reorganization, debt arrangement, or other proceeding under any bankruptcy or insolvency law, or

any dissolution or liquidation proceeding is instituted by or against it and, if instituted, is consented to or acquiesced in by it or remains undismissed for more than thirty (30) days.

6.2 If an Event of Default is continuing, Lender shall be entitled, by notice in writing to Borrower, to declare that the Loan is immediately due and payable without further written demand or notice of any kind (provided, however, that, with respect to any Event of Default pursuant to clauses (c), (d) or (e) of Section 6.1, the Loan is hereby deemed to be automatically due and payable), and Lender shall be entitled to take whatever action it deems necessary pursuant to this Agreement or any other security or other Loan documents relating to the Loan, or in accordance with applicable laws or at equity, to secure the repayment of the Loan (all of which remedies may be pursued simultaneously or in any order, without being deemed an election to pursue a particular remedy instead of any other).

6.3 Without prejudice to any of its other obligations hereunder, Borrower hereby indemnifies and agrees to defend Lender against any loss or expenses, including legal expenses, which Lender may incur or sustain as a consequence of any Event of Default, including (but not limited to) any interest or fees paid or payable on account of, or in respect of, any funds borrowed or deposits from third parties in order to carry the amount outstanding under the Loan, or in liquidating or redemption.

7. Miscellaneous

7.1 This Agreement and all transactions executed hereunder shall be governed and construed in accordance with the laws of the State of Florida, without regard to any conflicts of laws principles which would require the application of any law other than that of the State of Florida.

7.2 All notices and other communications required or permitted to be transmitted to any Party pursuant to the provisions hereof shall be given in writing delivered by hand or by prepaid courier (in each case against signature of receipt) addressed to the Parties at their respective addresses first set forth above (or to such other address as a Party may from time to time notify in writing to the other).

7.3 It is the intention of the parties hereto to comply with all applicable usury laws. Accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Agreement, in no event shall this Agreement require the payment or permit the collection of interest in excess of the maximum amount permitted by such laws. If any such excess interest is contracted for, charged or received under this Agreement, or in the event the maturity of the indebtedness evidenced hereby is accelerated in whole or in part, or in the event that all or part of the principal or interest under this Agreement shall be prepaid, so that under any of such circumstances, the amount of interest contracted for, charged or received under this Agreement shall exceed the maximum amount of interest permitted by applicable usury laws, then in any such event: (a) the provisions of this Section 8.3 shall govern or control; (b) neither Borrower nor any other person or entity now or hereafter liable for payments under this Agreement shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by applicable usury laws; (c) any such excess which may have been collected shall be applied either (at Lender's option) as a credit against the then unpaid principal amount hereof or refunded to Borrower; and (d) the effective rate of interest under this Agreement shall be automatically reduced to the maximum lawful rate allowed under the applicable usury jurisdiction thereof.

7.4 Neither this Agreement nor any of the rights and obligations hereunder shall be assigned by Borrower without the prior written consent of Lender. Borrower hereby consents to the assignment by Lender of any of Lender's rights or obligations hereunder to any other party or parties.

7.5 If any provision of this Agreement shall be determined to be illegal and/or unenforceable or if any provision of this Agreement shall become illegal and/or unenforceable at any time hereafter, then all other provisions of this Agreement shall be severable and shall remain valid, binding and enforceable in accordance with their terms, and the Parties agree that a provision which shall be determined to be or which shall become illegal or unenforceable, shall be substituted by another legal provision which shall maintain the economic purposes and the intentions of the Parties.

7.6 Each Party agrees from time to time to perform any further act and execute and deliver any further documents and instruments and do or refrain from doing all such further acts and things as may from time to time reasonably be requested by the other Parties to carry out effectively or better evidence or perfect the intent of this Agreement.

7.7 Any change and/or amendment of this Agreement shall be in writing and signed by all Parties hereto. No waiver or variation by either Party of any of the provisions of this Agreement shall be duly made or deemed to have been duly made unless in writing and signed by all Parties hereto effecting such waiver or variation. The failure by either Party to insist on any occasion upon the performance of the terms, conditions, and provisions of this Agreement, shall not thereby act as a waiver of such breach or acceptance of any variation.

7.8 This Agreement may be executed in any number of counterparts and all counterparts taken together will be deemed to constitute one and the same Agreement. This Agreement may be delivered by facsimile, email or other form of electronic transmission with the same effect as if an originally executed version of this Agreement was physically delivered to each of the Parties.

7.9 EACH OF BORROWER AND LENDER HEREBY WAIVE THEIR RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER, OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS, AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH ACTION OR CLAIM SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS EVIDENCE OF SUCH WAIVER.

IN WITNESS WHEREOF, Borrower and Lender have caused this Agreement to be executed by their respective officers/directors, duly authorized so to do, all as of the day and year first above written.

Leon County Research
and Development Authority

Innovation Park TLH, Inc.

By: _____
David B. Ramsay, Chair

By: _____
David B. Ramsay, President