

**Sebring Airport Authority
Board Meeting Agenda
May 15, 2025**

1:30 p.m.

**Hendricks Field
Sebring Airside Center**

1. OPENING ITEMS

- a) **Call to Order**
- b) **Pledge of Allegiance and Invocation**
- c) **Roll Call**
- d) **Election of Officers**
- e) **Announcements**

Upcoming Meetings & Events

<u>Date</u>	<u>Time</u>	<u>Meeting/Event</u>	<u>Location</u>
05/26/2025		Memorial Day – Executive Offices Closed	
06/19/2025	1:30pm	SAA/CRA Board Meeting	Hendricks Field Center
07/04/2025		Fourth of July – Executive Offices Closed	

2. CONSENT AGENDA

Is there any Public Comment pertaining to the consent items below?

- a) Approve April 2025 Minutes and Invoices
- b) Approve Final 2023-2024 Audited SAA Financial Report

3. MISCELLANEOUS

4. ACTION ITEMS

Is there any Public Comment pertaining to the action items outlined below?

- a) ITB #25-03 Weed Control Services – Recommendation of Award and Contract - Bio-Tech Consulting, Inc.
- b) RFQ #25-02 Professional Aviation Consulting Services – AtkinsRéalis USA Inc.
- c) RFQ #25-02 Professional Aviation Consulting Services – Avcon, Inc.
- d) ITB #25-04 Apron High Mast Lighting Add Service – Recommendation of Award – Trinity Electrical Services, LLC - \$222,270
- e) *Approve and Ratify the execution and delivery of: Webster Turn Drive Rehabilitation – Florida Job Growth Infrastructure Grant - \$2,113,560; and all action as taken by Airport Staff with respect thereto*
- f) Resolution 25-03 Approving Budget Amendment S25-02

CONTINGENT ACTION ITEMS

5. EXECUTIVE DIRECTORS' REPORT

- FBO Report – Andrew Bennett

- John Culver, system Director of Environmental Sustainability for AdventHealth, has graciously agreed to present a snapshot of AdventHealth's sustainability efforts. John has been at the forefront of numerous key sustainability initiatives and will be well-positioned to share valuable insights and answer any questions the board may have.

6. BOARD OF DIRECTORS' BUSINESS

- Form 9 is due by June 30th
- Form 1 is due by July 1st
- Florida Association of Special Districts (FASD) Ethics Training – Reminder email was sent on April 21st

7. CONCERNS OF THE PUBLIC

8. ADJOURNMENT

If a person decides to appeal any decision made by the Board at any meeting or hearing, he will need a verbatim record of the proceedings. The record must include the testimony and evidence upon which the appeal is to be based. Sebring Airport Authority also gives notice that the Chairman is authorized to cancel or postpone any scheduled meeting or hearing by directing the Executive Director to so inform all Board members and any other interested parties and the press. Sebring Airport Authority does not discriminate upon the basis of any individual's disability status. This non-discriminatory policy involves every aspect of the Board's functions, including one's access to, participation in, employment of, or treatment in its programs or activities. Anyone requiring reasonable accommodations as provided for in the Americans with Disabilities Act should contact Jami Olive, Sebring Airport Authority at 863-314-1317.

Note: Note: Additional staff items may be considered if they come in after the agenda deadline.

**SEBRING AIRPORT AUTHORITY
BOARD MEETING
April 17, 2025**

The Sebring Airport Authority Board of Directors held a scheduled Board Meeting on April 17, 2025, at 1:30 p.m. in person and by telephone-technology conference call. A quorum was met with the following in attendance:

Pete McDevitt	-	Chairman
Stanley Wells	-	Vice Chairman
Carl Cool	-	Assistant Secretary
Mark Andrews	-	Board Member

Also

Mike Willingham	-	Executive Director
Andrew Bennett	-	Deputy Director
Colleen Plonsky	-	Director of Finance
Heather Leon	-	Accounting Supervisor
Bob Swaine	-	Swaine, Harris & Wohl, P.A.
Jack Thompson	-	Avcon, Inc.
Keira Medina	-	Avcon, Inc.
Malonie Ayers	-	Infrastructure Consulting & Engineering
Rex Thompson	-	Allied Universal
Eric Menger	-	Hanson Professional Services
Sarah Beth Murphy	-	Highlands County Economic Development
Kevin McCauley	-	AtkinsRéalis
Dion Viventi	-	Prime Engineering
Julie Fowler	-	CliftonLarsonAllen
D. Craig Johnson	-	Secretary (by Teams Only)
Craig Sucich	-	RS&H (by Teams)

1. OPENING ITEMS

A. Meeting was called to order at 1:30 p.m. by Vice Chairman Stanley Wells.

B. Bob Swaine led the Invocation and led the Pledge.

C. Roll Call

Mark Andrews, Carl Cool, Pete McDevitt, and Stanley Wells were present at the meeting. D. Craig Johnson joined the meeting with Microsoft Teams. Terrill Morris and Jason Dunkel were absent.

D. Announcements

Stanley Wells asked if there were any other announcements than the ones presented, which was, the executive offices will be closed Friday, April 18th for

Good Friday, the next board meeting will be Thursday May 15th at 1:30pm and Monday May 26th the executive offices will be closed for Memorial Day.

2. CONSENT AGENDA

Approve the Consent Agenda:

There was a motion by Carl Cool to approve the Consent Agenda with a second by Mark Andrews. The motion was passed with ayes from Andrews, Cool, McDevitt, and Wells.

3. MISCELLANEOUS

No items were presented.

4. ACTION ITEMS

A. Public Transportation Grant Agreement – FDOT Fuel Farm Improvements at Sebring Regional Airport - \$301,828

This item was presented by Andrew Bennett. There was a brief discussion. There was a motion by Mark Andrews to approve the item as presented, with a second by Carl Cool. The motion was passed with aye votes by Andrews, Cool, Dunkel, Johnson, McDevitt and Wells.

B. RFP 25-02 Professional Aviation Consulting Services – Recommendation of Award

This item was presented by Andrew Bennett. There was a brief discussion. There was a motion by Carl Cool to approve the item as presented, with a second by Pete McDevitt. The motion was passed with aye votes by Andrews, Cool, McDevitt and Wells.

C. SkyWrench Aircraft Services, LLC – Lease Building 103 C1

This item was presented by Andrew Bennett. There was a brief discussion. There was a motion by Mark Andrews to approve the item as presented, with a second by Carl Cool. The motion was passed with aye votes by Andrews, Cool, McDevitt and Wells.

D. Hendricks Field Aviation, LLC – Lease building 103 C4

This item was presented by Andrew Bennett. There was a brief discussion. There was a motion by Carl Cool to approve the item as presented, with a second by Mark Andrews. The motion was passed with aye votes by Andrews, Cool, McDevitt and Wells.

E. Hendricks Field Aviation, LLC – Lease Building 103 C5

This item was presented by Andrew Bennett. There was a brief discussion. There was a motion by Mark Andrews to approve the item as presented, with a second by Carl Cool. The motion was passed with aye votes by Andrews, Cool, McDevitt and Wells.

F. Hawker Aviation Holdings, LLC – Lease building 104 C1

This item was presented by Andrew Bennett. There was a brief discussion. There was a motion by Mark Andrews to approve the item as presented, with a second by Carl Cool. The motion was passed with aye votes by Andrews, Cool, McDevitt and Wells.

G. Resolution 25-02 Approving Budget Amendment S25-01

This item was presented by Colleen Plonsky. There was a brief discussion. There was a motion by Carl Cool to approve the item as presented, with a second by Mark Andrews. The motion was passed with aye votes by Andrews, Cool, Devitt and Wells.

CONTINGENT ACTION ITEMS

5. DIRECTOR'S REPORT

Deputy Director Andrew Bennett presented the Executive Director's report.

Deputy Director Andrew Bennett updated the Board on FBO activities, Sebring Airport projects that are ongoing or upcoming and Range activities. There was a brief discussion in regard to the range activities. There was a discussion on the current proposed CRA legislation, Executive Director Mike Willingham gave a brief update.

6. DIRECTOR'S BUSINESS

Julie Fowler with CliftonLarsonAllen presented the board with the draft audit for the 2023-2024 Audited SAA Financial Report. Discussion was held.

Vice Chairman asked for nominations for the one expiring term. Mark Andrews made a motion to nominate Carl Cool and Gary Germaine for the seat now held by Carl Cool and move the nominations to be closed. There was a second by Pete McDevitt. Carl Cool is choosing to abstain from the vote. The motion was passed with aye votes by Andrews, McDevitt and Wells.

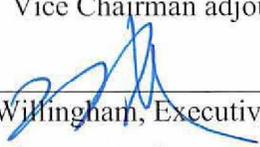
Vice Chairman Stanley Wells announced Form 1 and Form 9, Executive Director Mike Willingham gave a brief discussion on how to complete the forms.

Florida Association of Special Districts (FASD) Ethics Training – just a reminder to complete Ethics training by June 1st. Staff will resend the email with the training information.

7. CONCERNS OF THE PUBLIC

8. ADJOURNMENT

Vice Chairman adjourned meeting at 2:00 pm.



Mike Willingham, Executive Director

5.15.25

Approved by Board

April 2025 Paid List

Date	SAA/FBO - Paid Invoices	Amount	Description
4/1/2025	Cintas Corporation No. 2	\$169.93	FBO: First Aid Cabinet Replenishment
4/1/2025	Air & Electrical Services, Inc	\$2,050.21	SAA: Building 22 - AC Unit Repairs, Unit Not Cooling - Replaced Ceiling Tiles, Thermostat, Zone Board & Sensor
4/1/2025	Andrew H. Bennett	\$168.19	SAA: Out-of-Town Travel Reimbursement
4/1/2025	Bella Villa 31	\$2,980.00	SAA/FBO: March 2025 Cleaning of Terminal Building
4/1/2025	Bugs Bee-Ware Ext., Inc.	\$573.00	SAA: Quarterly Extermination on 03.25.25
4/1/2025	Carl F Weaver	\$3,875.00	SAA: Life Safety Plans, Evaluations & Inspections for SIR 12 Hours of Sebring/Race Week 2025
4/1/2025	Cintas	\$204.25	SAA/FBO: Weekly Svcs; Mats, Soap, GermX, Sanis Screens
4/1/2025	Florida Waste Solutions LLC	\$1,191.20	SAA/FBO: Monthly Waste Collection Service - March 2025
4/1/2025	Leaf Capital Funding, LLC	\$759.89	SAA/FBO: Lease of Copy Machines - 2024 Property Tax and Insurance
4/1/2025	Rapid Systems	\$638.95	SAA/FBO: March 2025 Monthly Internet Terminal Building
4/1/2025	Armando J. de Solo III	\$15.00	SAA: Embroidery on Shirts for Employees
4/1/2025	Sunbelt Rentals, Inc	\$2,856.30	SAA: Rental of 3 Vertical Mast Lighting for Race Week 2025
4/1/2025	TechHouse:Intergrated	\$38.06	SAA: General IT Support - Bev's Contacts Follow Up Email
4/3/2025	Ascent Aviation Group	\$22,039.41	FBO: Jet-A Fuel @ KSEF
4/3/2025	Ascent Aviation Group	\$970.00	FBO: Jet-A Fuel Additive Drum @ KSEF
4/4/2025	Ascent Aviation Group	\$21,978.50	FBO: Jet-A Fuel @ KSEF
4/7/2025	Ascent Aviation Group	\$21,471.66	FBO: Jet-A Fuel @ KSEF
4/7/2025	Ascent Aviation Group	\$23,653.95	FBO: Jet-A Fuel @ APBR
4/8/2025	CAMP Software Inc.	\$297.50	FBO: TFBO Software for 5 Users - April 2025
4/8/2025	Cintas	\$204.25	SAA/FBO: Weekly Svcs; Mats, Soap, GermX, Sanis Screens
4/8/2025	Cintas	\$122.00	SAA/FBO: Monthly Agreement for AED System
4/8/2025	Copy Life Inc	\$331.46	SAA/FBO: March 2025 Copies
4/8/2025	CrawfordTech Government Solutions	\$792.00	SAA/CRA: March 2025 Board Packet Transcripts
4/8/2025	Leedy Electric West	\$4,407.32	SAA: Major PM on 300kW Generac Generator (2024 & 2025) & 25kW Tradewinds Generator Technician + Materials + Travel
4/8/2025	Paul C Valladares Jr	\$270.00	SAA/FBO: April 2025 Plant Services
4/8/2025	SWK Technologies, Inc.	\$1,380.00	SAA: MAS90 Directory to New Server and Test Install of SAGE 100 2024 Edition
4/11/2025	Ascent Aviation Group	\$46.00	FBO: CC Heartland Warranty Fee/CC Communication Fee
4/15/2025	Mosaix Software Inc.	\$1,315.00	FBO: Avman Series 1 Software - May 2025
4/15/2025	RelaDyne Florida LLC	\$3,361.64	FBO: Bulk Oil for Resale
4/15/2025	Craig D Curtis	\$330.00	SAA: Rekey Building 103; C1, C4, C5
4/15/2025	Universal Protection Service, LLC	\$15,854.48	SAA: March 2025 Security Services
4/15/2025	Avcon, Inc.	\$1,343.00	SAA: February 2025 General On-Call Services
4/15/2025	Bugs Bee-Ware Ext., Inc.	\$976.00	SAA: Insecticide Application, Nutritional Blend, Herbicide Application
4/15/2025	Cintas	\$204.25	SAA/FBO: Weekly Svcs; Mats, Soap, GermX, Sanis Screens
4/15/2025	Lumen	\$1,151.82	SAA/FBO: April 2025 Fiber Optics
4/15/2025	CES Commercial Roofing, LLC	\$4,440.00	SAA: Annual Roof Maintenance on Bldg. 60
4/15/2025	Hanson Professional Services Inc	\$7,000.00	SAA: Independent Fee Estimate Taxiway A Rehabilitation - Design Services Sebring Regional Airport & for Taxiway D: CEI Services
4/15/2025	Heartland Spring Water, Inc.	\$202.00	SAA/FBO: Delivery of 20 Cases of Spring Water
4/15/2025	The News Sun	\$351.65	SAA: Notice to Bidders/Invitation for Bids; Bid 25-04 Apron High Mast Light
4/15/2025	Quality Roofing & Sheet Metal of CFL	\$33,060.00	SAA: Buildings 918, 916, 917, 919, and Breezeways Roof Repairs; Documentation & Estimate of Any Repairs Needed
4/15/2025	Robbins Nursery, Inc.	\$6,032.45	SAA: Brown Mulch for Sebring Airport
4/15/2025	Armando J. de Solo III	\$1,355.00	FBO: Sebring Airport Logo on Shirts for Resale
4/17/2025	TechHouse:Intergrated	\$91.88	SAA: General IT Support - Issues with Deputy Director's Email
4/17/2025	SWK Technologies, Inc.	\$498.75	SAA: Monthly Fee for Sage 100 Secure Cloud Services
4/17/2025	SWK Technologies, Inc.	\$2,500.00	SAA: SWK Support Plan For Sage 100 - Remote technical Assistance 06.09.2025-06.08.2026
4/21/2025	Ascent Aviation Group	\$32,976.20	FBO: 100LL Avgas @ KSEF
4/21/2025	Ascent Aviation Group	\$23,360.00	FBO: Jet-A Fuel @ APBR

April 2025 Paid List

Date	SAA/FBO - Paid Invoices	Amount	Description
4/22/2025	Gibson Aviation Services Inc.	\$2,287.31	FBO: Performed Meter Calibrations; Equipment, Parts, Service Call & Mileage
4/22/2025	Air & Electrical Services, Inc	\$749.65	SAA: Repaired Fiber Optics; Installed 6x6 Box; Parts + Labor
4/22/2025	Big Messages LLC	\$173.55	SAA/FBO: After Hours Telephone Answering Service
4/22/2025	Cintas	\$378.22	SAA/FBO: Weekly Svcs; Mats, Soap, GermX, Sanis Screens, Red FBO Mats
4/22/2025	CivilSurv Design Group, Inc.	\$9,385.00	SAA: Professional Svcs for Webster Turn Drive Reconstruction
4/22/2025	CliftonLarsonAllen	\$437.50	SAA: Monthly Lease & SBITA Software Fees
4/22/2025	Colt's Pressure Cleaning & Painting Inc.	\$800.00	SAA: Building 103 C4 - Paint the Interior Office of Hangar
4/22/2025	CrawfordTech Government Solutions	\$57.60	CRA: CRA 2023-2024 Annual Report for Document Remediation
4/22/2025	Kaplan Kirsch LLP	\$3,810.00	SAA: Legal Svcs; Aerobatic Practice Area Dispute
4/22/2025	Armando J. de Solo III	\$25.00	SAA: Embroidery on Uniform Shirts for Executive Staff
4/22/2025	SWK Technologies, Inc.	\$250.00	SAA: Remote Technical Consulting Regarding SAA Audit 2024
4/22/2025	TechHouse:Intergrated	\$1,641.86	SAA/FBO: Monthly Recurring Software Fees; General IT Support - Email, Camera and Sharepoint Issues Resolved
4/22/2025	Texas Aquatic Harvesting, Inc	\$139,290.00	SAA: SEF Perimeter Canal Clearing - Phase III - Per Contract
4/22/2025	Stantec Consulting Services, Inc.	\$1,275.75	CRA: Community Redevelopment Plan Update
4/24/2025	Dustin Dennis	\$510.00	SAA/FBO: Detailing of Airport Vehicles
4/28/2025	Ascent Aviation Group	\$22,566.00	FBO: Jet-A Fuel @ KSEF
4/29/2025	Jack's Lawn Service	\$8,670.00	SAA: April 2025 Lawn and Landscape Care; Two Loads to Landfill; Replace Flowers at Flagpole
4/30/2025	Atkins North America, Inc.	\$21,277.50	SAA: March 2025 On-Call Consulting Services
4/30/2025	Avcon, Inc.	\$2,455.00	SAA: March 2025 General On-Call Services
4/30/2025	Becker & Poliakoff, P.A.	\$1,875.00	SAA: Review of Leasehold
4/30/2025	Bryant Miller Olive P.A.	\$4,928.62	March 2025 Legal Svcs; RE: SLID Stormwater Treatment; Landlord/Tenant Dispute with O'Brien Helicopters; Landlord/Tenant Dispute with EStone USA Corp.
4/30/2025	Cintas	\$204.25	SAA/FBO: Weekly Svcs; Mats, Soap, GermX, Sanis Screens
4/30/2025	Clyde Johnson Contracting & Roofing	\$1,225.00	SAA: Building 103 C1 Hangar Panel Repairs
4/30/2025	Highlands News-Sun	\$317.00	SAA: Subscription Renewal for 52 Weeks
4/30/2025	Leedy Electric West	\$1,823.50	SAA: Replaced Starter on Generator; Troubleshoot Low Oil Pressure Shutdown; Technicians + Mileage
4/30/2025	Shutts & Bowen, LLP	\$662.00	SAA: March 2025 Legal Svcs; Star Farms Corp.
4/30/2025	Swaine, Harris & Wohl, P.A.	\$3,622.90	SAA: March 2025 General On Call Services; Legal Svcs - SLID Dispute; Legal Svcs - EStone
4/30/2025	TechHouse:Intergrated	\$330.00	SAA: ProRated Annual NCE Subscription Expiring February 2026 - Microsoft Copilot for Microsoft 365

Total Paid: \$480,916.36

April 2025 P-Cards

Purchase Date	Vendor Name	Amount	Description
4/4/2025	AMAZON MKTPL VK6V83WS3	\$5.59	FBO: Money Envelopes for Front Desk Cash Register
4/5/2025	WAWA 5373	\$53.17	SAA: Fuel for Operations Vehicle
4/5/2025	WAL-MART #0814	\$28.44	SAA: Kitchen Supplies Dishwasher Pods Rinse Liquid
4/5/2025	STARLINK INTERNET	\$500.00	SAA/FBO: Monthly Back-Up Satellite Internet Service
4/5/2025	VMO VIMEO.COM	\$144.00	SAA: Subscription to Online Video Sharing
4/6/2025	MIA LA CARRETA REST D3	\$20.43	SAA: Meal for Staff Member at Passenger Terminal Expo in Madrid Spain
4/7/2025	IN ICL CALIBRATION LABOR	\$976.80	FBO: Thermohydrometer For Fuel Testing
4/7/2025	7963	\$36.66	SAA: Meal for Staff Member at Passenger Terminal Expo in Madrid Spain
4/7/2025	PAMPA BEEF	\$36.71	SAA: Meal for Staff Member at Passenger Terminal Expo in Madrid Spain
4/7/2025	HOTEL REGINA	\$1,033.67	SAA: Hotel for Passenger Terminal Expo In Madrid Spain
4/8/2025	HUNDRED ELOY GONZALO TSB	\$21.16	SAA: Meal for Staff Member at Passenger Terminal Expo in Madrid Spain
4/8/2025	AMAZON MKTPL CQ7GM4203	\$55.90	SAA: Staff Only Signs for Restrooms
4/8/2025	INTERNATIONAL TRANSACTION	\$0.74	SAA: International Fee - Travel Expense
4/8/2025	INTERNATIONAL TRANSACTION	\$10.34	SAA: International Transaction Fee - Hotel for Passenger Terminal Expo - Madrid Spain
4/8/2025	AMAZON MKTPL B13Z23P63	\$56.97	SAA: Office Supplies Binder Index Label for Grant Billing
4/9/2025	WAWA 5370	\$40.03	FBO: Fuel for Courtesy Vehicle
4/9/2025	WAWA 5370	\$100.27	FBO: Fuel for Courtesy Vehicle and Golf Carts
4/9/2025	Amazon.com DL44E96U3	\$88.07	FBO: Coffee Station Replenishment (Splenda, Half & Half, Vanilla Creamer)
4/9/2025	SP SRQCOFFEE.COM	\$149.85	FBO: Coffee Station Replenishment (Coffee)
4/9/2025	LIC09317	\$34.75	SAA: Taxi Fee for Aero Friedrichshafen General Aviation Conference
4/9/2025	MARCOS GRACIA ALCOCER LIC	\$24.19	SAA: Meal for Staff Member at Aero Friedrichshafen General Aviation Conference
4/9/2025	PAMPA BEEF	\$36.46	SAA: Meal for Staff Member at Passenger Terminal Expo in Madrid Spain
4/9/2025	CIRCLE K 07515	\$82.00	SAA/FBO: Fuel for Maintenance Truck
4/9/2025	INTERNATIONAL TRANSACTION	\$0.21	SAA: International Fee - Travel Expense
4/9/2025	ADOBE ADOBE	\$239.90	SAA: Monthly Subscriptions
4/10/2025	PAYPAL CUPPRINTLLC	\$596.20	FBO: Sebring Coffee Cups
4/10/2025	APSAVIATION.COM	\$550.31	FBO: Fuel Farm Repairs and Fuel Testing
4/10/2025	Amazon.com 6Y3122TI3	\$32.21	FBO/SAA: Operating Supplies - Trash Bags
4/10/2025	Confiserie Sprungli AG G7	\$18.06	SAA: Meal for Staff Member at Aero Friedrichshafen General Aviation Conference
4/10/2025	Foodland TUK	\$33.27	SAA: Meal for Staff Member at Aero Friedrichshafen General Aviation Conference
4/10/2025	HOTEL REGINA	\$7.21	SAA: Hotel Fee for Passenger Terminal Expo In Madrid Spain
4/10/2025	HOTEL REGINA	\$19.67	SAA: Meal for Staff Member at Passenger Terminal Expo in Madrid Spain
4/10/2025	Sushi & Nem Vietnamesisch	\$32.63	SAA: Meal for Staff Member at Aero Friedrichshafen General Aviation Conference
4/10/2025	TAXI -JOSE A CALLE	\$41.04	SAA: Taxi Fee for Passenger Terminal Expo in Madrid Spain
4/10/2025	INTERNATIONAL TRANSACTION	\$0.95	SAA: International Fee - Travel Expense
4/10/2025	HARBOR FREIGHT TOOLS 538	\$75.96	SAA: Tools for Maintenance
4/11/2025	EXXON LAMOSS INC.	\$46.71	FBO: Fuel for Courtesy Vehicle
4/11/2025	SP SRQCOFFEE.COM	\$63.94	FBO: Coffee Station Replenishment (Coffee)
4/11/2025	AMAZON MKTPL 9M3LN7JW3	\$130.91	SAA: Tools for Maintenance
4/11/2025	AMAZON MKTPL 2S46D8BN3	\$55.97	FBO: Operating Supplies - Hangers for Shirts
4/11/2025	Sushi & Nem Vietnamesisch	\$43.79	SAA: Meal for Staff Member at Aero Friedrichshafen General Aviation Conference
4/11/2025	Taxi Fuhrmann	\$19.43	SAA: Taxi Fee for Aero Friedrichshafen General Aviation Conference
4/11/2025	DLX FOR SMALLBUSINESS	\$284.56	SAA: Checks for SAA Operating Account
4/11/2025	INTERNATIONAL TRANSACTION	\$1.52	SAA: International Fee - Travel Expense
4/12/2025	L'Oro di Napoli	\$41.68	SAA: Meal for Staff Member at Aero Friedrichshafen General Aviation Conference
4/13/2025	Hyatt Regency Zurich	\$411.04	SAA: Hotel Stay for Return Flight for Aero Friedrichshafen General Aviation Conference
4/13/2025	MIA PARKING	\$177.00	SAA: Parking at Miami International Airport - Trip to Madrid
4/13/2025	TRTAX&ACTGPROFESSIONAL	\$306.00	SAA: Monthly Subscription Fixed Asset Software
4/14/2025	INTERNATIONAL TRANSACTION	\$1.05	SAA: International Fee - Travel Expense

April 2025 P-Cards

Purchase Date	Vendor Name	Amount	Description
4/14/2025	APEX OFFICE PRODUCTS INC	\$315.29	SAA/FBO: Office Supplies: Paper, PaperClips, Sharpies, Pens
4/15/2025	THE HOME DEPOT #6340	\$164.72	FBO: Mop, Bucket, Storage Organizer and Rags for FBO
4/15/2025	WAWA 5370	\$31.87	FBO: Fuel for Courtesy Vehicle
4/15/2025	AMAZON MKTPL 3I3M21LA3	\$38.97	FBO: Complimentary Mints for Lobby
4/15/2025	SQ MID FLORIDA TRUCK PAR	\$15.98	FBO: Windshield Wipers for Fuel Truck
4/15/2025	SQ MID FLORIDA TRUCK PAR	\$197.94	FBO: Fuel Truck 5000-3 Oil and Coolant
4/15/2025	WAWA 5373	\$52.77	SAA: Fuel for Operations Vehicle
4/15/2025	INTERNATIONAL TRANSACTION	\$4.11	SAA: International Fee - Travel Expense
4/15/2025	APEX OFFICE PRODUCTS INC	\$239.97	SAA: Printer Toner 218A Cyan, Yellow, Magenta
4/16/2025	AMAZON MKTPL CO2MD0W53	\$43.06	FBO: Powder Gatorade for Linemen
4/16/2025	AMAZON MKTPL XU3D60NC3	\$75.70	FBO: Mouse Pad, Phone Detangler and Shirt Rack
4/16/2025	WAWA 5370	\$39.04	FBO: Fuel for Courtesy Vehicle
4/16/2025	SQ MID FLORIDA TRUCK PAR	\$232.93	FBO: Fuel Truck 5000-3 Oil, Filter, and Coolant
4/16/2025	FADED BISTRO & BEER GARDE	\$55.52	SAA: Executive Staff Luncheon with Prospect
4/16/2025	CIRCLE K 07515	\$75.00	SAA/FBO: Fuel for Maintenance Truck
4/16/2025	APEX OFFICE PRODUCTS INC	\$68.75	SAA: Printer Toner 218A Black
4/16/2025	AMAZON MKTPL 8I6H73LR3	\$29.99	SAA: New Keyboard and Mouse Combo for Boardroom
4/17/2025	AMAZON MKTPL 935GC9GN3	\$39.99	FBO: Coffee Station Replenishment (Disposable Coffee Cup Lids)
4/17/2025	CIRCLE K 09772	\$25.50	SAA: Fuel in Courtesy Vehicle
4/17/2025	SPRINGHILL SUITES BY M	\$443.78	SAA: Hotel Stay for Florida Aviation Professionals Academy Training for Airport Staff
4/17/2025	SHERWIN-WILLIAMS702090	\$28.95	SAA: Paint for Building 103 C1
4/18/2025	AMAZON MKTPL M97UW45V3	\$32.99	FBO: Coffee Station Replenishment (Disposable Coffee Cups)
4/21/2025	AMAZON MKTPL VQ43D6573	\$30.15	FBO: Clorox for Cleaning FBO
4/21/2025	AMAZON MKTPL 4X44Y18I3	\$39.98	FBO: Fire Extinguisher Placards
4/21/2025	RILES PUMP	\$33.95	FBO: O-rings for Fuel Pump Repairs
4/22/2025	NIC -FDLE CCHINET	\$25.00	FBO: Pre-employment Background Check
4/22/2025	EXXON LAMOSS INC.	\$61.48	FBO: Fuel for Courtesy Vehicle
4/22/2025	TRIANGLE HARDWARE	\$15.86	FBO: 5 inch Scraper Blades and Angle Iron for Golf Cart 1 Repair
4/23/2025	CIRCLE K 07515	\$24.00	FBO: Fuel for Courtesy Vehicle
4/23/2025	AMAZON MKTPL F151E3KO3	\$181.69	FBO: Light Bar for Golf Carts and Uniform For Linemen
4/23/2025	SQ MID FLORIDA TRUCK PAR	\$137.94	FBO: Fuel Truck 5000-3 Oil
4/23/2025	THE HOME DEPOT #6340	\$23.68	FBO: Golf Cart 1 Seat Repair
4/23/2025	TST SWIFT GRILL	\$42.07	SAA: Meal for Executive Staff - Press Conference with Governor - Florida Jobs Growth Grant Funding
4/23/2025	WAWA 5373	\$46.62	SAA: Fuel for Operations Vehicle
4/23/2025	SLICE ZACKSPIZZABBQ	\$99.15	SAA: Lunch for Airport Staff for Administrative Professionals Day
4/24/2025	VBS VONAGE BUSINESS	\$450.37	SAA/FBO: Monthly Phone Service
4/25/2025	NAPA AUTO PARTS SEBRING	\$48.42	FBO: Connectors for Lights on New Golf Carts
4/25/2025	TRIANGLE HARDWARE	\$37.99	FBO: Wiring for Lights on New Golf Carts
4/26/2025	CFX VES WEBSITE	\$6.52	SAA: Out-of-Town Tolls Paid
4/26/2025	VERIZONWRLSS RTCCR VB	\$1,440.70	SAA/FBO: Monthly Mobile Service April 2025
4/27/2025	Amazon.com NB9JC0322	\$25.84	FBO: Pilot Supplies - AA Batteries
4/28/2025	NIC -FDLE CCHINET	\$25.00	FBO: Pre-employment Background Check
4/28/2025	SENTRYLINK	\$19.95	FBO: Pre-employment Background Check
4/28/2025	LW-SNCF CONNECT 4409716	\$220.02	SAA: Train Tickets for Travel from Paris to Lyons, France for DUC Propellers Company Visit - June 2025
4/28/2025	AIR FRANCE 0572337010439	\$4,712.31	SAA: Airline Tickets to Paris Airshow for June 2025
4/29/2025	WM SUPERCENTER #666	\$59.90	FBO: Coffee Station Replenishment (Courtesy Gatorade)
4/29/2025	AMAZON MKTPL NB34B7542	\$21.99	FBO: Complimentary Mints for Lobby
4/29/2025	WAWA 5373	\$46.28	SAA: Fuel for Operations Vehicle
4/29/2025	CIRCLE K 07515	\$89.00	SAA/FBO: Fuel for Maintenance Truck
4/29/2025	INTERNATIONAL TRANSACTION	\$2.20	SAA: International Fee - Travel Expense
4/29/2025	Mailchimp	\$26.50	SAA: Email Marketing Tool
4/30/2025	WALMART.COM 8009256278	\$24.90	FBO: Water Bottles for Linemen
4/30/2025	WAWA 5370	\$26.29	FBO: Fuel for Courtesy Vehicle
4/30/2025	WAWA 5370	\$59.76	FBO: Fuel for Courtesy Vehicle and Golf Cart

April 2025 P-Cards

Purchase Date	Vendor Name	Amount	Description
4/30/2025	WAWA 5370	\$66.11	FBO: Fuel for Courtesy Vehicle
4/30/2025	1155-717-SHERIFF	\$10.00	SAA: Parking Fee - Airport Furniture Consult with BOS of Tampa
4/30/2025	COLUMBIA YBOR 101	\$119.16	SAA: Executive Staff Lunch - Airport Furniture Consult with BOS of Tampa
4/30/2025	APEX OFFICE PRODUCTS INC	\$315.49	SAA/FBO: Operating Supplies - Towels, Bags, Liners, Coffee Creamer
5/1/2025	GLISSON ANIMAL SUPPLY	\$33.90	FBO/SAA: Ratchet Straps for Maintenance
5/1/2025	GLISSON ANIMAL SUPPLY	\$325.00	FBO: Metal bin for Storage FBO
5/1/2025	NAPA AUTO PARTS SEBRING	\$21.34	SAA: Repair for 103 C1 - Hydraulic Adapters
5/1/2025	FLORIDA AIRPORTS COUNC	\$2,306.25	SAA: Registration for Airport Staff to Attend the Florida Airports Council Conference August 2025
5/1/2025	WWW.EBRIDGE.COM	\$175.00	SAA: Monthly Fee for Record Retention
5/2/2025	ERAU- TOUCHNET DB 2	\$599.00	FBO: Embry-Riddle Online Training - FBO MSM 1300 - Leadership for the FBO
5/2/2025	ERAU- TOUCHNET DB 2	\$599.00	FBO: Embry-Riddle Online Training - FBO MSM 1200 - Fuel Service Management for the FBO
5/2/2025	ERAU- TOUCHNET DB 2	\$599.00	SAA: Embry-Riddle Online Training - FBO MSM 1300 - Leadership for the FBO
5/2/2025	ERAU- TOUCHNET DB 2	\$599.00	SAA: Embry-Riddle Online Training - FBO MSM 1400 - Safety and Security for the FBO

Total Due: \$22,894.00

Accounts Payable Aged Invoice Report
Open Invoices - Aged by Invoice Date - As of 5/7/2025
Sebring Airport Authority (SAA)

Vendor No./ Invoice No.	Invoice Date	Due Date	Invoice Balance	Current	30 Days	60 Days	90 Days	120 Days	
BRYAN Eric T. Zwyer Tax Collector									
2014 CHEVY TA - 2025	5/1/2025	6/30/2025	\$46.10	\$46.10	\$0.00	\$0.00	\$0.00	\$0.00	SAA: Registration Renewal for 2014 Chevy Tahoe VIN #35527
2017 FORD 350 - 2025	5/1/2025	6/30/2025	\$46.10	\$46.10	\$0.00	\$0.00	\$0.00	\$0.00	SAA: Registration Renewal for 2017 Ford F350 VIN #14813
2018 CHEVY TA - 2025	5/1/2025	6/30/2025	\$46.10	\$46.10	\$0.00	\$0.00	\$0.00	\$0.00	SAA: Registration Renewal for 2018 Chevy Tahoe VIN #59839
2023 FORD E - 2025	5/1/2025	6/30/2025	\$46.10	\$46.10	\$0.00	\$0.00	\$0.00	\$0.00	SAA: Registration Renewal for 2023 Ford Explorer VIN #00623
2023 FORD EX - 2025	5/1/2025	6/30/2025	\$46.10	\$46.10	\$0.00	\$0.00	\$0.00	\$0.00	SAA: Registration Renewal for 2023 Ford Explorer VIN #34722
2023 FORD EXP - 2025	5/1/2025	6/30/2025	\$46.10	\$46.10	\$0.00	\$0.00	\$0.00	\$0.00	SAA: Registration Renewal for 2023 Ford Explorer VIN #00724
2025 CHEV TRA - 2025	5/1/2025	6/30/2025	\$46.10	\$46.10	\$0.00	\$0.00	\$0.00	\$0.00	SAA: Registration Renewal for 2025 Chevy Traverse VIN #48390
Vendor BRYAN Totals:			\$322.70	\$322.70	\$0.00	\$0.00	\$0.00	\$0.00	
BRYANT Bryant Miller Olive P.A.									
85782 SLID	4/30/2025	5/30/2025	\$4,120.00	\$4,120.00	\$0.00	\$0.00	\$0.00	\$0.00	SAA: April 2025 Legal Svcs: RE: SLID Stormwater Treatment
85783 OBRIEN	4/30/2025	5/30/2025	\$2,868.74	\$2,868.74	\$0.00	\$0.00	\$0.00	\$0.00	SAA: April 2025 Legal Svcs; Landlord/Tenant Dispute with O'Brien Helicopters
Vendor BRYANT Totals:			\$6,988.74	\$6,988.74	\$0.00	\$0.00	\$0.00	\$0.00	
CINTAS Cintas									
4228973403	4/30/2025	5/30/2025	\$204.25	\$204.25	\$0.00	\$0.00	\$0.00	\$0.00	SAA/FBO: Weekly Svcs; Mats, Soap, GermX, Sanis screens
Vendor CINTAS Totals:			\$204.25	\$204.25	\$0.00	\$0.00	\$0.00	\$0.00	
JACKS Jack's Lawn Service									
2462	5/1/2025	5/31/2025	\$8,325.00	\$8,325.00	\$0.00	\$0.00	\$0.00	\$0.00	SAA: May 2025 Lawn & Landscape Care
Vendor JACKS Totals:			\$8,325.00	\$8,325.00	\$0.00	\$0.00	\$0.00	\$0.00	
JOHNCON Johnson Controls, Inc.									
1-135660949861	4/29/2025	5/29/2025	\$1,244.00	\$1,244.00	\$0.00	\$0.00	\$0.00	\$0.00	SAA: Repaired Connections on Terminal Strip for AC in Board Room
Vendor JOHNCON Totals:			\$1,244.00	\$1,244.00	\$0.00	\$0.00	\$0.00	\$0.00	
SWAINE Swaine, Harris & Wohl, P.A.									
165964 SLID	4/30/2025	5/30/2025	\$940.00	\$940.00	\$0.00	\$0.00	\$0.00	\$0.00	SAA: April 2025 Legal Svcs; SLID Dispute
165965 OBRIEN	4/30/2025	5/30/2025	\$60.00	\$60.00	\$0.00	\$0.00	\$0.00	\$0.00	SAA: April 2025 Legal Svcs; O'Brien Helicopters Eviction
165966 OC	4/30/2025	5/30/2025	\$2,752.50	\$2,752.50	\$0.00	\$0.00	\$0.00	\$0.00	SAA: April 2025 General On-Call Services
Vendor SWAINE Totals:			\$3,752.50	\$3,752.50	\$0.00	\$0.00	\$0.00	\$0.00	
Report Totals:			<u>\$20,837.19</u>	<u>\$20,837.19</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	

Accounts Payable Aged Invoice Report
 Open Invoices - Aged by Invoice Date - As of 5/7/2025
 Sebring Airport Authority (FBO)

Vendor No./Invoice No.	Invoice Date	Due Date	Invoice Balance	Current	30 Days	60 Days	90 Days	120 Days	
ASCENT Ascent Aviation Group									
1105872	4/20/2025	5/10/2025	\$31,328.92	\$31,328.92	\$0.00	\$0.00	\$0.00	\$0.00	FBO: 100LL Avgas @ KSEF
1106910	4/23/2025	5/13/2025	\$21,105.38	\$21,105.38	\$0.00	\$0.00	\$0.00	\$0.00	FBO: Jet-A Fuel @ KSEF
M323260	5/1/2025	5/11/2025	\$46.00	\$46.00	\$0.00	\$0.00	\$0.00	\$0.00	FBO: CC Heartland Warranty Fee/CC Communication Fee
Vendor ASCENT Totals:			<u>\$52,480.30</u>	<u>\$52,480.30</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	
Report Totals:			<u><u>\$52,480.30</u></u>	<u><u>\$52,480.30</u></u>	<u><u>\$0.00</u></u>	<u><u>\$0.00</u></u>	<u><u>\$0.00</u></u>	<u><u>\$0.00</u></u>	

SEBRING AIRPORT AUTHORITY
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2024



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**SEBRING AIRPORT AUTHORITY
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2024**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	12
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	13
STATEMENT OF CASH FLOWS	14
NOTES TO FINANCIAL STATEMENTS	16
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM PENSION PLAN	44
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN	45
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HEALTH INSURANCE SUBSIDY PLAN	46
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PLAN	47
SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS	48
SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – CRA FUND	52
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	53
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	54
INDEPENDENT AUDITORS' REPORT 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>	55

**SEBRING AIRPORT AUTHORITY
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2024**

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE <i>UNIFORM GUIDANCE</i>	57
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	60
MANAGEMENT LETTER	62
INDEPENDENT ACCOUNTANTS' REPORT	66



INDEPENDENT AUDITORS' REPORT

Board of Directors
Sebring Airport Authority
Sebring, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Sebring Airport Authority (the Authority), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of September 30, 2024, and the changes in financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, information on other postemployment benefits, and information on defined benefit pensions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 audit 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of revenues, expenses, and changes in net position – CRA fund and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of revenues, expenses, and changes in net position – CRA fund and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2025, 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.



CliftonLarsonAllen LLP

Sebring, Florida
April 18, 2025

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024**

As management of the Sebring Airport Authority (the Authority), we offer the readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Financial Highlights

- The assets plus deferred outflows of resources of the Authority exceeded its liabilities plus deferred inflows of resources as of September 30, 2024 by \$48,674,487 (net position).
- The Authority's total assets net of depreciation as of September 30, 2024 were \$60,488,400.
- The Authority's total operating revenue was \$7,529,767 primarily consisting of industrial and test track rentals of \$3,019,108 and Fixed Base Operations sales in the amount of \$3,553,157.
- The Authority's total operating expenses came to \$7,209,942. General operating expense (including insurance, supplies, utilities, repairs and maintenance, taxes) came to \$4,219,167. Other primary expenses consisted of \$1,633,072 in personnel costs, \$378,148 in contractual services, \$979,555 in professional services, and \$2,932,410 in depreciation. The net operating loss was \$2,612,585.
- Total nonoperating revenue, (expenses), and capital grants were \$6,314,182 resulting in an increase in net position of \$3,701,597.

Overview of Financial Statements

The financial statements included in the annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- Statement of Net Position — reports the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at the end of the fiscal year and provides information about the nature and amounts of investment of resources and obligations to creditors.
- Statement of Revenue, Expenses, and Changes in Net Position — reports the results of activity over the course of the fiscal year. It details the costs associated with operating the Authority and how those costs were funded. It also provides an explanation of the change in net position from the previous fiscal year-end to the current fiscal year-end.
- Statement of Cash Flows — reports the Authority's cash flows in and out from operating activities, noncapital financing activities, capital and related financing activities, and investing activities. It details the sources of the Authority's cash, what it was used for, and the change in cash over the course of the fiscal year.
- The basic financial statements also include notes that provide required disclosures and other information necessary to gather the full meaning of the material presented in the statements.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024**

Overview of Financial Statements (Continued)

The analysis of net position, revenue, and expenses are detailed and provide a comprehensive portrayal of financial conditions and related trends. The analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned regardless of when cash is received or paid.

Our analysis presents the Authority's net position, which can be thought of as the difference between what the Authority owns (assets) and what the Authority owes (liabilities). The net position analysis will allow the reader to measure the health or financial position of the Authority.

Over time, significant changes in the Authority's net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority, the reader must also consider other nonfinancial factors such as fluctuations in the local economy, fluctuations in fuel prices, and the physical condition of the Authority's capital assets.

At September 30, 2024, total assets were \$60,488,400. Total current assets were \$5,513,495. Total noncurrent assets were \$54,974,905.

In addition, total liabilities at September 30, 2024 were \$7,060,760. Total current liabilities were \$906,790 and liabilities payable from restricted assets (tenant deposits) and total long-term (noncurrent) liabilities were \$6,153,970.

Net Position

The difference between an organization's assets and deferred outflows of resources and its liabilities and deferred inflows of resources equals its net position. The Authority's net position is classified as follows:

Net investment in capital assets — Capital assets, net of accumulated depreciation and reduced by debt attributable to the acquisition of those assets.

Restricted — Net position that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Unrestricted — Net position that is not invested in capital assets or subject to restrictions.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024**

Condensed Financial Information

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position:

	2024	2023
ASSETS		
Current Assets - Unrestricted	\$ 5,030,941	\$ 4,025,187
Current Assets - Restricted	482,554	449,707
Net Capital Assets	50,764,593	46,443,012
Other Noncurrent Assets	4,210,312	4,051,729
Total Assets	60,488,400	54,969,635
 DEFERRED OUTFLOWS OF RESOURCES	 479,025	 390,527
 LIABILITIES		
Current Liabilities	906,790	2,576,095
Noncurrent Liabilities	6,153,970	3,302,908
Total Liabilities	7,060,760	5,879,003
 DEFERRED INFLOWS OF RESOURCES	 5,232,178	 4,508,269
 NET POSITION		
Net Investment in Capital Assets	46,045,249	42,834,126
Restricted	314,706	590,982
Unrestricted	2,314,532	1,547,782
Total Net Position	\$ 48,674,487	\$ 44,972,890

Current assets increased \$1,038,601 from the prior fiscal year. Net capital assets increased by \$4,321,581 primarily due to the EDA Stormwater Drainage Improvements and Terminal Apron Rehab Phase 2 projects in progress. Of the total increase in current assets, restricted cash increased \$32,847 due to the increase in customer deposits.

Current liabilities decreased \$1,669,305 from the prior year primarily due to a decrease in payables related to projects in process at year end.

At September 30, 2024, the Authority had \$2,916,055 in long-term debt related to capital assets and a \$1,519,686 secured line of credit balance. That debt finances the purchases of equipment as well as construction and improvement projects. The Authority also records \$1,260,145 in net pension liability related to the Authority's participation in the Florida Retirement System.

There was an increase in net position of \$3,701,597 mainly due to capital grants after a net operating loss of \$2,612,585. Nonoperating revenue includes capital grants and contributions of \$5,901,213. The net operating loss was largely due to general expense of \$4,219,167 and depreciation expense of \$2,932,410.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024**

Condensed Financial Information (Continued)

Revenues, Expenses, and Changes in Net Position

	2024	2023
OPERATING REVENUE		
Industrial and Test Track Rental Revenue	\$ 3,019,108	\$ 2,670,364
Fixed Based Operations	3,553,157	2,264,383
Other Revenue	957,502	785,565
Total Operating Revenue	7,529,767	5,720,312
OPERATING EXPENSES		
Personnel Services	1,633,072	1,534,480
Contractual Services	378,148	331,143
Professional Services	979,555	664,481
General Operating Expenses	4,219,167	2,826,795
Depreciation Expense	2,932,410	2,679,938
Total Operating Expenses	10,142,352	8,036,837
NET OPERATING LOSS	(2,612,585)	(2,316,525)
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue (Expense), Net	322,996	271,339
Capital Grants and Contributions	5,901,213	2,773,905
Other Nonoperating Revenue	89,973	298,470
Total Nonoperating Revenues (Expenses)	6,314,182	3,343,714
CHANGE IN NET POSITION	3,701,597	1,027,189
Net Position - Beginning of Year	44,972,890	43,945,701
NET POSITION - END OF YEAR	\$ 48,674,487	\$ 44,972,890

Overall operating revenue increased by \$1,809,455. Industrial and test track rental revenue increased \$348,744 for the current year. Revenue from fixed based operations increased \$1,288,774 for the current year due to increased activity at the airport for military and general aviation activity.

Operating expenses before depreciation increased by \$1,853,043. The increase was due largely to increases in the cost of fuel related to increased fuel sales noted above.

In fiscal year 2024, total operating revenue was \$7,529,767 while total operating expenses, including depreciation, was \$10,142,352. This resulted in a \$2,612,585 operating loss. Net nonoperating revenues, including capital grants, were \$6,314,182 resulting in a positive change in net position of \$3,701,597.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024**

Capital Assets

The Authority's investment in capital assets as of September 30, 2024 amounted to \$50,764,593 (net of accumulated depreciation) compared to \$46,443,012 for the prior year. This investment in capital assets includes land, buildings, infrastructure, vehicles, machinery and equipment, furniture and fixtures, and construction in progress. Major capital asset events during the fiscal year include the following:

- Reconstruct Terminal Apron Rehab Phase 2
- Stormwater Drainage Improvements

Capital Assets (Net of Depreciation):

	2024	2023
Total Capital Assets Not Being Depreciated	\$ 1,089,088	\$ 5,679,044
Total Capital Assets Being Depreciated and Amortized	91,471,935	80,208,603
Accumulated Depreciation and Amortization	(41,796,430)	(39,444,635)
Total Capital Assets, Net	\$ 50,764,593	\$ 46,443,012

Additions information on the Authority's capital assets can be found in Note 3 to the financial statements.

Long-Term Debt

At September 30, 2024, the Authority had total debt outstanding of \$4,435,741 compared to \$3,136,383 in the prior year. The increase in total outstanding debt is attributable to the increase in the secured line of credit offset by payments on existing debt.

Long-Term Debt:

	2024	2023
Notes Payable - Direct Borrowing and Leases	\$ 2,916,055	\$ 3,136,383
Line of Credit - Secured	1,519,686	-
Total	\$ 4,435,741	\$ 3,136,383

Please refer to Notes 8 and 9 of the financial statements for a complete presentation of all long-term debt and line of credit liabilities. The above table does not present information for compensated absences, net pension liability, or other post-employment benefit liabilities.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024**

Economic Factors and Next Year's Budgets and Rates

The Sebring Airport Authority 2025 Annual Budget was approved by Resolution 24-10 on September 19, 2024. The Sebring Regional Airport and Industrial Park Community Redevelopment Agency (CRA) is reported as a blended component unit of Sebring Airport Authority. Its Annual Budget was approved by Resolution 24-04 on September 19, 2024. The detailed budgets are available for review upon request.

Projects that are in the pipeline are as follows:

- Apron Reconstruction Project Phase II was completed in March 2024. This project was funded by the FAA and FDOT in the amount of \$4,400,000. We have \$7,500,000 programed in the FDOT Work Program for FY27/28/29 for the third and final phase. Discussion with FDOT to consolidate the funding allocations to FY27/28 remains ongoing.
- Webster Turn full depth reconstruction is fully designed and permitted. The Interlocal Agreement with the County has been fully executed - necessary as the County is the recipient of FDOT grant funding totaling \$595,308 and has allocated \$750,000 in FY24/25 local project funds. The current estimate of probable construction cost is \$2.4 million. Solicitation for construction will commence in April 2025 while efforts to engage with Highlands County, FDOT, and others to secure necessary funding continue.
- An Economic Development Administration (EDA) grant totaling \$1,830,207 (80%) was received to replace critical sections of master stormwater drainage infrastructure from WWII. Project was awarded to Quality Enterprises USA, Inc. for \$2,125,623 and was completed in Fall 2024.
- Design plans and technical specifications for expanding our Fuel Farm system to replace our existing 1,000-gallon tank with a new 10,000-gallon tank that will accommodate a sustainable replacement for 100 Low Leaded octane aviation fuel are complete. Funding for this expansion will be applied in the Spring 2025 through the FAA via the Bipartisan Infrastructure Law (BIL) program allocations and FDOT.
- FAA Bipartisan Infrastructure Law (BIL) grant totaling \$256,500 and Florida Department of Transportation grant totaling \$28,500 was received to complete the design and permitting of Taxiway Delta. Design and permitting will be finalized in the Spring 2025, FAA Airport Improvement Program construction grant application for discretionary funding will be submitted in early Summer 2025. FDOT has allocated \$125,000 in grant funding for construction.
- The Florida Department of Transportation awarded a \$575,000 grant for the installation of six 70-foot High Mast lights across the terminal apron area. The terminal apron area lacks adequate lighting, with minimal coverage provided by lights from adjacent airside buildings. This poses significant security and operational concerns, as the area remains dark at night, including along the AOA fencing/gates and around stationary aircraft. The new lighting will enhance security and safety during nighttime operations. Construction began in February 2025.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024**

Economic Factors and Next Year's Budgets and Rates (Continued)

- Application has been submitted to the FAA for the design of Taxiway Alpha and will be funded by the FAA through the Bipartisan Infrastructure Law (BIL).
- We continue to collaborate with our tenant partners on their projects. They are briefly outlined as follows:
 - SAA advertised RFP 24-04 Aircraft Hangar Development with one (1) proposal was received from Corle Building Systems, Inc. Corle Building Systems, Inc. intends to construct all sitework and vertical construction which will consist of 8 box hangars measuring 70' x 70' and 4 box hangars measuring 100' x 100' with approximately 18 guest parking spaces within the project site. The Developer proposes to offer the hangars either for sale as a condominium unit or for lease. The project is located on the South Hangar Site situated on approximately 6.6 acres.
 - DUC Propellers is planning a new facility on Airport to manufacture and distribute helicopter rotor blades and propellers for Powered Lift (vertical takeoff and landing) aircraft.
 - The aerospace program at the Airport is expanding to meet high demand, increasing enrollment from 50 to 100-125 students and introducing a Diesel Maintenance Technology program. The new facility will include workshop labs, computer labs, and classrooms equipped with the latest technology. This workforce development expansion aims to prepare students for successful careers in aviation, engineering, and transportation-related industries.
 - Advanced Air Mobility (AAM) in the United States is rapidly evolving, with the FAA leading efforts to develop infrastructure and regulatory frameworks for this new aviation ecosystem. The Sebring Airport Authority has submitted a Pen and Ink update to its FAA approved Airport Layout Plan to incorporate AAM and vertiport facilities, including a takeoff/landing pad, parking areas for Powered Lift vehicles, and up to four (4) recharging stations. This plan is undergoing final FAA review and approval, marking a significant step towards establishing the Airport as a hub for AAM operations.

Significant economic factors affecting the Authority are as follows:

1. As in the past, we continue to feel optimistic about military fuel sales. We are moving forward with planning upgrades and replacing our existing 5,000-gallon fuel tank with a 12,000-gallon tank to take advantage of wider use of the Bombing Range by additional branches of military. Our 5,000-gallon refueler has been completely refurbished and is dedicated to the Range. We have leased another 5,000-gallon refueler in order to maintain service levels at the Airport.
2. SAA staff are working to bring all our leases up to the current market as they come due. An example is the new T-hangar and Commercial Hangar lease rates.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024**

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed as follows:

Colleen Plonsky
Director of Finance
Sebring Airport Authority
128 Authority Lane
Sebring, FL 33870

**SEBRING AIRPORT AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

ASSETS

Current Assets:

Cash and Cash Equivalents - Unrestricted	\$ 1,459,357
Cash and Cash Equivalents - Restricted	482,554
Accounts Receivable - Trade	174,428
Grants Receivable	1,965,324
Leases Receivable	1,332,856
Prepaid Items	18,164
Inventory	80,812
Total Current Assets	5,513,495

Noncurrent Assets:

Leases Receivable	4,210,312
Capital Assets Not Being Depreciated	1,089,088
Capital Assets - Net of Depreciation and Amortization	49,675,505
Total Noncurrent Assets	54,974,905

Total Assets 60,488,400

DEFERRED OUTFLOWS OF RESOURCES

Pension Related Items 479,025

LIABILITIES

Current Liabilities:

Accounts Payable	543,344
Accrued Expenses	106,850
Notes, Loans, and Leases Payable - Current	219,877
Unearned Revenue	36,719
Total Current Liabilities	906,790

Noncurrent Liabilities:

Notes, Loans, and Leases Payable - Noncurrent	2,696,178
Line of Credit	1,519,686
Compensated Absences	105,634
Net Pension Liability	1,260,145
Total OPEB Liability	89,773
Rent Deposits	482,554
Total Noncurrent Liabilities	6,153,970

Total Liabilities 7,060,760

DEFERRED INFLOWS OF RESOURCES

Lease Related Items	5,089,228
Pension Related Items	142,950
Total Deferred Inflows of Resources	5,232,178

NET POSITION

Net Investment in Capital Assets	46,045,249
Restricted for Community Redevelopment	314,706
Unrestricted	2,314,532
Total Net Position	\$ 48,674,487

See accompanying Notes to Financial Statements.

SEBRING AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2024

OPERATING REVENUE	
Industrial Rentals	\$ 2,527,544
Test Track Rentals	491,564
Fixed Base Operations	3,553,157
Fire Protection Fees	121,124
CRA Incremental Tax Revenue	441,001
Miscellaneous Revenue	<u>395,377</u>
Total Operating Revenue	<u>7,529,767</u>
OPERATING EXPENSES	
Personal Services	1,633,072
Contractual Services	378,148
Professional Services	979,555
General Operating	<u>4,219,167</u>
Total Operating Expenses	<u>7,209,942</u>
OPERATING INCOME BEFORE DEPRECIATION	319,825
Depreciation	<u>(2,932,410)</u>
NET OPERATING LOSS	(2,612,585)
NONOPERATING REVENUE (EXPENSE)	
Interest Income	508,747
Operating Grants	66,014
Interest Expense	(185,751)
Miscellaneous Revenue	26,257
Loss on Sale of Capital Assets	<u>(2,298)</u>
Total Nonoperating Revenue	<u>412,969</u>
LOSS BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	(2,199,616)
Capital Grants and Contributions	<u>5,901,213</u>
CHANGE IN NET POSITION	3,701,597
Net Position - Beginning of Year	<u>44,972,890</u>
NET POSITION - END OF YEAR	<u><u>\$ 48,674,487</u></u>

See accompanying Notes to Financial Statements.

**SEBRING AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 4,762,510
CRA Incremental Tax Receipts	441,001
Other Receipts	395,377
Payments to Suppliers	(5,679,705)
Payments to Employees	(1,551,497)
Net Cash Used by Operating Activities	(1,632,314)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Operating Grants	66,014
Miscellaneous	26,257
Net Cash Provided by Noncapital Financing Activities	92,271

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and Construction of Capital Assets	(7,459,855)
Proceeds from Borrowings	4,308,987
Principal Payments on Borrowings	(3,004,364)
Principal Payments on Leases	(5,265)
Interest Payments on Borrowings	(185,467)
Receipts from Leasing Activities	1,676,381
Capital Grants Received	5,199,789
Net Cash Provided by Capital and Related Financing Activities	530,206

CASH FLOWS FROM INVESTING ACTIVITIES

Investment Income	508,747
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NET DECREASE IN CASH AND CASH EQUIVALENTS

(501,090)

Cash and Cash Equivalents - Beginning of Year

2,443,001

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 1,941,911

**RECONCILIATION OF NET OPERATING LOSS TO CASH
USED BY OPERATING ACTIVITIES**

Net Operating Loss	\$ (2,612,585)
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See accompanying Notes to Financial Statements.

**SEBRING AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024**

**RECONCILIATION OF NET OPERATING LOSS TO CASH
USED BY OPERATING ACTIVITIES**

Net Operating Loss	\$ (2,612,585)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation	2,932,410
(Increase) Decrease in Assets and Deferred Outflows of Resources:	
Accounts Receivable - Trade	(76,272)
Prepaid Items	(17,584)
Inventory	(25,099)
Deferred Outflows Related to Pensions	(88,498)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:	
Accounts Payable	(53,634)
Accrued Expenses	972
Compensated Absences	(13,566)
Rent Deposits	32,847
Unearned Revenue	359
Net Pension Liability	82,058
Deferred Inflows Related to Leases	(1,887,813)
Deferred Inflows Related to Pensions	57,446
Total OPEB Liability	<u>36,645</u>
 Net Cash Used by Operating Activities	 <u><u>\$ (1,632,314)</u></u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS TO
STATEMENT OF NET POSITION**

Unrestricted Cash and Cash Equivalents	\$ 1,459,357
Restricted Cash and Cash Equivalents	<u>482,554</u>
 Total Cash and Cash Equivalents	 <u><u>\$ 1,941,911</u></u>

**SUPPLEMENTAL DISCLOSURE OF
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES**

Capital Related Accounts Payable	\$ <u>283,676</u>
Loss on Disposal of Capital Assets	<u><u>\$ (2,298)</u></u>

See accompanying Notes to Financial Statements.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Sebring Airport Authority (Authority) was created by the legislature of the state of Florida by Chapter 67-2070 (1967), for the purpose of planning, developing, and maintaining a comprehensive airport and industrial complex, and constitutes a public instrumentality. The Authority is governed by a board of seven members, and its operations consist of leasing industrial properties and airport operations.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units and present only the financial position of Sebring Airport Authority, a dependent special district of the City of Sebring, Florida (City), and not of the City as a whole. The Authority has been classified as a dependent special district of the City of Sebring, Florida, as determined by the Florida Department of Community Affairs effective October 1, 1990, for annual financial reporting purposes of Section 218.32, Florida Statutes.

As defined by accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as all component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either a) the ability to impose the will of the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government.

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority Board and (1) there is a financial benefit or burden relationship between the primary government and the component unit, or (2) management of the primary government has operational responsibility for the component unit. A blended component unit provides services entirely, or almost entirely, to the primary government. The component units' funds are blended into those of the primary government by appropriate activity type to compose the primary government presentation.

The Sebring Regional Airport and Industrial Park Community Redevelopment Agency (CRA), established by County ordinance on December 17, 1996 is a legally separate entity, however, since the Authority's Board of Directors also serves as the CRA's Board, there is a financial benefit relationship and operational responsibility, and the CRA provides services entirely to the Authority, it is reported as a blended component unit.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting and Measurement Focus

The Authority operates as a single enterprise fund under the fund accounting framework of governmental accounting. Within this framework, an enterprise fund accounts for operations in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund is accounted for on a cost of services or “capital maintenance” measurement focus. This means all assets and liabilities (whether current or noncurrent) associated with its activity are included on its statement of net position. Reported fund equity (total net position) is segregated into unrestricted, restricted, and net investment in capital assets components. The statement of revenues, expenses, and changes in net position presents increases and decreases in net position.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The Authority, an enterprise fund, is maintained on an accrual basis with revenues being recognized when earned and expenses recognized when incurred. Operating revenues are those revenues that are generated from the primary operations of the Authority. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the Authority. All other expenses are reported as nonoperating expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Restricted Assets

Certain assets are classified as restricted assets in the accompanying statement of net position when constraints are placed on their use by external parties or by law. Assets classified as restricted include cash and cash equivalents that represent customer deposits. When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

Inventory

Inventory consists mainly of aviation fuel and is valued at the lower of cost or market determined on a first-in-first-out basis.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has deferred outflows for expected versus actual experience, changes in assumptions, projected versus actual earnings, changes in the proportion and differences between the Authority's contributions and proportionate share of contributions, and the Authority's contributions subsequent to the measurement date, relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. Those amounts will be recognized as increases in pension expense in future years.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has multiple items that qualify for reporting in this category, including leases and differences between expected and actual experience, changes in assumptions, projected versus actual earnings, and changes in proportion and differences between the Authority's contributions and proportionate share of contributions, relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. Those amounts will be recognized as reductions in pension expense in future years.

Capital Assets

Capital assets are defined by the Authority as having a minimum established cost of \$1,000 and an estimated useful life in excess of one year. Property and equipment purchased or acquired is carried at historical cost. Donated or contributed assets are recorded at estimated acquisition value. Additions, improvements, and capital outlays that significantly extend the useful life of an asset, and public domain (infrastructure) fixed assets consisting of roads and curbs, runways and wastewater systems are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 Years
Infrastructure	25 to 40 Years
Improvements	15 to 30 Years
Vehicles	5 to 15 Years
Equipment	3 to 10 Years

Grants

Grants which finance current operations and capital expenditures are recorded as nonoperating revenue and capital contributions, respectively, when earned.

Unearned Revenue

Unearned revenue has been recorded for rent received from tenants in advance.

Compensated Absences

On the employee's anniversary date, a maximum of 45 Paid-Time-Off (PTO) days may be carried over to the following 12 months; PTO days in excess of 45 days will be paid to the employee. Upon retirement or resignation with two weeks' notice, employees will receive payment for unused PTO. The amount of earned but unused PTO days estimated to be payable is accrued as a liability at year-end.

Other Postemployment Benefits (OPEB)

In the statement of net position, liabilities are recognized for the Authority's total OPEB liability as determined by an actuarial review of the healthcare coverage purchased by retirees to continue participation in the Authority's health plan. OPEB expense is recognized immediately for changes in the OPEB liability resulting from current year service cost, interest on the total OPEB liability, and changes of benefit terms or actuarial assumptions.

Pensions

In the statement of net position, liabilities are recognized for the Authority's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRS) and the Health Insurance Subsidy (HIS) and additions to/deductions from 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. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents consist of unrestricted and restricted funds. Restricted funds represent: (1) funds received at the end of the year to cover payables related to various grant projects; and (2) lease deposits. Cash and cash equivalents as of September 30, 2024 was as follows:

Unrestricted Cash	\$ 1,459,357
Restricted Cash: Lease Deposits	482,554
Total Cash and Cash Equivalents	\$ 1,941,911
Classified as:	
Petty Cash and Demand Deposits	\$ 1,908,924
Local Government Surplus Trust Funds	32,987
Total	\$ 1,941,911

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. Bank balances of the Authority's deposits at September 30, 2024 were \$2,039,749. The Authority's monies must be deposited in banks designated as qualified public depositories by the chief financial officer, Florida Department of Financial Services. Therefore, the Authority's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, Florida Department of Financial Services. The law requires the chief financial officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Authority has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the chief financial officer, to a bank, savings association or trust company provided a power of attorney is delivered to the chief financial officer.

On a monthly basis, the chief financial officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

The Authority invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Throughout the year and as of September 30, 2024, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month London Interbank Offered Rate (LIBOR) rates. These investments represented 27.9% of Florida PRIME's portfolio at September 30, 2024.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2024 was 39 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2024 was 74 days.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in Florida PRIME must carry an “AAAm” rating from Standard and Poor’s.

On September 30, 2024, Standard and Poor’s Ratings Services assigned the Florida PRIME an “AAAm” principal stability funding rating.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council.

The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2024, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024 is summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land, Buildings, and Infrastructure	\$ 896,291	\$ -	\$ -	\$ 896,291
Construction in Progress	4,782,753	8,014,464	(12,604,420)	192,797
Total Capital Assets, Not Being Depreciated	<u>5,679,044</u>	<u>8,014,464</u>	<u>(12,604,420)</u>	<u>1,089,088</u>
Capital Assets Being Depreciated:				
Buildings and Infrastructure	75,758,819	11,703,042	(33,782)	87,428,079
Vehicles and Tractors	935,108	10,006	(16,695)	928,419
Machinery and Equipment	1,221,635	55,258	(308,165)	968,728
Office Furniture, Fixtures, and Equipment	361,722	77,940	(224,272)	215,390
Race Track Improvements	1,906,879	-	-	1,906,879
Total Capital Assets, Being Depreciated	<u>80,184,163</u>	<u>11,846,246</u>	<u>(582,914)</u>	<u>91,447,495</u>
Less: Accumulated Depreciation				
Buildings and Infrastructure	(35,812,577)	(2,751,248)	33,782	(38,530,043)
Vehicles and Tractors	(524,220)	(77,513)	15,377	(586,356)
Machinery and Equipment	(849,570)	(82,310)	307,184	(624,696)
Office Furniture, Fixtures, and Equipment	(341,126)	(16,090)	224,272	(132,944)
Race Track Improvements	(1,906,879)	-	-	(1,906,879)
Total Accumulated Depreciation	<u>(39,434,372)</u>	<u>(2,927,161)</u>	<u>580,615</u>	<u>(41,780,918)</u>
Total Capital Assets Being Depreciated, Net	40,749,791	8,919,085	(2,299)	49,666,577
Right-to-Use Lease Assets:				
Equipment	24,440	-	-	24,440
Less: Accumulated Amortization				
Total Right-to-Use Lease Assets, Net	<u>(10,263)</u>	<u>(5,249)</u>	<u>-</u>	<u>(15,512)</u>
Total Capital Assets, Net	<u>\$ 46,443,012</u>	<u>\$ 16,928,300</u>	<u>\$ (12,606,719)</u>	<u>\$ 50,764,593</u>

The Authority has the following commitments for design, construction, or other services as of September 30, 2024:

Project	Authorization	Commitment	Expended
Reconstruct Terminal Apron Rehab Phase 2	\$ 3,793,321	\$ -	\$ 3,793,321
Stormwater Drainage Improvements	2,125,623	-	2,125,623
Terminal Apron High Mast Lighting	479,028	414,644	64,384
Wildlife Hazard Assess & Management Plan	35,958	-	35,958
Hurricane Ian Multiple Building Repairs	821,122	-	821,122
Partial Parallel Taxiway D Design	282,500	272,000	10,500
Total	<u>\$ 7,537,552</u>	<u>\$ 686,644</u>	<u>\$ 6,850,908</u>

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 LEASES RECEIVABLES

The Authority, acting as lessor, leases industrial buildings and land under long-term, noncancelable lease agreements. The leases expire at various dates through 2054 and provide for renewal options ranging from one year to twenty years. During the year ended September 30, 2024, the Authority recognized \$1,373,024 and \$488,296 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Future principal and interest payments to be received under lease agreements are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,332,856	\$ 408,109	\$ 1,740,965
2026	1,128,673	301,120	1,429,793
2027	639,325	232,667	871,992
2028	427,300	188,187	615,487
2029	329,782	153,005	482,787
2030 - 2034	782,572	524,364	1,306,936
2035 - 2039	425,929	274,439	700,368
2040 - 2044	230,844	140,959	371,803
2045 - 2049	89,319	83,352	172,671
2050 - 2054	156,568	32,744	189,312
Total Minimum Lease Payments	<u>\$ 5,543,168</u>	<u>\$ 2,338,946</u>	<u>\$ 7,882,114</u>

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Authority is obligated to make available to qualified retired employees the option to maintain coverage with the group health, life, and dental insurance plans. The Sebring Airport Authority Plan (the Plan) is a single-employer defined benefit OPEB plan. The Plan is currently being funded on a pay as you go basis. No trust fund has been established for the Plan, and there are no assets accumulated in trust for payment of benefits.

Benefits Provided

The Plan provides lifetime healthcare insurance for eligible employees and their spouses through the Authority's group insurance plan which covers both active and retired members. Benefit provisions are established and may be amended by the Authority's Board of Directors. The Plan provides for the retirees to contribute 100% of the cost of health insurance premiums for retirees and their spouses.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Employees Covered by Benefit Terms

At September 30, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	3
Active Plan Members	14
Total	<u>17</u>

Total OPEB Liability

The Authority's Total OPEB liability was measured as of September 30, 2024 and was determined by an actuarial valuation date of October 1, 2024 with no adjustments to get to the September 30, 2024 liability. The following table shows the Authority's changes in total OPEB liability for the year ended September 30, 2024.

	Total OPEB Liability
Balances - October 1, 2023	<u>\$ 53,128</u>
Changes for the Year:	
Service Cost	13,786
Interest	3,259
Changes in Assumptions	7,219
Differences Between Expected and Actual Experience	12,381
Net Changes	<u>36,645</u>
Balances - September 30, 2024	<u>\$ 89,773</u>

Discount Rate Sensitivity

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

<u>Description</u>	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB Plan Discount Rate	3.06 %	4.06 %	5.06 %
Total OPEB Liability	\$ 95,127	\$ 89,773	\$ 84,846

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Healthcare Trend Rate Sensitivity

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<u>Description</u>	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
OPEB Plan Healthcare Cost Rate	7.00 %	8.00 %	9.00 %
Total OPEB Liability	\$ 84,021	\$ 89,773	\$ 96,136

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the Authority recognized OPEB expense of \$36,645. At September 30, 2024, the Authority reported no deferred outflows of resources and no deferred inflows of resources related to OPEB.

Actuarial Assumptions

The total OPEB liability in the September 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary Increases	3.25%, Average, Including Inflation
Healthcare Cost Trend Rates	8.00% for 2025, Decreasing to an Ultimate Rate of 4.50% for 2032 and Later Years

The actuarial cost method used was the Entry Age Normal Level Percent of Salary method.

Mortality rates were based on the SOA Pub-2010 General Headcount Weighted Mortality Table, fully generational, using Scale MP-2021 for general employees and retirees.

The discount rate used to measure the total OPEB liability was 4.06%, based on yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLANS

Background

The Florida Retirement System (FRS) was created by 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 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 FRS 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 the two cost sharing, multiemployer defined benefit plans and other nonintegrated programs. An annual comprehensive 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' website (www.dms.myflorida.com).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System (FRS) Pension 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.
- Elected Officers Class — Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) — Members in senior management level positions.
- Special Risk Class — Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight 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, except for members classified as special risk who are eligible for normal retirement benefits at age 55 if vested, or at any age after 25 years of service. All members enrolled in the FRS 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, except for members classified as special risk who are eligible for normal retirement benefits at age 55, if vested, or at any age after 25 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS 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 FRS 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 FRS 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 8 years after electing to participate, except that certain instructional personnel may participate for up to 10 years. 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 FRS 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 five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight 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 the retirement 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.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Regular Class Members Initially Enrolled before July 1, 2011	
Retirement Up to Age 62 or Up to 30 Years of Service	1.60
Retirement Up to Age 63 or Up to 31 Years of Service	1.63
Retirement Up to Age 64 or Up to 32 Years of Service	1.65
Retirement Up to Age 65 or Up to 33 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 Up to Age 66 or with 34 Years of Service	1.63
Retirement Up to Age 67 or with 35 Years of Service	1.65
Retirement Up to Age 68 or with 36 Years of Service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970, Through September 30, 1974	2.00
Service on and after October 1, 1974	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 3% 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 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the Authority, effective July 1, 2023, were applied to employee salaries as follows: regular employees 11.51%, senior management 32.46%, and DROP participants 19.14%. The Authority's contributions to the FRS Plan were \$143,541 for the year ended September 30, 2024.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2024, the Authority reported a liability of \$913,075 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Authority's proportion of the net pension liability was based on the Authority's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2024, the Authority's proportion was 0.002360299%, which was an increase of 0.000271687% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2024, the Authority recognized pension expense of \$178,794 or its proportionate share of FRS's pension expense. In addition, the Authority reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 92,245	\$ -
Changes in Actuarial Assumptions	125,145	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(60,688)
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	140,514	(35,194)
Authority Contributions Subsequent to the Measurement Date	36,638	-
Total	<u>\$ 394,542</u>	<u>\$ (95,882)</u>

\$36,638 reported as deferred outflows of resources related to pensions resulting from Authority contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending September 30,	Amount
2025	\$ 23,039
2026	184,764
2027	27,262
2028	13,783
2029	13,174
Thereafter	-

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.50%, Average, Including Inflation
Investment Rate of Return	6.70%

Mortality rates were based on the PUB-2010 base table, varies by member category and sex, projected generationally with Scale MP-2021. The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The long-term expected rate of return assumption of 6.70% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20%; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2024 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary both components and the overall 6.70% return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70% reported investment return assumption is the same as the investment return assumption chosen by the 2024 FRS Actuarial Assumption Conference for funding policy purposes.

For reference, the table below contains a summary of return assumptions for various asset classes based on the long-term target asset allocation. The six specific asset classes displayed are per system request and are summarized results of a more detailed market outlook model with additional asset classes. Each asset class assumption is based on a consistent set of underlying real return assumptions from Milliman's model combined with the FRS Actuarial Assumption Conference's 2.40% inflation assumption. The Milliman assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0 %	3.3 %	3.3 %	1.1 %
Fixed Income	29.0	5.7	5.6	3.9
Global Equity	45.0	8.6	7.0	18.2
Real Estate	12.0	8.1	6.8	16.6
Private Equity	11.0	12.4	8.8	28.4
Strategic Investments	2.0	6.6	6.2	8.7
Total	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4 %	1.5 %

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.7% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the Authority's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.70 %	6.70 %	7.70 %
Authority's Proportionate Share of the FRS Plan Net Pension Liability	\$ 1,606,066	\$ 913,075	\$ 332,547

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (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.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided

Eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may 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. The contribution rate was 2% of payroll pursuant to Section 112.363, Florida Statutes. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which 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 were \$20,387 for the year ended September 30, 2024.

Pension Costs

At September 30, 2024, the Authority reported a liability of \$347,071 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Authority's proportion of the net pension liability was based on the Authority's contributions received during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all participating employers. At June 30, 2024, the Authority's proportion was 0.002313656%, which was an increase of 0.000135995% from its proportion measured as of June 30, 2023.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

For the year ended September 30, 2024, the Authority recognized pension expense of \$36,137 for its proportionate share of HIS's pension expense. In addition, the Authority reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 3,351	\$ (666)
Changes in Actuarial Assumptions	6,142	(41,089)
Net Difference Between Projected and Actual Earnings on HIS Program Investments	-	(126)
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	70,086	(5,187)
Authority Contributions Subsequent to the Measurement Date	4,904	-
Total	<u>\$ 84,483</u>	<u>\$ (47,068)</u>

\$4,904 reported as deferred outflows of resources related to pensions resulting from Authority contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending September 30,	Amount
2025	\$ 13,673
2026	11,152
2027	5,749
2028	1,480
2029	385
Thereafter	72

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.50%, Average, Including Inflation
Municipal Bond Rate	3.93%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021. The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate

The discount rate used to measure the total pension liability was 3.93% in the current year and 3.65% in the prior year for the HIS Plan. 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 HIS Plan Sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

The following presents the Authority's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	2.93 %	3.93 %	4.93 %
Authority's Proportionate Share of the HIS Plan Net Pension Liability	\$ 395,096	\$ 347,070	\$ 307,203

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Summary

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the Authority's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated.

Description	FRS Plan	HIS Plan	Total
Net Pension Liability	\$ 913,075	\$ 347,070	\$ 1,260,145
Deferred Outflows of Resources			
Related to Pensions	394,542	84,483	479,025
Deferred Inflows of Resources			
Related to Pensions	95,882	47,068	142,950
Pension Expense	178,794	36,137	214,931

NOTE 7 DEFINED CONTRIBUTION PENSION PLAN

FRS Investment Plan

The Florida 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 Annual Comprehensive 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. Sebring Airport Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officers, 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 plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 7 DEFINED CONTRIBUTION PENSION 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. 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. Nonvested 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 June 30, 2024, 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 Sebring Airport 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; 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 \$109,929 for the year ended September 30, 2024. Employee contributions to the Investment Plan totaled \$13,685 for the year ended September 30, 2024.

NOTE 8 LONG-TERM DEBT

The summary of changes in long-term debt for the fiscal year ended September 30, 2024 is as follows:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Direct Borrowing -					
Notes Payable	\$ 3,121,494	\$ -	\$ (215,061)	\$ 2,906,433	\$ 214,304
Leases Payable	14,889	-	(5,267)	9,622	5,573
Total	<u>\$ 3,136,383</u>	<u>\$ -</u>	<u>\$ (220,328)</u>	<u>\$ 2,916,055</u>	<u>\$ 219,877</u>

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Notes payable at September 30, 2024 consisted of the following:

<u>Description</u>	<u>Amount</u>
<p>Direct borrowing from a financial institution for improvements to an industrial building, collateralized by assignment of rent revenues, due July 2028. Outstanding balance as of July 21, 2023 paid in monthly payments of \$4,892, including interest at 8.45%. If any event of default shall occur, all indebtedness will become immediately due and payable to the lender.</p>	<p>\$ 191,029</p>
<p>Direct borrowing from a financial institution for improvements to an industrial building, collateralized by assignment of rent revenues, with 12 months of interest only payments, followed by monthly payments of \$11,780 including interest at 4%, final payment due April 2035. If any event of default shall occur, all indebtedness will become immediately due and payable to the lender.</p>	<p>1,214,599</p>
<p>Direct borrowing from a financial institution for improvements to industrial buildings with a maximum draw down of \$3,000,000 available, collateralized by assignment of rent revenues. Beginning August 18, 2024, 60 monthly payments of principal and interest calculated on a 15-year amortization of the outstanding principal balance as of July 18, 2024 with interest based on the monthly average of the 5-year United States Treasury Bill index for July 18, 2024 plus 3.5%. Beginning August 18, 2029, 60 monthly payments of principal and interest calculated on a 10 year amortization of the outstanding principal balance as of July 18, 2029 with interest based on the monthly average of the 5-year United States Treasury Bill index for July 18, 2029 plus 3.5%.</p>	

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 8 LONG-TERM DEBT (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
Beginning August 18, 2034, 60 monthly payments of principal and interest calculated on a five-year amortization of the outstanding principal balance as of July 18, 2034 with interest based on the 5-year United States Treasury Bill index for July 18, 2034 plus 3.5%. Upon default, the interest rate on this direct borrowing shall be increased to 18% per annum, and the entire unpaid balance and all accrued interest will be declared due to the lender.	\$ 1,413,514
Direct borrowing from a financial institution for purchase of a vehicle, with monthly payments of \$839, including interest at 7.24%, with a final payment due in January 2028.	29,129
Direct borrowing from a financial institution for purchase of a vehicle, with monthly payments of \$908, including interest at 7.24%, with a final payment due in February 2028.	32,247
Direct borrowing from a financial institution for purchase of a vehicle, with monthly payments of \$699, including interest at 7.24%, with a final payment due in April 2028.	<u>25,915</u>
Total	2,906,433
Less: Current Portion	<u>(214,304)</u>
Long-Term Portion	<u><u>\$ 2,692,129</u></u>

Annual debt service requirements as of September 30, 2024 for notes payable are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 214,304	\$ 170,605
2026	228,206	158,537
2027	243,930	145,616
2028	228,939	132,185
2029	1,285,958	105,461
2030 - 2034	623,877	82,950
2035 - 2039	81,219	1,101
Total	<u><u>\$ 2,906,433</u></u>	<u><u>\$ 796,455</u></u>

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Lessee Arrangement

The Entity leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027.

Future principal and interest payments under lease agreements are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 5,573	\$ 382	\$ 5,955
2026	3,838	83	3,921
2027	211	2	213
Total Minimum Lease Payments	<u>\$ 9,622</u>	<u>\$ 467</u>	<u>\$ 10,089</u>

NOTE 9 LINES OF CREDIT

The Authority has a \$2,000,000 line of credit to finance grant expenditures with a commercial bank at Prime as published by the Wall Street Journal, with a minimum rate of 4.5%, secured by grant revenues. The Authority also has a \$500,000 line of credit, unsecured, for operating capital needs with a commercial bank at Prime as published by the Wall Street Journal, with a minimum rate of 5.0%.

Changes in the lines of credit for the fiscal year ended September 30, 2024 were as follows:

	<u>Balance October 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2024</u>
Line of Credit - Secured	\$ -	\$ 4,308,987	\$ (2,789,301)	\$ 1,519,686

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 10 CONDENSED COMBINING FINANCIAL INFORMATION

The following condensed financial information is presented to provide additional information on the Sebring Regional Airport and Industrial Park Community Redevelopment Agency (CRA), and the U.S. Sport Aviation Institute, Inc. (Institute), blended component units of the Authority.

Condensed Combining Statement of Net Position

	Sebring Airport Authority	CRA	Total
ASSETS			
Current Assets	\$ 5,198,789	\$ 314,706	\$ 5,513,495
Net Capital Assets	50,764,593	-	50,764,593
Other Noncurrent Assets	4,210,312	-	4,210,312
Total Assets	<u>60,173,694</u>	<u>314,706</u>	<u>60,488,400</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	479,025	-	479,025
LIABILITIES			
Current Liabilities	906,790	-	906,790
Noncurrent Liabilities	6,153,970	-	6,153,970
Total Liabilities	<u>7,060,760</u>	<u>-</u>	<u>7,060,760</u>
DEFERRED INFLOWS OF RESOURCES			
Lease Related Items	5,089,228	-	5,089,228
Pension Related Items	142,950	-	142,950
Total Deferred Inflows of Resources	<u>5,232,178</u>	<u>-</u>	<u>5,232,178</u>
NET POSITION			
Net Investment in Capital Assets	46,045,249	-	46,045,249
Restricted	-	314,706	314,706
Unrestricted	2,314,532	-	2,314,532
Total Net Position	<u>\$ 48,359,781</u>	<u>\$ 314,706</u>	<u>\$ 48,674,487</u>

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 10 CONDENSED COMBINING FINANCIAL INFORMATION (CONTINUED)

Condensed Combining Statement of Revenues, Expense, and Changes in Net Position

	Sebring Airport Authority	CRA	Total
OPERATING REVENUE			
Industrial Rentals	\$ 2,527,544	\$ -	\$ 2,527,544
Test Track Rentals	491,564	-	491,564
Fixed Base Operations	3,553,157	-	3,553,157
Fire Protection Fees	121,124	-	121,124
CRA Incremental Tax Revenue	-	441,001	441,001
Miscellaneous Revenue	395,377	-	395,377
Total Operating Revenue	<u>7,088,766</u>	<u>441,001</u>	<u>7,529,767</u>
OPERATING EXPENSES			
Personal Services	1,633,072	-	1,633,072
Contractual Services	378,148	-	378,148
Professional Services	971,055	8,500	979,555
General Operating	4,216,913	2,254	4,219,167
Total Operating Expenses	<u>7,199,188</u>	<u>10,754</u>	<u>7,209,942</u>
OPERATING INCOME BEFORE DEPRECIATION	(110,422)	430,247	319,825
Depreciation	<u>(2,932,410)</u>	<u>-</u>	<u>(2,932,410)</u>
NET OPERATING INCOME (LOSS)	(3,042,832)	430,247	(2,612,585)
NONOPERATING REVENUE (EXPENSE)			
Interest Income	490,158	18,589	508,747
Operating Grants	66,014	-	66,014
Interest Expense	(185,751)	-	(185,751)
Miscellaneous Revenue	26,257	-	26,257
Gain on Sale of Capital Assets	(2,298)	-	(2,298)
Total Nonoperating Revenue (Expense)	<u>394,380</u>	<u>18,589</u>	<u>412,969</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(2,648,452)	448,836	(2,199,616)
Transfers In	725,112	-	725,112
Transfers Out	-	(725,112)	(725,112)
Capital Grants and Contributions	<u>5,901,213</u>	<u>-</u>	<u>5,901,213</u>
CHANGE IN NET POSITION	3,977,873	(276,276)	3,701,597
Net Position - Beginning of Year	<u>44,381,908</u>	<u>590,982</u>	<u>44,972,890</u>
NET POSITION - END OF YEAR	<u>\$ 48,359,781</u>	<u>\$ 314,706</u>	<u>\$ 48,674,487</u>

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 10 CONDENSED COMBINING FINANCIAL INFORMATION (CONTINUED)

Condensed Combining Statement of Cash Flows

	Sebring Airport Authority	CRA	Total
Net Cash Provided (Used) by Operating Activities	\$ (2,062,561)	\$ 430,247	\$ (1,632,314)
Net Cash Provided by Noncapital Financing Activities	92,271	-	92,271
Net Cash Provided (Used) by Capital and Related Financing Activities	1,255,318	(725,112)	530,206
Net Cash Provided by Investing Activities	490,158	18,589	508,747
Net Increase (Decrease) in Cash and Cash Equivalents	(224,814)	(276,276)	(501,090)
Cash and Cash Equivalents - Beginning of Year	1,852,019	590,982	2,443,001
Cash and Cash Equivalents - End of Year	<u>\$ 1,627,205</u>	<u>\$ 314,706</u>	<u>\$ 1,941,911</u>

NOTE 11 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against this risk the Authority has engaged Public Risk Insurance Agency, a governmental insurance carrier, as its agent. This agency administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile crime, and worker compensation. The Authority is liable for deductibles on certain coverage. Insurance settlements have not exceeded insurance coverage in any of the three prior fiscal years.

NOTE 12 RELATED PARTY TRANSACTIONS

A member of the Authority's Board of Directors is also a member of Heartland National Bank's Board of Directors. The Authority has deposits, a line of credit, and debt held by Heartland National Bank in the amounts of \$1,652,200, \$1,519,686, and \$1,604,543 respectively as of September 30, 2024.

NOTE 13 COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

The Authority is party in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of legal counsel for the Authority, the resolution of these matters will not have a materially adverse effect on the financial condition of the Authority.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
LAST TEN MEASUREMENT PERIODS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	0.002360299%	0.002088612%	0.002279024%	0.001872208%	0.001675476%	0.001714629%	0.001616574%	0.001457265%	0.001724597%	0.001768396%
Authority's Proportionate Share of the Net Pension Liability	\$ 913,075	\$ 832,245	\$ 847,980	\$ 141,424	\$ 726,176	\$ 590,494	\$ 486,920	\$ 431,049	\$ 435,462	\$ 228,412
Authority's Covered Payroll	\$ 979,167	\$ 875,837	\$ 767,053	\$ 591,616	\$ 429,551	\$ 472,524	\$ 419,435	\$ 367,444	\$ 346,048	\$ 350,588
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	93.25 %	95.02 %	110.55 %	23.90 %	169.05 %	124.97 %	116.09 %	117.31 %	125.84 %	65.15 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.70 %	82.38 %	82.89 %	94.40 %	78.85 %	82.61 %	84.26 %	83.89 %	84.88 %	92.00 %

*The amounts presented for each fiscal year were determined as of June 30.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 143,541	\$ 99,713	\$ 97,504	\$ 76,590	\$ 61,399	\$ 53,479	\$ 73,499	\$ 13,838	\$ 44,618	\$ 39,240
Contributions in Relation to the Contractually Required Contribution	(143,541)	(99,713)	97,504	(76,590)	(61,399)	(53,479)	(73,499)	(13,838)	(44,618)	(39,240)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 1,019,083	\$ 858,764	\$ 793,459	\$ 624,058	\$ 477,962	\$ 458,655	\$ 445,306	\$ 392,244	\$ 344,392	\$ 330,241
Contributions as a Percentage of Covered Payroll	14.09 %	11.61 %	12.29 %	12.27 %	12.85 %	11.66 %	16.51 %	3.53 %	12.96 %	11.88 %

*The amounts presented for each fiscal year were determined as of September 30.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PLAN ¹
LAST TEN MEASUREMENT PERIODS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	0.002313656%	0.002177661%	0.002105054%	0.001657490%	0.001253851%	0.001412823%	0.001369415%	0.001088064%	0.001120965%	0.001155592%
Liability	\$ 347,070	\$ 345,842	\$ 222,959	\$ 203,316	\$ 153,093	\$ 158,082	\$ 144,941	\$ 116,341	\$ 130,643	\$ 117,852
Authority's Covered Payroll	\$ 979,167	\$ 875,837	\$ 767,053	\$ 591,616	\$ 429,551	\$ 472,524	\$ 419,435	\$ 367,444	\$ 346,048	\$ 350,588
Liability (Asset) as a Percentage of its Covered Payroll	35.45 %	39.49 %	29.07 %	34.37 %	35.64 %	33.45 %	34.56 %	31.66 %	37.75 %	33.62 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.80 %	4.12 %	4.81 %	3.56 %	3.00 %	2.63 %	2.15 %	1.64 %	0.97 %	0.50 %

*The amounts presented for each fiscal year were determined as of June 30.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PLAN ¹
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 20,386	\$ 14,740	\$ 13,175	\$ 10,282	\$ 7,931	\$ 7,596	\$ 7,393	\$ 6,632	\$ 5,719	\$ 4,508
Contributions in Relation to the Contractually Required Contribution	<u>(20,386)</u>	<u>(14,740)</u>	<u>(13,175)</u>	<u>(10,282)</u>	<u>(7,931)</u>	<u>(7,596)</u>	<u>(7,393)</u>	<u>(6,632)</u>	<u>(5,719)</u>	<u>(4,508)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 1,019,083	\$ 858,764	\$ 793,459	\$ 624,058	\$ 477,962	\$ 458,655	\$ 445,306	\$ 392,244	\$ 344,392	\$ 330,241
Contributions as a Percentage of Covered Payroll	2.00 %	1.72 %	1.66 %	1.65 %	1.66 %	1.66 %	1.66 %	1.69 %	1.66 %	1.37 %

*The amounts presented for each fiscal year were determined as of September 30.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE AUTHORITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS ¹
LAST TEN MEASUREMENT PERIODS**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 13,786	\$ 14,514	\$ 5,947	\$ 5,900	\$ 3,641	\$ 2,778	\$ 3,814
Interest	3,259	2,967	655	568	685	504	1,288
Changes of Benefit Terms	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	12,381	(278)	23,659	(3,104)	(2,739)	2,429	(25,286)
Changes of Assumptions	7,219	(11,758)	(3,580)	(18)	570	416	190
Benefit Payments	-	-	-	-	-	-	(4,548)
Net Change in Total OPEB Liability	36,645	5,445	26,681	3,346	2,157	6,127	(24,542)
Total OPEB Liability - Beginning	53,128	47,683	21,002	17,656	15,499	9,372	33,914
Total OPEB Liability - Ending	<u>\$ 89,773</u>	<u>\$ 53,128</u>	<u>\$ 47,683</u>	<u>\$ 21,002</u>	<u>\$ 17,656</u>	<u>\$ 15,499</u>	<u>\$ 9,372</u>
Covered Employee Payroll	\$ 962,875	\$ 809,057	\$ 740,242	\$ 562,365	\$ 512,432	\$ 410,334	\$ 397,418
Total OPEB Liability as a Percentage of the Covered Employee Payroll	9.32 %	6.57 %	6.44 %	3.73 %	3.45 %	3.78 %	2.36 %

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE AUTHORITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS ¹ (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024**

Notes to Schedule

Benefit Changes

There have been no substantive plan provision changes since the last full valuation.

Changes of Assumptions

For the measurement date September 30, 2024, the following were updated:

- Discount rate as of the measurement date was updated to 4.06%.
- Health care trend rates have been reset to an initial rate of 8.0%, decreasing by 0.5% annually to an ultimate trend of 4.5%.
- Salary increase scales have been updated to match the FRS actuarial valuation as of July 1, 2023.

For the measurement date September 30, 2023, the following were updated:

- Discount rate as of the measurement date was updated to 4.87%.

For the measurement date September 30, 2022, the following were updated:

- Discount rate as of the measurement date was updated to 4.77%.
- Mortality table was updated from using improvement Scale MP-2020 to Scale MP-2021.
- Health care trend rates have been reset to an initial rate of 7.5%, decreasing by 0.5% annually to an ultimate trend of 4.5%.
- Salary increase scales have been updated to match the FRS actuarial valuation as of July 1, 2021.

For the measurement date September 30, 2021, the following were updated:

- Discount rate as of the measurement date was updated to 2.43%.

For the measurement date September 30, 2020, the following were updated:

- Discount rate as of the measurement date was updated to 2.41%.
- Mortality table was updated from SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 to SOA PUB -201 General Headcount Weighted Mortality Table fully generational using Scale MP-2020.
- Turnover assumptions were updated to match the FRS actuarial valuation as of July 1, 2019.
- Health care trend rates have been reset to an initial rate of 8.0%, decreasing by 0.5% annually to an ultimate trend of 4.5%.
- Salary increase scales have been updated to match the FRS actuarial valuation as of July 1, 2019.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE AUTHORITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS ¹ (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024**

Changes of Assumptions (Continued)

For the measurement date September 30, 2019, the following were updated:

- Discount rate as of the measurement date was updated to 3.58%.
- Actuarial cost method was updated from Projected Unit Credit with linear proration to decrement to Entry Age Normal Level Percentage of Salary.
- The salary assumption was updated from 3.0% per year to match that of the FRS actuarial valuation as of July 1, 2017.

COMMUNITY REDEVELOPMENT AGENCY

Following is a schedule of deposits and withdrawals as required by Section 163.387(8), Florida Statutes. This schedule provides a source for all deposits and a purpose for all withdrawals for the fiscal year ended September 30, 2024.

**SEBRING AIRPORT AUTHORITY
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION – CRA FUND
YEAR ENDED SEPTEMBER 30, 2024**

	CRA
REVENUES	
CRA Incremental Tax Revenue	\$ 441,001
Interest Income	18,589
Total Revenues	459,590
EXPENSES	
Professional Services	8,500
General Operating and Project Assistance	727,366
Total Expenses	735,866
NET CHANGE IN NET POSITION	(276,276)
Net Position - Beginning of Year	590,982
NET POSITION - END OF YEAR	\$ 314,706

**SEBRING AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
FEDERAL AWARDS				
Federal Aviation Administration				
Airport Improvement Program	20.106		\$ -	\$ 10,220
Total Federal Aviation Administration			<u>-</u>	<u>10,220</u>
Federal Emergency Management Agency				
Passed Through Florida Division of Emergency Management				
Hurricane Ian Cat E	97.036	Z3444	-	63,638
Total Federal Emergency Management Agency			<u>-</u>	<u>63,638</u>
Economic Development Administration				
Stormwater Drainage Improvement Program	11.300		-	1,700,498
Total Economic Development Administration			<u>-</u>	<u>1,700,498</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 1,774,356</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**SEBRING AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Sebring Airport Authority (the Authority) under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

The Authority has not elected to use the 10% de minimis indirect cost rate.



**INDEPENDENT AUDITORS' REPORT 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**

Board of Directors
Sebring Airport Authority
Sebring, Florida

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 the Sebring Airport Authority (the Authority), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 18, 2025.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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.



CliftonLarsonAllen LLP

Sebring, Florida
April 18, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Sebring Airport Authority
Sebring, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sebring Airport Authority's (the Authority), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2024. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
April 18, 2025

**SEBRING AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
1. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number

11.300

Name of Federal Program or Cluster

Stormwater Drainage Improvements

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes x No

**SEBRING AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



MANAGEMENT LETTER

Board of Directors
Sebring Airport Authority
Sebring, Florida

Report on the Financial Statements

We have audited the financial statements of the Sebring Airport Authority (the Authority), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated April 18, 2025.

Auditors' 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report 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*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' 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 April 18, 2025, 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. There were no recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Information regarding the specific legal authority for the entity and each component unit is contained in Note 1 to the financial statements.

Financial Condition and Management

Section 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 conditions(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.b. 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 the 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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the Authority's geographical boundaries during the fiscal year under audit. A PACE program was available in Highlands County but the Authority is not participating and are not aware of any tenants participating in the program.

Special District Component Units

Section 10.554(1)(i)5.c., 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.

Special District Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Authority reported:

- a. The total number of district employees compensated in the last pay period of the Authority's fiscal year as: 14.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year as 1.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$1,049,981.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$9,580.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 - Terminal Apron Rehab Construction Phase II – Expenditures – \$3,793,321
 - Stormwater Drainage Improvements – Expenditures – \$2,125,623
 - CRA/SAA Interlocal Agreement – Hurricane Ian Multiple Building Repairs – Building 735 Roof – CRA Contribution \$395,000 – Expenditures – \$417,150
 - CRA/SAA Interlocal Agreement – Hurricane Ian Multiple Building Repairs – Building 727 Roof – CRA Contribution \$330,275 – Expenditures – \$343,267
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as: \$378,405.
 - Beginning Budgeted Reserves – \$313,087
 - Final Budgeted Reserves - \$691,492

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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Board of Directors
Sebring Airport Authority

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, Federal and other granting agencies, the Authority's Board of Directors and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
April 18, 2025



INDEPENDENT ACCOUNTANTS' REPORT

Sebring Airport Authority and
the Florida Auditor General
Sebring, Florida

We have examined the Sebring Airport Authority's (the Authority) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements 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 Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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 Section 218.415, Florida Statutes, regarding the investment of public funds; during the year ended September 30, 2024.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
April 18, 2025



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Sebring Airport Authority Agenda Item Summary

Meeting Date: May 15, 2025

Presenter: Andrew Bennett

Agenda Item: ITB 25-03 Airport Weed Control Services – Bio-Tech Consulting Contract.

Background: Staff advertised ITB 25-03 Airport Weed Control Services. Four bids were received by Aquatic Weed Control, Inc., Bayhead Consulting, Inc., Bio-Tech Consulting and Sage Services. This contract is for three (3) years beginning May 1, 2025 and ending April 31, 2028. Bio-Tech Consulting submitted the most competitive responsive bids for the following three annual term amounts:

1st Year = \$23,400

2nd Year = \$24,570

3rd Year = \$25,750

Request: Move to approve and authorize the Chairman or Vice Chairman and Secretary or Assistant Secretary to execute contract.

Board Action:

Approved **x**

Denied

Tabled

CONTRACT

(Weed Control Services 2025)

THIS IS AN AGREEMENT between the **SEBRING AIRPORT AUTHORITY**, a body politic and corporate of the State of Florida (herein called "SAA") and **BIO-TECH CONSULTING, INC.**, a Florida corporation (herein called "Contractor").

1. **PREMISE**. SAA requested proposals for weed control services at the Sebring Regional Airport. Contractor submitted the lowest and best bid and SAA would like for Contractor to do the work and Contractor would like to do so on the terms and conditions set forth herein.

2. **WORK**. Contractor, in consideration of the premises and mutual covenants herein contained, agrees to furnish at its own cost and expense, all labor, tools, materials, equipment, superintendence, security, insurance, testing and all other accessories and services necessary to provide weed control services (herein collectively called the "Project" or the "Work") all in accordance with the conditions and prices stated in this contract and ITB #25-03 Weed Control Services, Bid Response, and Legal Provisions, which are made a part hereof and collectively constitute this contract (herein called the "Contract Documents").

3. **PRICE AND TERM**. SAA shall pay to Contractor the sums of: Twenty Three Thousand Four Hundred Dollars (\$23,400.00) for the first year as the total price for the completion of the Project; Twenty Four Thousand Five Hundred Seventy Dollars (\$24,570.00) for the second year as the total price for the completion of the Project; and Twenty Five Thousand Seven Hundred Fifty Dollars (\$25,750.00) for the third year as the total price for the completion of the Project; all subject to increase or decrease as provided herein. This contract is for three (3) years beginning May 1, 2025 and ending April 31, 2028.

4. **PAYMENT**. SAA shall pay Contractor quarterly upon satisfactory completion of the Work required during that quarter. Upon Contractor's application for payment, the Executive Director, or his designee, will make inspection and if he finds the Services are acceptable under the contract, he will authorize the payment.

5. **INTENTIONALLY BLANK**.

6. **CLEAN-UP AND REMOVAL OF DEBRIS**. Contractor shall daily keep the site in a clean and orderly condition, free from all refuse, rubbish, scrap materials and debris caused by Contractor's operations.

7. **DRUG-FREE WORKPLACE**. Contractor acknowledges that SAA is a drug-free work place. Contractor covenants that all employees of Contractor working upon SAA property shall be subject to implementation of all possible provisions to maintain a drug-free environment and that Contractor will adhere to the provisions of Florida Statute 287.087.

8. **WORKMANSHIP**. Contractor shall, in a good workman like manner, perform all Work and furnish all supplies and materials necessary and proper to complete the Work under this contract, within the time specified herein, in accordance with the provisions of this contract, including the approved specifications, plans and drawings. Contractor shall complete the entire

Project to the satisfaction of SAA. During construction, Contractor shall be responsible for the protection of all existing paving, buildings, utilities and adjacent real property and shall promptly repair, at its sole cost, any damage caused, in whole or in part, by Contractor or its agents or subcontractors during the construction.

9. LAWS AND REGULATIONS. Contractor shall comply with all laws, ordinances, rules, orders and regulations relating to performance of the Work and the protection of persons and property. Contractor shall also maintain all licenses required for the Work hereunder in an active status.

10. WORK INSPECTION. Contractor has undertaken such inspections as it deems necessary to undertake the Project at the contract price set forth in paragraph 3.

11. CHANGE ORDERS. The Contract Price and the Contract Time may be changed only by a Change Order issued by SAA. SAA, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Price and the Contract Time being adjusted accordingly. All such Changes in the Work shall be authorized only by written Change Order and shall be executed under the applicable conditions of the Contract Documents.

11.1 The cost or credit to SAA resulting from a Change in the Work shall be determined in one or more of the following ways:

- A. By mutual acceptance of a lump sum properly itemized;
- B. By unit prices stated in the Contract Documents or subsequently agreed upon; or
- C. By cost and a mutual acceptable fixed or percentage fee.

11.2 If none of the methods set forth above are agreed upon, Contractor shall promptly proceed with the Work involved. The cost of such Work shall then be determined on the basis of Contractor's reasonable expenditures and savings, including, in the case of any increase in the Contract Price, a reasonable allowance for overhead and profit. In such case, Contractor shall keep and present an itemized accounting together with appropriate supporting data. The amount of credit to be allowed by Contractor to SAA for any deletion or change which results in a net decrease in cost will be the amount of the actual net decrease as confirmed by Contractor's records. When both additions and credits are involved in any one change, the allowance for overhead and profit shall be figured on the basis of net increase or decrease, if any.

11.3 Contractor represents that it has examined the Project site thoroughly before entering into this agreement and is knowledgeable of all site conditions, above and below ground, and placement of all utilities. Contractor has also fully investigated the typical weather for this time of year. Should concealed conditions encountered in the performance of the Work below the surface of the ground be at variance with the conditions indicated by the Contract Documents or should unknown physical conditions below the surface of the ground of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Contract, be encountered, the guaranteed maximum cost shall be equitably adjusted by Change Order upon claim by either party only

where made in writing within a seven (7) calendar days after the first observance of the condition.

11.4 Claims for Additional Cost or Time. If Contractor claims that additional cost or time is involved because of any written order for a Change in the Work issued pursuant to this Article, Contractor shall make such claim solely as provided herein and failure to make a claim timely shall be a waiver of any such claim. If Contractor wishes to make a claim for an increase in the Contract Price or an extension in the Contract time, Contractor shall give SAA written notice thereof within seven (7) calendar days after the occurrence of the event giving rise to such claim. This written notice shall be given by Contractor before proceeding to execute the Work, except in an emergency endangering life or property in which case Contractor shall proceed as necessary under the circumstances. Any change in the Contract Price or Contract Time resulting from such properly requested claim shall be authorized by Change Order. Contractor shall not be given any Change Order for time extension for rain or other adverse weather conditions unless the condition is unusual or unseasonable for the time of year.

12. TERMINATION OF CONTRACT. SAA may, by written notice, terminate this Contract in whole or in part at any time, either for SAA's convenience or because of failure to perform any material provision or portion of the Contract Documents, failure to pay vendors, suppliers, subcontractors or sub-subcontractors as required or failure to undertake adequate safety measures during the performance of the Project. Upon receipt of such notice, services shall be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performance of this Contract, whether completed or in process, shall be delivered to SAA.

12.1 If the termination is for the convenience of SAA, an equitable adjustment in the Contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.

12.2 If the termination is due to failure to fulfill the contractor's obligations, SAA may take over the Work and prosecute the same to completion by contract or otherwise. In such case, the Contractor shall be liable to SAA for any additional cost occasioned to SAA thereby.

12.3 If, after notice of termination for failure to fulfill Contract obligations, it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of SAA. In such event, adjustment in the Contract price shall be made as provided in paragraph 12.1 of this agreement.

12.4 The rights and remedies of SAA provided in this clause are in addition to any other rights and remedies provided by law or under this Contract.

13. INDEPENDENT CONTRACTOR. The parties expressly recognize that the relationship between SAA and the Contractor is that of independent contractors, and that neither Contractor, nor any of its servants, agents, or employees shall ever be considered to be an agent, servant or employee of SAA.

14. **INSURANCE.** Contractor shall obtain and maintain, at Contractor's expense, the following insurance and shall not commence Work hereunder until such insurance is obtained and approved by SAA:

- A. **Comprehensive General Liability.** Comprehensive general liability insurance shall be carried with limits of at least \$1,000,000 of combined single limit for Bodily Injury and Property Damage and \$2,000,000 annual aggregate. Coverage shall include Premises and Operations, Broad Form Contractual, Products and Completed Operations, Owners and Contractors Protective Liability (also known as Independent Contractors Liability), and when applicable include Explosion, Collapse and Underground Damage (XCU), and shall include Contingent Liability against claims arising out of subcontractors with the same minimum amount.
- B. **Commercial Automobile Liability.** Vehicle liability insurance shall be carried with limits of at least \$1,000,000 for Bodily Injury and Property Damage for "all autos" including owned, hired and non-owned autos.
- C. **Workers' Compensation.** Coverage to apply for all employees for statutory limits in compliance with the applicable State and Federal laws. The policy must include Employers' Liability with a limit of \$1,000,000 each accident, \$1,000,000 each employee, \$1,000,000 policy limit for disease.
- D. **Pollution and Remediation Legal Liability**
Contractor shall procure and maintain Pollution and Remediation Legal Liability insurance in an amount not less than \$1,000,000 per claim insuring the Authority against liability for bodily injury, property damage, legal defense and remediation arising out of Contractor's operations.
- E. **Evidence Of Insurance.** Contractor shall furnish SAA with Certificates of Insurance. The Certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Sebring Airport Authority is to be specifically included as an additional insured on all policies except Workers' Compensation. If Contractor is exempt from workers' compensation requirements, it shall submit a DWC-252 Certificate Exemption Form. In the event the insurance coverage expires prior to the completion of the project, a renewal certificate shall be issued 30-days prior to said expiration date. All certificates of insurance must be on file with and approved by SAA before the commencement of any work activities.

15. **INTENTIONALLY BLANK.**

16. **NOTICES.** Whenever any notice is required or permitted by this contract to be given, such notice shall be by certified mail or overnight delivery addressed to:

Contractor:
John A. Miklos, President
Bio-Tech Consulting, Inc.
3025 East South Street
Orlando, FL 32803

SAA:
Executive Director
Sebring Airport Authority
128 Authority Lane
Sebring, FL 33870

Notice shall be considered given when deposited with the U.S. Postal Service or commercial carrier, postage prepaid. Each party will be responsible for notifying the other of any change in their address.

17. **ASSIGNMENT.** Contractor shall not assign this contract, in whole or in part, or any monies due or to become due hereunder, without the written consent of SAA.

18. **INTENTIONALLY BLANK.**

19. **CORRECTION OF WORK.** Contractor shall promptly correct all Work determined to be defective or failing to conform to the Contract Documents whether or not fabricated, installed or completed. Contractor shall bear all costs of correcting such defective Work. If, within one year after the date of final completion or within such other period of time as may be prescribed by law or by the terms of any applicable special guarantee required by the Contract Documents, any Work is found to be defective, Contractor shall correct it promptly after request from SAA to do so.

20. **DAMAGE TO PROPERTY.** Contractor agrees that all SAA or third party owned property that is damaged by Contractor's personnel or equipment shall be promptly repaired or replaced, at Contractor's expense. This includes vegetation or animals injured by virtue of any overspray of chemicals by Contractor.

21. **TAXES.** Contractor shall pay all sales, consumer, use and other similar taxes required by law resulting from the Work which are in effect as of the date of execution of this Agreement, and such costs shall not be considered in addition to the Contract Price.

22. **PERMITS, FEES AND NOTICES.** Contractor shall secure and pay for all permits and licenses necessary for the proper execution and completion of the Work which are in effect as of the date of execution of this contract.

22.1 Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and orders of any public authority bearing on the performance of the Work. If either Contractor or SAA observes that any of the Contract Documents are at variance therewith in any respect, it shall promptly notify the other party, in writing, and any necessary changes shall be adjusted by appropriate modification. If Contractor performs any Work which is contrary to such laws, ordinances, rules and regulations in effect as of the date of execution of this Agreement, then Contractor shall assume full responsibility therefor and shall bear all costs attributable thereto.

23. **RESPONSIBILITY FOR THOSE PERFORMING THE WORK.** Contractor shall be responsible to SAA for the acts and omissions of all its employees and all subcontractors, their agents and employees and all other persons performing any of the Work by, through, or under Contractor.

24. **PROVISIONS REQUIRED BY LAW DEEMED INSERTED.** Each and every provision of law and clause required by law to be inserted in this document shall be deemed to be

inserted herein and the contract shall be read and enforced as though it were included, and if, through mistake or otherwise, any such provision is not inserted, or is not correctly inserted, then upon application of either party, the contract shall forthwith be physically amended to make such insertion or correction.

25. SAFETY AND HEALTH REGULATIONS. Contractor shall comply with the Department of Labor Safety and Health Regulations for construction promulgated under the Occupational Safety and Health Act and such other rules and regulations as may be applicable to this Project.

25.1 Contractor shall be solely responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work.

25.2 Contractor shall take all necessary precautions for the safety of, and shall provide all reasonable protection to prevent damage, injury or loss to:

- A. All employees on the Work and all other persons who may be affected thereby;
- B. All the Work, all materials and equipment to be incorporated therein, whether in storage on or off the site, under the care, custody or control of Contractor or any of its subcontractors or sub-subcontractors; and
- C. Other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designed for removal, relocation or replacement in the course of construction.

Any injury to persons or damage to property shall be immediately repaired or remedied by Contractor, subject to the limits of indemnification provided by Contractor herein.

25.3 Contractor shall comply with all applicable laws, ordinances, rules, regulations and orders of any public authority having jurisdiction for the safety of persons or property or to protect them from damage, injury or loss. It shall erect and maintain, as required by existing conditions and progress of the Work, all reasonable safeguards for safety and protection, including, securing materials for the Project, providing appropriate lighting and posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent utilities. Contractor and SAA's designee shall mutually agree on appropriate staging areas for the materials and equipment for the Project so as to not unreasonably encumber SAA's other real property.

26. INDEMNIFICATION AND HOLD HARMLESS. Contractor hereby acknowledges and confirms that the contract price includes the consideration for this indemnification and hold harmless. Contractor shall, in addition to any other obligation to indemnify SAA and to the fullest extent permitted by law, protect, defend, indemnify and hold harmless SAA, its elected officials, employees, agents and volunteers from and against all claims, actions, liabilities, losses (including economic losses), costs, including attorney fees and all costs of litigation, and

judgments of every name and description arising out of or incidental to the performance of this contract, unless caused by the sole negligence of SAA, its elected officials, employees, agents or volunteers. Any cost or expenses, including attorney fees (including appellate, bankruptcy or patent council fees), incurred by SAA to enforce this agreement shall be borne by the Contractor. This indemnification shall also cover all claims brought against SAA, its elected officials, employees, agents or volunteers by any employee of Contractor, subcontractor, or anyone directly or indirectly employed by any of them. The Contractor's obligation under this paragraph shall be limited to \$10,000,000 and shall not be limited in any way to the agreed upon contract price as shown in this contract or the Contractor's limit of all services, obligations, and duties provided for in this contract, or in the event of termination of this contract for any reason, the terms and conditions of this paragraph shall survive indefinitely.

27. **DEFAULT.** Subject to the limitations of Sec. 768.28, Fla. Stat., in any action brought by either party for the interpretation or enforcement of the obligations of the other party including SAA's right to indemnification, the prevailing party shall be entitled to recover from the losing party all reasonable attorney's fees, paralegal fees, court and other costs, whether incurred before or during litigation, on appeal, in bankruptcy or in post judgment collections.

28. **BINDING EFFECT.** This contract shall bind and inure to the benefit of the successors and assigns of each of the parties.

29. **GOVERNING LAW.** This contract will be governed by and construed in accordance with the laws of the State of Florida and the parties agree to submit to the jurisdiction of the Tenth Judicial Circuit, in and for Highlands County, Florida.

30. **PUBLIC RECORDS.** The Contractor is required to keep and maintain public records that ordinarily and necessarily would be required by SAA in order to perform the service sought herein. The Contractor is required to provide the public with access to public records on the same terms and conditions that SAA would provide the records and at a cost that does not exceed the cost provided in Ch. 119.07 *et seq.*, Fla. Stat. or as otherwise provided by law. The Contractor must ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law and must meet all requirements for retaining public records and transfer, at no cost, to SAA all public records in possession of the contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to SAA in a format that is compatible with the information technology systems of the public agency. **IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT BEVERLY K. GLARNER, THE CUSTODIAN OF PUBLIC RECORDS at 863-314-1301, bev@sebring-airport.com or 128 AUTHORITY LANE, SEBRING, FL 33870.**

31. **TIME.** Time is of the essence of this agreement.

32. **MULTIPLE ORIGINALS.** This contract is executed in multiple copies, each of which shall be deemed an original.

AGREED TO this 17th day of April, 2025.

Two Witnesses as to SAA:

SEBRING AIRPORT AUTHORITY, a body politic and corporate of the State of Florida

Jami Olive
(Printed Name) Jami Olive

By: [Signature]
 Peter H. McDevitt, as its Chair or Stanley Wells
 Stanley Wells, as its Vice Chair Craig Johnson

[Signature]
(Printed Name) Andrew Bennett

Attest: [Signature]
 Craig Johnson, as its Secretary or Carl Cool
 Carl Cool, as its Asst. Secretary Jason Dunkel

(Corporate Seal)



Two Witnesses as to Contractor:

CONTRACTOR: BIO-TECH CONSULTING, INC., a Florida corporation

[Signature]
(Printed Name) Joe Galletti / Executive V.P.

By: [Signature]
John A. Miklos as its President

[Signature]
(Printed Name) Armando Hernandez / Director

(corporate seal)



LEGAL PROVISIONS

Miscellaneous

Funding. Owner will use its best efforts to obtain the approval of the State of Florida and/or the FAA to this contract. If Owner determines that the same requires modifications in order to qualify for funding for the Project, the Contractor shall consent or the Owner shall have the right to terminate the Contract. This Project is contingent upon receipt of funding.

Licensing. Contractor shall procure and keep in force during the term of this contract all necessary licenses, registrations, certificates, permits and other authorizations as are required by law in order for Contractor to render its services hereunder. Contractor shall require all of its subcontractors to comply with the provisions of this paragraph.

Contractor grants Owner an irrevocable license to utilize the plans and specifications generated by Contractor for this Project.

E-Verify.

(a) Beginning January 1, 2021, every public employer, contractor, and subcontractor shall register with and use the E-Verify system to verify the work authorization status of all newly hired employees. A public employer, contractor, or subcontractor may not enter into a contract unless each party to the contract registers with and uses the E-Verify system.

(b) 1. If a contractor enters into a contract with a subcontractor, the subcontractor must provide the contractor with an affidavit stating that the subcontractor does not employ, contract with, or subcontract with an unauthorized alien.

2. The contractor shall maintain a copy of such affidavit for the duration of the contract.

(c) 1. A public employer, contractor, or subcontractor who has a good faith belief that a person or entity with which it is contracting has knowingly violated s. 448.09(1) shall terminate the contract with the person or entity.

2. A public employer that has a good faith belief that a subcontractor knowingly violated this subsection, but the contractor otherwise complied with this subsection, shall promptly notify the contractor and order the contractor to immediately terminate the contract with the subcontractor.

3. A contract terminated under subparagraph 1. or subparagraph 2. is not a breach of contract and may not be considered as such.

(d) A public employer, contractor, or subcontractor may file an action with a circuit or county court to challenge a termination under paragraph (c) no later than 20 calendar days after the date on which the contract was terminated.

(e) If a public employer terminates a contract with a contractor under paragraph (c), the contractor may not be awarded a public contract for at least 1 year after the date on which the contract was terminated.

(f) A contractor is liable for any additional costs incurred by a public employer as a result of the termination of a contract.

Legal Provisions and Certifications

To the extent applicable to this Project, Engineer, Consultant, Contractor, subcontractor, Architect and/or Design/Builder (collectively "Contractor"):

Conflict. Contractor represents and warrants unto Owner that no officer, employee or agent of Owner has any interest, either directly or indirectly, in the business of Contractor to be conducted hereunder. Contractor further represents and warrants to Owner that it has not employed or retained any company person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract, that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Contract, and that it has not agreed, as an express or implied condition for obtaining this Contract, to employ or retain the services of any firm or person in connection with carrying out this Contract. Contractor assures that it will insert the above provision in each of its subcontractor agreements relating to the services to be performed hereunder.

Contractor and its employees shall promptly observe and comply with the applicable provisions of all Federal, State and local laws, rules and regulations which govern or apply to the goods and services rendered by Contractor hereunder, or to the wages paid by Contractor to its employees. Contractor shall require all of its subcontractors to comply with the provisions of this paragraph.

CIVIL RIGHTS ACT OF 1964, TITLE VI – CONTRACTOR CONTRACTUAL REQUIREMENTS

The Sebring Airport Authority, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000 d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1.1 Compliance with Regulations. The contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

1.2 Nondiscrimination. The contractor, with regard to the work performed by it during the

contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

1.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

1.4 Information and Reports. The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Owner or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Owner or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

1.5 Sanctions for Noncompliance. In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Owner shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- a. Withholding of payments to the contractor under the contract until the contractor complies, and/or
- b. Cancellation, termination, or suspension of the contract, in whole or in part.

1.6 Incorporation of Provisions. The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Owner or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Owner to enter into such litigation to protect the interests of the Owner and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Contractor for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) in the furnishing of services to Owner hereunder, no person on the grounds of race, color, national origin, sex, age, disability, religion, or familial status shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (2) Contractor shall comply with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation – effectuation of Title VI and Title VIII of the Civil Rights Act of 1964, as said

Regulations may be amended. Should Contractor authorize another person, with Owner's prior written consent, to provide services to Owner hereunder, Contractor shall obtain from such person a written agreement pursuant to which such person shall, with respect to the services which he or she is authorized to provide, undertake for such person the obligations contained in this section. Contractor shall furnish an original agreement to Owner.

Further, Contractor assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, color, national origin, sex, age, disability, religion, or familial status be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Such activities shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor assures that no person shall be excluded on these grounds from participating in or receiving the services of any program or activity covered by this subpart. Contractor assures that it shall not discriminate on the grounds of race, color, national origin, sex, age, disability, religion, or familial status in the selection or retention of subcontractors. Contractor assures that it will require that its covered subcontractors provide assurances to Contractor that they similarly require assurances from their subcontractors, as required by CFR Part 152, Subpart E, to the same effect.

Owner may, from time to time, adopt additional or amended and nondiscrimination provides concerning the furnishing of services to the Owner, and Contractor agrees that it will adopt any such requirements as a part of this Contract.

Non-Discrimination. Contractor for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that:

1. No person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;
2. That in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national original shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination;
3. That Contractor shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 and Title VIII of the Civil Rights Act of 1968, and as said Regulations may be amended.

That in the event of a breach of any of the above nondiscrimination covenants, Owner shall have the right to terminate this Contract. This provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the

Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204

of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.

EEO COMPLIANCE

(a) Requirements for prime contractors and subcontractors:

(1) Each prime contractor and subcontractor shall file annually, on or before the September 30, complete and accurate reports on Standard Form 100 (EEO-1) promulgated jointly by the Office of Federal Contract Compliance Programs, the Equal Employment Opportunity Commission and Plans for Progress or such form as may hereafter be promulgated in its place if such prime contractor or subcontractor (i) is not exempt from the provisions of these regulations in accordance with Sec. 60-1.5; (ii) has 50 or more employees; (iii) is a prime contractor or first tier subcontractor; and (iv) has a contract, subcontract or purchase order amounting to \$50,000 or more or serves as a depository of Government funds in any amount, or is a financial institution which is an issuing and paying agent for U.S. savings bonds and savings notes: Provided, That any subcontractor below the first tier which performs construction work at the site of construction shall be required to file such a report if it meets requirements of paragraphs (a)(1) (i), (ii), and (iv) of this section.

(2) Each person required by Sec. 60-1.7(a)(1) to submit reports shall file such a report with the contracting or administering agency within 30 days after the award to him of a contract or subcontract, unless such person has submitted such a report within 12 months preceding the date of the award. Subsequent reports shall be submitted annually in accordance with Sec. 60-1.7(a)(1), or at such other intervals as the Deputy Assistant Secretary may require. The Deputy Assistant Secretary may extend the time for filing any report.

(3) Failure to file timely, complete and accurate reports as required constitutes noncompliance with the prime contractor's or subcontractor's obligations under the equal opportunity clause and this contract.

(b) Requirements for bidders or prospective contractors:

(1) Certification of compliance with Part 60-2: Affirmative Action Programs. Each agency shall require each bidder or prospective prime contractor and proposed subcontractor, where appropriate, to state in the bid or in writing at the outset of negotiations for the contract: (i) Whether it has developed and has on file at each establishment affirmative action programs pursuant to Part 60-2 of this chapter; (ii) whether it has participated in any previous contract or subcontract subject to the equal opportunity clause; (iii) whether it has filed with the Joint Reporting Committee, the Deputy Assistant Secretary or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements.

(2) Additional information. A bidder or prospective prime contractor or proposed

subcontractor shall be required to submit such information as the Deputy Assistant Secretary requests prior to the award of the contract or subcontract. When a determination has been made to award the contract or subcontract to a specific contractor, such contractor shall be required, prior to award, or after the award, or both, to furnish such other information as the applicant or the Deputy Assistant Secretary requests.

STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION
CONTRACT SPECIFICATIONS - 41 CFR Part 60.4.3

1. As used in these specifications:

a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;

b. "Director" means Director, Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, or any person to whom the Director delegates authority;

c. "Employer identification number" means the Federal social security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

d. "Minority" includes:

(1) Black (all) persons having origins in any of the Black African racial groups not of Hispanic origin);

(2) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin regardless of race);

(3) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(4) American Indian or Alaskan native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

2. Whenever the contractor, or any subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

3. If the contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan.

Contractors shall be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each contractor or subcontractor participating in an approved plan is individually required to comply with its obligations under the EEO clause and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other contractors or subcontractors toward a goal in an approved Plan does not excuse any covered contractor's or subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

4. The contractor shall implement the specific affirmative action standards provided within these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing construction work in a geographical area where they do not have a Federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the work is being performed. Goals are published periodically in the Federal Register in notice form, and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement nor the failure by a union with whom the contractor has a collective bargaining agreement to refer either minorities or women shall excuse the contractor's obligations under these specifications, Executive Order 11246 or the regulations promulgated pursuant thereto.

6. In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees shall be employed by the contractor during the training period and the contractor shall have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees shall be trained pursuant to training programs approved by the U.S. Department of Labor.

7. The contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The contractor shall document these efforts fully and shall implement affirmative action steps at least as extensive as the following:

a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each construction project. The contractor shall specifically ensure that all foremen, superintendents, and other onsite supervisory personnel are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

c. Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefore along with whatever additional actions the contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or female sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under 7b above.

f. Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with onsite supervisory personnel such as superintendents, general foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female, and community organizations, to schools with minority and female students; and to

minority and female recruitment and training organizations serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations, such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable provide after school, summer, and vacation employment to minority and female youth both on the site and in other areas of a contractor's workforce.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel, for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are non-segregated except that separate or single user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisor's adherence to and performance under the contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations, which assist in fulfilling one or more of their affirmative action obligations. The efforts of a contractor association, joint contractor union, contractor community, or other similar groups of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under these specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The obligation to comply, however, is the contractor's and failure of such a group to fulfill an obligation shall not be a defense for the contractor's noncompliance.

9. A single goal for minorities and a separate single goal for women have been established. The contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, if the particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally,) the contractor may be in violation of the Executive Order if a specific minority group of women is underutilized.

10. The contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

11. The contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

12. The contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination, and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 18.7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

14. The contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government, and to keep records. Records shall at least include for each employee, the name, address, telephone number, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1982,
SECTION 520 - GENERAL CIVIL RIGHTS PROVISIONS

The contractor assures that it will comply with pertinent statutes, Executive orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the tenant/concessionaire /lessee or its transferee for the period during which Federal assistance is extended to the airport a program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the Owner or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits or (b) the period during which the Owner or any transferee retains ownership or possession of the property. In the case of contractors, this provision binds the contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

CERTIFICATION OF NONSEGREGATED FACILITIES - 41 CFR PART 60-1.8

Notice to Prospective Federally Assisted Construction Contractors:

1. A Certification of Non-segregated Facilities shall be submitted prior to the award of a federally-assisted construction contract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity Clause.
2. Contractors receiving federally-assisted construction contract awards exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause will be required to provide for the forwarding of the following notice to prospective subcontractors for supplies and construction contracts where the subcontracts exceed \$10,000 and are not exempt from the provisions of the Equal Opportunity Clause. NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Notice to Prospective Subcontractors of Requirements for Certification of Non-Segregated Facilities:

1. A Certification of Non-segregated Facilities shall be submitted prior to the award of a subcontract exceeding \$10,000, which is not exempt from the provisions of the Equal Opportunity Clause.
2. Contractors receiving subcontract awards exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause will be required to provide for the forwarding of this notice to prospective subcontractors for supplies and construction contracts where the subcontracts exceed \$10,000 and are not exempt from the provisions of the Equal Opportunity Clause. NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

CERTIFICATION OF NONSEGREGATED FACILITIES

The federally-assisted construction contractor certifies that she or he does not maintain or provide, for his employees, any segregated facilities at any of his establishments and that she or he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally-assisted construction contractor certifies that she or he will not maintain or provide, for his employees, segregated facilities at any of his establishments and that she or he will not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The federally-assisted construction contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this contract.

As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms, and washrooms, restaurants and other eating areas, timeclocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directives or are, in fact, segregated on the basis of race, color, religion, or national origin because of habit, local custom, or any other reason. The federally-assisted construction contractor agrees that (except where she or he has obtained identical certifications from proposed subcontractors for specific time periods) she or he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause and that she or he will retain such certifications in his files.

NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION - 41 CFR PART 60-2

1. The Contractor's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.
2. The goals and timetables for minority and female participation, expressed in percentage terms for the contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Timetables

Goals for minority participation for each trade	11.1%
Goals for female participation in each trade	2.5%

These goals are applicable to all the contractor's construction work (whether or not it is Federal or federally-assisted) performed in the covered area. If the contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the contractor also is subject to the goals for both its Federally involved and non-federally involved construction.

The contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals. The hours of minority and female employment and training shall be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith

effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project, for the sole purpose of meeting the contractor's goals, shall be a violation of the contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The contractor shall provide written notification to the Director, OFCCP, within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of subcontract; and the geographical area in which the subcontract is to be performed.

4. As used in this notice and in the contract resulting from this solicitation, the "covered area" is the Sebring Regional Airport and Industrial Park located in Sebring, Highlands County, Florida.

LOBBYING AND INFLUENCING FEDERAL EMPLOYEES

1. No Federal appropriated funds shall be paid, by or on behalf of the contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant and the amendment or modification of any Federal grant.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal grant, the contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

Accounting/Records. Contractor will provide all information and reports required by said Regulations, or by directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Owner or other governmental agency to be pertinent to ascertain whether there has been compliance with said Regulations and directives. Where any information required of Contractor is in the exclusive possession of another who fails or refused to furnish this information, Contractor shall so certify and shall set forth what efforts it has made to obtain the information. Contractor shall remain obligated under this paragraph until the expiration of three (3) years after the termination of the Contract. In the event of breach of any of the above nondiscrimination covenants, Owner shall have the right to impose such contract sanctions as it or other applicable government entity may determine to be appropriate, including with-holding payments to Contractor under this Contract or canceling, terminating, or suspending this Contract in whole or in part. The rights granted to Owner by the foregoing sentence shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

CONTRACT WORKHOURS AND SAFETY STANDARDS ACT

REQUIREMENTS 29 CFR PART 5

1. Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in paragraph (1) above, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1 above, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1 above.

3. Withholding for Unpaid Wages and Liquidated Damages. The Federal Aviation Administration or the Owner shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 above.

4. Subcontractors. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs 1 through 4 and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1 through 4 of this section.

The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. The records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the Authority and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

ACCESS TO RECORDS AND REPORTS

The Owner, as well as the public pursuant to Florida Statutes Chapter 119, shall have access to any books, documents, paper, and records including payroll records and associated basic data of the Contractor, which are directly pertinent to the specific Contract for the purposes of making an audit, examination, excerpts, and transcriptions.

The Contractor shall maintain an acceptable cost accounting system. The Contractor agrees to provide the Owner, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

DISADVANTAGED BUSINESS ENTERPRISES

Policy. It is the policy of the Owner and the United States or State of Florida Department of Transportation that disadvantaged business enterprises, as defined in the Owner's Disadvantaged Business Enterprises ("DBE") Participation Policy for services as defined in 49 CFR Part 26 shall have equal opportunity to participate in the performance of services contracts awarded by the Owner, including, but not limited to, contracts financed in whole or in part with federal or State funds under this Contract. Consequently, the requirements of the Owner's DBE Participation Policy apply to this Contract.

Contract Assurance (§26.13). The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate.

Prompt Payment. The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than fourteen (14) days from the receipt of each payment the prime contractor receives from Sebring Airport Authority. Payments not made to subcontractors within fourteen (14) days of the prime contractor's receipt of payment shall bear interest at the rate of ten percent (10%) per annum, computed beginning on the 14th day after payment is due. The prime contractor agrees further to return retainage payments to each subcontractor within fourteen (14) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Sebring Airport Authority. The right to receive interest on a payment under this section is not an exclusive remedy, and this section does not modify any remedies available to any person under the terms of a contract or under any other statute. Sebring Airport Authority shall have the right to terminate the services of any obligor who fails to make prompt payment to any obligee. This clause applies to both DBE and non-DBE subcontractors.

DBE Obligation. The Contractor agrees to ensure that DBE/MWBE firms shall have the

maximum opportunity to participate in the performance of contracts for subcontractor services, including, but not limited to, those projects financed in whole or in part with federal or state funds provided under this Contract. In this regard, the Contractor and all subcontractors shall take all necessary and reasonable steps in accordance with the Owner's DBE/MWBE Participation Policies to ensure that DBE/MWBE firms have the maximum opportunity to compete for and perform contracts. The Contractor and any subcontractors shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of Owner contracts.

DBE Administration.

1. Eligibility of DBE's: Those firms currently certified as DBE's by the Florida Department of Transportation are eligible to participate as DBE's on this contract. A list of these firms can be obtained from the State, the consulting engineer, or the Sponsor. Firms certified as DBE's by other states, or other U.S. DOT recipients are subject to the sponsor's acceptance. A bidder may request a review of a potential DBE prior to the bid opening. The bidder should allow ten working days for the sponsor's determination regarding certification of the potential DBE. Previous acceptance of a DBE by the FAA, State or Sponsor does not ensure acceptance on this project.
2. Counting DBE Participation Towards DBE Goals: DBE participation toward attainment of the goal will be computed on the basis of the subcontract prices agreed to between the contractor and subcontractors for the contract items or portions of items being sublet, as shown on the DBE Participation Form and attachments. Credit will only be given for use of DBE's that are certified or accepted according to this specification. DBE participation shall be counted toward meeting the DBE goal in accordance with the following:
 - a. Commercially Useful Function: The Sponsor shall count toward the DBE goal only those expenditures to DBE's that perform a commercially useful function in the work of the contract. A DBE performs a commercially useful function when it is responsible for execution of a distinct element of work by actually performing, managing, and supervising that work. To determine if a DBE is performing a commercially useful function, the amount of work subcontracted, industry practices, and other relevant factors will be evaluated. If consistent with industry practices, a DBE shall enter into a subcontract or other contractual written agreement. A DBE Contractor may subcontract a portion of the work up to the amount allowed under standard subcontracting contract provisions of normal industry practices. A DBE is presumed not to be performing a commercially useful function if the DBE is performing outside these guidelines.
 - b. Materials and Supplies: The Sponsor shall count toward the DBE goal the expenditures for materials and supplies obtained from DBE suppliers and manufacturers as described below. The DBE's must assume the actual and contractual responsibility for the provision of the materials and supplies:
 - (1) The entire expenditure to a DBE manufacturer will be counted toward the DBE goal. A manufacturer must operate or maintain a factory or establishment that produces on the premises the materials or supplies that are obtained by the contractor.

- (2) Sixty percent of expenditures to a DBE regular dealer will be counted toward the DBE goal. A regular dealer must perform a commercially useful function in the supply process including buying the materials or supplies, maintaining an inventory and regularly selling materials to the public. Bulk items such as steel, cement, gravel, stone and petroleum products need not be kept in stock, but the dealer must own or operate distribution equipment.
 - (3) No credit will be given toward the DBE goal, if the prime contractor makes a direct payment to a non-DBE material supplier. However, it will be permissible for a material supplier to invoice the prime contractor and the DBE jointly and be paid by the prime contractor making remittance to the DBE firm and material supplier jointly.
 - (4) No credit, toward the DBE goal, will be given for the cost of materials or equipment used in a DBE firm's work when those costs are paid by a deduction from the prime contractor's payment(s) to the DBE firm.
- c. **Owner-Operator Trucking:** The Sponsor shall count toward the DBE goal, the entire delivery fee paid to DBE owner-operators performing trucking for the contractor, if they appear on the contractor's payroll and separate records are furnished to the Sponsor documenting the expenditures. The records shall include for each owner-operator; their social security number; driver's license number; vehicle registration number; current vehicle license number; truck number; and a complete record of the contract fees paid to them.
- d. **Joint Venture:** When a joint venture contract is involved, the Sponsor shall count towards the DBE goal that portion of the contract total dollar value equal to the percentage of ownership and control of each DBE firm within the joint venture. Such crediting is subject to the sponsor's acceptance of the joint venture agreement. The Bidder must furnish the joint venture agreement with the DBE Participation Form. The joint venture agreement must include a detailed breakdown of the following:
- (1) Contract responsibility of the DBE for specific contract items of work,
 - (2) Capital participation by the DBE,
 - (3) Specific equipment to be provided by the DBE,
 - (4) Specific responsibilities of the DBE regarding control of the joint venture,
 - (5) Specific workers and skills to be provided by the DBE, and
 - (6) Percentage distribution to the DBE of the projected profit or loss incurred by the joint venture.

The joint venture must be certified by the sponsor prior to the sponsor submitting the proposal to the FAA. A copy of the sponsor's certification letter must be submitted to FAA along with the DBE Participation Form.

3. Contractor is required to undertake the following steps to help ensure maximum participation:
 - a. Placing qualified small and minority businesses and women's business enterprises on

- solicitation lists;
 - b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - e. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 - f. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs a) through f of this section.
4. Award Documentation and Procedure: All bidders shall certify in the bid proposal their intent to meet or exceed the established goal or to demonstrate good faith efforts to meet the goal. Failure to make such certification or failure to demonstrate good faith efforts will render a bid non responsive.
- a. DBE Participation Form: The apparent successful bidder must submit with the bid the following information on the proposed DBE Participation Form attached to the Proposal. The information shall demonstrate the contractor's intended participation by certified DBE's. When the required information is not provided by the apparent low bidder the bid will be ruled non responsive and will not be considered. The information furnished shall consist of:
 - (1) The names, addresses, contact persons, phone numbers, and category of DBE firms to be used on the contract;
 - (2) A list of the bid items of work to be performed by the DBE and the percent to be credited toward the DBE goal;
 - (3) The dollar value of each of the DBE work items; and
 - (4) If the DBE goal is not met, a statement of why the goal could not be met and a demonstration of the good faith efforts taken to meet the DBE goal.
 - b. Sponsor Evaluation: In selecting the lowest responsible bidder, the Sponsor will evaluate the DBE information provided with the bid. The Sponsor may request additional DBE information and may allow the bidders, up to 7 calendar days after bid submittal to supplement or resubmit information concerning their proposed DBE participation. Prior to awarding the contract the Sponsor will verify verbally and/or in writing that the information submitted by the apparent successful bidder is accurate and complete.
 - c. Good Faith Efforts: If the bidder is unable to meet the DBE goal, the bidder must submit evidence of good faith efforts taken to meet the goal. Good faith efforts conducted after the bid opening will not be considered adequate to fulfill these bid requirements. Good faith efforts may include but are not limited to:
 - (1) Efforts to select portions of the work for performance by DBE's, in order to

increase the likelihood of achieving the DBE goal. This can include, but is not limited to, breaking down contracts into economically feasible units to facilitate DBE participation. Selection of portions of work shall be at least equal to the DBE goal.

- (2) Written notification to individual DBE's likely to participate in the contract sent at least 7 calendar days prior to the bid opening. The notification shall list specific items or types of work and shall be sent to a reasonable number of DBE's qualified to participate in the contract.
- (3) Efforts to negotiate with DBE's for specific items of work including:
 - (a) Names, addresses, and telephone numbers of DBE's who were contacted, the dates of initial contact and information on further contacts made to determine with certainty if the DBE's were interested. Personal or phone contacts are expected;
 - (b) Description of the information provided to the DBE's regarding the plans, specifications and estimated quantities for portions of the work to be performed;
 - (c) Individual statements as to why agreements with DBE's were not reached; and
 - (d) Information on each DBE contacted but rejected and the reasons for the rejection.
- (4) Efforts to assist the DBE's that need assistance in obtaining bonding, insurance, or lines of credit required by the contractor.
- (5) Documentation that qualified DBE's are not available or not interested.
- (6) Advertisements in general circulation media, trade association publications and disadvantaged-focus media concerning subcontracting opportunities.
- (7) Efforts to use the services of available disadvantaged community organizations; disadvantaged contractor's groups; local, state and federal disadvantaged business assistance offices; and other organizations that provide assistance in recruitment and placement of DBE's.

The demonstration of good faith efforts by the contractor must prove the contractor actively and aggressively sought out DBE's to participate in the project. The following actions would not be considered acceptable reasons for failure to meet the DBE goal and would not constitute a good faith effort:

- (1) The DBE was unable to provide adequate performance and/or payment bonds.
- (2) A reasonable DBE bid was rejected based on price.
- (3) The DBE would not agree to perform the subcontract work at the prime contractors unit bid price.
- (4) Union versus non-union status of the DBE firm.

- (5) The prime contractor would normally perform all or most of the work included in this contract.
- (6) The prime contractor solicited DBE participation by mail only.

5. **Post Award Compliance:** If the contract is awarded on less than full DBE goal participation, the contractor is not relieved of the responsibility to make a determined effort to meet the full goal amount during the life of the contract. In such a case, the contractor shall continue good faith efforts throughout the life of the contract to increase the DBE participation to meet the contract goal.

If a DBE is unwilling or unable to perform the work specified, the contractor shall request from the Sponsor and FAA, relief from the obligation to use that DBE. Efforts will be made by the contractor to acquire from the DBE a letter which states the reason the DBE is unwilling or unable to complete its obligations under the project. If this results in a DBE contract shortfall, the contractor shall immediately take steps to obtain another certified DBE to perform an equal dollar value of allowable credit. If a new DBE cannot be found, the contractor shall submit evidence of good faith efforts within 15 calendar days of the request for relief. The contractor shall submit the new DBE's name, address, work items and the dollar amount of each item. The sponsor and the FAA shall approve the new DBE before the DBE starts work.

If the contractor fails to conform to the approved DBE participation or if it becomes evident that the remaining work will not meet the approved participation, then the contractor shall submit evidence showing either how the contractor intends to meet the DBE participation, or what circumstances have changed affecting the DBE participation. If the sponsor is not satisfied with the evidence, then liquidated damages may be assessed for the difference between the approved and actual DBE participation.

6. **Records and Reports:** The contractor shall keep records as necessary to determine compliance with the DBE obligations. The records shall include but are not limited to:
 - a. **Record of DBE Participation:** The names of disadvantaged and non-disadvantaged subcontractors, regular dealers, manufacturers, consultant and service agencies; the type of work or materials or services performed on or incorporated in the project; and the actual value of such work.
 - b. **Efforts to Utilize DBE Firms:** Documentation of all efforts made to seek out disadvantaged contractor organizations and individual disadvantaged contractors for work on this project. All correspondence, personal contacts, telephone calls, etc., to obtain the services of DBE's should be documented.
 - c. **Final DBE Certification:** Upon completion of the individual DBE firm's work, the prime contractor shall submit a certification attesting to the actual work performed by the DBE firm and the amount paid the DBE firm. This certification shall be signed by both the prime contractor and the DBE firm.

Energy Conservation Requirements. The contractor agrees to comply with mandatory

standards and policies relating to energy efficiency that are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Public Law 94-163).

Rights To Inventions. All rights to inventions and materials generated under this contract are subject to regulations issued by the FAA and the Owner of the Federal grant under which this contract is executed.

Contract Time. If the Contractor persistently refuses or fails to recover lost time, to the extent that it becomes apparent that the Project shall not be completed within the Contract Time, the Owner may take such actions to terminate the Contract for default on the part of the Contractor, or to assign portions of the Work to other contractors or to require Contractor to hire sufficient skilled workers for Contractor to recover lost time and complete the Project on time. Any additional costs associated with this will be borne by original Contractor.

Owner has the right to refuse a subcontractor for good faith concern about the subcontractor's competence, solvency or fitness to perform timely.

Owner's Recourse. Written warranties made to the Owner are in addition to manufacturer's warranties, implied warranties, and shall not limit the duties, obligations, rights and remedies otherwise available under the law, nor shall warranty periods be interpreted as limitations on time in which the Owner can enforce such other duties, obligations, rights, or remedies.

The Owner reserves the right to refuse to accept Work for the Project where a special warranty, certification, or similar commitment is required on such Work or part of the Work, until evidence is presented that entities required to countersign such commitments have done so."

Pursuant to §403.7065, *Fla. Stat.*, Contractor shall procure products or materials with recycled content when the Florida Department of Management Services determines that those products or materials are available.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

The Contractor certifies, by submission of this proposal or acceptance of this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Contractor or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this solicitation/proposal.

CLEAN AIR AND WATER POLLUTION CONTROL

Contractors and subcontractors agree:

1. That any facility to be used in the performance of the contract or subcontract or to benefit from

the contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities;

2. To comply with all the requirements of Section 114 of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq. and Section 308 of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 and Section 308 of the Acts, respectively, and all other regulations and guidelines issued thereunder;

3. To comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

4. Owner is required to comply with all applicable air and water quality standards for all projects in this grant. If Owner fails to comply with this requirements, the FAA may suspend, cancel, or terminate the agreement.

5. That, as a condition for the award of this contract, the contractor or subcontractor will notify the awarding official of the receipt of any communication from the EPA indicating that a facility to be used for the performance of or benefit from the contract is under consideration to be listed on the EPA List of Violating Facilities;

6. To include or cause to be included in any construction contract or subcontract which exceeds \$100,000 the aforementioned criteria and requirements.

PROCUREMENT OF RECOVERED MATERIALS

Contractor agrees to comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

ASSURANCE OF COMPLIANCE

The Contractor hereby agrees that it will comply with:

Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 80), to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any

program or activity for which the Applicant receives Federal financial assistance from the Department.

Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 84), to the end that, in accordance with Section 504 of that Act and the Regulation, no otherwise qualified individual with a disability in the United States shall, solely by reason of his or her disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.

The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 91), to the end that, in accordance with the Act and the Regulation, no person in the United States shall, on the basis of age, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.

SPONSOR CERTIFICATION FOR PROJECT PLANS AND SPECIFICATIONS

All plans and specifications will be developed in accordance with all current applicable Federal standards and requirements, or state standard specifications developed under a federal grant, and no deviation from or modification to standards set forth in the advisory circulars will be allowed without prior approval of the FAA.

All equipment specifications will rely on the national standards as contained in the Advisory Circulars, without deviations, to the maximum extent possible. Specifications for the procurement of equipment for which there is no Federal specification or standard will be neither proprietary nor written to restrict competition. If there is no national standard, or if the national standard provides for a choice to be made, at least two manufacturers will assure that they can meet the specification. A deviation from the national standard will require FAA approval of the design standard modification.

All development to be included in any plans is depicted on an airport layout plan approved by FAA.

All development which is ineligible for AIP funding will either be omitted from the plans and specifications or costs associated with ineligible or AIP non-participating items will be separated and noted as non-AIP work and deducted from AIP project reimbursement requests.

Process control and acceptance tests required for any and all projects by standards contained in Advisory Circular 150/5370-10 will be included in the project specifications.

If a value engineering clause is incorporated into any contract, concurrence will be obtained from FAA.

All plans and specifications will incorporate applicable requirements and recommendations set forth in the Federally-approved environmental finding.

For all construction activities within or near aircraft operational areas, the applicable requirements contained in Advisory Circular 150/5370-2 will be discussed with FAA and incorporated into the specifications. A safety/phasing plan will be prepared, and prior FAA concurrence will be obtained.

All projects will be physically completed without Federal participation in costs that are due to errors or omissions in the plans and specifications that were foreseeable at the time of the project design.

All Airport Layout Plan (ALP) revisions and proposals for facility construction clearance will include coordinates that are either surveyed or based on reference coordinates previously found acceptable to FAA. The coordinates will be verified and found consistent with the dimensions shown on the project/sketch ALP. The coordinates will be in terms of the North American Datum of 1983.

All elevations on ALP revisions and proposals for construction clearance will be within +/- 0.1 foot vertically and the vertical datum will be in terms of the National Geodetic Vertical Datum of 1929.

SPONSOR CERTIFICATION FOR CONSTRUCTION PROJECT FINAL ACCEPTANCE

General requirements for final acceptance and close-out of Federally funded construction projects are in 49 CFR 18.50. The sponsor shall determine that project costs are accurate and proper in accordance with specific requirements of the Grant Agreement and Contract Documents.

All personnel engaged in project administration, engineering supervision, and construction inspection and testing will be determined to be qualified and competent to perform the work.

All daily construction records will be kept by the resident engineer/construction inspector. These records document work in progress, quality and quantity of materials delivered, test locations and results, instructions provided the Contractor, weather, equipment use, labor requirements, safety problems, and changes required.

All weekly payroll records and statements of compliance will be submitted by the prime contractor and reviewed by the sponsor for Federal labor and civil rights requirements (Advisory Circular 150/5100-6 and 150/5100-15).

All complaints regarding the mandated Federal provisions set forth in the contract documents will be submitted to the Department of Labor.

All tests specified in the plans and specifications will be performed and the test results documented. A summary of test results will be available to FAA.

For all test results outside allowable tolerances, appropriate corrective actions will be taken.

All payments to the contractor will be made in compliance with contract provisions and verified by the sponsor's internal audit of contract records kept by the resident engineer. If appropriate, all

pay reduction factors required by the specifications will be applied in computing final payments and a summary of pay reductions will be available to FAA.

All projects will be accomplished without significant deviations, changes, or modifications from the developed plans and specifications, except where approval will be obtained from FAA.

All final project inspections will be conducted with representatives of the sponsor and the contractor. Project files will contain documentation of the final inspection.

All work in the Grant Agreement will be physically completed and corrective actions required as a result of the final inspection will be completed to the satisfaction of the construction contract and the sponsor.

As-built plans and an equipment inventory, if applicable, will be maintained as sponsor records. If requested, a revised airport layout plan will be made available to FAA prior to start of development.

All applicable closeout financial reports will be submitted to FAA within three (3) years of the date of grant.

SPONSOR CERTIFICATION FOR SEISMIC DESIGN AND CONSTRUCTION

49 CFR Part 41 sets forth the requirements in the design and construction of the building(s) to be financed with the assistance of the Federal Aviation Administration. Compliance will be met by adhering to at least one of the following accepted standards:

1. Model codes found to provide a level of seismic safety substantially equivalent to that provided by use of the 1988 National Earthquake Hazards Reduction Program (NEHRP) including:
 - a. The 1991 International Conference of Building Officials (IBCO) Uniform Building Code, published by the International Conference of Building Officials, 5360 South Workman Mill Road, Whittier, California 90601.
 - b. The 1992 Supplement to the Building Officials and Code Administration International (BOCA) National Building Code, published by the Building Officials and Code Administrators, 4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5795.
 - c. The 1992 Amendments to the Southern Building Code Congress (SBCC) Standard Building Code, published by the Southern Building Code Congress International, 900 Montclair Road, Birmingham, Alabama 35213-1206.
2. Revisions to the model codes listed above that are substantially equivalent or exceed the then current or immediately preceding edition of the NEHRP recommended provisions, as it is updated, may be approved by the DOT Operating Administration to meet the requirements of 49 CFR Part 41.

3. State, county, local, or other jurisdictional building ordinances adopting and enforcing the model codes, listed above, in their entirety, without significant revisions or changes in the direction of less seismic safety, meet the requirement of 49 CFR Part 41.

The allowable costs of the project shall not include any costs determined by the FAA to be ineligible for consideration under the Title 49 U.S.C.

Payment of the United States' share of the allowable project costs will be made pursuant to and in accordance with the provisions of such regulations and procedures as the Secretary shall prescribe. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs, and settlement will be made for any upward or downward adjustments to the Federal share of costs.

Unless otherwise approved by the FAA, in accordance with 49 United States Code (U.S.C.) § 50101, Owner will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured goods produced outside the United States to be used for any project for which funds are provided under this grant. Owner will include in a provision implementing Buy American in every contract.

Submit at completion of the project, a final test and quality control report documenting the results of all tests performed, highlighting those tests that failed or did not meet the applicable test standard. The report shall include the pay reductions applied and reasons for accepting any out-of-tolerance material. An interim test and quality control report shall be submitted, if requested by the FAA.

49 CFR SUBTITLE A (10-1-03 EDITION)

Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR part 5).

Compliance with all applicable standards, orders or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S. C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

46 U.S. C. 1241(b)(1) and 46 CFR part 381 impose cargo preference requirements on the shipment of foreign made goods.

Section 165 of the Surface Transportation Assistance Act of 1982, 49 U.S.C. 1061, section 337 of the Surface Transportation and Uniform Relocation Assistance Act of 1987, and 49 CFR parts 660 and 661 impose Buy America provisions on the procurement of foreign products and materials.

Section 105(f) of the Surface Transportation Assistance Act of 1982, section 106(c), of the Surface Transportation and Uniform Relocation Assistance Act of 1987, and 49 CFR part 23 impose requirements for the participation of disadvantaged business enterprises.

Section 308 of the Surface Transportation Assistance Act of 1982, 49 U.S.C. 1068(b)(2), authorizes the use of competitive negotiation for the purchase of rolling stock as appropriate.

A breach by Contractor or any subcontractor, vendor or supplier of any of the federal or state laws or regulations applicable to this Project may be grounds for termination of the contract, and possibly debarment as a contractor or subcontractor.

The provisions of these Additional Special Provisions shall control over any contrary provision in the Special Provisions or any other Contract Document.

Contractor waives any right of subrogation against Owner or Owner's agents.

To the fullest extent permitted by law, Contractor shall indemnify and hold harmless Owner, and Owner's officers, directors, partners, agents, consultants, and employees from and against any and all claims, costs, losses, and damages up to \$10,000,000 (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court, arbitration, or other dispute resolution costs) arising out of or relating to the Project, provided that any such claim, cost, loss or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than completed Construction), including the loss of use resulting therefrom, but only to the extent caused by any negligent act or omission or reckless or intentional wrongdoing of Contractor or Contractor's officers, directors, partners, employees, or subcontractors. The parties agree that this limit on indemnification amount bears a reasonable commercial relationship to the contract. In any action construing the scope or nature of this indemnification, the court shall construe this provision to comply with Section 725.06, Florida Statutes, as amended.

Veteran's Preference. In the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to veterans of the Vietnam-era and disabled veterans. However, this preference may be given only where the individuals are available and qualified to perform the work to which the employment relates.

State Residents Preference.

(1) If state funds are utilized on this project, the Contractor shall give preference to the employment of state residents in the performance of the work on the project if state residents have substantially equal qualifications to those of nonresidents. A contract for construction funded by local funds may contain such a provision.

(a) As used in this section, the term "substantially equal qualifications" means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are better suited for the position than the qualifications held by the other person or persons.

(b) A contractor required to employ state residents must contact the Agency for Workforce Innovation to post the contractor's employment needs in the state's job bank system.

(2) No contract shall be let to any person refusing to execute an agreement containing this provision. However, in work involving the expenditure of federal aid funds, this section may not be enforced in such a manner as to conflict with or be contrary to federal law prescribing a labor preference to honorably discharged soldiers, sailors, or marines, or prohibiting as unlawful any other preference or discrimination among the citizens of the United States.

Punch List.

If the contract is for the provision of construction services, Owner shall provide for a single list of items required to render the construction services complete, satisfactory, and acceptable (“punch list”). For construction projects having an estimated cost of less than \$10,000,000, the punch list shall be developed within thirty days after Contractor and Owner agree that the project has achieved substantial completion. For construction projects having an estimated cost of \$10,000,000 or more, the punch list shall be created within sixty calendar days after Owner and Contractor agree that the Contractor has achieved substantial completion. Owner shall provide the punch list to Contractor not more than five days after the punch list is completed.

The final contract completion date must be at least thirty days after the delivery of the punch list. If the punch list is not provided to the Contractor by the agreed upon date for delivery, the contract time for completion must be extended by the number of days that Owner exceeded the delivery date.

Payment for Purchases of Construction Services.

Owner hereby identifies Mike Willingham as the agent to whom the Contractor may submit its payment request or invoice or anyone that this agent designates in writing. A contractor’s submission of a payment request or invoice to the identified agent of Owner shall be stamped as received as provided in F.S. 218.74(1) and shall commence the time periods for payment or rejection of a payment request or invoice as provided herein. If a payment request or invoice does not meet the contract requirements, Owner must reject the payment request or invoice within twenty business days after the date on which the payment request or invoice is stamped as received as provided in F.S. 218.74(1). The rejection must be written and must specify the deficiency and the action necessary to make the payment request or invoice proper.

Attorneys’ Fees and Costs. In any judicial or alternative dispute resolution technique action to interpret or enforce any of the terms of this agreement, including any action by Owner to establish the right to indemnification, the parties agree that the prevailing party shall be entitled to an award of attorneys’ fees and costs payable by the non-prevailing party, whether such fees and costs are incurred before, during or after trial, appellate proceeding or post-judgment collections.

Drug-Free Workplace

The Sebring Airport Authority is committed to maintain a safe, healthy and productive work environment for all its employees; to provide professional services for its customers in a timely and efficient manner; to maintain the integrity and security of its equipment and workplace; and to perform all these functions in a fashion consistent with the interests and concerns of the community.

Pursuant to these corporate goals, the Sebring Airport Authority is committed to establishing a Drug-Free Workplace Program to ensure that SAA will have a drug- and alcohol-free workplace.

This program is intended to comply with the Drug-Free Workplace Program requirements set forth in Section 440.102, Florida Statutes and the regulations promulgated by the State of Florida, Department of Labor and Employment Security, Division of Workers' Compensation,

and Federal Drug-Free Workplace Act of 1988.

To enforce the Sebring Airport Authority's drug and alcohol-free policies and programs, candidates for employment and current employees are required to submit to substance abuse testing under certain circumstances set forth herein.

Scope. This policy applies to candidates for employment and to Sebring Airport Authority employees in all job classifications at all locations. The drug-free workplace policy is intended to apply whenever anyone is representing or conducting business for SAA. Therefore, this policy applies during all working hours, whenever conducting business or representing the company, during scheduled shifts, while on call, paid standby, while on company property, and at company-sponsored events

Effective Date. The effective date of the Drug-Free Workplace Program is February 15, 1996 (Revised April 17, 2003).

It is a violation of the drug-free workplace policy to manufacture, distribute, purchase, dispense, use, possess, possession of related paraphernalia, sell, trade, and/or offer for sale alcohol, illegal drugs or intoxicants. For the purpose of this policy the definition of a “drug” includes alcoholic beverages, inhalants, illegal drugs, intoxicants, and any other controlled substance that may alter a person’s judgment. Employees under the influence drug or alcohol during work time are subject to disciplinary action up to and including termination. For the purpose of this policy, “impaired” or “under the influence” means testing positive pursuant to the cutoff levels applicable to this policy and testing program. Employees are expected to be in suitable mental and physical condition and able to perform assigned duties satisfactorily during work time.

To ensure a safe work environment for Airport Authority employees, any employee who is convicted of a criminal drug violation in the workplace must notify the Executive Director in writing within five (5) calendar days of the arrest/conviction. Failure to do so will result in the immediate termination of employment.

Types of Testing:

- a. Job Applicant Testing.** All job offers are contingent on the applicant successfully passing a drug test.
- b. Reasonable Suspicion Testing.** When Sebring Airport Authority management or supervision has reasonable suspicion based on objective evidence to believe that an employee is using or has used drugs or alcohol in violation of the Sebring Airport Authority's policy. Such evidence may consist of, but is not limited to:
 1. Observable phenomena while at work, such as direct observation of drug/alcohol use or of the physical symptoms or manifestations of being under the influence of a drug or alcohol.
 2. Abnormal conduct or erratic behavior while at work or a significant deterioration in work performance.
 3. A report of drug/alcohol use provided by a reliable and credible source.
 4. Evidence that an individual has tampered with a drug/alcohol test required by the Sebring Airport Authority.
 5. Information that an employee has caused, contributed to, or been involved in an accident while at work. An employee, who is unable to submit to testing at the

time of an accident due to the seriousness of his or her injuries, is required to provide the necessary authorization for obtaining hospital reports and other documentation that would indicate whether there were any drugs or alcohol in his or her body system. Alternatively, the consent form signed earlier by the employee will authorize testing in any circumstances.

6. Evidence that an employee has used, possessed, sold, solicited, or transferred drugs/alcohol while working or while on the employer's premises or while operating the employer's vehicle, machinery, or equipment.

Within seven (7) days after testing based on reasonable suspicion, the supervisor who recommended the testing shall detail in writing on the Sebring Airport Authority's "Reasonable Suspicion Testing Report Form" the circumstances which formed the basis of his or her belief that reasonable suspicion existed to warrant the testing. A copy of this report shall be provided to the employee being tested upon request and the original copy of the report shall be kept confidential by the Sebring Airport Authority and retained for at least twelve (12) months.

- c. Follow-up Testing.** If in the course of employment an employee is required by the Sebring Airport Authority to enter an Employee Assistance Program for drug/alcohol-related problems or a drug/alcohol rehabilitation program, the employee must submit to drug testing as a follow-up to such program, at least once a year, without advance notice, for two years thereafter. Additional types of testing, such as random testing, may be required, as deemed necessary by the Sebring Airport Authority as a part of the follow-up testing. Other terms and conditions of continued employment may also be imposed.
- d. Random Testing.** Due to the safety-sensitive nature of the Airport Authority workplace and environment, employees will be subject to random testing pursuant to a computer-generated random selection procedure.
- e. Post-Accident Testing.** Employees who have been involved in an on-the-job accident are automatically required to submit to a post-accident drug/alcohol screen once medical treatment is administered. The employee is to submit to the screen as soon as possible within a twenty-four (24) hour timeframe from the time of the accident if possible. Employees may obtain a chain of custody form from the Executive Director (or designee) prior to testing.

Conditions of Testing:

- a. Confidentiality.** All information, interviews, reports, statements, memoranda, and drug test results received by the Sebring Airport Authority in conjunction with this drug testing program are considered confidential communications and such information will not be disclosed or released except as authorized pursuant to state law or regulations or written consent by the person tested.
- b. Consent Form.** Each employee and applicant are required to sign at the inception of the program and/or prior to any test a "Testing Consent Form" by which they voluntarily agree to be tested for drugs and alcohol as provided in this program, and also release the Sebring Airport Authority and its employees from liability. Refusal to sign the consent form will result in the applicant's disqualification for further employment consideration, or the employee's termination from the Sebring Airport Authority's employment.
- c. Refusal to Submit to Testing.** Job applicants and employees are expected to cooperate fully in providing specimens and explanations, which may be subsequently required by this policy. Failure to provide specimens, attempts to contaminate or adulterate specimens or otherwise interfere with Sebring Airport Authority procedures will be grounds for disciplinary action up to and including discharge or disqualification for further employment consideration. In the case of a "negative/dilute" test result, the donor will be required to immediately provide another specimen. A second negative/dilute result for a job applicant may disqualify the

applicant from further employment consideration. A second negative/dilute result for an employee will subject the employee to immediate termination. An employee who is injured in the course and scope of his employment and who refuses to submit to a drug test, or who tests positive, in addition to the above, may forfeit his or her eligibility for Florida Workers' Compensation medical and indemnity benefits. Any Sebring Airport Authority group health/medical insurance in effect does not cover injuries sustained in the course and scope of employment.

Testing Procedures:

- a. Licensed/Certified Laboratory.** All drug testing will be conducted by a Sebring Airport Authority-designated laboratory, which is licensed by the State of Florida Agency for Health Care Administration or certified by the United States Department of Health and Human Services. The testing will be conducted with appropriate chain of custody procedures in place to ensure accuracy and continuity in specimen collection, handling, transfer, and storage.
- b. Drugs to be Tested.** When testing is conducted in conjunction with this program, the Sebring Airport Authority may test for any or all of the following drugs: amphetamines, barbiturates, benzodiazepines, cannabinoids, cocaine, ethyl alcohol, methadone, methaqualone, opiates, phencyclidine, and propoxyphene.
- c. Reporting Medication, which may Alter, or Affect a Drug Test Result.** Each applicant/employee shall be provided an opportunity to report, both before and after being tested, the use of prescription or non-prescription medication which may alter or affect the outcome of a drug test, as well as any other information relevant to the drug test result. At that time, employees will be provided a list of the most common medications, by brand name or common name, as well as by chemical name, which may alter or affect a drug test result. The information provided by the employee or job applicant should be kept confidential by the employee or applicant and shall be reviewed only by a Medical Review Officer (MRO) interpreting any confirmed positive results.
Job applicants and employees have the right to consult with a Medical Review Officer (MRO) for technical information regarding prescription and non-prescription medication to determine whether the medication has affected a drug or alcohol test result.
- d. Cost of Testing.** The Sebring Airport Authority will pay the costs of initial and confirmation drug testing which it requires of job applicants and employees. Applicants and employees shall pay the cost of any additional drug testing not required by the Sebring Airport Authority.
- e. Collection Site and Laboratory Analysis Procedures.** Security of the collection site, chain of custody procedures, privacy of the individual, collection control, integrity and identity of the specimen and transportation of the specimen to the laboratory, as well as all laboratory security, laboratory chain of custody, transporting and receiving of specimens, specimen processing, retesting, storage of specimens, instrument calibration and reporting of results, shall be in accordance with § 112.0455, F.S., and its attendant rules as established by the State of Florida, Agency for Health Care Administration, Rule 59A-24, F.A.C. These procedures are intended to ensure that specimens are properly collected, identified and tested.

Release and Review of Test Results:

- a. Medical Review Officer (MRO).** The Sebring Airport Authority will engage a certified Medical Review Officer (MRO) who is a licensed physician, who will be responsible for receiving and reviewing all confirmed test results from the testing laboratory.
- b. Reporting Results.** The testing laboratory will report all drug test results to the MRO within

seven (7) working days after receipt of the specimen by the laboratory and must provide the MRO quantification of the test results upon request. Only specimens which are confirmed as positive on the confirmation test shall be reported positive to an MRO for a specific drug.

The MRO will notify the applicant/employee of a confirmed positive test result within three (3) days of receipt of the test result from the laboratory and will inquire whether prescriptive or over-the-counter medications or other factors could have caused the positive test result. The MRO may use a language interpreter to assist in communicating the drug test results with employees and job applicants.

If the MRO is unable to contact a positively tested donor within three (3) days of receipt of the test results from the laboratory, the MRO will contact the Sebring Airport Authority and request that the Sebring Airport Authority direct the donor to contact the MRO as soon as possible. If the MRO has not been contacted by the donor within two (2) days from the request to the Sebring Airport Authority, the MRO will verify the test result as positive. If the donor refuses to talk with the MRO regarding a positive test result, the MRO will validate the result as positive and annotate such refusal in the remarks section of the report.

The donor will have five (5) days from the date of notification to discuss the positive test result with the MRO and to submit information/documentation of use of prescription or over-the-counter medication or other factors relevant to the positive test result.

The MRO will notify the Sebring Airport Authority in writing of the verified test result, either negative, positive, or unsatisfactory no more than seven (7) working days after the specimen was received by the lab. If the MRO determines that there is a legitimate medical explanation for the positive test result, the MRO will report a negative test result to the Sebring Airport Authority. However, should the MRO feel that the legal use of a medication would endanger the donor or others, or if the donor is in a safety sensitive or special risk position at the Sebring Airport Authority, then the MRO will report the test negative due to a validated prescription but will request that the individual be placed in a position which would not threaten the safety of the donor or others.

- c. Employer Notice to Donor of Test Results.** Within five (5) working days after receipt of a confirmed positive test result from the MRO, the Sebring Airport Authority will inform the donor in writing of such positive test results, the consequences of the results, and the options available to the donor, including the right to file an administrative or legal challenge. Upon request, a copy of the test results shall be provided to the donor.

Challenges to Test Results:

- a. Intra-Organizational Challenge.** The donor has five (5) working days after receiving notice from the Sebring Airport Authority of a confirmed positive test result, to submit information to the Sebring Airport Authority explaining or contesting the test result(s). If the donor's explanation or challenge of a positive test result is deemed unsatisfactory by the Sebring Airport Authority, the Sebring Airport Authority shall within fifteen (15) days of receipt of the donor's explanation or challenge, provide the donor with a written explanation as to why his or her explanation is deemed unsatisfactory, along with the report of positive result(s). All such documentation shall be retained by the Sebring Airport Authority on a confidential basis for at least one (1) year.
- b. Administrative or Legal Challenge.** The applicant/employee may undertake an administrative challenge of the test result by filing a claim for benefits with a Judge of Compensation Claims

pursuant to Ch.440, F.S., or if no workplace injury has occurred, the donor may challenge the test result in a Court of competent jurisdiction. When a donor undertakes a challenge to the results of a test, it shall be his or her responsibility to notify the employer and testing laboratory of the challenge, and the testing sample shall be retained by the laboratory until the case is settled.

- c. Independent Testing.** In the event of a positive test result, the donor, during the one hundred-eighty (180) day period after written notification of a positive test result, may request independent testing at his/her own expense of a portion of the tested specimen for verification of the test result. The laboratory utilized for the independent testing must also be licensed by the State of Florida Agency for Health Care Administration or certified by the United States Department of Health and Human Services. The result(s) of the independent testing may be used in any administrative or legal challenge.

Consequences of Positive Test Results/Disciplinary Action:

- a. Job Applicants.** If the results of a pre-employment drug test are confirmed positive, the job applicant will be disqualified from further employment consideration.
- b. Employees.** Any employee whose test results are confirmed positive, will be subject to disciplinary action up to and including termination.
- The Sebring Airport Authority reserves the right to suspend an employee without pay pending the release of the results of a drug test or the outcome of an investigation related to a violation of the Sebring Airport Authority's drug/alcohol-free workplace policy.

Drug/Alcohol-Free Workplace Awareness/Education Program:

This Awareness/Education Program is designed to help achieve the Sebring Airport Authority's goal of maintaining a drug/alcohol-free workplace.

1. Ongoing communications to Sebring Airport Authority employees and supervisory personnel that include educational and informational materials advising about the dangers of drug and alcohol use and/or abuse.
2. Display and distribution to Sebring Airport Authority employees of community service hot-line telephone numbers for employee assistance concerning drug and alcohol use and/or abuse.
3. Specific training of Sebring Airport Authority's management and supervisory personnel who are responsible for determining when an individual is subject to testing based on "reasonable suspicion." Such training will encompass the specific, contemporaneous physical, behavioral, and performance indications of probable drug use.
4. Annual education for all Sebring Airport Authority employees to assist them in identifying personal and emotional problems which may result in the misuse of alcohol or drugs. The course will include a presentation on the legal, social, physical, and emotional consequences of misuse of alcohol or drugs.
5. Maintaining a current resource file of EAP providers, including alcohol and drug abuse programs, mental health providers, and various other entities designed to assist employees with personal or behavioral problems.
6. Advise employees of any EAP programs that the Sebring Airport Authority may have available and provide a representative sampling of local drug/alcohol rehabilitation programs and employee assistance programs.
7. Provide notice of drug-testing on vacancy announcements for upcoming jobs.
8. Post notice of Sebring Airport Authority's drug/alcohol-testing policy.

9. Make copies of drug/alcohol testing policy available for inspection by employees and job applicants.

Rehabilitation:

The Sebring Airport Authority supports sound treatment efforts. No employee will be retaliated against for voluntarily seeking assistance for problems relating to drug/alcohol use and/or abuse. It is the Sebring Airport Authority's desire that individuals will be allowed to address and resolve any drug- and alcohol-related problems on a confidential basis.

Should an employee realize that he or she has developed a dependence on drugs, alcohol or any controlled substance, he or she is advised to seek trained, professional assistance immediately. Employees are encouraged to seek rehabilitation on a voluntary and confidential basis (without disciplinary penalty) prior to any management action, to address and resolve any drug- and alcohol-related problems. However, if the employee works in a safety-sensitive position, it is incumbent upon the employee to inform his/her immediate supervisor of his/her entry into a rehabilitation program for drug and/or alcohol problem(s). The Sebring Airport Authority reserves the right to require an employee to use an EAP or drug rehabilitation program selected by the Sebring Airport Authority. In such cases, the Sebring Airport Authority will pay the cost of the program. In all other cases, the cost will be paid by the employee, unless it is covered by insurance.

In order to afford an effective means of helping employees deal with substance abuse which may be interfering with their job performance, the Sebring Airport Authority has contracted with an Employee Assistance Program (EAP) provider, Florida Hospital, which offers SAA employees and their families substance abuse treatment and rehabilitation services. Pertinent information regarding these services is available by contacting Florida Hospital, 4421 Sun 'n Lake Boulevard, Suite A, Sebring, FL 33870, Help Line: 314-4357 (314-HELP) or by contacting the Sebring Airport Authority Representative Director of Finance. You can use the EAP without informing the Sebring Airport Authority.

Searches:

In order to effectively implement the Sebring Airport Authority's Drug-Free Workplace Program, the Sebring Airport Authority retains the right to conduct searches and inspections whenever there is objective evidence that an employee may be in possession of alcohol or any illegal drugs on Sebring Airport Authority property or within its facilities or may otherwise be in violation of Sebring Airport Authority policy. It is not the intent of this policy, and the Sebring Airport Authority will not, conduct routine or random searches or inspections.

When searches or inspections are necessary, they will be conducted according to the following guidelines:

1. The search or inspection will be conducted by Airport security personnel.
2. The search or inspection will occur in the presence of a Drug-Free Workplace designee or the Executive Director and at least one witness of the Airport Authority's choice.
3. The search or inspection may include the employee's locker, clothing, vehicle, desk or any Airport Authority or personal property carried by or under control of the employee.
4. A list of contents of the area or items searched will be made and witnessed to protect the

rights of the employee to that property.

5. If the search uncovers material, which is believed to be unauthorized drugs, alcohol, or other prohibited items, the Sebring Airport Authority representative may confiscate the material. The employee will be given receipt for any material taken. Authorized or lawful possessions of the employee will be returned.
6. Entry onto the Sebring Airport Authority premises (including the parking lot) constitutes consent to a search and inspection. In addition, the execution of a "Search Consent Form" will be required of each employee prior to a search or inspection. Refusal will result in the employee's termination from the Sebring Airport Authority's employment.
7. If a search or inspection reveals the presence of unauthorized alcohol or illegal drugs, the employee will be subject to immediate drug and alcohol testing, and disciplinary action, up to and including termination of employment.

Conclusion. It is in the best interest of the Sebring Airport Authority to maintain a workplace, which is free from the presence of alcohol and drugs and free from the impairments associated with alcohol and drug use and/or abuse. The Airport Authority's concerns with respect to employee safety and health, product quality, and integrity and security of SAA equipment and workplace require that SAA take an active approach to maintain a safe, healthful, drug- and alcohol-free work environment for all employees. In furtherance of these corporate goals, the Sebring Airport Authority has established this Drug-Free Workplace Program, which is intended to comply with the Drug-Free Workplace Program requirements under §440.102, F. S. and regulations promulgated by the State of Florida, Department of Labor and Employment Security, Division of Workers' Compensation and the Federal Drug-Free Workplace Act of 1988.

The policies and procedures set forth in the Sebring Airport Authority's Drug-Free Workplace Program constitute statements of policy only and are not to be interpreted as a contract of employment between the Sebring Airport Authority and any of its employees. The Sebring Airport Authority reserves the right to change, modify, or delete any of the program's provisions and policies at any time. The policies contained in this Drug-Free Workplace Program supersede all prior Sebring Airport Authority policies on substance abuse.

INSURANCE

The Consultant shall not commence work until it has obtained all insurance required under this paragraph and that insurance has been approved by SAA.

All insurance policies shall be issued by companies authorized or approved to do business under the laws of the State of Florida. The Consultant shall furnish Certificates of Insurance to SAA prior to the commencement of work. The Certificates shall clearly indicate that the Consultant has obtained insurance of the type, amount, and classifications required for strict compliance hereunder. Compliance with the foregoing requirements shall not relieve the Consultant of its liability and obligations hereunder.

The Consultant shall maintain comprehensive general liability insurance in the amount of \$1,000,000 per occurrence to protect the Consultant from claims of property damages which may arise from any operations hereunder whether such operations be by the Consultant or by anyone directly employed by or contracting with the Consultant.

The Consultant shall maintain comprehensive automobile liability insurance in the amounts of \$500,000 combined single limit for bodily injury and property damage to protect the Consultant from claims for damages for bodily injury, including wrongful death, as well as from claims from property damage, which may arise from the ownership, use, or maintenance of owned and non-owned automobiles, including rented automobiles whether such operations be by the Consultant or by anyone directly or indirectly employed by the Consultant.

The Consultant shall maintain adequate Workman's Compensation Insurance and Employer's Liability Insurance in at least such amounts as are required by law for all of its employees performing work for SAA. All insurance, other than Professional Liability and Workman's Compensation, to be maintained by the Consultant shall specifically include SAA as an "Additional Insured".

BAN ON TEXTING WHILE DRIVING

- A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, Owner is encouraged to:
1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to ACRGP Grant or subgrant funding.
 2. Conduct workplace safety initiatives in a manner commensurate with the size of business, such as:
 - a) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - b) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- B. Owner must insert the substance of this clause on banning texting while driving in all subgrants, contracts and subcontracts funded by a ACRGP Grant.

**SEBRING AIRPORT AUTHORITY
AGENDA ITEM SUMMARY**

MEETING DATE: May 15, 2025

PRESENTER: Andrew Bennett

AGENDA ITEM: Contract for Continuing Services - Professional Aviation Consulting – ATKINSREALIS USA INC.

BACKGROUND: Airport advertised RFQ 25-02 on February 28, 2025 and six (6) qualification packages were received. A selection committee was formed and ranked all firms resulting in a recommendation to award continuing services contracts for the top four (4) ranked firms. The Board approved the committee's recommendation on April 17, 2025.

REQUESTED MOTION: Move to approve and authorize Executive Director to execute contract accordingly.

BOARD ACTION:

APPROVED
 DENIED
 DEFERRED
 OTHER

CONTRACT FOR CONTINUING SERVICES
(Construction Projects & Study Activity)

This Contract is made by and between the **SEBRING AIRPORT AUTHORITY**, hereinafter referred to as the AUTHORITY, and **ATKINSRÈALIS USA INC.**, a Florida corporation, hereinafter referred to as the CONSULTANT, whose address is 4030 West Boy Scout Boulevard, Suite 700, Tampa, FL 33607. In consideration of the mutual promises contained herein, the AUTHORITY and the CONSULTANT agree:

The CONSULTANT's responsibility under this Contract is to provide professional services related to tasks and projects hereinafter provided. These services may include aviation consulting, engineering, and other professional services as described in the response CONSULTANT provided with respect to the Request for Qualifications 25-02. This Contract shall be deemed a "continuing contract" under Section 287.055, Florida Statutes.

The services performed by the CONSULTANT under this Contract may include professional services for construction or study activity projects in which the estimated construction cost of each individual construction project or the fee of each individual study does not exceed the maximum amount permitted for a continuing contract pursuant to applicable law, including Section 287.055(2)(g), Florida Statutes, as may be amended.

Provisions of this Contract may be amended and updated periodically as deemed appropriate by the parties to reflect changes in professional business practices and general economic conditions without invalidating the effect of the nature of this Contract.

Significant tasks or projects shall be initiated by a separate Consultant Services Authorization (CSA) which will include a Scope of Services and Schedule of Payments. Each CSA shall identify whether it is a construction or study activity project, and shall include a duration during which the services shall be performed by the CONSULTANT based on the nature of the work as approved by the AUTHORITY. General consulting work shall not require a separate CSA.

This Contract shall be effective upon the date of execution by all parties and shall continue thereafter until terminated in accordance with the General Terms and Conditions attached hereto.

The AUTHORITY shall pay the CONSULTANT for satisfactory performance, as specified, subject to additions and deletions by amendments as otherwise provided in this Contract.

Services of the CONSULTANT shall be under the general direction of designated individuals, who shall act as the AUTHORITY's representative during the performance of this Contract. The CONSULTANT shall submit to the AUTHORITY a brief written report concerning the status of active projects.

This Contract shall include the following documents, which are attached to and hereby made a part of this Contract:

- Attachment 1: General Terms and Conditions
- Attachment 2: Compensation Schedule

IN WITNESS WHEREOF, the AUTHORITY and CONSULTANT have made and executed this Contract as of the 15th day of May, 2025.



SEBRING AIRPORT AUTHORITY

By 
Mike Willingham, Executive Director

ATTEST:

(corporate seal)



ATKINSREALIS USA INC.



Print Name: Rene de los Rios
Print Title: Assistant Secretary



Print Name: Darin Larson
Print Title: Vice President

ATTACHMENT 1

GENERAL TERMS AND CONDITIONS TO THE CONTRACT FOR CONTINUING SERVICES BY AND BETWEEN SEBRING AIRPORT AUTHORITY AND ATKINSRÉALIS USA INC.

This Attachment contains the general terms and conditions for the Contract for Continuing Services (herein referred to as the "Contract") dated May 15, 2025, by and between the SEBRING AIRPORT AUTHORITY, a body politic and corporate of the State of Florida (herein referred to as the "AUTHORITY") and ATKINSRÉALIS USA INC., a Florida corporation, (herein referred to as the "CONSULTANT").

ARTICLE 1 – PAYMENTS TO CONSULTANT

The CONSULTANT will bill the AUTHORITY at the amounts set forth in the Schedule of Payments for services satisfactorily rendered toward the completion of the Scope of Work on a monthly basis or as otherwise provided in a Consultant Services Authorization ("CSA") for specific services initiated pursuant to the Contract. The amounts billed shall be pursuant to the Compensation Schedule set forth in Attachment 2 of the Contract and shall represent the approximate completion of services outlined in the Scope of Work developed for each authorization.

ARTICLE 2 – REIMBURSABLES

"Out-of-Pocket" expenses will be reimbursed in accordance with the list of the types of expenditures eligible for reimbursement. All requests for payment of "out-of-pocket" expenses eligible for reimbursement under the terms of this Contract shall include copies of paid receipts, invoices, or other documentation acceptable to the AUTHORITY. Such documentation shall be sufficient to establish that the expense was actually incurred and necessary in the performance of the applicable Scope of Work. Any travel, per diem, mileage, meals, or lodging expenses which may be reimbursable under the terms of this Contract will be paid in accordance with the rates and conditions set forth in Section 112.061, Florida Statutes.

ARTICLE 3 – PAYMENT OF INVOICES

Prior to payment, invoices received from the CONSULTANT pursuant to the Contract will be reviewed and approved by the initiating department, indicating that services have been rendered in conformity with the Contract or applicable CSA. Invoices must reference the current purchase order number (if any). Payment shall be made in accordance with the CSA for specific projects.

ARTICLE 4 – TRUTH-IN-NEGOTIATION CERTIFICATE

The signing of the Contract and any Consultant Services Authorization by the CONSULTANT shall act as the execution of a truth-in-negotiation certificate certifying that the wage rates and costs used to determine the compensation provided for in the Contract and that CSA are accurate, complete and current as of the date of this Contract and that CSA.

The said rates and costs shall be adjusted to exclude any significant sums should the AUTHORITY determine that the rates and costs were increased due to the inaccurate, incomplete or noncurrent wage rates or due to inaccurate representations of fees paid to outside consultants.

The AUTHORITY shall exercise its rights under this "Certificate" within one year following final payment.

ARTICLE 5 – TERMINATION

This Contract may be terminated by the CONSULTANT upon 30 days prior written notice to the AUTHORITY in the event of substantial failure by the AUTHORITY to perform in accordance with the terms of this Contract through no fault of the CONSULTANT. It may also be terminated by the AUTHORITY with or without cause upon 30 days written notice to the CONSULTANT. Unless the CONSULTANT is in breach of this Contract, the CONSULTANT shall be paid for services rendered to the AUTHORITY through the date of termination. After receipt of a Termination Notice and except as otherwise directed by the AUTHORITY, the CONSULTANT shall:

- A. Stop work on the date and to the extent specified.
- B. Terminate and settle all orders and subcontracts relating to the performance of terminated work.
- C. Transfer all work in process, completed work, and other material related to the terminated work to the AUTHORITY.
- D. Continue and complete all parts of the work that have not been terminated.

ARTICLE 6 - PERSONNEL

The CONSULTANT represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the AUTHORITY.

All of the services required hereunder shall be performed by the CONSULTANT or under its supervision, and all personnel engaged in performing the services shall be fully qualified and, if required, authorized or permitted under state and local law to perform such services.

Any changes or substitutions in the CONSULTANT's key personnel as may be listed herein must be made known to the AUTHORITY's representative and written approval granted by the AUTHORITY before said change or substitution can become effective.

ARTICLE 7 – KEY PERSONNEL ASSIGNMENT

The CONSULTANT and the AUTHORITY agree to assign the following key personnel required to perform the services necessary under this Contract:

Contact Person for the Consultant:

Darin Larson
Vice President
AtkinsRéalis USA, Inc.
4030 West Boy Scout Boulevard, Ste 700
Tampa, Florida 33607
(o) 407-620-8112
Darin.Larson@atkinsrealis.com

Contact Person for Authority:

Mike Willingham
Executive Director
Sebring Airport Authority
128 Authority Lane
Sebring, FL 33870
(o) 863-655-6455 ext. 1300
mike@sebring-airport.com

ARTICLE 8 - SUBCONTRACTING

For any specific project, the CONSULTANT reserves the right to select necessary subcontractors.

The AUTHORITY reserves the right to accept the use of a subcontractor or to reject the selection of a particular subcontractor and to inspect all facilities of any subcontractors in order to make a determination as to the capability of the subcontractor to perform properly under this Contract. The CONSULTANT is encouraged to seek minority and women business enterprises for participation in subcontracting opportunities.

If a subcontractor fails to perform or make progress, as required by this Contract, and it is necessary to replace the subcontractor to complete the work in a timely fashion, the CONSULTANT shall promptly do so, subject to acceptance of the new subcontractor by the AUTHORITY.

ARTICLE 9 – FEDERAL AND STATE TAX

The AUTHORITY is exempt from Federal Tax and State Tax for Tangible Personal Property. The AUTHORITY will sign an exemption certificate submitted by the CONSULTANT. The CONSULTANT shall not be exempted from paying sales tax to its suppliers for materials to fulfill contractual obligations with the AUTHORITY, nor shall the CONSULTANT be authorized to use the AUTHORITY's Tax Exemption Number in obtaining such materials.

The CONSULTANT shall be responsible for payment of its own taxes.

ARTICLE 10 – AVAILABILITY OF FUNDS

The obligations of the AUTHORITY under this Contract are subject to the availability of funds lawfully appropriated for its purpose by the Board of the Sebring Airport Authority.

ARTICLE 11 – INSURANCE

- A. The CONSULTANT shall not commence work under this Contract or any CSA unless it has all insurance required under this paragraph and that insurance has been approved by the AUTHORITY. In the event the insurance coverage expires prior to the completion of any Project, a renewal certificate shall be issued 30-days prior to said expiration date.
- B. All insurance policies shall be issued by companies authorized or approved to do business under the laws of the State of Florida. The CONSULTANT shall furnish Certificates of Insurance to the AUTHORITY prior to the commencement of work under this Contract. The Certificates shall clearly indicate that the CONSULTANT has obtained insurance of the type, amount, and classifications required for strict

compliance with this Article. Compliance with the foregoing requirements shall not relieve the CONSULTANT of its liability and obligations under this Contract.

- C. The CONSULTANT shall purchase and maintain professional liability or malpractice or errors or omissions insurance with minimum limits of \$2,000,000 per occurrence and annual aggregate. If a claims made form of coverage is provided, the retroactive date of coverage shall be no later than the inception date of claims made coverage, unless the prior policy was extended indefinitely to cover prior acts. Coverage shall be extended beyond the policy year either by a supplemental extended reporting period (ERP) of as great duration as available, and with no less coverage and with reinstated aggregate limits, or by requiring that any new policy provide a retroactive date no later than the inception date of claims made coverage.
- D. The CONSULTANT shall maintain, during the life of this Contract, comprehensive general liability insurance in the amount of \$1,000,000 per occurrence to protect the CONSULTANT from claims of bodily injury and property damages which may arise from any operations under this Contract whether such operations be by the CONSULTANT or by anyone directly employed by or contracting with the CONSULTANT.
- E. The CONSULTANT shall maintain, during the life of this Contract, comprehensive automobile liability insurance in the amounts of \$1,000,000 combined single limit for bodily injury and property damage to protect the CONSULTANT from claims for damages for bodily injury, including wrongful death, as well as from claims from property damage, which may arise from the ownership, use, or maintenance of owned and non-owned automobiles, including rented automobiles whether such operations be by the CONSULTANT or by anyone directly or indirectly employed by the CONSULTANT.
- F. The CONSULTANT shall maintain, during the life of this Contract, adequate Workman's Compensation Insurance and Employer's Liability Insurance in at least such amounts as are required by law for all of its employees performing work for the AUTHORITY pursuant to this Contract.
- G. All insurance, other than Professional Liability and Workman's Compensation, to be maintained by the CONSULTANT shall specifically include the AUTHORITY as an "Additional Insured".

ARTICLE 12 - STANDARD OF CARE

The CONSULTANT covenants that all services shall be performed by skilled and competent personnel to generally accepted professional standards under similar conditions.

ARTICLE 13 – INDEMNIFICATION

Subject to limitations of Florida law, the CONSULTANT shall indemnify and hold harmless the AUTHORITY, and its officers and employees, from liabilities, damages, losses, and costs, including, but not limited to, reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the CONSULTANT and other persons

employed or utilized by the CONSULTANT in the performance of the Contract. CONSULTANT's liability for indemnification shall be limited to \$2,000,000.00.

ARTICLE 14 – SUCCESSORS AND ASSIGNS

The AUTHORITY and the CONSULTANT each binds itself and its partners, successors, executors, administrators and assigns to the other party of this Contract and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Contract. Neither the AUTHORITY nor the CONSULTANT shall assign, convey or transfer its interest in the Contract without the written consent of the other, which shall not be unreasonably withheld. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the AUTHORITY which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the AUTHORITY and the CONSULTANT.

ARTICLE 15 – REMEDIES

This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Contract will be held in Highlands County, Florida, and the Contract will be interpreted according to the laws of the State of Florida. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

ARTICLE 16 – CONFLICT OF INTEREST

The CONSULTANT represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder, consistent with the intent and declaration of policy stated in Section 112.311, Florida Statutes. The CONSULTANT further represents that no person having any interest shall be employed for said performance.

The CONSULTANT shall promptly notify the AUTHORITY in writing of potential conflicts of interest for any prospective business associations, interest or other circumstances which may influence or appear to influence the CONSULTANT's judgment or quality of services being provided under a specific CSA. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the CONSULTANT may undertake and request an opinion of the AUTHORITY as to whether the association, interest or circumstance would, in the opinion of the AUTHORITY, constitute a conflict of interest if entered into by the CONSULTANT. The AUTHORITY agrees to notify the CONSULTANT of its opinion by certified mail within 30 days of receipt of notification by the CONSULTANT. If, in the opinion of the AUTHORITY, the prospective business association, interest or circumstance would not constitute a conflict of interest by the CONSULTANT, the AUTHORITY shall so state in the notification, and it shall be deemed not to be a conflict of interest with respect to services provided to the AUTHORITY by the CONSULTANT under the terms of this Contract.

ARTICLE 17 – EXCUSABLE DELAYS

The CONSULTANT shall not be considered in default by reason of any failure in performance if such failure arises out of causes reasonably beyond the CONSULTANT's control and without its

fault or negligence. Such causes may include, but are not limited to: acts of God, the AUTHORITY's omissive and commissive failures; natural or public health emergencies; labor disputes; freight embargoes; and severe weather conditions. The CONSULTANT shall be responsible for the timely completion of subcontractor's work.

Upon the CONSULTANT's request, the AUTHORITY shall consider the facts and extent of any failure to perform the work and, if the CONSULTANT's failure to perform was due to causes reasonably beyond the CONSULTANT's control and without its fault or negligence, the Contract Schedule and/or other affected provision of this Contract shall be revised accordingly, subject to the AUTHORITY's rights to change, terminate, or stop any or all of the work at any time.

ARTICLE 18 – ARREARS

The CONSULTANT shall not pledge the AUTHORITY's credit or make the AUTHORITY a guarantor of payment or surety for any contract, debt, obligation, judgment, lien or any form of indebtedness. The CONSULTANT further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Contract.

ARTICLE 19 – DISCLOSURE AND OWNERSHIP OF DOCUMENTS

The CONSULTANT shall deliver to the AUTHORITY, if requested, reproducibles and computer files of all final documents and materials prepared by and for the AUTHORITY under this Contract and any CSA, including, but not limited to Project Specifications and Record Drawings. All documents provided by CONSULTANT to AUTHORITY shall be delivered both in hard-copy and in digital, hyperlink formats.

All written and oral information not in the public domain or not previously known, and all information and data obtained, developed, or supplied by the AUTHORITY or at its expense will be kept confidential by the CONSULTANT and will not be disclosed to any other party, directly or indirectly, without the AUTHORITY's prior written consent unless required by a law, notwithstanding that the CONSULTANT will be permitted to disclose such information to the affected building trades. All drawings, maps, sketches, and other data developed, or purchased, under this Contract or at the AUTHORITY's expense shall be and remain its property and may be reproduced and reused at the direction of the AUTHORITY.

CONSULTANT shall grant the AUTHORITY unlimited license to use all work product to complete any on-going projects, provided that use by the AUTHORITY of the work product is at the AUTHORITY's sole risk and without liability or legal exposure to CONSULTANT or anyone working by or through CONSULTANT and further provided that CONSULTANT is paid all undisputed monies due under the applicable project from which the work product was rendered.

ARTICLE 20 – INDEPENDENT CONSULTANT RELATIONSHIP

The CONSULTANT is, and shall be, in the performance of all work, services, and activities under this Contract an independent contractor, and not an employee, agent, or servant of the AUTHORITY. All persons engaged in any of the work or services performed pursuant to this Contract shall at all times, and in all places, be subject to the CONSULTANT's sole direction, supervision, and control. The CONSULTANT shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the CONSULTANT's relationship and the relationship of its employees to the AUTHORITY shall be that of an independent contractor and not as employees or agents of the AUTHORITY.

The CONSULTANT does not have the power or authority to bind the AUTHORITY in any promise, agreement or representation other than specifically provided for in this Contract or amendment thereto.

ARTICLE 21 – CONTINGENT FEES

The CONSULTANT represents that it has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this Contract and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Contract.

ARTICLE 22 – ACCESS AND AUDITS

The CONSULTANT shall maintain adequate records to justify all charges, expenses, and costs incurred in performing work pursuant to this Contract for at least three (3) years after completion of this Contract. The AUTHORITY shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at the AUTHORITY's cost, upon five (5) days written notice.

ARTICLE 23 – NONDISCRIMINATION

The CONSULTANT represents, to the best of its knowledge, that all of its employees are treated equally during employment without regard to race, color, religion, sex, age, national origin, handicap, or marital status.

ARTICLE 24 – COMPLIANCE WITH DAVIS-BACON ACT REQUIREMENTS

The CONSULTANT hereby agrees, where required on Federal Grant assisted projects, to comply with applicable portions of the Davis-Bacon and related acts which regulate employee wages and benefits. The CONSULTANT further acknowledges the possible necessity for amending the Contract in order to comply with Federal guidelines applicable to Grant Assisted projects which may be undertaken by the AUTHORITY.

ARTICLE 25 – SURVIVAL

All covenants, agreements, and representations made herein, or otherwise made in writing by any party pursuant hereto, including but not limited to any representations made herein relating to disclosure or ownership or documents, shall survive the execution and delivery of this Contract and consummation of the transactions contemplated hereby.

ARTICLE 26 – ENTIRETY OF CONTRACTUAL AGREEMENT

The AUTHORITY and the CONSULTANT agree that this Contract sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Contract may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto.

ARTICLE 27 – ENFORCEMENT COSTS

In any action brought by either party for the interpretation or enforcement of the obligations of the other party, including the establishment of a right to indemnification, the prevailing party shall be entitled to recover from the losing party all reasonable attorney's fees, paralegal fees, court and other costs, even if not taxable as court costs, whether incurred before or at trial, on appeal, in bankruptcy or in post judgment collections.

ARTICLE 28 – AUTHORITY TO PRACTICE

The CONSULTANT hereby represents and warrants that it has and will continue to maintain all licenses and approvals required to conduct its business, that it will at all times conduct its business activities in a reputable manner, and that it will maintain for duration of this Contract a current certificate of registration required under Florida Statutes.

ARTICLE 29 - SEVERABILITY

If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Contract, or the application of such term or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

ARTICLE 30 – AMENDMENTS AND MODIFICATION

No amendments and/or modifications of this Contract or any Consultant Services Authorization shall be valid unless in writing and signed by each of the parties.

The AUTHORITY reserves the right to make changes in the scope of work, including alterations, reductions therein or additions thereto. Upon receipt by the CONSULTANT of the AUTHORITY's notification of a contemplated change, the CONSULTANT shall, if requested by AUTHORITY: (1) provide an estimate for the increase or decrease in cost due to the contemplated change, (2) notify the AUTHORITY of any estimated change in the completion date, and (3) advise the AUTHORITY in writing if the contemplated change shall effect the CONSULTANT's ability to meet the completion dates or schedules of this Contract.

If the AUTHORITY so instructs in writing, the CONSULTANT shall suspend work on the portion of the work affected by a contemplated change, pending the AUTHORITY's decision to proceed with the change.

If the AUTHORITY elects to make the change, the AUTHORITY shall issue a written amendment or Change Order and the CONSULTANT shall not commence work on any such change until such written amendment or change order has been issued and signed by each of the parties.

ARTICLE 31 – CONSTRUCTION COST AND ESTIMATES

As to construction projects, the "Construction Cost" shall be the total cost or estimated cost to the AUTHORITY of all elements of the Project(s), including design costs, designed or specified by the CONSULTANT including costs of additives or deductive work items regardless of whether they are awarded for construction. It shall include the cost at current market rates of labor and materials furnished by the AUTHORITY and equipment designed, specified, selected or specially

provided for by the CONSULTANT, including a reasonable allowance of the Contractor's overhead and profit. In addition, a reasonable allowance for contingencies shall be included for market conditions at the time of bidding and for changes in the work during construction.

The ability to complete Projects at or under budget is of great importance to the AUTHORITY. Evaluations of individual Project budget(s), preliminary estimates of Construction Cost, and detailed estimates of Construction Cost prepared by the CONSULTANT, shall represent the CONSULTANT's best judgment as a design professional familiar with the construction industry.

CONSULTANT shall review the Project budget prior to undertaking substantive work on the Project. If CONSULTANT initially determines that the Construction Cost will likely exceed the budget, CONSULTANT shall promptly notify AUTHORITY in writing and suspend further work on the Project.

If CONSULTANT initially believes that the Construction Cost of the proposed Project will likely not exceed the budget, CONSULTANT shall proceed with its work until it has completed approximately thirty percent (30%) of the Project's overall professional services, at which point CONSULTANT shall deliver to AUTHORITY a detailed written estimate of Construction Cost ("First Estimate"). The AUTHORITY shall review the First Estimate and provide a written directive to either continue or suspend work on the Project.

If AUTHORITY has directed CONSULTANT to continue work on the Project, CONSULTANT shall proceed with its work until it has completed approximately ninety percent (90%) of the Project's overall professional services, at which point CONSULTANT shall deliver to AUTHORITY another detailed written estimate of Construction Cost ("Second Estimate"). If the Second Estimate exceeds the First Estimate by more than five percent (5%), the CONSULTANT shall explain, in writing, the reason(s) for the increase. The AUTHORITY shall review the Second Estimate and provide a written directive to either continue or suspend work on the Project.

If the Second Estimate is exceeded by the lowest bona fide bid or negotiated proposal, the AUTHORITY shall:

- 31.1 give written approval of an increase in such fixed limit;
- 31.2 authorize rebidding or renegotiating of the project(s) within a reasonable time;
- 31.3 abandon the project(s); or
- 31.4 cooperate in revising the project(s) scope and quality as required to reduce the Construction Cost.

If the AUTHORITY chooses to proceed in accordance with either 31.2 or 31.4 above, the CONSULTANT shall, at its own expense, either a) modify the contract documents or plans, as necessary and subsequently approved by the Authority, or b) re-bid the Project to achieve a lower bona fide bid or negotiated proposal. If no such lower bid or proposal can be obtained after appropriate modification of the contract documents, AUTHORITY may proceed in accordance with 31.1, 31.3 or any other option that may be available to AUTHORITY in the AUTHORITY's discretion.

ARTICLE 32 – AUTHORITY’S RESPONSIBILITIES

Provided such information is reasonably required by the CONSULTANT to perform its services under this Contract, the AUTHORITY shall:

1. Provide full information regarding requirements for the projects and tasks, including a program which shall set forth the AUTHORITY’s objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility, expandability, special equipment, systems and site requirements.
2. Designate a representative authorized to act on the AUTHORITY’s behalf with respect to the projects or tasks. The AUTHORITY or that authorized representative shall render decisions in a timely manner pertaining to documents submitted by the CONSULTANT in order to avoid unreasonable delay in the orderly and sequential progress of the CONSULTANT’s services.
3. Furnish, to the extent in its possession, surveys describing available information on utility locations, written legal descriptions of the sites, easements, encroachments, zoning, deed restrictions, and other available information to assist the CONSULTANT in developing proper scopes of service and fulfilling project or task objectives.
4. Assist in gaining access to and make all provisions for access required for the CONSULTANT to enter upon public and private property as required for the CONSULTANT to perform services under this Contract.
5. Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by the CONSULTANT and render decisions and comments regarding them within a reasonable time so as not to delay the services of the CONSULTANT.
6. Bear all reasonable costs incident to compliance with the requirements of this Article.

ARTICLE 33 – NOTICE

All notices required in this Contract shall be sent certified mail, return receipt requested, and if sent to the AUTHORITY shall be mailed to:

Mike Willingham
Executive Director
Sebring Airport Authority
128 Authority Lane
Sebring, FL 33870

and if sent to the CONSULTANT shall be mailed to:

Darin Larson
Vice President
AtkinsRéalis USA, Inc.
4030 West Boy Scout Boulevard, Ste 700
Tampa, Florida 33607
(o) 407-620-8112
Darin.Larson@atkinsrealis.com

ARTICLE 34 – PUBLIC ENTITY CRIMES

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017, Florida Statutes for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list. By signing the Contract, CONSULTANT certifies that it is not subject to denial or revocation of the right to transact business with public entities pursuant to s. 287.133, Florida Statutes.

ARTICLE 35 – SCRUTINIZED COMPANIES

By signing the Contract, CONSULTANT certifies that it is not ineligible, pursuant to Florida Statute 287.135, to bid on, submit a proposal for, or enter into or renew a contract pursuant to Florida Statute 287.135. AUTHORITY may terminate the Contract at its option if CONSULTANT is found to have submitted a false certification pursuant to section 287.135, F.S., been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or been engaged in business operations in Cuba or Syria. AUTHORITY may also terminate the Contract at its option if CONSULTANT is found to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel.

ARTICLE 36 – COMPLIANCE WITH ALL LAWS

In provision of services pursuant to the Contract, CONSULTANT shall comply with all applicable federal, state, and local laws, rules, and regulations.

ARTICLE 37 – PUBLIC RECORDS

AS REQUIRED BY § 119.0701(2)(a), FLORIDA STATUTES: IF CONSULTANT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONSULTANT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT,

**CONTACT THE CUSTODIAN OF PUBLIC RECORDS, Mike Willingham
AT 863-314-1300, EMAIL: mike@sebring-airport.com OR 128
AUTHORITY LANE, SEBRING, FLORIDA 33870.**

CONSULTANT shall:

- 37.1 Keep and maintain public records required by AUTHORITY to perform services.
- 37.2 Upon request from AUTHORITY's custodian of public records, CONSULTANT shall provide the AUTHORITY with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- 37.3 Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Contract term and following completion of the Contract if CONSULTANT does not transfer the records to the AUTHORITY.
- 37.4 Upon completion of the Contract, transfer, at no cost to the AUTHORITY, all public records in possession of CONSULTANT or keep and maintain public records required by AUTHORITY to perform the services. If the CONSULTANT transfers all public records to the AUTHORITY upon completion of the Contract, CONSULTANT shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If CONSULTANT keeps and maintains public records upon completion of the Contract, CONSULTANT shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the AUTHORITY, upon request from the AUTHORITY's custodian of public records, in a format that is compatible with the information technology systems of the AUTHORITY.

E-Verify.

(a) CONSULTANT shall register with and use the E-Verify system to verify the work authorization status of all newly hired employees. (A public employer, contractor, or subcontractor may not enter into a contract unless each party to the contract registers with and uses the E-Verify system.)

(b) 1. If CONSULTANT enters into a contract with a subconsultant, the subconsultant must provide the CONSULTANT with an affidavit stating that the subconsultant does not employ, contract with, or subcontract with an unauthorized alien.
2. The CONSULTANT shall maintain a copy of such affidavit for the duration of the contract.

(c) 1. A public employer, CONSULTANT, or subconsultant who has a good faith belief that a person or entity with which it is contracting has knowingly violated s. 448.09(1) shall terminate the contract with the person or entity.

2. A public employer that has a good faith belief that a subconsultant knowingly violated this subsection, but the CONSULTANT otherwise complied with this subsection, shall promptly notify the CONSULTANT and order the CONSULTANT to immediately terminate the contract with the subconsultant.

3. A contract terminated under subparagraph 1. or subparagraph 2. is not a breach of contract and may not be considered as such.

(d) A public employer, contractor, or subcontractor may file an action with a circuit or county court to challenge a termination under paragraph (c) no later than 20 calendar days after the date on which the contract was terminated.

(e) If a public employer terminates a contract with a contractor under paragraph (c), the contractor may not be awarded a public contract for at least 1 year after the date on which the contract was terminated.

(f) CONSULTANT is liable for any additional costs incurred by a public employer as a result of the termination of a contract.

-- END ATTACHMENT 1 --

SCHEDULE OF HOURLY RATES AND REIMBURSABLE EXPENSES

The Standard Hourly Rates and Reimbursable Expenses are subject to periodic review and adjustment annually.

The following hourly rates include direct and indirect costs except direct expenses. Indirect costs include such items as overhead, profit and such statutory and customary fringe benefits as social security contributions, sick leave, unemployment, excise and payroll taxes, workmen's compensation, health and retirement benefits, bonuses, annual leave and holiday pay.

Hourly rates in effect on the date of the Agreement (**May 2025**) are:

<u>Classification</u>	<u>Rates</u>
 <u>ENGINEERING / ARCHITECTURAL / PLANNING SERVICES</u>	
Practice Manager	\$290.00
Sr. Project Manager	\$250.00
Project Manager	\$220.00
Sr. Eng/Arch/Planner IV	\$270.00
Sr. Eng/Arch/Planner III	\$230.00
Sr. Eng/Arch/Planner II	\$200.00
Sr. Eng/Arch/Planner I	\$160.00
Eng/Arch/Planner II	\$140.00
Eng/Arch/Planner I	\$120.00
 <u>ENVIRONMENTAL / ECOLOGICAL SERVICES</u>	
Sr. Scientist IV	\$240.00
Sr. Scientist III	\$210.00
Sr. Scientist II	\$180.00
Sr. Scientist I	\$150.00
Scientist II	\$130.00
Scientist I	\$120.00
Technician	\$110.00
 <u>CONSTRUCTION SERVICES</u>	
Resident Engineer Construction	\$180.00
Sr. Construction Management Rep.	\$150.00
Construction Management Rep.	\$130.00
 <u>DESIGN / DRAFTING / SUPPORT STAFF</u>	
Sr. Designer/CAD Technician	\$140.00
Designer/CAD Technician	\$120.00
Clerical/Administrative	\$100.00
 <u>SURVEYING SERVICES</u>	
Sr. Surveyor	\$150.00
Survey Field Coordinator	\$120.00
Survey CADD Technician	\$110.00

**SEBRING AIRPORT AUTHORITY
AGENDA ITEM SUMMARY**

MEETING DATE: May 15, 2025

PRESENTER: Andrew Bennett

AGENDA ITEM: Contract for Continuing Services - Professional Aviation Consulting – AVCON, INC.

BACKGROUND: Airport advertised RFQ 25-02 on February 28, 2025 and six (6) qualification packages were received. A selection committee was formed and ranked all firms resulting in a recommendation to award continuing services contracts for the top four (4) ranked firms. The Board approved the committee's recommendation on April 17, 2025.

REQUESTED MOTION: Move to approve and authorize Executive Director to execute contract accordingly.

BOARD ACTION:

APPROVED
 DENIED
 DEFERRED
 OTHER

CONTRACT FOR CONTINUING SERVICES
(Construction Projects & Study Activity)

This Contract is made by and between the **SEBRING AIRPORT AUTHORITY**, hereinafter referred to as the AUTHORITY, and **AVCON, INC.**, a Florida corporation, hereinafter referred to as the CONSULTANT, whose address is 5555 East Michigan Street, Suite 200, Orlando, FL 32822. In consideration of the mutual promises contained herein, the AUTHORITY and the CONSULTANT agree:

The CONSULTANT's responsibility under this Contract is to provide professional services related to tasks and projects hereinafter provided. These services may include aviation consulting, engineering, and other professional services as described in the response CONSULTANT provided with respect to the Request for Qualifications 25-02. This Contract shall be deemed a "continuing contract" under Section 287.055, Florida Statutes.

The services performed by the CONSULTANT under this Contract may include professional services for construction or study activity projects in which the estimated construction cost of each individual construction project or the fee of each individual study does not exceed the maximum amount permitted for a continuing contract pursuant to applicable law, including Section 287.055(2)(g), Florida Statutes, as may be amended.

Provisions of this Contract may be amended and updated periodically as deemed appropriate by the parties to reflect changes in professional business practices and general economic conditions without invalidating the effect of the nature of this Contract.

Significant tasks or projects shall be initiated by a separate Consultant Services Authorization (CSA) which will include a Scope of Services and Schedule of Payments. Each CSA shall identify whether it is a construction or study activity project, and shall include a duration during which the services shall be performed by the CONSULTANT based on the nature of the work as approved by the AUTHORITY. General consulting work shall not require a separate CSA.

This Contract shall be effective upon the date of execution by all parties and shall continue thereafter until terminated in accordance with the General Terms and Conditions attached hereto.

The AUTHORITY shall pay the CONSULTANT for satisfactory performance, as specified, subject to additions and deletions by amendments as otherwise provided in this Contract.

Services of the CONSULTANT shall be under the general direction of designated individuals, who shall act as the AUTHORITY's representative during the performance of this Contract. The CONSULTANT shall submit to the AUTHORITY a brief written report concerning the status of active projects.

This Contract shall include the following documents, which are attached to and hereby made a part of this Contract:

- Attachment 1: General Terms and Conditions
- Attachment 2: Compensation Schedule

IN WITNESS WHEREOF, the AUTHORITY and CONSULTANT have made and executed this Contract as of the 15th day of May, 2025.



SEBRING AIRPORT AUTHORITY

By 
Mike Willingham, Executive Director

ATTEST:



AVCON, INC.

By 
Print Name: Sandeep Singh, P.E.
Print Title: President

ATTACHMENT 1

GENERAL TERMS AND CONDITIONS TO THE CONTRACT FOR CONTINUING SERVICES BY AND BETWEEN SEBRING AIRPORT AUTHORITY AND AVCON, INC.

This Attachment contains the general terms and conditions for the Contract for Continuing Services (herein referred to as the "Contract") dated May 15, 2025, by and between the SEBRING AIRPORT AUTHORITY, a body politic and corporate of the State of Florida (herein referred to as the "AUTHORITY") and AVCON, INC., a Florida corporation, (herein referred to as the "CONSULTANT").

ARTICLE 1 – PAYMENTS TO CONSULTANT

The CONSULTANT will bill the AUTHORITY at the amounts set forth in the Schedule of Payments for services satisfactorily rendered toward the completion of the Scope of Work on a monthly basis or as otherwise provided in a Consultant Services Authorization ("CSA") for specific services initiated pursuant to the Contract. The amounts billed shall be pursuant to the Compensation Schedule set forth in Attachment 2 of the Contract and shall represent the approximate completion of services outlined in the Scope of Work developed for each authorization.

ARTICLE 2 – REIMBURSABLES

"Out-of-Pocket" expenses will be reimbursed in accordance with the list of the types of expenditures eligible for reimbursement. All requests for payment of "out-of-pocket" expenses eligible for reimbursement under the terms of this Contract shall include copies of paid receipts, invoices, or other documentation acceptable to the AUTHORITY. Such documentation shall be sufficient to establish that the expense was actually incurred and necessary in the performance of the applicable Scope of Work. Any travel, per diem, mileage, meals, or lodging expenses which may be reimbursable under the terms of this Contract will be paid in accordance with the rates and conditions set forth in Section 112.061, Florida Statutes.

ARTICLE 3 – PAYMENT OF INVOICES

Prior to payment, invoices received from the CONSULTANT pursuant to the Contract will be reviewed and approved by the initiating department, indicating that services have been rendered in conformity with the Contract or applicable CSA. Invoices must reference the current purchase order number (if any). Payment shall be made in accordance with the CSA for specific projects.

ARTICLE 4 – TRUTH-IN-NEGOTIATION CERTIFICATE

The signing of the Contract and any Consultant Services Authorization by the CONSULTANT shall act as the execution of a truth-in-negotiation certificate certifying that the wage rates and costs used to determine the compensation provided for in the Contract and that CSA are accurate, complete and current as of the date of this Contract and that CSA.

The said rates and costs shall be adjusted to exclude any significant sums should the AUTHORITY determine that the rates and costs were increased due to the inaccurate, incomplete or noncurrent wage rates or due to inaccurate representations of fees paid to outside consultants.

The AUTHORITY shall exercise its rights under this "Certificate" within one year following final payment.

ARTICLE 5 – TERMINATION

This Contract may be terminated by the CONSULTANT upon 30 days prior written notice to the AUTHORITY in the event of substantial failure by the AUTHORITY to perform in accordance with the terms of this Contract through no fault of the CONSULTANT. It may also be terminated by the AUTHORITY with or without cause upon 30 days written notice to the CONSULTANT. Unless the CONSULTANT is in breach of this Contract, the CONSULTANT shall be paid for services rendered to the AUTHORITY through the date of termination. After receipt of a Termination Notice and except as otherwise directed by the AUTHORITY, the CONSULTANT shall:

- A. Stop work on the date and to the extent specified.
- B. Terminate and settle all orders and subcontracts relating to the performance of terminated work.
- C. Transfer all work in process, completed work, and other material related to the terminated work to the AUTHORITY.
- D. Continue and complete all parts of the work that have not been terminated.

ARTICLE 6 - PERSONNEL

The CONSULTANT represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the AUTHORITY.

All of the services required hereunder shall be performed by the CONSULTANT or under its supervision, and all personnel engaged in performing the services shall be fully qualified and, if required, authorized or permitted under state and local law to perform such services.

Any changes or substitutions in the CONSULTANT's key personnel as may be listed herein must be made known to the AUTHORITY's representative and written approval granted by the AUTHORITY before said change or substitution can become effective.

ARTICLE 7 – KEY PERSONNEL ASSIGNMENT

The CONSULTANT and the AUTHORITY agree to assign the following key personnel required to perform the services necessary under this Contract:

Contact Person for the Consultant:

Sandeep Singh, P.E.
President
Avcon, Inc.
5555 E. Michigan St., Suite 200
Orlando, Florida 32822
(o) 407-599-1122 ext. 206
ssingh@avconinc.com

Contact Person for Authority:

Mike Willingham
Executive Director
Sebring Airport Authority
128 Authority Lane
Sebring, FL 33870
(o) 863-314-1305 ext. 1300
mike@sebring-airport.com

ARTICLE 8 - SUBCONTRACTING

For any specific project, the CONSULTANT reserves the right to select necessary subcontractors.

The AUTHORITY reserves the right to accept the use of a subcontractor or to reject the selection of a particular subcontractor and to inspect all facilities of any subcontractors in order to make a determination as to the capability of the subcontractor to perform properly under this Contract. The CONSULTANT is encouraged to seek minority and women business enterprises for participation in subcontracting opportunities.

If a subcontractor fails to perform or make progress, as required by this Contract, and it is necessary to replace the subcontractor to complete the work in a timely fashion, the CONSULTANT shall promptly do so, subject to acceptance of the new subcontractor by the AUTHORITY.

ARTICLE 9 – FEDERAL AND STATE TAX

The AUTHORITY is exempt from Federal Tax and State Tax for Tangible Personal Property. The AUTHORITY will sign an exemption certificate submitted by the CONSULTANT. The CONSULTANT shall not be exempted from paying sales tax to its suppliers for materials to fulfill contractual obligations with the AUTHORITY, nor shall the CONSULTANT be authorized to use the AUTHORITY's Tax Exemption Number in obtaining such materials.

The CONSULTANT shall be responsible for payment of its own taxes.

ARTICLE 10 – AVAILABILITY OF FUNDS

The obligations of the AUTHORITY under this Contract are subject to the availability of funds lawfully appropriated for its purpose by the Board of the Sebring Airport Authority.

ARTICLE 11 – INSURANCE

- A. The CONSULTANT shall not commence work under this Contract or any CSA unless it has all insurance required under this paragraph and that insurance has been approved by the AUTHORITY. In the event the insurance coverage expires prior to the completion of any Project, a renewal certificate shall be issued 30-days prior to said expiration date.
- B. All insurance policies shall be issued by companies authorized or approved to do business under the laws of the State of Florida. The CONSULTANT shall furnish Certificates of Insurance to the AUTHORITY prior to the commencement of work under this Contract. The Certificates shall clearly indicate that the CONSULTANT has obtained insurance of the type, amount, and classifications required for strict

compliance with this Article. Compliance with the foregoing requirements shall not relieve the CONSULTANT of its liability and obligations under this Contract.

- C. The CONSULTANT shall purchase and maintain professional liability or malpractice or errors or omissions insurance with minimum limits of \$2,000,000 per occurrence and annual aggregate. If a claims made form of coverage is provided, the retroactive date of coverage shall be no later than the inception date of claims made coverage, unless the prior policy was extended indefinitely to cover prior acts. Coverage shall be extended beyond the policy year either by a supplemental extended reporting period (ERP) of as great duration as available, and with no less coverage and with reinstated aggregate limits, or by requiring that any new policy provide a retroactive date no later than the inception date of claims made coverage.
- D. The CONSULTANT shall maintain, during the life of this Contract, comprehensive general liability insurance in the amount of \$1,000,000 per occurrence to protect the CONSULTANT from claims of bodily injury and property damages which may arise from any operations under this Contract whether such operations be by the CONSULTANT or by anyone directly employed by or contracting with the CONSULTANT.
- E. The CONSULTANT shall maintain, during the life of this Contract, comprehensive automobile liability insurance in the amounts of \$1,000,000 combined single limit for bodily injury and property damage to protect the CONSULTANT from claims for damages for bodily injury, including wrongful death, as well as from claims from property damage, which may arise from the ownership, use, or maintenance of owned and non-owned automobiles, including rented automobiles whether such operations be by the CONSULTANT or by anyone directly or indirectly employed by the CONSULTANT.
- F. The CONSULTANT shall maintain, during the life of this Contract, adequate Workman's Compensation Insurance and Employer's Liability Insurance in at least such amounts as are required by law for all of its employees performing work for the AUTHORITY pursuant to this Contract.
- G. All insurance, other than Professional Liability and Workman's Compensation, to be maintained by the CONSULTANT shall specifically include the AUTHORITY as an "Additional Insured".

ARTICLE 12 - STANDARD OF CARE

The CONSULTANT covenants that all services shall be performed by skilled and competent personnel to generally accepted professional standards under similar conditions.

ARTICLE 13 – INDEMNIFICATION

Subject to limitations of Florida law, the CONSULTANT shall indemnify and hold harmless the AUTHORITY, and its officers and employees, from liabilities, damages, losses, and costs, including, but not limited to, reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the CONSULTANT and other persons

employed or utilized by the CONSULTANT in the performance of the Contract. CONSULTANT's liability for indemnification shall be limited to \$2,000,000.00.

ARTICLE 14 – SUCCESSORS AND ASSIGNS

The AUTHORITY and the CONSULTANT each binds itself and its partners, successors, executors, administrators and assigns to the other party of this Contract and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Contract. Neither the AUTHORITY nor the CONSULTANT shall assign, convey or transfer its interest in the Contract without the written consent of the other, which shall not be unreasonably withheld. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the AUTHORITY which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the AUTHORITY and the CONSULTANT.

ARTICLE 15 – REMEDIES

This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Contract will be held in Highlands County, Florida, and the Contract will be interpreted according to the laws of the State of Florida. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

ARTICLE 16 – CONFLICT OF INTEREST

The CONSULTANT represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder, consistent with the intent and declaration of policy stated in Section 112.311, Florida Statutes. The CONSULTANT further represents that no person having any interest shall be employed for said performance.

The CONSULTANT shall promptly notify the AUTHORITY in writing of potential conflicts of interest for any prospective business associations, interest or other circumstances which may influence or appear to influence the CONSULTANT's judgment or quality of services being provided under a specific CSA. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the CONSULTANT may undertake and request an opinion of the AUTHORITY as to whether the association, interest or circumstance would, in the opinion of the AUTHORITY, constitute a conflict of interest if entered into by the CONSULTANT. The AUTHORITY agrees to notify the CONSULTANT of its opinion by certified mail within 30 days of receipt of notification by the CONSULTANT. If, in the opinion of the AUTHORITY, the prospective business association, interest or circumstance would not constitute a conflict of interest by the CONSULTANT, the AUTHORITY shall so state in the notification, and it shall be deemed not to be a conflict of interest with respect to services provided to the AUTHORITY by the CONSULTANT under the terms of this Contract.

ARTICLE 17 – EXCUSABLE DELAYS

The CONSULTANT shall not be considered in default by reason of any failure in performance if such failure arises out of causes reasonably beyond the CONSULTANT's control and without its

fault or negligence. Such causes may include, but are not limited to: acts of God, the AUTHORITY's omissive and commissive failures; natural or public health emergencies; labor disputes; freight embargoes; and severe weather conditions. The CONSULTANT shall be responsible for the timely completion of subcontractor's work.

Upon the CONSULTANT's request, the AUTHORITY shall consider the facts and extent of any failure to perform the work and, if the CONSULTANT's failure to perform was due to causes reasonably beyond the CONSULTANT's control and without its fault or negligence, the Contract Schedule and/or other affected provision of this Contract shall be revised accordingly, subject to the AUTHORITY's rights to change, terminate, or stop any or all of the work at any time.

ARTICLE 18 – ARREARS

The CONSULTANT shall not pledge the AUTHORITY's credit or make the AUTHORITY a guarantor of payment or surety for any contract, debt, obligation, judgment, lien or any form of indebtedness. The CONSULTANT further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Contract.

ARTICLE 19 – DISCLOSURE AND OWNERSHIP OF DOCUMENTS

The CONSULTANT shall deliver to the AUTHORITY, if requested, reproducibles and computer files of all final documents and materials prepared by and for the AUTHORITY under this Contract and any CSA, including, but not limited to Project Specifications and Record Drawings. All documents provided by CONSULTANT to AUTHORITY shall be delivered both in hard-copy and in digital, hyperlink formats.

All written and oral information not in the public domain or not previously known, and all information and data obtained, developed, or supplied by the AUTHORITY or at its expense will be kept confidential by the CONSULTANT and will not be disclosed to any other party, directly or indirectly, without the AUTHORITY's prior written consent unless required by a law, notwithstanding that the CONSULTANT will be permitted to disclose such information to the affected building trades. All drawings, maps, sketches, and other data developed, or purchased, under this Contract or at the AUTHORITY's expense shall be and remain its property and may be reproduced and reused at the direction of the AUTHORITY.

CONSULTANT shall grant the AUTHORITY unlimited license to use all work product to complete any on-going projects, provided that use by the AUTHORITY of the work product is at the AUTHORITY's sole risk and without liability or legal exposure to CONSULTANT or anyone working by or through CONSULTANT and further provided that CONSULTANT is paid all undisputed monies due under the applicable project from which the work product was rendered.

ARTICLE 20 – INDEPENDENT CONSULTANT RELATIONSHIP

The CONSULTANT is, and shall be, in the performance of all work, services, and activities under this Contract an independent contractor, and not an employee, agent, or servant of the AUTHORITY. All persons engaged in any of the work or services performed pursuant to this Contract shall at all times, and in all places, be subject to the CONSULTANT's sole direction, supervision, and control. The CONSULTANT shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the CONSULTANT's relationship and the relationship of its employees to the AUTHORITY shall be that of an independent contractor and not as employees or agents of the AUTHORITY.

The CONSULTANT does not have the power or authority to bind the AUTHORITY in any promise, agreement or representation other than specifically provided for in this Contract or amendment thereto.

ARTICLE 21 – CONTINGENT FEES

The CONSULTANT represents that it has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this Contract and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Contract.

ARTICLE 22 – ACCESS AND AUDITS

The CONSULTANT shall maintain adequate records to justify all charges, expenses, and costs incurred in performing work pursuant to this Contract for at least three (3) years after completion of this Contract. The AUTHORITY shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at the AUTHORITY's cost, upon five (5) days written notice.

ARTICLE 23 – NONDISCRIMINATION

The CONSULTANT represents, to the best of its knowledge, that all of its employees are treated equally during employment without regard to race, color, religion, sex, age, national origin, handicap, or marital status.

ARTICLE 24 – COMPLIANCE WITH DAVIS-BACON ACT REQUIREMENTS

The CONSULTANT hereby agrees, where required on Federal Grant assisted projects, to comply with applicable portions of the Davis-Bacon and related acts which regulate employee wages and benefits. The CONSULTANT further acknowledges the possible necessity for amending the Contract in order to comply with Federal guidelines applicable to Grant Assisted projects which may be undertaken by the AUTHORITY.

ARTICLE 25 – SURVIVAL

All covenants, agreements, and representations made herein, or otherwise made in writing by any party pursuant hereto, including but not limited to any representations made herein relating to disclosure or ownership or documents, shall survive the execution and delivery of this Contract and consummation of the transactions contemplated hereby.

ARTICLE 26 – ENTIRETY OF CONTRACTUAL AGREEMENT

The AUTHORITY and the CONSULTANT agree that this Contract sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Contract may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto.

ARTICLE 27 – ENFORCEMENT COSTS

In any action brought by either party for the interpretation or enforcement of the obligations of the other party, including the establishment of a right to indemnification, the prevailing party shall be entitled to recover from the losing party all reasonable attorney's fees, paralegal fees, court and other costs, even if not taxable as court costs, whether incurred before or at trial, on appeal, in bankruptcy or in post judgment collections.

ARTICLE 28 – AUTHORITY TO PRACTICE

The CONSULTANT hereby represents and warrants that it has and will continue to maintain all licenses and approvals required to conduct its business, that it will at all times conduct its business activities in a reputable manner, and that it will maintain for duration of this Contract a current certificate of registration required under Florida Statutes.

ARTICLE 29 - SEVERABILITY

If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Contract, or the application of such term or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

ARTICLE 30 – AMENDMENTS AND MODIFICATION

No amendments and/or modifications of this Contract or any Consultant Services Authorization shall be valid unless in writing and signed by each of the parties.

The AUTHORITY reserves the right to make changes in the scope of work, including alterations, reductions therein or additions thereto. Upon receipt by the CONSULTANT of the AUTHORITY's notification of a contemplated change, the CONSULTANT shall, if requested by AUTHORITY: (1) provide an estimate for the increase or decrease in cost due to the contemplated change, (2) notify the AUTHORITY of any estimated change in the completion date, and (3) advise the AUTHORITY in writing if the contemplated change shall effect the CONSULTANT's ability to meet the completion dates or schedules of this Contract.

If the AUTHORITY so instructs in writing, the CONSULTANT shall suspend work on the portion of the work affected by a contemplated change, pending the AUTHORITY's decision to proceed with the change.

If the AUTHORITY elects to make the change, the AUTHORITY shall issue a written amendment or Change Order and the CONSULTANT shall not commence work on any such change until such written amendment or change order has been issued and signed by each of the parties.

ARTICLE 31 – CONSTRUCTION COST AND ESTIMATES

As to construction projects, the "Construction Cost" shall be the total cost or estimated cost to the AUTHORITY of all elements of the Project(s), including design costs, designed or specified by the CONSULTANT including costs of additives or deductive work items regardless of whether they are awarded for construction. It shall include the cost at current market rates of labor and materials furnished by the AUTHORITY and equipment designed, specified, selected or specially

provided for by the CONSULTANT, including a reasonable allowance of the Contractor's overhead and profit. In addition, a reasonable allowance for contingencies shall be included for market conditions at the time of bidding and for changes in the work during construction.

The ability to complete Projects at or under budget is of great importance to the AUTHORITY. Evaluations of individual Project budget(s), preliminary estimates of Construction Cost, and detailed estimates of Construction Cost prepared by the CONSULTANT, shall represent the CONSULTANT's best judgment as a design professional familiar with the construction industry.

CONSULTANT shall review the Project budget prior to undertaking substantive work on the Project. If CONSULTANT initially determines that the Construction Cost will likely exceed the budget, CONSULTANT shall promptly notify AUTHORITY in writing and suspend further work on the Project.

If CONSULTANT initially believes that the Construction Cost of the proposed Project will likely not exceed the budget, CONSULTANT shall proceed with its work until it has completed approximately thirty percent (30%) of the Project's overall professional services, at which point CONSULTANT shall deliver to AUTHORITY a detailed written estimate of Construction Cost ("First Estimate"). The AUTHORITY shall review the First Estimate and provide a written directive to either continue or suspend work on the Project.

If AUTHORITY has directed CONSULTANT to continue work on the Project, CONSULTANT shall proceed with its work until it has completed approximately ninety percent (90%) of the Project's overall professional services, at which point CONSULTANT shall deliver to AUTHORITY another detailed written estimate of Construction Cost ("Second Estimate"). If the Second Estimate exceeds the First Estimate by more than five percent (5%), the CONSULTANT shall explain, in writing, the reason(s) for the increase. The AUTHORITY shall review the Second Estimate and provide a written directive to either continue or suspend work on the Project.

If the Second Estimate is exceeded by the lowest bona fide bid or negotiated proposal, the AUTHORITY shall:

- 31.1 give written approval of an increase in such fixed limit;
- 31.2 authorize rebidding or renegotiating of the project(s) within a reasonable time;
- 31.3 abandon the project(s); or
- 31.4 cooperate in revising the project(s) scope and quality as required to reduce the Construction Cost.

If the AUTHORITY chooses to proceed in accordance with either 31.2 or 31.4 above, the CONSULTANT shall, at its own expense, either a) modify the contract documents or plans, as necessary and subsequently approved by the Authority, or b) re-bid the Project to achieve a lower bona fide bid or negotiated proposal. If no such lower bid or proposal can be obtained after appropriate modification of the contract documents, AUTHORITY may proceed in accordance with 31.1, 31.3 or any other option that may be available to AUTHORITY in the AUTHORITY's discretion.

ARTICLE 32 – AUTHORITY’S RESPONSIBILITIES

Provided such information is reasonably required by the CONSULTANT to perform its services under this Contract, the AUTHORITY shall:

1. Provide full information regarding requirements for the projects and tasks, including a program which shall set forth the AUTHORITY’s objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility, expandability, special equipment, systems and site requirements.
2. Designate a representative authorized to act on the AUTHORITY’s behalf with respect to the projects or tasks. The AUTHORITY or that authorized representative shall render decisions in a timely manner pertaining to documents submitted by the CONSULTANT in order to avoid unreasonable delay in the orderly and sequential progress of the CONSULTANT’s services.
3. Furnish, to the extent in its possession, surveys describing available information on utility locations, written legal descriptions of the sites, easements, encroachments, zoning, deed restrictions, and other available information to assist the CONSULTANT in developing proper scopes of service and fulfilling project or task objectives.
4. Assist in gaining access to and make all provisions for access required for the CONSULTANT to enter upon public and private property as required for the CONSULTANT to perform services under this Contract.
5. Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by the CONSULTANT and render decisions and comments regarding them within a reasonable time so as not to delay the services of the CONSULTANT.
6. Bear all reasonable costs incident to compliance with the requirements of this Article.

ARTICLE 33 – NOTICE

All notices required in this Contract shall be sent certified mail, return receipt requested, and if sent to the AUTHORITY shall be mailed to:

Mike Willingham
Executive Director
Sebring Airport Authority
128 Authority Lane
Sebring, FL 33870

and if sent to the CONSULTANT shall be mailed to:

Sandeep Singh, P.E.
President
Avcon, Inc.
5555 E. Michigan St., Suite 200
Orlando, Florida 32822

ARTICLE 34 – PUBLIC ENTITY CRIMES

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017, Florida Statutes for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list. By signing the Contract, CONSULTANT certifies that it is not subject to denial or revocation of the right to transact business with public entities pursuant to s. 287.133, Florida Statutes.

ARTICLE 35 – SCRUTINIZED COMPANIES

By signing the Contract, CONSULTANT certifies that it is not ineligible, pursuant to Florida Statute 287.135, to bid on, submit a proposal for, or enter into or renew a contract pursuant to Florida Statute 287.135. AUTHORITY may terminate the Contract at its option if CONSULTANT is found to have submitted a false certification pursuant to section 287.135, F.S., been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or been engaged in business operations in Cuba or Syria. AUTHORITY may also terminate the Contract at its option if CONSULTANT is found to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel.

ARTICLE 36 – COMPLIANCE WITH ALL LAWS

In provision of services pursuant to the Contract, CONSULTANT shall comply with all applicable federal, state, and local laws, rules, and regulations.

ARTICLE 37 – PUBLIC RECORDS

AS REQUIRED BY § 119.0701(2)(a), FLORIDA STATUTES: IF CONSULTANT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONSULTANT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS, Mike Willingham

**AT 863-314-1300, EMAIL: mike@sebring-airport.com OR 128
AUTHORITY LANE, SEBRING, FLORIDA 33870.**

CONSULTANT shall:

- 37.1 Keep and maintain public records required by AUTHORITY to perform services.
- 37.2 Upon request from AUTHORITY's custodian of public records, CONSULTANT shall provide the AUTHORITY with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- 37.3 Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Contract term and following completion of the Contract if CONSULTANT does not transfer the records to the AUTHORITY.
- 37.4 Upon completion of the Contract, transfer, at no cost to the AUTHORITY, all public records in possession of CONSULTANT or keep and maintain public records required by AUTHORITY to perform the services. If the CONSULTANT transfers all public records to the AUTHORITY upon completion of the Contract, CONSULTANT shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If CONSULTANT keeps and maintains public records upon completion of the Contract, CONSULTANT shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the AUTHORITY, upon request from the AUTHORITY's custodian of public records, in a format that is compatible with the information technology systems of the AUTHORITY.

E-Verify.

- (a) CONSULTANT shall register with and use the E-Verify system to verify the work authorization status of all newly hired employees. (A public employer, contractor, or subcontractor may not enter into a contract unless each party to the contract registers with and uses the E-Verify system.)
- (b)
 1. If CONSULTANT enters into a contract with a subconsultant, the subconsultant must provide the CONSULTANT with an affidavit stating that the subconsultant does not employ, contract with, or subcontract with an unauthorized alien.
 2. The CONSULTANT shall maintain a copy of such affidavit for the duration of the contract.
- (c)
 1. A public employer, CONSULTANT, or subconsultant who has a good faith belief that a person or entity with which it is contracting has knowingly violated s. 448.09(1) shall terminate the contract with the person or entity.
 2. A public employer that has a good faith belief that a subconsultant knowingly violated this subsection, but the CONSULTANT otherwise complied with this subsection, shall promptly notify the CONSULTANT and order the CONSULTANT to immediately terminate the contract with the subconsultant.

3. A contract terminated under subparagraph 1. or subparagraph 2. is not a breach of contract and may not be considered as such.

(d) A public employer, contractor, or subcontractor may file an action with a circuit or county court to challenge a termination under paragraph (c) no later than 20 calendar days after the date on which the contract was terminated.

(e) If a public employer terminates a contract with a contractor under paragraph (c), the contractor may not be awarded a public contract for at least 1 year after the date on which the contract was terminated.

(f) CONSULTANT is liable for any additional costs incurred by a public employer as a result of the termination of a contract.

-- END ATTACHMENT 1 --



**APPENDIX B
COMPENSATION SCHEDULE**

**2025 HOURLY BILLING RATES¹
SEBRING REGIONAL AIRPORT**

The following hourly rates include direct and indirect costs except direct expenses. Indirect costs include such items as overhead, profit and such statutory and customary fringe benefits as social security contributions, sick leave, unemployment, excise and payroll taxes, workmen's compensation, health and retirement benefits, bonuses, annual leave and holiday pay.

Hourly rates in effect on January 1, 2025 are:

CLASSIFICATION	HOURLY RATE
Principal	\$310.00
QC Reviewer	\$290.00
Sr. Project Manager	\$240.00
Sr. Engineer	\$225.00
Sr. Planner	\$210.00
Project Manager	\$175.00
Project Engineer	\$150.00
Engineer	\$125.00
Planner	\$115.00
CADD Designer	\$90.00
Sr. Inspector	\$150.00
Inspector	\$130.00
Contract Administrator	\$120.00
Administrative	\$80.00

Respectfully Submitted April 25, 2025

¹Hourly rates are subject to annual adjustment for CPI increases.

Sebring Airport Authority Agenda Item Summary

Meeting Date: May 15, 2025

Presenter: Andrew Bennett

Agenda Item: ITB 25-04 Apron High Mast Lighting Add Service – Award and Contract

Background: On April 28, 2025, the Sebring Airport Authority received three (3) bids for RFP 25-04 Apron High Mast Lighting as follows:

The low bidder is Trinity Electrical Services totaling **\$222,270.00**.

Trinity submitted the required bid forms, including the 5% Bid Security with notarized Power of Attorney, a list of five (5) projects with relevant experience ranging from \$221.8k to \$1.5M, a list of nineteen (19) projects. AVCON recommends award of the contract to Trinity Electrical Services for the Total Bid amount of Two Hundred Twenty-Two Thousand, Two Hundred Seventy Dollars, and 00/100 (\$222,270.00).

Requested Motion: Move to approve and authorize the Chairman or Vice Chairman and Secretary or Assistant Secretary to execute contract.

Board Action:

Approved **X**

Denied

Tabled



May 13, 2025

Mr. Mike Willingham
Executive Director
Sebring Airport Authority
128 Authority Lane
Sebring, FL, 33870

**Reference: Recommendation of Award, Bid #25-04
Apron High Mast Lighting Add Service
Sebring Regional Airport**

Dear Mr. Willingham:

On April 28th, 2025 at 3:00PM, the Sebring Airport Authority received bids on the above-noted project. A total of three (3) bids were received as follows:

Bidder	Bid Total
Trinity Electrical Services, LLC	\$222,270
H.L. Pruitt Corp.	\$251,000
EAU Galle Electric	\$278,790

The apparent low bidder for Bid #25-04 is **Trinity Electrical Services, LLC (Trinity)** whose Bid Total is **\$222,270**. A detailed Bid Tabulation is attached.

Trinity submitted the required bid forms, including the 5% Bid Security with notarized Power of Attorney, a list of five (5) projects with relevant experience ranging from \$221.8k to \$1.5M, a list of nineteen (19) projects currently under contract, as well as acknowledgement of Addendums 1 & 2 and the certificates noted in the proposal. Not provided was documentation regarding Trinity's financial responsibility (B3-1, Question #10).

The second low bidder is H.L. Pruitt Corp. (Pruitt) whose Bid Total is \$251,000. Pruitt submitted the required bid forms, including the 5% Bid Security with notarized Power of Attorney, two lists of current work (1-Active Job List and 2-Major Work Under Contract). The list of Major Work Under Contract contains projects ranging from \$1.1M to \$3.5M. Pruitt also acknowledged receipt of Addendums 1 & 2 and submitted the certificates noted in the proposal. Not provided was documentation regarding Pruitt's financial responsibility (B3-1, Question #10).

Notwithstanding the Authority's Legal Counsel review, **AVCON** recommends award of the contract to Trinity Electrical Services, LLC for the Bid Total amount of **Two Hundred Twenty-Two Thousand, Two Hundred Seventy Dollars and 00/100 (\$222,270)**, subject to the availability of funding.

Mr. Mike Willingham
Sebring Airport Authority
Recommendation of Award, Bid #25-04
Apron High Mast Lighting Add Service
May 13, 2025
Page 2 of 2



We stand ready to assist the Authority in the implementation of this project. Should you have any questions or require additional information, please do not hesitate to call.

Sincerely,

AVCON, INC.

A handwritten signature in black ink that reads "Keira Medina".

Keira Medina, P.E.
Senior Engineer, Airports

Attachment: Signed Bid Tabulation, Bid #25-04



SEBRING REGIONAL AIRPORT
APRON HIGH MAST LIGHTING ADD SERVICE
CONTRACT #25-04
BID TABULATION

Index	Pay Item	Description	Qty	Unit	ENGINEER'S ESTIMATE		TRINITY ELECTRICAL SERVICES, LLC		H.L. Pruitt Corp.		EAU GALLIE ELECTRIC	
					Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	C-102-5.1a	TEMPORARY AIR & WATER POLLUTION, SOIL EROSION, AND SILTATION CONTROL	1	LS	\$5,000.00	\$5,000.00	\$2,300.00	\$2,300.00	\$2,500.00	\$2,500.00	\$6,460.00	\$6,460.00
2	C-105	MOBILIZATION (10% MAXIMUM)	1	LS	\$22,200.00	\$22,200.00	\$18,000.00	\$18,000.00	\$21,000.00	\$21,000.00	\$25,270.00	\$25,270.00
3	C-106	SAFETY, SECUIRITY AND MAINTENANT OF TRAFFIC (4% MAXIMUM)	1	LS	\$8,880.00	\$8,880.00	\$1,800.00	\$1,800.00	\$2,500.00	\$2,500.00	\$1,880.00	\$1,880.00
4	L-108-1	3/4" DIAMETER BY 10.00' LONG COPPER CLAD STEEL SECTIONAL GROUND ROD	80	EA	\$150.00	\$12,000.00	\$55.00	\$4,400.00	\$200.00	\$16,000.00	\$200.00	\$16,000.00
5	L-115-1	L-867B JUNCTION CAN	2	EA	\$5,000.00	\$10,000.00	\$4,950.00	\$9,900.00	\$1,000.00	\$2,000.00	\$1,925.00	\$3,850.00
6	26 56 30-5.1	HIGH MAST LIGHTING POLE ASSEMBLIES 70 FT TALL COMPLETE, 1 POLE WITH FIXTURES, 1 LOCATION	1	LS	\$50,000.00	\$50,000.00	\$84,780.00	\$84,780.00	\$87,000.00	\$87,000.00	\$86,560.00	\$86,560.00
7	26 56 30-5.2	HIGH MAST LIGHTING POLE ASSEMBLIES 35 FT TALL COMPLETE, 2 POLES WITH FIXTURES, 2 LOCATIONS	1	LS	\$100,000.00	\$100,000.00	\$78,950.00	\$78,950.00	\$106,000.00	\$106,000.00	\$112,260.00	\$112,260.00
8	26 56 30-5.3	FUEL FARM PDP ASSEMBLY - COMPLETE	1	LS	\$50,000.00	\$50,000.00	\$22,140.00	\$22,140.00	\$14,000.00	\$14,000.00	\$26,510.00	\$26,510.00
TOTAL BID						\$258,080.00		\$222,270.00		\$251,000.00		\$278,790.00

Bid Tabulation completed by Keira Medina, P.E.

Signed:

Keira Medina

CONTRACT

THIS CONTRACT made and entered into this 15th day of May, 2025, by and between the **SEBRING AIRPORT AUTHORITY** (the "Owner") and **TRINITY ELECTRICAL SERVICES, LLC. a/k/a TRINITY ELECTRICAL SERVICES OF GEORGIA, LLC**, ("Contractor") concerns the project entitled **APRON HIGH MAST LIGHTING ADD SERVICE**.

WITNESSETH:

WHEREAS, the Owner has a project entitled APRON HIGH MAST LIGHTING ADD SERVICE, and Contractor is qualified to perform said construction (the "Project"); and

WHEREAS, the Contractor has submitted the lowest responsible and responsive bid for the Project at the Sebring Regional Airport and the Owner has awarded the Project to the Contractor,

NOW, THEREFORE, in consideration of the sum of Two Hundred Twenty-two Thousand, Two Hundred Seventy dollars (\$222,270), the mutual promises and covenants contained herein, as well as other good and valuable consideration not specifically mentioned, the parties agree as follows:

1. The Contractor, for and in consideration of the payments hereinafter specified and agreed to be made by the Owner, hereby covenants and agrees to furnish and deliver all materials required, to do and perform all the work and labor, in a satisfactory and workmanlike manner, required to complete the Project within the time specified, in strict and entire conformity with the Plans, Technical Specifications and other Contract documents (Proposal documents, Legal Provisions and Special Provisions) under Bid No. 25-04 on file at the Office of the Executive Director, Sebring Airport Authority, Sebring Regional Airport, 128 Authority Lane, Sebring, Florida 33870, which are duly approved by the Owner and which said Plans, Specifications and other Contract documents are hereby made part of this Contract as fully and with the same effects as if the same had been set forth at length in the body of this Contract.
2. The Contractor agrees to make payment of all proper charges for labor and materials required in the aforementioned work, and to defend, indemnify and save harmless the Owner and the City of Sebring, Florida and all its officers and agents against and from all suits and costs of every kind and description, and from all damages to which the said Owner and the City of Sebring, Florida or any of their officers, agents or servants may be put, by reason of injury or death to persons or injury to property of other resulting from the performance of said work, or through the negligence of the Contractor, or through any improper or defective machinery, implements or appliances used by the Contractor in the aforesaid work, or through any act of omission on the part of the Contractor, or his or her agent or agents, employees or servants.
3. The Owner hereby agrees to pay to the Contractor for the said work, when fully completed, the total sum of Two Hundred Twenty-two Thousand, Two Hundred Seventy dollars (\$222,270), (the said sum being the total of the Contractor's base bid, a copy of which is attached hereto and made a part hereof for all purposes), subject to such additions and deductions as may be provided for in the Contract Documents. In the event the bid contains multiple pay items, it is understood that the amount to be paid shall be the total based on the unit price, together with lump sum prices, contained in said bid, for the work actually completed.

4. Payments on accounts will be made as provided for in the Contract Documents.
5. The Owner may elect to issue a "soft" Notice to Proceed to authorize the Contractor to purchase "long lead time" materials for the Project. The Owner will issue a Notice to Proceed to authorize Contractor to begin work on the Project. Contractor shall be responsible for completing the Project in an expedited manner to achieve substantial completion within sixty (60) calendar days from the date of the Notice to Proceed and final completion of the Project within an additional thirty (30) days thereafter. Contractor shall be solely responsible for the means, methods, techniques utilized in the design and construction.

5.1 Time is of the essence in this contract. Contractor and Owner acknowledge that in the event that Contractor fails to achieve final completion of the Project by the time frames established herein, Owner will incur substantial damages by loss of use and other damages and the extent of such damages shall be incapable of accurate measurement. Nonetheless, the parties acknowledge that on the date of this contract, the amount of liquidated damages set forth below represents a good faith estimate as to the actual potential damages that Owner would incur as a result of final completion of the Project. Such liquidated damages shall be the sole and exclusive remedy of Owner for late completion of the Project and Owner hereby waives all other remedies available at law or in equity with respect to losses resulting from late completion. The amount of liquidated damages calculated hereunder does not include any penalty.

5.2 If Contractor fails to achieve substantial completion of the balance of the Project on or before the date of substantial completion set forth as may be extended by Change Order, Contractor shall pay to Owner liquidated damages in the amount of \$250.00 per calendar day for each calendar day the date of substantial completion is delayed beyond the date of substantial completion set forth herein.

5.3 After substantial completion, if Contractor shall neglect, refuse or fail to complete the remaining work within the time period specified in paragraph 5.1 for completion or any proper extension thereof granted by Owner, Contractor shall pay Owner \$100.00 for each calendar day that expires after the time specified in paragraph 5 for final completion.

5.4 Either party shall be excused for delay in the performance of any obligations hereunder when such delay is the result of or attributable to the elements, acts of God, governmental authority, delays in transportation, strikes or any other cause beyond their reasonable control, provided, however, that in any such event, both parties agree to make a good faith effort to meet their obligations hereunder.

6. The Contractor shall submit bills for fees or other compensation for services or expenses in detail sufficient for a proper pre-audit and post audit thereof.
7. The Owner may unilaterally cancel this Contract and the goods and services thereunder in the event that the Contractor fails and refuses to allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, Florida Statutes, made or received by the Contractor in conjunction with this Contract.

8. Any unit of provision of goods and services must be approved in writing by the Owner or its agent prior to payment.
9. The Contract documents provide the criteria and the final date for completion of the Project.
10. This Contract has been executed by the parties prior to the rendering of any goods or services by the Contractor.
11. The Contractor shall provide separate payment and performance bonds (the "Bonds") to the Owner meeting the requirements of §255.05, Florida Statutes, each in the full sum of the contract price, Two Hundred Twenty-two Thousand, Two Hundred Seventy dollars (\$222,270), and shall cause the Bonds to be recorded with the Notice of Commencement in the Public Records of Highlands County, Florida.
12. This Contract shall be subordinate to any rule, regulation, order or law of the United States of America, the State of Florida or City of Sebring, Florida.
13. The Owner will use its best efforts to obtain the approval of the State of Florida and the Federal Aviation Administration to this contract. If the Owner determines that the same requires modifications in order to qualify for funding for the Project, the Contractor shall consent or the Owner shall have the right to terminate the Contract.
14. The Contractor and its employees shall promptly observe and comply with then applicable provisions of all Federal, State and local laws, rules and regulations which govern or apply to the goods and services rendered by Contractor hereunder, or to the wages paid by Contractor to its employees. Contractors shall require all of its subcontractors to comply with the provisions of this paragraph.
15. Contractor shall procure and keep in force during the term of this contract all necessary licenses, registrations, certificates, permits and other authorizations as are required by law in order for Contractor to render its services hereunder. Contractor shall require all of its subcontractors to comply with the provisions of this paragraph.
16. All remedies provided in this Contract shall be deemed cumulative and additional and not in lieu of or excluding or each other or of any other remedy available to any party at law or in equity. In the event one party shall prevail in any action (including appellate proceedings), reasonable attorneys' fees and all other actual and reasonable expenses incurred in the defense and/or prosecution of any legal or arbitration proceedings, including, but not limited to, those for paralegal, investigative and legal support services and actual fees charged by expert witnesses for testimony and analysis, incurred by the prevailing party referable thereto.
17. Warranty.

17.1 Contractor warrants to Owner that all materials and equipment furnished under this Contract will be new unless otherwise specified, and that all Work will be of good quality, free from faults and defects and in conformance with the Contract Documents. All Work not so conforming to these standards may be considered defective. If required by Owner, Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

17.2 The warranty provided in this paragraph shall be in addition to and not in limitation of any other warranty or remedy required by law or by the Contract Documents.

17.3 Unless a longer period is otherwise provided in the Contract Documents, Contractor warrants that the Work shall be free from defects in material and workmanship for a period of one year from the date of substantial completion. Contractor shall promptly repair all such defects at Contractor's expense. The term "defects" shall not be construed as embracing damage arising from Owner's misuse or negligence, acts of God or normal wear and tear.

18. Taxes. Contractor shall pay all sales, consumer, use and other similar taxes required by law resulting from the Work which are in effect as of the date of execution of this Contract.

19. Permits, Fees and Notices.

19.1 Contractor shall secure and pay for all permits and licenses necessary for the proper execution and completion of the Work which are in effect as of the date of execution of the Contract, excluding, however, any and all manner of impact and development fees, governmental or otherwise, which shall be paid by Owner.

19.2 Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and orders of any public authority bearing on the performance of the Work. If either Contractor or Owner observes that any of the Contract Documents are at variance therewith in any respect, it shall promptly notify the other party, in writing, and any necessary changes shall be adjusted by appropriate modification. If Contractor performs any Work which is contrary to such laws, ordinances, rules and regulations in effect as of the date of execution of this Contract, then Contractor shall assume full responsibility therefor and shall bear all costs attributable thereto.

20. Responsibility for Those Performing the Work. Contractor shall be responsible to Owner for the acts and omissions of all its employees and all subcontractors, their agents and employees and all other persons performing any of the Work under a contract with Contractor.

21. Drawings and Specifications at the Site. Contractor shall maintain at the site for Owner one copy of all drawings, specifications, addenda, approved shop drawings, change order and other Modifications, in good order and marked to record all changes made during construction. These shall be available to Owner. Upon completion of the Work, Contractor shall deliver to Owner one set of blacklined drawings and one copy of drawings on electronic media incorporating all changes made throughout the project and each marked Record Drawings.

22. Cleaning Up. Contractor shall at all times keep the premises free from accumulation of waste materials or rubbish caused by Contractor's operations. At the completion of the Work, Contractor shall remove all waste materials and rubbish from and about the Work as well as its tools, construction equipment, machinery and surplus materials. If Contractor fails to clean up, Owner may do so and the cost thereof shall be charged to Contractor.

23. Safety.

23.1 Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work.

23.2 Contractor shall take all necessary precautions for the safety of, and shall provide all reasonable protection to prevent damage, injury or loss to:

A. All employees on the Work and all other persons who may be affected thereby;

B. All the Work, all materials and equipment to be incorporated therein, whether in storage on or off the site, under the care, custody or control of Contractor or any of its subcontractors or sub-subcontractors; and

C. Other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designed for removal, relocation or replacement in the course of construction.

24. Contractor shall comply with all applicable laws, ordinances, rules, regulations and orders of any public authority having jurisdiction for the safety of persons or property or to protect them from damage, injury or loss. It shall erect and maintain, as required by existing conditions and progress of the Work, all reasonable safeguards for safety and protection, including, posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent utilities.

25. Contractor's Liability Insurance. Contractor shall procure and maintain the following described insurance, except for coverages specifically waived by Owner, on policies and with insurers acceptable to Owner. These insurance requirements shall not limit the liability of Contractor. Owner does not represent these types or amounts of insurance to be sufficient or adequate to protect Contractor's interests or liabilities, but are merely minimums. Except for workers compensation and professional liability, Contractor's insurance policies shall be endorsed to name Owner as an additional insured to the extent of Owner's interests arising from this agreement. Except for workers compensation, Contractor waives its right of recovery against Owner, including any right of subrogation. Contractor's deductibles/self-insured retentions shall be disclosed to Owner and may be disapproved by Owner. They shall be reduced or eliminated at the option of Owner. Contractor is responsible for the amount of any deductible or self-insured retention. Insurance required of Contractor or any other insurance of Contractor shall be considered primary, and insurance of Owner shall be considered excess, as may be applicable to claims which arise out of the Hold Harmless, Insurance, Certificates of Insurance and any Additional Insurance provisions herein.

25.1 Workers Compensation Coverage. Contractor shall purchase and maintain workers compensation insurance for all workers compensation obligations imposed by state law and employer's liability limits of at least \$100,000 each accident and \$100,000 each employee/\$500,000 policy limit for disease. Contractor shall also purchase any other coverages required by law for the benefit of employees.

25.2 General, Automobile and Excess or Umbrella Liability Coverage. Contractor shall purchase and maintain coverage on forms no more restrictive than the latest editions of the Commercial General Liability and Business Auto policies of the Insurance Services Office. Minimum limits of \$1,000,000 per occurrence for all liability must be provided, with excess or umbrella insurance making up the difference, if any, between the policy limits of underlying policies (including employers liability required in the Workers Compensation Coverage section) and the total amount of coverage required.

25.3 Commercial General Liability Coverage - Occurrence Form Required. Coverage A shall include bodily injury and property damage liability for premises, operations, independent contractors, contractual liability covering this agreement, broad form property damage, and property damage resulting from explosion, collapse or underground (x,c,u) exposures. Coverage B shall include personal injury. Contractor is required to continue to purchase products and completed operations coverage, at least to satisfy this agreement for a minimum of three years beyond Owner's acceptance of renovation or construction projects.

25.4 Pollution and Remediation Legal Liability. Pollution and Remediation Legal Liability insurance in an amount not less than \$1,000,000 per claim insuring the Authority against liability for bodily injury, property damage, legal defense and remediation arising out of the operation and occupancy of the Premises

25.5 Business Auto Liability Coverage. Business Auto Liability coverage is to include bodily injury and property damage arising out of ownership, maintenance or use of any auto, including owned, non-owned and hired automobiles and employee non-ownership use, including coverage for all sub-contractors and their automobiles.

25.6 Excess or Umbrella Liability Coverage. Umbrella Liability insurance is preferred, but an Excess Liability equivalent may be allowed. Whichever type of coverage is provided, it should be at least "following form" and shall not be more restrictive than the underlying insurance policy coverages.

25.7 Builders Risk Coverage. Builders Risk insurance is to be purchased to cover subject property for special perils (all risks or equivalent) of loss (including theft and sinkhole), subject to a waiver of coinsurance, and covering on-site and off-site storage, transit and installation risks as indicated in the Installation Floater and Motor Truck Cargo insurance described hereafter, if such coverages are not separately provided. If flood and/or earthquake risks exist, flood and/or earthquake insurance are to be purchased. If there is loss of income, extra expense and/or expediting expense exposure, such coverage is to be purchased. If boiler and machinery risks are involved, boiler and machinery insurance, including coverage for testing, is to be purchased. The Builders Risk insurance is to be endorsed to cover the interests of all parties, including Owner and all contractors and subcontractors. The insurance is to be endorsed to cover testing and to grant permission to occupy.

25.8 Installation Floater Coverage. Installation Floater insurance is to be purchased when Builder's Risk insurance is inappropriate, or when Builder's Risk insurance will not respond, to cover damage or destruction to renovations, repairs or equipment being installed or otherwise being handled or stored by Contractor, including off-site storage, transit and installation. The amount of coverage should be adequate to provide full replacement value of the property, repairs, additions or equipment being

installed, otherwise being handled or stored on or off premises. All risks coverage is preferred.

25.9 EVIDENCE/CERTIFICATES OF INSURANCE. Required insurance shall be documented in Certificates of Insurance. New Certificates of Insurance are to be provided to Owner at least 15 days prior to coverage renewals. If requested by Owner, Contractor shall furnish complete copies of Contractor's insurance policies, forms and endorsements. For Commercial General Liability coverage Contractor shall, at the option of Owner, provide an indication of the amount of claims payments or reserves chargeable to the aggregate amount of liability coverage. Receipt of certificates or other documentation of insurance or policies or copies of policies by Owner, or by any of its representatives, which indicate less coverage than required does not constitute a waiver of Contractor's obligation to fulfill the insurance requirements herein.

26. Change Orders.

26.1 Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and the Contract Time being adjusted accordingly. All such Changes in the Work shall be authorized by Change Order and shall be executed under the applicable conditions of the Contract Documents.

26.2 A Change Order is a written order to Contractor signed by Owner, issued after the execution of the Contract, authorizing a Change in the Work or an adjustment in the Contract Sum or the Contract Time. The Contract Sum and the Contract Time may be changed only by a Change Order.

26.3 The cost or credit to Owner resulting from a Change in the Work shall be determined in one or more of the following ways:

- A. By mutual acceptance of a lump sum properly itemized;
- B. By unit prices stated in the Contract Documents or subsequently agreed upon; or
- C. By cost and a mutual acceptable fixed or percentage fee.

26.4 If none of the methods set forth in paragraph 25.3 thereof is agreed upon, Contractor shall promptly proceed with the Work involved. The cost of such Work shall then be determined on the basis of Contractor's reasonable expenditures and savings, including, in the case of any increase in the Contract Sum, a reasonable allowance for overhead and profit. In such case, Contractor shall keep and present an itemized accounting together with appropriate supporting data. The amount of credit to be allowed by Contractor to Owner for any deletion or change which results in a net decrease in cost will be the amount of the actual net decrease as confirmed by Contractor's records. When both additions and credits are involved in any one change, the allowance for overhead and profit shall be figured on the basis of net increase, if any.

26.5 Should concealed conditions encountered in the performance of the Work below the surface of the ground be at variance with the conditions indicated by the Contract Documents or should unknown physical conditions below the surface of the ground of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Contract,

be encountered, the guaranteed maximum cost shall be equitably adjusted by Change Order upon claim by either party made within a reasonable time after the first observance of the condition.

26.6 If Contractor claims that additional cost or time is involved because of any written order for a Change in the Work issued pursuant to this section, Contractor shall make such claim as provided herein.

27. Claims for Additional Cost or Time. If Contractor wishes to make a claim for an increase in the Contract Sum or an extension in the Contract time, Contractor shall give Owner written notice thereof within seven (7) days after the occurrence of the event giving rise to such claim. This written notice shall be given by Contractor before proceeding to execute the Work, except in an emergency endangering life or property in which case Contractor shall proceed in accordance with paragraph 26.4 hereof. Any change in the Contract Sum or Contract Time resulting from such claim shall be authorized by Change Order.

28. Correction of Work.

28.1 Prior to the date of substantial completion, Contractor shall promptly correct all Work determined to be defective or failing to conform to the Contract Documents whether or not fabricated, installed or completed. Contractor shall bear all costs of correcting such rejected Work.

28.2 If, within one year after the date of substantial completion or within such other period of time as may be prescribed by law or by the terms of any applicable special guarantee required by the Contract Documents, any Work is found to be defective, Contractor shall correct it promptly after receipt of a written notice from Owner to do so unless Owner has previously given Contractor a written acceptance of such condition. Owner shall give such notice promptly after discovery of the condition.

29. Contractor represents and warrants unto Owner that no officer, employee or agent of Owner has any interest, either directly or indirectly, in the business of Contractor to be conducted hereunder. Contractor further represents and warrants to Owner that it has not employed or retained any company person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract, that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Contract, and that it has not agreed, as an express or implied condition for obtaining this Contract, to employ or retain the services of any firm or person in connection with carrying out this Contract. Contractor assures that it will insert the above provision in each of its subcontractor agreements relating to the services to be performed hereunder.

30. Contractor for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) in the furnishing of services to Owner hereunder, no person on the grounds of race, color, national origin, sex, age, disability, religion, or familial status shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (2) Contractor shall comply with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation –

effectuation of Title VI, Title VII, and Title VIII of the Civil Rights Act of 1964, as said Regulations may be amended. Should Contractor authorize another person, with Owner's prior written consent, to provide services to Owner hereunder, Contractor shall obtain from such person a written agreement pursuant to which such person shall, with respect to the services which he or she is authorized to provide, undertake for such person the obligations contained in this section. Contractor shall furnish an original agreement to Owner.

Contractor will provide all information and reports required by said Regulations, or by directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Owner of the United States of America and the State of Florida Department of Transportation to be pertinent to ascertain whether there has been compliance with said Regulations and directives. Where any information required of Contractor is in the exclusive possession of another who ails or refused to furnish this information, Contractor shall so certify to Owner and the United States or the State of Florida, Department of Transportation, as appropriate, and shall set forth what efforts it has made to obtain the information. Contractor shall remain obligated under this paragraph until the expiration of three (3) years after the termination of the Contract. In the event of breach of any of the above nondiscrimination covenants, Owner shall have the right to impose such contract sanctions as it or the United States or State of Florida Department of Transportation or other applicable government entity may determine to be appropriate, including withholding payments to Contractor under this Contract or canceling, terminating, or suspending this Contract in whole or in part. The rights granted to Owner by the foregoing sentence shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

Further, Contractor assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, color, national origin, sex, age, disability, religion, or familial status be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Such activities shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor assures that no person shall be excluded on these grounds from participating in or receiving the services of any program or activity covered by this subpart. Contractor assures that it shall not discriminate on the grounds of race, color, national origin, sex, age, disability, religion, or familial status in the selection or retention of subcontractors. Contractor assures that it will require that its covered subcontractors provide assurances to Contractor that they similarly require assurances from their subcontractors, as required by CFR Part 152, Subpart E, to the same effect.

Owner may, from time to time, adopt additional or amended and nondiscrimination provides concerning the furnishing of services to the Airport, and Contractor agrees that it will adopt any such requirements as a part of this Contract.

31. Policy. It is the policy of the Owner and the United States or State of Florida Department of Transportation that disadvantaged business enterprises, as defined in the Owner's Disadvantaged Business Enterprises ("DBE") Participation Policy for services as defined in 49 CFR Part 26 shall have equal opportunity to participate in the performance of

services contracts awarded by the Owner, including, but not limited to, contracts financed in whole or in part with federal or State funds under this Contract. Consequently, the requirements of the Owner's DBE Participation Policy apply to this Contract.

32. Contract Assurance. The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, sex, age, disability, religion, or familial status in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.
33. Prompt Payment. The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than fourteen (14) days from the receipt of each payment the prime contractor receives from the Sebring Airport Authority. Payments not made to subcontractors within fourteen (14) days of the prime contractor's receipt of payment shall bear interest at the rate of ten percent (10%) per annum, computed beginning on the 14th day after payment is due. The prime contractor agrees further to return retainage payments to each subcontractor within fourteen (14) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Sebring Airport Authority. The right to receive interest on a payment under this section is not an exclusive remedy, and this section does not modify any remedies available to any person under the terms of a contract or under any other statute. Sebring Airport Authority shall have the right to terminate the services of any obligor who fails to make prompt payment to any obligee. This clause applies to both DBE and non-DBE subcontractors.
34. DBE Obligation. The Contractor agrees to ensure that DBE/MWBE firms shall have the maximum opportunity to participate in the performance of contracts for subcontractor services, including, but not limited to, those projects financed in whole or in part with federal or state funds provided under this Contract. In this regard, the Contractor and all subcontractors shall take all necessary and reasonable steps in accordance with the Owner's DBE/MWBE Participation Policies to ensure that DBE/MWBE firms have the maximum opportunity to compete for and perform contracts. The Contractor and any subcontractors shall not discriminate on the basis of race, color, national origin, sex, age, disability, religion, or familial status in the award and performance of Owner contracts.
35. Government Agencies which are not Parties. Neither the Federal Aviation Administration nor the Florida Department of Transportation has nor will they incur any obligations to Contractor under this Contract.
36. Headings. The headings of the sections of this Contract are for the purpose of convenience only and shall not be deemed to expand or limit the provisions contained in such sections.
37. Entire Agreement. This Contract, including all Contract documents, constitute the entire agreement between the parties and shall supersede and replace all prior agreements or understandings, written or oral, relating to the matters set forth herein.

38. Amendment. This Contract shall not be amended or modified other than in writing signed by the parties hereto. Notwithstanding the foregoing, any Amendments that are not being paid for, in whole or in part, with funds granted by the United States or State of Florida Department of Transportation need not be approved by them.
39. Validity; Enforcement. The validity, interpretation, construction and effect of this Contract shall be in accordance with and be governed by the laws of the State of Florida. In the event any provision hereof shall be finally determined to be unenforceable, or invalid, such unenforceability or invalidity shall not affect the remaining provisions of this Contract which shall remain in full force and effect. This contract will be governed by and construed in accordance with the laws of the state of Florida and shall be enforced only in the Tenth Judicial Circuit, in and for Highlands County, Florida.
40. Public Entity Crimes. Pursuant to Section 287.133(2)(a), Florida Statutes, a Contractor who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on contract to provide services for a public entity, may not be awarded a Contract and may not transact business with a public entity for services, the value of which exceeds \$15,000.00 for a period of 36 months from the date of being placed on the convicted vendor list. Contractor hereby represents that it does not fall within the class of persons identified in the previous sentence such that Contractor would be precluded from entering this Contract.
41. Contract Work Hours and Safety Standards Act Requirements. The Contractor will comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 USC 327-330) as supplemented by the Department of Labor regulations (29 CFR Part 5). Under Section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate not less than one times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to health and safety as determined under construction, safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies, materials, or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. Appropriate clauses can be found in AC 150/5100-6, Appendix 2.
42. Copeland "Anti – Kickback" Act Requirements. The Contractor will comply with the Copeland "Anti – Kickback" Act (18 U.S.C. 374) as supplemented in Department of Labor regulations (29 CFR Part 3). This act provides that each contractor shall be prohibited from inducing, by any means, persons employed in the construction, completion, or repair of public work to give up any part of their compensation. The Owner must report all suspected or reported violations to the Federal Aviation Administration. The appropriate provision can be found in AC 150/5100 – 6, Appendix 6.
43. Breach of Contract Terms – Sanctions. Any violation or breach of the terms of this Contract on the part of the Contractor or subcontractor may result in the suspension or termination of this Contract or such other action, which may be necessary to enforce the rights of the parties of this agreement.

44. Trade Restriction Clauses. The Contractor or Subcontractor, by submission of an offer and/or execution of a Contract, certifies that it:
- a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
 - b. has not knowingly earned into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on said list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on said list;
 - c. has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on said list.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a contractor or subcontractor who is unable to certify to the above. If the Contractor knowingly procures or subcontracts for the supply of any product or services of a foreign country on said list for use on the project, the Federal Aviation Administration may direct through the Owner cancellation of the contract at no cost to the Government.

Further, the Contractor agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. The contractor may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.

The Contractor shall provide immediate written notice to the sponsor if the contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor agrees to provide written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

This certification is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the Owner cancellation of the Contract or subcontract for default at no cost to the Government.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. This knowledge and information of a Contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, factitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

45. Termination of Contract

- a) The Owner may, by written notice, terminate this Contract in whole or in part at any time, either for the Owner's convenience or because of failure to fulfill the Contract obligations. Upon receipt of such notice, services shall be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performance of this Contract, whether completed or in process, shall be delivered to the Owner.
- b) If the termination is for the convenience of the Owner, an equitable adjustment in the Contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.
- c) If the termination is due to failure to fulfill the contractor's obligations, the Owner may take over the work and prosecute the same to completion by contract or otherwise. In such case, the Contractor shall be liable to the Owner for any additional cost occasioned to the Sponsor thereby.
- d) If, after notice of termination for failure to fulfill Contract obligations, it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the Owner. In such event, adjustment in the Contract price shall be made as provided in paragraph b of this clause.
- e) The rights and remedies of the Owner provided in this clause are in addition to any other rights and remedies provided by law or under this Contract.

46. Suspension and Debarment Requirements. The Contractor certifies, by submission of this proposal or acceptance of this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal that it will include this clause without modification in all lower tier transaction, solicitations, proposals, contracts, and subcontracts. Where the contractor or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this solicitation/proposal.

47. Veteran's Preference. In the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to veterans of the Vietnam-era and disabled veterans. However, this preference may be given only where the individuals are available and qualified to perform the work to which the employment relates.

48. Attorneys' Fees and Costs. In any judicial or alternative dispute resolution technique action to interpret or enforce any of the terms of this agreement, including any action by Owner to establish the right to indemnification, the parties agree that the prevailing party shall be entitled to an award of attorneys' fees and costs payable by the non-prevailing party, whether such fees and costs are incurred before, during or after trial, appellate proceeding or post-judgment collections.

49. Florida Public Records laws. If the Contractor has questions regarding the application of Chapter 119, Florida Statutes to the Owner's duty to provide Public Records relating to this agreement, contact Mike Willingham, the custodian of Public Records at (863) 314-1300, Mike@sebring-airport.com or 128 Authority Ln, Sebring, FL 33870.

50. **Notice.** Whenever any notice is required or permitted by this contract to be given, such notice shall be by certified mail or overnight delivery addressed to:

Contractor:
William Chad Hutchinson
Chief Executive Officer
Trinity Electrical Services, LLC.
2317 Golden Isles
West Baxley, GA 31513

SAA:
Executive Director
Sebring Airport Authority
128 Authority Lane
Sebring, FL 33870

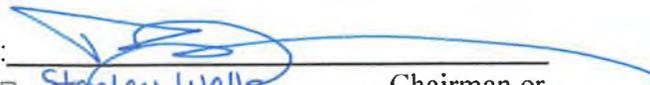
Notice shall be considered given when deposited with the U.S. Postal Service or commercial carrier, postage prepaid. Each party will be responsible for notifying the other of any change in their address.

IN WITNESS WHEREOF, the Owner and Contractor hereto have executed this Contract on the day and date first above written in three counterparts, each deemed an original contract.

WITNESSES:

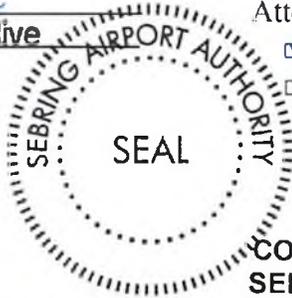
OWNER: SEBRING AIRPORT AUTHORITY,
a body politic and corporate of the State of Florida


Printed Name: Andrew Bennett

By: 
 Stanley Wells, Chairman or
 D. Craig Johnson, Vice Chairman


Printed Name: Jami Olive

Attest: 
 Carl Cool, Secretary or
 Jason Dunkel, Asst. Secretary

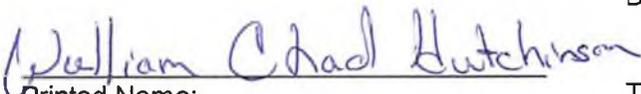


(Corporate Seal)

CONTRACTOR: TRINITY ELECTRICAL SERVICES, LLC a/k/a TRINITY ELECTRICAL SERVICES OF GEORGIA, LLC, a Georgia corporation


Printed Name: Luke Hutchinson

By: 
William Chad Hutchinson


Printed Name: William Chad Hutchinson

Title: Chief Executive Officer

LEGAL PROVISIONS

Miscellaneous

Funding. Owner will use its best efforts to obtain the approval of the State of Florida and/or the FAA to this contract. If Owner determines that the same requires modifications in order to qualify for funding for the Project, the Contractor shall consent or the Owner shall have the right to terminate the Contract. This Project is contingent upon receipt of funding.

Licensing. Contractor shall procure and keep in force during the term of this contract all necessary licenses, registrations, certificates, permits and other authorizations as are required by law in order for Contractor to render its services hereunder. Contractor shall require all of its subcontractors to comply with the provisions of this paragraph.

Contractor grants Owner an irrevocable license to utilize the plans and specifications generated by Contractor for this Project.

E-Verify.

(a) Beginning January 1, 2021, every public employer, contractor, and subcontractor shall register with and use the E-Verify system to verify the work authorization status of all newly hired employees. A public employer, contractor, or subcontractor may not enter into a contract unless each party to the contract registers with and uses the E-Verify system.

(b) 1. If a contractor enters into a contract with a subcontractor, the subcontractor must provide the contractor with an affidavit stating that the subcontractor does not employ, contract with, or subcontract with an unauthorized alien.

2. The contractor shall maintain a copy of such affidavit for the duration of the contract.

(c) 1. A public employer, contractor, or subcontractor who has a good faith belief that a person or entity with which it is contracting has knowingly violated s. 448.09(1) shall terminate the contract with the person or entity.

2. A public employer that has a good faith belief that a subcontractor knowingly violated this subsection, but the contractor otherwise complied with this subsection, shall promptly notify the contractor and order the contractor to immediately terminate the contract with the subcontractor.

3. A contract terminated under subparagraph 1. or subparagraph 2. is not a breach of contract and may not be considered as such.

(d) A public employer, contractor, or subcontractor may file an action with a circuit or county court to challenge a termination under paragraph (c) no later than 20 calendar days after the date on which the contract was terminated.

(e) If a public employer terminates a contract with a contractor under paragraph (c), the contractor may not be awarded a public contract for at least 1 year after the date on which the contract was terminated.

(f) A contractor is liable for any additional costs incurred by a public employer as a result of the termination of a contract.

Legal Provisions and Certifications

To the extent applicable to this Project, Engineer, Consultant, Contractor, subcontractor, Architect and/or Design/Builder (collectively "Contractor"):

Conflict. Contractor represents and warrants unto Owner that no officer, employee or agent of Owner has any interest, either directly or indirectly, in the business of Contractor to be conducted hereunder. Contractor further represents and warrants to Owner that it has not employed or retained any company person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract, that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Contract, and that it has not agreed, as an express or implied condition for obtaining this Contract, to employ or retain the services of any firm or person in connection with carrying out this Contract. Contractor assures that it will insert the above provision in each of its subcontractor agreements relating to the services to be performed hereunder.

Contractor and its employees shall promptly observe and comply with the applicable provisions of all Federal, State and local laws, rules and regulations which govern or apply to the goods and services rendered by Contractor hereunder, or to the wages paid by Contractor to its employees. Contractor shall require all of its subcontractors to comply with the provisions of this paragraph.

CIVIL RIGHTS ACT OF 1964, TITLE VI – CONTRACTOR CONTRACTUAL REQUIREMENTS

The Sebring Airport Authority, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000 d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1.1 Compliance with Regulations. The contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

1.2 Nondiscrimination. The contractor, with regard to the work performed by it during the

contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

1.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

1.4 Information and Reports. The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Owner or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Owner or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

1.5 Sanctions for Noncompliance. In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Owner shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- a. Withholding of payments to the contractor under the contract until the contractor complies, and/or
- b. Cancellation, termination, or suspension of the contract, in whole or in part.

1.6 Incorporation of Provisions. The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Owner or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Owner to enter into such litigation to protect the interests of the Owner and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Contractor for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) in the furnishing of services to Owner hereunder, no person on the grounds of race, color, national origin, sex, age, disability, religion, or familial status shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (2) Contractor shall comply with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation – effectuation of Title VI and Title VIII of the Civil Rights Act of 1964, as said

Regulations may be amended. Should Contractor authorize another person, with Owner's prior written consent, to provide services to Owner hereunder, Contractor shall obtain from such person a written agreement pursuant to which such person shall, with respect to the services which he or she is authorized to provide, undertake for such person the obligations contained in this section. Contractor shall furnish an original agreement to Owner.

Further, Contractor assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, color, national origin, sex, age, disability, religion, or familial status be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Such activities shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor assures that no person shall be excluded on these grounds from participating in or receiving the services of any program or activity covered by this subpart. Contractor assures that it shall not discriminate on the grounds of race, color, national origin, sex, age, disability, religion, or familial status in the selection or retention of subcontractors. Contractor assures that it will require that its covered subcontractors provide assurances to Contractor that they similarly require assurances from their subcontractors, as required by CFR Part 152, Subpart E, to the same effect.

Owner may, from time to time, adopt additional or amended and nondiscrimination provides concerning the furnishing of services to the Owner, and Contractor agrees that it will adopt any such requirements as a part of this Contract.

Non-Discrimination. Contractor for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that:

1. No person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;
2. That in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national original shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination;
3. That Contractor shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 and Title VIII of the Civil Rights Act of 1968, and as said Regulations may be amended.

That in the event of a breach of any of the above nondiscrimination covenants, Owner shall have the right to terminate this Contract. This provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the

Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204

of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.

EEO COMPLIANCE

(a) Requirements for prime contractors and subcontractors:

(1) Each prime contractor and subcontractor shall file annually, on or before the September 30, complete and accurate reports on Standard Form 100 (EEO-1) promulgated jointly by the Office of Federal Contract Compliance Programs, the Equal Employment Opportunity Commission and Plans for Progress or such form as may hereafter be promulgated in its place if such prime contractor or subcontractor (i) is not exempt from the provisions of these regulations in accordance with Sec. 60-1.5; (ii) has 50 or more employees; (iii) is a prime contractor or first tier subcontractor; and (iv) has a contract, subcontract or purchase order amounting to \$50,000 or more or serves as a depository of Government funds in any amount, or is a financial institution which is an issuing and paying agent for U.S. savings bonds and savings notes: Provided, That any subcontractor below the first tier which performs construction work at the site of construction shall be required to file such a report if it meets requirements of paragraphs (a)(1) (i), (ii), and (iv) of this section.

(2) Each person required by Sec. 60-1.7(a)(1) to submit reports shall file such a report with the contracting or administering agency within 30 days after the award to him of a contract or subcontract, unless such person has submitted such a report within 12 months preceding the date of the award. Subsequent reports shall be submitted annually in accordance with Sec. 60-1.7(a)(1), or at such other intervals as the Deputy Assistant Secretary may require. The Deputy Assistant Secretary may extend the time for filing any report.

(3) Failure to file timely, complete and accurate reports as required constitutes noncompliance with the prime contractor's or subcontractor's obligations under the equal opportunity clause and this contract.

(b) Requirements for bidders or prospective contractors:

(1) Certification of compliance with Part 60-2: Affirmative Action Programs. Each agency shall require each bidder or prospective prime contractor and proposed subcontractor, where appropriate, to state in the bid or in writing at the outset of negotiations for the contract: (i) Whether it has developed and has on file at each establishment affirmative action programs pursuant to Part 60-2 of this chapter; (ii) whether it has participated in any previous contract or subcontract subject to the equal opportunity clause; (iii) whether it has filed with the Joint Reporting Committee, the Deputy Assistant Secretary or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements.

(2) Additional information. A bidder or prospective prime contractor or proposed

subcontractor shall be required to submit such information as the Deputy Assistant Secretary requests prior to the award of the contract or subcontract. When a determination has been made to award the contract or subcontract to a specific contractor, such contractor shall be required, prior to award, or after the award, or both, to furnish such other information as the applicant or the Deputy Assistant Secretary requests.

STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION
CONTRACT SPECIFICATIONS - 41 CFR Part 60.4.3

1. As used in these specifications:

a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;

b. "Director" means Director, Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, or any person to whom the Director delegates authority;

c. "Employer identification number" means the Federal social security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

d. "Minority" includes:

(1) Black (all) persons having origins in any of the Black African racial groups not of Hispanic origin);

(2) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin regardless of race);

(3) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(4) American Indian or Alaskan native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

2. Whenever the contractor, or any subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

3. If the contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan.

Contractors shall be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each contractor or subcontractor participating in an approved plan is individually required to comply with its obligations under the EEO clause and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other contractors or subcontractors toward a goal in an approved Plan does not excuse any covered contractor's or subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

4. The contractor shall implement the specific affirmative action standards provided within these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing construction work in a geographical area where they do not have a Federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the work is being performed. Goals are published periodically in the Federal Register in notice form, and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement nor the failure by a union with whom the contractor has a collective bargaining agreement to refer either minorities or women shall excuse the contractor's obligations under these specifications, Executive Order 11246 or the regulations promulgated pursuant thereto.

6. In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees shall be employed by the contractor during the training period and the contractor shall have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees shall be trained pursuant to training programs approved by the U.S. Department of Labor.

7. The contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The contractor shall document these efforts fully and shall implement affirmative action steps at least as extensive as the following:

a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each construction project. The contractor shall specifically ensure that all foremen, superintendents, and other onsite supervisory personnel are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

c. Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefore along with whatever additional actions the contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or female sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under 7b above.

f. Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with onsite supervisory personnel such as superintendents, general foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female, and community organizations, to schools with minority and female students; and to

minority and female recruitment and training organizations serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations, such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable provide after school, summer, and vacation employment to minority and female youth both on the site and in other areas of a contractor's workforce.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel, for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are non-segregated except that separate or single user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisor's adherence to and performance under the contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations, which assist in fulfilling one or more of their affirmative action obligations. The efforts of a contractor association, joint contractor union, contractor community, or other similar groups of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under these specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The obligation to comply, however, is the contractor's and failure of such a group to fulfill an obligation shall not be a defense for the contractor's noncompliance.

9. A single goal for minorities and a separate single goal for women have been established. The contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, if the particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally,) the contractor may be in violation of the Executive Order if a specific minority group of women is underutilized.

10. The contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

11. The contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

12. The contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination, and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 18.7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

14. The contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government, and to keep records. Records shall at least include for each employee, the name, address, telephone number, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1982,
SECTION 520 - GENERAL CIVIL RIGHTS PROVISIONS

The contractor assures that it will comply with pertinent statutes, Executive orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the tenant/concessionaire /lessee or its transferee for the period during which Federal assistance is extended to the airport a program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the Owner or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits or (b) the period during which the Owner or any transferee retains ownership or possession of the property. In the case of contractors, this provision binds the contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

CERTIFICATION OF NONSEGREGATED FACILITIES - 41 CFR PART 60-1.8

Notice to Prospective Federally Assisted Construction Contractors:

1. A Certification of Non-segregated Facilities shall be submitted prior to the award of a federally-assisted construction contract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity Clause.
2. Contractors receiving federally-assisted construction contract awards exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause will be required to provide for the forwarding of the following notice to prospective subcontractors for supplies and construction contracts where the subcontracts exceed \$10,000 and are not exempt from the provisions of the Equal Opportunity Clause. NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Notice to Prospective Subcontractors of Requirements for Certification of Non-Segregated Facilities:

1. A Certification of Non-segregated Facilities shall be submitted prior to the award of a subcontract exceeding \$10,000, which is not exempt from the provisions of the Equal Opportunity Clause.
2. Contractors receiving subcontract awards exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause will be required to provide for the forwarding of this notice to prospective subcontractors for supplies and construction contracts where the subcontracts exceed \$10,000 and are not exempt from the provisions of the Equal Opportunity Clause. NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

CERTIFICATION OF NONSEGREGATED FACILITIES

The federally-assisted construction contractor certifies that she or he does not maintain or provide, for his employees, any segregated facilities at any of his establishments and that she or he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally-assisted construction contractor certifies that she or he will not maintain or provide, for his employees, segregated facilities at any of his establishments and that she or he will not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The federally-assisted construction contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this contract.

As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms, and washrooms, restaurants and other eating areas, timeclocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directives or are, in fact, segregated on the basis of race, color, religion, or national origin because of habit, local custom, or any other reason. The federally-assisted construction contractor agrees that (except where she or he has obtained identical certifications from proposed subcontractors for specific time periods) she or he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause and that she or he will retain such certifications in his files.

NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION - 41 CFR PART 60-2

1. The Contractor's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.
2. The goals and timetables for minority and female participation, expressed in percentage terms for the contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Timetables

Goals for minority participation for each trade 11.1%

Goals for female participation in each trade 2.5%

These goals are applicable to all the contractor's construction work (whether or not it is Federal or federally-assisted) performed in the covered area. If the contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the contractor also is subject to the goals for both its Federally involved and non-federally involved construction.

The contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals. The hours of minority and female employment and training shall be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith

effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project, for the sole purpose of meeting the contractor's goals, shall be a violation of the contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The contractor shall provide written notification to the Director, OFCCP, within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of subcontract; and the geographical area in which the subcontract is to be performed.

4. As used in this notice and in the contract resulting from this solicitation, the "covered area" is the Sebring Regional Airport and Industrial Park located in Sebring, Highlands County, Florida.

LOBBYING AND INFLUENCING FEDERAL EMPLOYEES

1. No Federal appropriated funds shall be paid, by or on behalf of the contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant and the amendment or modification of any Federal grant.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal grant, the contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

Accounting/Records. Contractor will provide all information and reports required by said Regulations, or by directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Owner or other governmental agency to be pertinent to ascertain whether there has been compliance with said Regulations and directives. Where any information required of Contractor is in the exclusive possession of another who fails or refused to furnish this information, Contractor shall so certify and shall set forth what efforts it has made to obtain the information. Contractor shall remain obligated under this paragraph until the expiration of three (3) years after the termination of the Contract. In the event of breach of any of the above nondiscrimination covenants, Owner shall have the right to impose such contract sanctions as it or other applicable government entity may determine to be appropriate, including with-holding payments to Contractor under this Contract or canceling, terminating, or suspending this Contract in whole or in part. The rights granted to Owner by the foregoing sentence shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

CONTRACT WORKHOURS AND SAFETY STANDARDS ACT

REQUIREMENTS 29 CFR PART 5

1. Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in paragraph (1) above, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1 above, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1 above.

3. Withholding for Unpaid Wages and Liquidated Damages. The Federal Aviation Administration or the Owner shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 above.

4. Subcontractors. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs 1 through 4 and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1 through 4 of this section.

The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. The records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the Authority and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

ACCESS TO RECORDS AND REPORTS

The Owner, as well as the public pursuant to Florida Statutes Chapter 119, shall have access to any books, documents, paper, and records including payroll records and associated basic data of the Contractor, which are directly pertinent to the specific Contract for the purposes of making an audit, examination, excerpts, and transcriptions.

The Contractor shall maintain an acceptable cost accounting system. The Contractor agrees to provide the Owner, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

DISADVANTAGED BUSINESS ENTERPRISES

Policy. It is the policy of the Owner and the United States or State of Florida Department of Transportation that disadvantaged business enterprises, as defined in the Owner's Disadvantaged Business Enterprises ("DBE") Participation Policy for services as defined in 49 CFR Part 26 shall have equal opportunity to participate in the performance of services contracts awarded by the Owner, including, but not limited to, contracts financed in whole or in part with federal or State funds under this Contract. Consequently, the requirements of the Owner's DBE Participation Policy apply to this Contract.

Contract Assurance (§26.13). The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate.

Prompt Payment. The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than fourteen (14) days from the receipt of each payment the prime contractor receives from Sebring Airport Authority. Payments not made to subcontractors within fourteen (14) days of the prime contractor's receipt of payment shall bear interest at the rate of ten percent (10%) per annum, computed beginning on the 14th day after payment is due. The prime contractor agrees further to return retainage payments to each subcontractor within fourteen (14) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Sebring Airport Authority. The right to receive interest on a payment under this section is not an exclusive remedy, and this section does not modify any remedies available to any person under the terms of a contract or under any other statute. Sebring Airport Authority shall have the right to terminate the services of any obligor who fails to make prompt payment to any obligee. This clause applies to both DBE and non-DBE subcontractors.

DBE Obligation. The Contractor agrees to ensure that DBE/MWBE firms shall have the

maximum opportunity to participate in the performance of contracts for subcontractor services, including, but not limited to, those projects financed in whole or in part with federal or state funds provided under this Contract. In this regard, the Contractor and all subcontractors shall take all necessary and reasonable steps in accordance with the Owner's DBE/MWBE Participation Policies to ensure that DBE/MWBE firms have the maximum opportunity to compete for and perform contracts. The Contractor and any subcontractors shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of Owner contracts.

DBE Administration.

1. Eligibility of DBE's: Those firms currently certified as DBE's by the Florida Department of Transportation are eligible to participate as DBE's on this contract. A list of these firms can be obtained from the State, the consulting engineer, or the Sponsor. Firms certified as DBE's by other states, or other U.S. DOT recipients are subject to the sponsor's acceptance. A bidder may request a review of a potential DBE prior to the bid opening. The bidder should allow ten working days for the sponsor's determination regarding certification of the potential DBE. Previous acceptance of a DBE by the FAA, State or Sponsor does not ensure acceptance on this project.
2. Counting DBE Participation Towards DBE Goals: DBE participation toward attainment of the goal will be computed on the basis of the subcontract prices agreed to between the contractor and subcontractors for the contract items or portions of items being sublet, as shown on the DBE Participation Form and attachments. Credit will only be given for use of DBE's that are certified or accepted according to this specification. DBE participation shall be counted toward meeting the DBE goal in accordance with the following:
 - a. Commercially Useful Function: The Sponsor shall count toward the DBE goal only those expenditures to DBE's that perform a commercially useful function in the work of the contract. A DBE performs a commercially useful function when it is responsible for execution of a distinct element of work by actually performing, managing, and supervising that work. To determine if a DBE is performing a commercially useful function, the amount of work subcontracted, industry practices, and other relevant factors will be evaluated. If consistent with industry practices, a DBE shall enter into a subcontract or other contractual written agreement. A DBE Contractor may subcontract a portion of the work up to the amount allowed under standard subcontracting contract provisions of normal industry practices. A DBE is presumed not to be performing a commercially useful function if the DBE is performing outside these guidelines.
 - b. Materials and Supplies: The Sponsor shall count toward the DBE goal the expenditures for materials and supplies obtained from DBE suppliers and manufacturers as described below. The DBE's must assume the actual and contractual responsibility for the provision of the materials and supplies:
 - (1) The entire expenditure to a DBE manufacturer will be counted toward the DBE goal. A manufacturer must operate or maintain a factory or establishment that produces on the premises the materials or supplies that are obtained by the contractor.

- (2) Sixty percent of expenditures to a DBE regular dealer will be counted toward the DBE goal. A regular dealer must perform a commercially useful function in the supply process including buying the materials or supplies, maintaining an inventory and regularly selling materials to the public. Bulk items such as steel, cement, gravel, stone and petroleum products need not be kept in stock, but the dealer must own or operate distribution equipment.
 - (3) No credit will be given toward the DBE goal, if the prime contractor makes a direct payment to a non-DBE material supplier. However, it will be permissible for a material supplier to invoice the prime contractor and the DBE jointly and be paid by the prime contractor making remittance to the DBE firm and material supplier jointly.
 - (4) No credit, toward the DBE goal, will be given for the cost of materials or equipment used in a DBE firm's work when those costs are paid by a deduction from the prime contractor's payment(s) to the DBE firm.
- c. Owner-Operator Trucking: The Sponsor shall count toward the DBE goal, the entire delivery fee paid to DBE owner-operators performing trucking for the contractor, if they appear on the contractor's payroll and separate records are furnished to the Sponsor documenting the expenditures. The records shall include for each owner-operator; their social security number; driver's license number; vehicle registration number; current vehicle license number; truck number; and a complete record of the contract fees paid to them.
- d. Joint Venture: When a joint venture contract is involved, the Sponsor shall count towards the DBE goal that portion of the contract total dollar value equal to the percentage of ownership and control of each DBE firm within the joint venture. Such crediting is subject to the sponsor's acceptance of the joint venture agreement. The Bidder must furnish the joint venture agreement with the DBE Participation Form. The joint venture agreement must include a detailed breakdown of the following:
- (1) Contract responsibility of the DBE for specific contract items of work,
 - (2) Capital participation by the DBE,
 - (3) Specific equipment to be provided by the DBE,
 - (4) Specific responsibilities of the DBE regarding control of the joint venture,
 - (5) Specific workers and skills to be provided by the DBE, and
 - (6) Percentage distribution to the DBE of the projected profit or loss incurred by the joint venture.

The joint venture must be certified by the sponsor prior to the sponsor submitting the proposal to the FAA. A copy of the sponsor's certification letter must be submitted to FAA along with the DBE Participation Form.

3. Contractor is required to undertake the following steps to help ensure maximum participation:

- a. Placing qualified small and minority businesses and women's business enterprises on

- solicitation lists;
 - b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - e. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 - f. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs a) through f of this section.
4. Award Documentation and Procedure: All bidders shall certify in the bid proposal their intent to meet or exceed the established goal or to demonstrate good faith efforts to meet the goal. Failure to make such certification or failure to demonstrate good faith efforts will render a bid non responsive.
- a. DBE Participation Form: The apparent successful bidder must submit with the bid the following information on the proposed DBE Participation Form attached to the Proposal. The information shall demonstrate the contractor's intended participation by certified DBE's. When the required information is not provided by the apparent low bidder the bid will be ruled non responsive and will not be considered. The information furnished shall consist of:
 - (1) The names, addresses, contact persons, phone numbers, and category of DBE firms to be used on the contract;
 - (2) A list of the bid items of work to be performed by the DBE and the percent to be credited toward the DBE goal;
 - (3) The dollar value of each of the DBE work items; and
 - (4) If the DBE goal is not met, a statement of why the goal could not be met and a demonstration of the good faith efforts taken to meet the DBE goal.
 - b. Sponsor Evaluation: In selecting the lowest responsible bidder, the Sponsor will evaluate the DBE information provided with the bid. The Sponsor may request additional DBE information and may allow the bidders, up to 7 calendar days after bid submittal to supplement or resubmit information concerning their proposed DBE participation. Prior to awarding the contract the Sponsor will verify verbally and/or in writing that the information submitted by the apparent successful bidder is accurate and complete.
 - c. Good Faith Efforts: If the bidder is unable to meet the DBE goal, the bidder must submit evidence of good faith efforts taken to meet the goal. Good faith efforts conducted after the bid opening will not be considered adequate to fulfill these bid requirements. Good faith efforts may include but are not limited to:
 - (1) Efforts to select portions of the work for performance by DBE's, in order to

increase the likelihood of achieving the DBE goal. This can include, but is not limited to, breaking down contracts into economically feasible units to facilitate DBE participation. Selection of portions of work shall be at least equal to the DBE goal.

- (2) Written notification to individual DBE's likely to participate in the contract sent at least 7 calendar days prior to the bid opening. The notification shall list specific items or types of work and shall be sent to a reasonable number of DBE's qualified to participate in the contract.
- (3) Efforts to negotiate with DBE's for specific items of work including:
 - (a) Names, addresses, and telephone numbers of DBE's who were contacted, the dates of initial contact and information on further contacts made to determine with certainty if the DBE's were interested. Personal or phone contacts are expected;
 - (b) Description of the information provided to the DBE's regarding the plans, specifications and estimated quantities for portions of the work to be performed;
 - (c) Individual statements as to why agreements with DBE's were not reached; and
 - (d) Information on each DBE contacted but rejected and the reasons for the rejection.
- (4) Efforts to assist the DBE's that need assistance in obtaining bonding, insurance, or lines of credit required by the contractor.
- (5) Documentation that qualified DBE's are not available or not interested.
- (6) Advertisements in general circulation media, trade association publications and disadvantaged-focus media concerning subcontracting opportunities.
- (7) Efforts to use the services of available disadvantaged community organizations; disadvantaged contractor's groups; local, state and federal disadvantaged business assistance offices; and other organizations that provide assistance in recruitment and placement of DBE's.

The demonstration of good faith efforts by the contractor must prove the contractor actively and aggressively sought out DBE's to participate in the project. The following actions would not be considered acceptable reasons for failure to meet the DBE goal and would not constitute a good faith effort:

- (1) The DBE was unable to provide adequate performance and/or payment bonds.
- (2) A reasonable DBE bid was rejected based on price.
- (3) The DBE would not agree to perform the subcontract work at the prime contractors unit bid price.
- (4) Union versus non-union status of the DBE firm.

- (5) The prime contractor would normally perform all or most of the work included in this contract.
 - (6) The prime contractor solicited DBE participation by mail only.
5. Post Award Compliance: If the contract is awarded on less than full DBE goal participation, the contractor is not relieved of the responsibility to make a determined effort to meet the full goal amount during the life of the contract. In such a case, the contractor shall continue good faith efforts throughout the life of the contract to increase the DBE participation to meet the contract goal.

If a DBE is unwilling or unable to perform the work specified, the contractor shall request from the Sponsor and FAA, relief from the obligation to use that DBE. Efforts will be made by the contractor to acquire from the DBE a letter which states the reason the DBE is unwilling or unable to complete its obligations under the project. If this results in a DBE contract shortfall, the contractor shall immediately take steps to obtain another certified DBE to perform an equal dollar value of allowable credit. If a new DBE cannot be found, the contractor shall submit evidence of good faith efforts within 15 calendar days of the request for relief. The contractor shall submit the new DBE's name, address, work items and the dollar amount of each item. The sponsor and the FAA shall approve the new DBE before the DBE starts work.

If the contractor fails to conform to the approved DBE participation or if it becomes evident that the remaining work will not meet the approved participation, then the contractor shall submit evidence showing either how the contractor intends to meet the DBE participation, or what circumstances have changed affecting the DBE participation. If the sponsor is not satisfied with the evidence, then liquidated damages may be assessed for the difference between the approved and actual DBE participation.

6. Records and Reports: The contractor shall keep records as necessary to determine compliance with the DBE obligations. The records shall include but are not limited to:
 - a. Record of DBE Participation: The names of disadvantaged and non-disadvantaged subcontractors, regular dealers, manufacturers, consultant and service agencies; the type of work or materials or services performed on or incorporated in the project; and the actual value of such work.
 - b. Efforts to Utilize DBE Firms: Documentation of all efforts made to seek out disadvantaged contractor organizations and individual disadvantaged contractors for work on this project. All correspondence, personal contacts, telephone calls, etc., to obtain the services of DBE's should be documented.
 - c. Final DBE Certification: Upon completion of the individual DBE firm's work, the prime contractor shall submit a certification attesting to the actual work performed by the DBE firm and the amount paid the DBE firm. This certification shall be signed by both the prime contractor and the DBE firm.

Energy Conservation Requirements. The contractor agrees to comply with mandatory

standards and policies relating to energy efficiency that are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Public Law 94-163).

Rights To Inventions. All rights to inventions and materials generated under this contract are subject to regulations issued by the FAA and the Owner of the Federal grant under which this contract is executed.

Contract Time. If the Contractor persistently refuses or fails to recover lost time, to the extent that it becomes apparent that the Project shall not be completed within the Contract Time, the Owner may take such actions to terminate the Contract for default on the part of the Contractor, or to assign portions of the Work to other contractors or to require Contractor to hire sufficient skilled workers for Contractor to recover lost time and complete the Project on time. Any additional costs associated with this will be borne by original Contractor.

Owner has the right to refuse a subcontractor for good faith concern about the subcontractor's competence, solvency or fitness to perform timely.

Owner's Recourse. Written warranties made to the Owner are in addition to manufacturer's warranties, implied warranties, and shall not limit the duties, obligations, rights and remedies otherwise available under the law, nor shall warranty periods be interpreted as limitations on time in which the Owner can enforce such other duties, obligations, rights, or remedies.

The Owner reserves the right to refuse to accept Work for the Project where a special warranty, certification, or similar commitment is required on such Work or part of the Work, until evidence is presented that entities required to countersign such commitments have done so."

Pursuant to §403.7065, *Fla. Stat.*, Contractor shall procure products or materials with recycled content when the Florida Department of Management Services determines that those products or materials are available.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
INELIGIBILITY AND VOLUNTARY EXCLUSION

The Contractor certifies, by submission of this proposal or acceptance of this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Contractor or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this solicitation/proposal.

CLEAN AIR AND WATER POLLUTION CONTROL

Contractors and subcontractors agree:

1. That any facility to be used in the performance of the contract or subcontract or to benefit from

the contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities;

2. To comply with all the requirements of Section 114 of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq. and Section 308 of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 and Section 308 of the Acts, respectively, and all other regulations and guidelines issued thereunder;

3. To comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

4. Owner is required to comply with all applicable air and water quality standards for all projects in this grant. If Owner fails to comply with this requirements, the FAA may suspend, cancel, or terminate the agreement.

5. That, as a condition for the award of this contract, the contractor or subcontractor will notify the awarding official of the receipt of any communication from the EPA indicating that a facility to be used for the performance of or benefit from the contract is under consideration to be listed on the EPA List of Violating Facilities;

6. To include or cause to be included in any construction contract or subcontract which exceeds \$100,000 the aforementioned criteria and requirements.

PROCUREMENT OF RECOVERED MATERIALS

Contractor agrees to comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

ASSURANCE OF COMPLIANCE

The Contractor hereby agrees that it will comply with:

Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 80), to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any

program or activity for which the Applicant receives Federal financial assistance from the Department.

Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 84), to the end that, in accordance with Section 504 of that Act and the Regulation, no otherwise qualified individual with a disability in the United States shall, solely by reason of his or her disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.

The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 91), to the end that, in accordance with the Act and the Regulation, no person in the United States shall, on the basis of age, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.

SPONSOR CERTIFICATION FOR PROJECT PLANS AND SPECIFICATIONS

All plans and specifications will be developed in accordance with all current applicable Federal standards and requirements, or state standard specifications developed under a federal grant, and no deviation from or modification to standards set forth in the advisory circulars will be allowed without prior approval of the FAA.

All equipment specifications will rely on the national standards as contained in the Advisory Circulars, without deviations, to the maximum extent possible. Specifications for the procurement of equipment for which there is no Federal specification or standard will be neither proprietary nor written to restrict competition. If there is no national standard, or if the national standard provides for a choice to be made, at least two manufacturers will assure that they can meet the specification. A deviation from the national standard will require FAA approval of the design standard modification.

All development to be included in any plans is depicted on an airport layout plan approved by FAA.

All development which is ineligible for AIP funding will either be omitted from the plans and specifications or costs associated with ineligible or AIP non-participating items will be separated and noted as non-AIP work and deducted from AIP project reimbursement requests.

Process control and acceptance tests required for any and all projects by standards contained in Advisory Circular 150/5370-10 will be included in the project specifications.

If a value engineering clause is incorporated into any contract, concurrence will be obtained from FAA.

All plans and specifications will incorporate applicable requirements and recommendations set forth in the Federally-approved environmental finding.

For all construction activities within or near aircraft operational areas, the applicable requirements contained in Advisory Circular 150/5370-2 will be discussed with FAA and incorporated into the specifications. A safety/phasing plan will be prepared, and prior FAA concurrence will be obtained.

All projects will be physically completed without Federal participation in costs that are due to errors or omissions in the plans and specifications that were foreseeable at the time of the project design.

All Airport Layout Plan (ALP) revisions and proposals for facility construction clearance will include coordinates that are either surveyed or based on reference coordinates previously found acceptable to FAA. The coordinates will be verified and found consistent with the dimensions shown on the project/sketch ALP. The coordinates will be in terms of the North American Datum of 1983.

All elevations on ALP revisions and proposals for construction clearance will be within +/- 0.1 foot vertically and the vertical datum will be in terms of the National Geodetic Vertical Datum of 1929.

SPONSOR CERTIFICATION FOR CONSTRUCTION PROJECT FINAL ACCEPTANCE

General requirements for final acceptance and close-out of Federally funded construction projects are in 49 CFR 18.50. The sponsor shall determine that project costs are accurate and proper in accordance with specific requirements of the Grant Agreement and Contract Documents.

All personnel engaged in project administration, engineering supervision, and construction inspection and testing will be determined to be qualified and competent to perform the work.

All daily construction records will be kept by the resident engineer/construction inspector. These records document work in progress, quality and quantity of materials delivered, test locations and results, instructions provided the Contractor, weather, equipment use, labor requirements, safety problems, and changes required.

All weekly payroll records and statements of compliance will be submitted by the prime contractor and reviewed by the sponsor for Federal labor and civil rights requirements (Advisory Circular 150/5100-6 and 150/5100-15).

All complaints regarding the mandated Federal provisions set forth in the contract documents will be submitted to the Department of Labor.

All tests specified in the plans and specifications will be performed and the test results documented. A summary of test results will be available to FAA.

For all test results outside allowable tolerances, appropriate corrective actions will be taken.

All payments to the contractor will be made in compliance with contract provisions and verified by the sponsor's internal audit of contract records kept by the resident engineer. If appropriate, all

pay reduction factors required by the specifications will be applied in computing final payments and a summary of pay reductions will be available to FAA.

All projects will be accomplished without significant deviations, changes, or modifications from the developed plans and specifications, except where approval will be obtained from FAA.

All final project inspections will be conducted with representatives of the sponsor and the contractor. Project files will contain documentation of the final inspection.

All work in the Grant Agreement will be physically completed and corrective actions required as a result of the final inspection will be completed to the satisfaction of the construction contract and the sponsor.

As-built plans and an equipment inventory, if applicable, will be maintained as sponsor records. If requested, a revised airport layout plan will be made available to FAA prior to start of development.

All applicable closeout financial reports will be submitted to FAA within three (3) years of the date of grant.

SPONSOR CERTIFICATION FOR SEISMIC DESIGN AND CONSTRUCTION

49 CFR Part 41 sets forth the requirements in the design and construction of the building(s) to be financed with the assistance of the Federal Aviation Administration. Compliance will be met by adhering to at least one of the following accepted standards:

1. Model codes found to provide a level of seismic safety substantially equivalent to that provided by use of the 1988 National Earthquake Hazards Reduction Program (NEHRP) including:

a. The 1991 International Conference of Building Officials (IBCO) Uniform Building Code, published by the International Conference of Building Officials, 5360 South Workman Mill Road, Whittier, California 90601.

b. The 1992 Supplement to the Building Officials and Code Administration International (BOCA) National Building Code, published by the Building Officials and Code Administrators, 4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5795.

c. The 1992 Amendments to the Southern Building Code Congress (SBCC) Standard Building Code, published by the Southern Building Code Congress International, 900 Montclair Road, Birmingham, Alabama 35213-1206.

2. Revisions to the model codes listed above that are substantially equivalent or exceed the then current or immediately preceding edition of the NEHRP recommended provisions, as it is updated, may be approved by the DOT Operating Administration to meet the requirements of 49 CFR Part 41.

3. State, county, local, or other jurisdictional building ordinances adopting and enforcing the model codes, listed above, in their entirety, without significant revisions or changes in the direction of less seismic safety, meet the requirement of 49 CFR Part 41.

The allowable costs of the project shall not include any costs determined by the FAA to be ineligible for consideration under the Title 49 U.S.C.

Payment of the United States' share of the allowable project costs will be made pursuant to and in accordance with the provisions of such regulations and procedures as the Secretary shall prescribe. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs, and settlement will be made for any upward or downward adjustments to the Federal share of costs.

Unless otherwise approved by the FAA, in accordance with 49 United States Code (U.S.C.) § 50101, Owner will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured goods produced outside the United States to be used for any project for which funds are provided under this grant. Owner will include in a provision implementing Buy American in every contract.

Submit at completion of the project, a final test and quality control report documenting the results of all tests performed, highlighting those tests that failed or did not meet the applicable test standard. The report shall include the pay reductions applied and reasons for accepting any out-of-tolerance material. An interim test and quality control report shall be submitted, if requested by the FAA.

49 CFR SUBTITLE A (10-1-03 EDITION)

Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR part 5).

Compliance with all applicable standards, orders or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S. C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

46 U.S. C. 1241(b)(1) and 46 CFR part 381 impose cargo preference requirements on the shipment of foreign made goods.

Section 165 of the Surface Transportation Assistance Act of 1982, 49 U.S.C. 1061, section 337 of the Surface Transportation and Uniform Relocation Assistance Act of 1987, and 49 CFR parts 660 and 661 impose Buy America provisions on the procurement of foreign products and materials.

Section 105(f) of the Surface Transportation Assistance Act of 1982, section 106(c), of the Surface Transportation and Uniform Relocation Assistance Act of 1987, and 49 CFR part 23 impose requirements for the participation of disadvantaged business enterprises.

Section 308 of the Surface Transportation Assistance Act of 1982, 49 U.S.C. 1068(b)(2), authorizes the use of competitive negotiation for the purchase of rolling stock as appropriate.

A breach by Contractor or any subcontractor, vendor or supplier of any of the federal or state laws or regulations applicable to this Project may be grounds for termination of the contract, and possibly debarment as a contractor or subcontractor.

The provisions of these Additional Special Provisions shall control over any contrary provision in the Special Provisions or any other Contract Document.

Contractor waives any right of subrogation against Owner or Owner's agents.

To the fullest extent permitted by law, Contractor shall indemnify and hold harmless Owner, and Owner's officers, directors, partners, agents, consultants, and employees from and against any and all claims, costs, losses, and damages up to \$10,000,000 (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court, arbitration, or other dispute resolution costs) arising out of or relating to the Project, provided that any such claim, cost, loss or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than completed Construction), including the loss of use resulting therefrom, but only to the extent caused by any negligent act or omission or reckless or intentional wrongdoing of Contractor or Contractor's officers, directors, partners, employees, or subcontractors. The parties agree that this limit on indemnification amount bears a reasonable commercial relationship to the contract. In any action construing the scope or nature of this indemnification, the court shall construe this provision to comply with Section 725.06, Florida Statutes, as amended.

Veteran's Preference. In the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to veterans of the Vietnam-era and disabled veterans. However, this preference may be given only where the individuals are available and qualified to perform the work to which the employment relates.

State Residents Preference.

(1) If state funds are utilized on this project, the Contractor shall give preference to the employment of state residents in the performance of the work on the project if state residents have substantially equal qualifications to those of nonresidents. A contract for construction funded by local funds may contain such a provision.

(a) As used in this section, the term "substantially equal qualifications" means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are better suited for the position than the qualifications held by the other person or persons.

(b) A contractor required to employ state residents must contact the Agency for Workforce Innovation to post the contractor's employment needs in the state's job bank system.

(2) No contract shall be let to any person refusing to execute an agreement containing this provision. However, in work involving the expenditure of federal aid funds, this section may not be enforced in such a manner as to conflict with or be contrary to federal law prescribing a labor preference to honorably discharged soldiers, sailors, or marines, or prohibiting as unlawful any other preference or discrimination among the citizens of the United States.

Punch List.

If the contract is for the provision of construction services, Owner shall provide for a single list of items required to render the construction services complete, satisfactory, and acceptable (“punch list”). For construction projects having an estimated cost of less than \$10,000,000, the punch list shall be developed within thirty days after Contractor and Owner agree that the project has achieved substantial completion. For construction projects having an estimated cost of \$10,000,000 or more, the punch list shall be created within sixty calendar days after Owner and Contractor agree that the Contractor has achieved substantial completion. Owner shall provide the punch list to Contractor not more than five days after the punch list is completed.

The final contract completion date must be at least thirty days after the delivery of the punch list. If the punch list is not provided to the Contractor by the agreed upon date for delivery, the contract time for completion must be extended by the number of days that Owner exceeded the delivery date.

Payment for Purchases of Construction Services.

Owner hereby identifies Mike Willingham as the agent to whom the Contractor may submit its payment request or invoice or anyone that this agent designates in writing. A contractor’s submission of a payment request or invoice to the identified agent of Owner shall be stamped as received as provided in F.S. 218.74(1) and shall commence the time periods for payment or rejection of a payment request or invoice as provided herein. If a payment request or invoice does not meet the contract requirements, Owner must reject the payment request or invoice within twenty business days after the date on which the payment request or invoice is stamped as received as provided in F.S. 218.74(1). The rejection must be written and must specify the deficiency and the action necessary to make the payment request or invoice proper.

Attorneys’ Fees and Costs. In any judicial or alternative dispute resolution technique action to interpret or enforce any of the terms of this agreement, including any action by Owner to establish the right to indemnification, the parties agree that the prevailing party shall be entitled to an award of attorneys’ fees and costs payable by the non-prevailing party, whether such fees and costs are incurred before, during or after trial, appellate proceeding or post-judgment collections.

Drug-Free Workplace

The Sebring Airport Authority is committed to maintain a safe, healthy and productive work environment for all its employees; to provide professional services for its customers in a timely and efficient manner; to maintain the integrity and security of its equipment and workplace; and to perform all these functions in a fashion consistent with the interests and concerns of the community.

Pursuant to these corporate goals, the Sebring Airport Authority is committed to establishing a Drug-Free Workplace Program to ensure that SAA will have a drug- and alcohol-free workplace.

This program is intended to comply with the Drug-Free Workplace Program requirements set forth in Section 440.102, Florida Statutes and the regulations promulgated by the State of Florida, Department of Labor and Employment Security, Division of Workers' Compensation,

and Federal Drug-Free Workplace Act of 1988.

To enforce the Sebring Airport Authority's drug and alcohol-free policies and programs, candidates for employment and current employees are required to submit to substance abuse testing under certain circumstances set forth herein.

Scope. This policy applies to candidates for employment and to Sebring Airport Authority employees in all job classifications at all locations. The drug-free workplace policy is intended to apply whenever anyone is representing or conducting business for SAA. Therefore, this policy applies during all working hours, whenever conducting business or representing the company, during scheduled shifts, while on call, paid standby, while on company property, and at company-sponsored events

Effective Date. The effective date of the Drug-Free Workplace Program is February 15, 1996 (Revised April 17, 2003).

It is a violation of the drug-free workplace policy to manufacture, distribute, purchase, dispense, use, possess, possession of related paraphernalia, sell, trade, and/or offer for sale alcohol, illegal drugs or intoxicants. For the purpose of this policy the definition of a “drug” includes alcoholic beverages, inhalants, illegal drugs, intoxicants, and any other controlled substance that may alter a person’s judgment. Employees under the influence drug or alcohol during work time are subject to disciplinary action up to and including termination. For the purpose of this policy, “impaired” or “under the influence” means testing positive pursuant to the cutoff levels applicable to this policy and testing program. Employees are expected to be in suitable mental and physical condition and able to perform assigned duties satisfactorily during work time.

To ensure a safe work environment for Airport Authority employees, any employee who is convicted of a criminal drug violation in the workplace must notify the Executive Director in writing within five (5) calendar days of the arrest/conviction. Failure to do so will result in the immediate termination of employment.

Types of Testing:

- a. Job Applicant Testing.** All job offers are contingent on the applicant successfully passing a drug test.
- b. Reasonable Suspicion Testing.** When Sebring Airport Authority management or supervision has reasonable suspicion based on objective evidence to believe that an employee is using or has used drugs or alcohol in violation of the Sebring Airport Authority's policy. Such evidence may consist of, but is not limited to:
 1. Observable phenomena while at work, such as direct observation of drug/alcohol use or of the physical symptoms or manifestations of being under the influence of a drug or alcohol.
 2. Abnormal conduct or erratic behavior while at work or a significant deterioration in work performance.
 3. A report of drug/alcohol use provided by a reliable and credible source.
 4. Evidence that an individual has tampered with a drug/alcohol test required by the Sebring Airport Authority.
 5. Information that an employee has caused, contributed to, or been involved in an accident while at work. An employee, who is unable to submit to testing at the

time of an accident due to the seriousness of his or her injuries, is required to provide the necessary authorization for obtaining hospital reports and other documentation that would indicate whether there were any drugs or alcohol in his or her body system. Alternatively, the consent form signed earlier by the employee will authorize testing in any circumstances.

6. Evidence that an employee has used, possessed, sold, solicited, or transferred drugs/alcohol while working or while on the employer's premises or while operating the employer's vehicle, machinery, or equipment.

Within seven (7) days after testing based on reasonable suspicion, the supervisor who recommended the testing shall detail in writing on the Sebring Airport Authority's "Reasonable Suspicion Testing Report Form" the circumstances which formed the basis of his or her belief that reasonable suspicion existed to warrant the testing. A copy of this report shall be provided to the employee being tested upon request and the original copy of the report shall be kept confidential by the Sebring Airport Authority and retained for at least twelve (12) months.

- c. Follow-up Testing.** If in the course of employment an employee is required by the Sebring Airport Authority to enter an Employee Assistance Program for drug/alcohol-related problems or a drug/alcohol rehabilitation program, the employee must submit to drug testing as a follow-up to such program, at least once a year, without advance notice, for two years thereafter. Additional types of testing, such as random testing, may be required, as deemed necessary by the Sebring Airport Authority as a part of the follow-up testing. Other terms and conditions of continued employment may also be imposed.
- d. Random Testing.** Due to the safety-sensitive nature of the Airport Authority workplace and environment, employees will be subject to random testing pursuant to a computer-generated random selection procedure.
- e. Post-Accident Testing.** Employees who have been involved in an on-the-job accident are automatically required to submit to a post-accident drug/alcohol screen once medical treatment is administered. The employee is to submit to the screen as soon as possible within a twenty-four (24) hour timeframe from the time of the accident if possible. Employees may obtain a chain of custody form from the Executive Director (or designee) prior to testing.

Conditions of Testing:

- a. Confidentiality.** All information, interviews, reports, statements, memoranda, and drug test results received by the Sebring Airport Authority in conjunction with this drug testing program are considered confidential communications and such information will not be disclosed or released except as authorized pursuant to state law or regulations or written consent by the person tested.
- b. Consent Form.** Each employee and applicant are required to sign at the inception of the program and/or prior to any test a "Testing Consent Form" by which they voluntarily agree to be tested for drugs and alcohol as provided in this program, and also release the Sebring Airport Authority and its employees from liability. Refusal to sign the consent form will result in the applicant's disqualification for further employment consideration, or the employee's termination from the Sebring Airport Authority's employment.
- c. Refusal to Submit to Testing.** Job applicants and employees are expected to cooperate fully in providing specimens and explanations, which may be subsequently required by this policy. Failure to provide specimens, attempts to contaminate or adulterate specimens or otherwise interfere with Sebring Airport Authority procedures will be grounds for disciplinary action up to and including discharge or disqualification for further employment consideration. In the case of a "negative/dilute" test result, the donor will be required to immediately provide another specimen. A second negative/dilute result for a job applicant may disqualify the

applicant from further employment consideration. A second negative/dilute result for an employee will subject the employee to immediate termination. An employee who is injured in the course and scope of his employment and who refuses to submit to a drug test, or who tests positive, in addition to the above, may forfeit his or her eligibility for Florida Workers' Compensation medical and indemnity benefits. Any Sebring Airport Authority group health/medical insurance in effect does not cover injuries sustained in the course and scope of employment.

Testing Procedures:

- a. Licensed/Certified Laboratory.** All drug testing will be conducted by a Sebring Airport Authority-designated laboratory, which is licensed by the State of Florida Agency for Health Care Administration or certified by the United States Department of Health and Human Services. The testing will be conducted with appropriate chain of custody procedures in place to ensure accuracy and continuity in specimen collection, handling, transfer, and storage.
- b. Drugs to be Tested.** When testing is conducted in conjunction with this program, the Sebring Airport Authority may test for any or all of the following drugs: amphetamines, barbiturates, benzodiazepines, cannabinoids, cocaine, ethyl alcohol, methadone, methaqualone, opiates, phencyclidine, and propoxyphene.
- c. Reporting Medication, which may Alter, or Affect a Drug Test Result.** Each applicant/employee shall be provided an opportunity to report, both before and after being tested, the use of prescription or non-prescription medication which may alter or affect the outcome of a drug test, as well as any other information relevant to the drug test result. At that time, employees will be provided a list of the most common medications, by brand name or common name, as well as by chemical name, which may alter or affect a drug test result. The information provided by the employee or job applicant should be kept confidential by the employee or applicant and shall be reviewed only by a Medical Review Officer (MRO) interpreting any confirmed positive results.
Job applicants and employees have the right to consult with a Medical Review Officer (MRO) for technical information regarding prescription and non-prescription medication to determine whether the medication has affected a drug or alcohol test result.
- d. Cost of Testing.** The Sebring Airport Authority will pay the costs of initial and confirmation drug testing which it requires of job applicants and employees. Applicants and employees shall pay the cost of any additional drug testing not required by the Sebring Airport Authority.
- e. Collection Site and Laboratory Analysis Procedures.** Security of the collection site, chain of custody procedures, privacy of the individual, collection control, integrity and identity of the specimen and transportation of the specimen to the laboratory, as well as all laboratory security, laboratory chain of custody, transporting and receiving of specimens, specimen processing, retesting, storage of specimens, instrument calibration and reporting of results, shall be in accordance with § 112.0455, F .S., and its attendant rules as established by the State of Florida, Agency for Health Care Administration, Rule 59A-24, F.A.C. These procedures are intended to ensure that specimens are properly collected, identified and tested.

Release and Review of Test Results:

- a. Medical Review Officer (MRO).** The Sebring Airport Authority will engage a certified Medical Review Officer (MRO) who is a licensed physician, who will be responsible for receiving and reviewing all confirmed test results from the testing laboratory.
- b. Reporting Results.** The testing laboratory will report all drug test results to the MRO within

seven (7) working days after receipt of the specimen by the laboratory and must provide the MRO quantification of the test results upon request. Only specimens which are confirmed as positive on the confirmation test shall be reported positive to an MRO for a specific drug.

The MRO will notify the applicant/employee of a confirmed positive test result within three (3) days of receipt of the test result from the laboratory and will inquire whether prescriptive or over-the-counter medications or other factors could have caused the positive test result. The MRO may use a language interpreter to assist in communicating the drug test results with employees and job applicants.

If the MRO is unable to contact a positively tested donor within three (3) days of receipt of the test results from the laboratory, the MRO will contact the Sebring Airport Authority and request that the Sebring Airport Authority direct the donor to contact the MRO as soon as possible. If the MRO has not been contacted by the donor within two (2) days from the request to the Sebring Airport Authority, the MRO will verify the test result as positive. If the donor refuses to talk with the MRO regarding a positive test result, the MRO will validate the result as positive and annotate such refusal in the remarks section of the report.

The donor will have five (5) days from the date of notification to discuss the positive test result with the MRO and to submit information/documentation of use of prescription or over-the-counter medication or other factors relevant to the positive test result.

The MRO will notify the Sebring Airport Authority in writing of the verified test result, either negative, positive, or unsatisfactory no more than seven (7) working days after the specimen was received by the lab. If the MRO determines that there is a legitimate medical explanation for the positive test result, the MRO will report a negative test result to the Sebring Airport Authority. However, should the MRO feel that the legal use of a medication would endanger the donor or others, or if the donor is in a safety sensitive or special risk position at the Sebring Airport Authority, then the MRO will report the test negative due to a validated prescription but will request that the individual be placed in a position which would not threaten the safety of the donor or others.

- c. Employer Notice to Donor of Test Results.** Within five (5) working days after receipt of a confirmed positive test result from the MRO, the Sebring Airport Authority will inform the donor in writing of such positive test results, the consequences of the results, and the options available to the donor, including the right to file an administrative or legal challenge. Upon request, a copy of the test results shall be provided to the donor.

Challenges to Test Results:

- a. Intra-Organizational Challenge.** The donor has five (5) working days after receiving notice from the Sebring Airport Authority of a confirmed positive test result, to submit information to the Sebring Airport Authority explaining or contesting the test result(s). If the donor's explanation or challenge of a positive test result is deemed unsatisfactory by the Sebring Airport Authority, the Sebring Airport Authority shall within fifteen (15) days of receipt of the donor's explanation or challenge, provide the donor with a written explanation as to why his or her explanation is deemed unsatisfactory, along with the report of positive result(s). All such documentation shall be retained by the Sebring Airport Authority on a confidential basis for at least one (1) year.
- b. Administrative or Legal Challenge.** The applicant/employee may undertake an administrative challenge of the test result by filing a claim for benefits with a Judge of Compensation Claims

pursuant to Ch.440, F.S., or if no workplace injury has occurred, the donor may challenge the test result in a Court of competent jurisdiction. When a donor undertakes a challenge to the results of a test, it shall be his or her responsibility to notify the employer and testing laboratory of the challenge, and the testing sample shall be retained by the laboratory until the case is settled.

- c. Independent Testing.** In the event of a positive test result, the donor, during the one hundred-eighty (180) day period after written notification of a positive test result, may request independent testing at his/her own expense of a portion of the tested specimen for verification of the test result. The laboratory utilized for the independent testing must also be licensed by the State of Florida Agency for Health Care Administration or certified by the United States Department of Health and Human Services. The result(s) of the independent testing may be used in any administrative or legal challenge.

Consequences of Positive Test Results/Disciplinary Action:

- a. Job Applicants.** If the results of a pre-employment drug test are confirmed positive, the job applicant will be disqualified from further employment consideration.
- b. Employees.** Any employee whose test results are confirmed positive, will be subject to disciplinary action up to and including termination. The Sebring Airport Authority reserves the right to suspend an employee without pay pending the release of the results of a drug test or the outcome of an investigation related to a violation of the Sebring Airport Authority's drug/alcohol-free workplace policy.

Drug/Alcohol-Free Workplace Awareness/Education Program:

This Awareness/Education Program is designed to help achieve the Sebring Airport Authority's goal of maintaining a drug/alcohol-free workplace.

1. Ongoing communications to Sebring Airport Authority employees and supervisory personnel that include educational and informational materials advising about the dangers of drug and alcohol use and/or abuse.
2. Display and distribution to Sebring Airport Authority employees of community service hot- line telephone numbers for employee assistance concerning drug and alcohol use and/or abuse.
3. Specific training of Sebring Airport Authority's management and supervisory personnel who are responsible for determining when an individual is subject to testing based on "reasonable suspicion." Such training will encompass the specific, contemporaneous physical, behavioral, and performance indications of probable drug use.
4. Annual education for all Sebring Airport Authority employees to assist them in identifying personal and emotional problems which may result in the misuse of alcohol or drugs. The course will include a presentation on the legal, social, physical, and emotional consequences of misuse of alcohol or drugs.
5. Maintaining a current resource file of EAP providers, including alcohol and drug abuse programs, mental health providers, and various other entities designed to assist employees with personal or behavioral problems.
6. Advise employees of any EAP programs that the Sebring Airport Authority may have available and provide a representative sampling of local drug/alcohol rehabilitation programs and employee assistance programs.
7. Provide notice of drug-testing on vacancy announcements for upcoming jobs.
8. Post notice of Sebring Airport Authority's drug/alcohol-testing policy.

9. Make copies of drug/alcohol testing policy available for inspection by employees and job applicants.

Rehabilitation:

The Sebring Airport Authority supports sound treatment efforts. No employee will be retaliated against for voluntarily seeking assistance for problems relating to drug/alcohol use and/or abuse. It is the Sebring Airport Authority's desire that individuals will be allowed to address and resolve any drug- and alcohol-related problems on a confidential basis.

Should an employee realize that he or she has developed a dependence on drugs, alcohol or any controlled substance, he or she is advised to seek trained, professional assistance immediately. Employees are encouraged to seek rehabilitation on a voluntary and confidential basis (without disciplinary penalty) prior to any management action, to address and resolve any drug- and alcohol-related problems. However, if the employee works in a safety-sensitive position, it is incumbent upon the employee to inform his/her immediate supervisor of his/her entry into a rehabilitation program for drug and/or alcohol problem(s). The Sebring Airport Authority reserves the right to require an employee to use an EAP or drug rehabilitation program selected by the Sebring Airport Authority. In such cases, the Sebring Airport Authority will pay the cost of the program. In all other cases, the cost will be paid by the employee, unless it is covered by insurance.

In order to afford an effective means of helping employees deal with substance abuse which may be interfering with their job performance, the Sebring Airport Authority has contracted with an Employee Assistance Program (EAP) provider, Florida Hospital, which offers SAA employees and their families substance abuse treatment and rehabilitation services. Pertinent information regarding these services is available by contacting Florida Hospital, 4421 Sun 'n Lake Boulevard, Suite A, Sebring, FL 33870, Help Line: 314-4357 (314-HELP) or by contacting the Sebring Airport Authority Representative Director of Finance. You can use the EAP without informing the Sebring Airport Authority.

Searches:

In order to effectively implement the Sebring Airport Authority's Drug-Free Workplace Program, the Sebring Airport Authority retains the right to conduct searches and inspections whenever there is objective evidence that an employee may be in possession of alcohol or any illegal drugs on Sebring Airport Authority property or within its facilities or may otherwise be in violation of Sebring Airport Authority policy. It is not the intent of this policy, and the Sebring Airport Authority will not, conduct routine or random searches or inspections.

When searches or inspections are necessary, they will be conducted according to the following guidelines:

1. The search or inspection will be conducted by Airport security personnel.
2. The search or inspection will occur in the presence of a Drug-Free Workplace designee or the Executive Director and at least one witness of the Airport Authority's choice.
3. The search or inspection may include the employee's locker, clothing, vehicle, desk or any Airport Authority or personal property carried by or under control of the employee.
4. A list of contents of the area or items searched will be made and witnessed to protect the

- rights of the employee to that property.
5. If the search uncovers material, which is believed to be unauthorized drugs, alcohol, or other prohibited items, the Sebring Airport Authority representative may confiscate the material. The employee will be given receipt for any material taken. Authorized or lawful possessions of the employee will be returned.
 6. Entry onto the Sebring Airport Authority premises (including the parking lot) constitutes consent to a search and inspection. In addition, the execution of a "Search Consent Form" will be required of each employee prior to a search or inspection. Refusal will result in the employee's termination from the Sebring Airport Authority's employment.
 7. If a search or inspection reveals the presence of unauthorized alcohol or illegal drugs, the employee will be subject to immediate drug and alcohol testing, and disciplinary action, up to and including termination of employment.

Conclusion. It is in the best interest of the Sebring Airport Authority to maintain a workplace, which is free from the presence of alcohol and drugs and free from the impairments associated with alcohol and drug use and/or abuse. The Airport Authority's concerns with respect to employee safety and health, product quality, and integrity and security of SAA equipment and workplace require that SAA take an active approach to maintain a safe, healthful, drug- and alcohol-free work environment for all employees. In furtherance of these corporate goals, the Sebring Airport Authority has established this Drug-Free Workplace Program, which is intended to comply with the Drug-Free Workplace Program requirements under §440.102, F. S. and regulations promulgated by the State of Florida, Department of Labor and Employment Security, Division of Workers' Compensation and the Federal Drug-Free Workplace Act of 1988.

The policies and procedures set forth in the Sebring Airport Authority's Drug-Free Workplace Program constitute statements of policy only and are not to be interpreted as a contract of employment between the Sebring Airport Authority and any of its employees. The Sebring Airport Authority reserves the right to change, modify, or delete any of the program's provisions and policies at any time. The policies contained in this Drug-Free Workplace Program supersede all prior Sebring Airport Authority policies on substance abuse.

INSURANCE

The Consultant shall not commence work until it has obtained all insurance required under this paragraph and that insurance has been approved by SAA.

All insurance policies shall be issued by companies authorized or approved to do business under the laws of the State of Florida. The Consultant shall furnish Certificates of Insurance to SAA prior to the commencement of work. The Certificates shall clearly indicate that the Consultant has obtained insurance of the type, amount, and classifications required for strict compliance hereunder. Compliance with the foregoing requirements shall not relieve the Consultant of its liability and obligations hereunder.

The Consultant shall maintain comprehensive general liability insurance in the amount of \$1,000,000 per occurrence to protect the Consultant from claims of property damages which may arise from any operations hereunder whether such operations be by the Consultant or by anyone directly employed by or contracting with the Consultant.

The Consultant shall maintain comprehensive automobile liability insurance in the amounts of \$500,000 combined single limit for bodily injury and property damage to protect the Consultant from claims for damages for bodily injury, including wrongful death, as well as from claims from property damage, which may arise from the ownership, use, or maintenance of owned and non-owned automobiles, including rented automobiles whether such operations be by the Consultant or by anyone directly or indirectly employed by the Consultant.

The Consultant shall maintain adequate Workman's Compensation Insurance and Employer's Liability Insurance in at least such amounts as are required by law for all of its employees performing work for SAA. All insurance, other than Professional Liability and Workman's Compensation, to be maintained by the Consultant shall specifically include SAA as an "Additional Insured".

BAN ON TEXTING WHILE DRIVING

- A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, Owner is encouraged to:
1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to ACRGP Grant or subgrant funding.
 2. Conduct workplace safety initiatives in a manner commensurate with the size of business, such as:
 - a) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - b) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- B. Owner must insert the substance of this clause on banning texting while driving in all subgrants, contracts and subcontracts funded by a ACRGP Grant.

PAYMENT BOND

BY THIS BOND, We, **TRINITY ELECTRICAL SERVICES. LLC a/k/a TRINITY ELECTRICAL SERVICES OF GEORGIA, LLC**, a Georgia corporation, whose address is Golden Isles West, Baxley, GA 31513 and whose phone number is _____ 2317, as Principal, and _____, a corporation, whose address is _____ and whose phone number is _____, as Surety, are bound to Sebring Airport Authority, herein called "Owner", in the sum of Two Hundred Twenty-two Thousand, Two Hundred Seventy dollars (\$222,270), regarding the Contract for the High Mast Lighting Project located in Highlands County, Florida, for the payment of which we bind ourselves, our heirs, personal representatives, successors and assigns, jointly and severally.

THE CONDITION OF THIS BOND is that if Principal:

1. Performs the contract dated _____, 2025, between Principal and Owner for construction of the High Mast Lighting Project located in Highlands County, Florida, the contract being made a part of this bond by reference, at the times and in the manner prescribed in the contract; and
2. Promptly makes payment to all claimants, as defined in §255.05(1), Fla. Stat., supplying labor, materials, or supplies used directly or indirectly by Principal in the prosecution of the work provided in the contract; and
3. Pays Owner all losses, damages, expenses, costs, and attorney's fees, including appellate proceedings, that Owner sustains because of default by Principal under the contract, then this bond is void, otherwise it remains in full force; and
4. All obligations of the Surety shall be discharged and released at the end of one year from project acceptance by Owner or architect, including any extended warranty required by contractor.

Any action instituted by a claimant under this bond for payment must be in accordance with the notice and time limitation provisions in Section 255.05(2), Florida Statutes.

Any changes in or under the Contract Documents and compliance or non-compliance with formalities connected with contract or with the changes do not affect Surety's obligation under this bond.

Dated _____, 2025.

Principal:

Surety:

By: _____

Title: _____

By: _____

Title: _____

(corporate seal)

(corporate seal)

SURETY BOND AFFIDAVIT
(Payment Bond)

STATE OF _____

COUNTY OF _____

Before me, the undersigned authority, personally appeared _____ who, being duly sworn, deposes and says that he or she is a duly authorized (resident) (nonresident) insurance agent, properly licensed under the laws of the State of _____, to represent _____ of _____ (company name), a company authorized to make corporate surety bonds under the laws of the State of Florida (herein called the "Company").

The undersigned further certifies that as Attorney-In-Fact for the Company he or she has signed the attached payment bond in the sum of: Two Hundred Twenty-two Thousand, Two Hundred Seventy dollars (\$222,270), on behalf of **TRINITY ELECTRICAL SERVICES, LLC a/k/a TRINITY ELECTRICAL SERVICES OF GEORGIA, LLC**, covering the High Mast Lighting Project located in Highlands County, Florida.

The undersigned further certifies that the premium on the said bond is _____, which has been paid in full direct to him or her as Attorney-In-Fact, and included in his or her regular accounts to the Company, and that he or she will receive his or her regular commission of _____ percent as Attorney-In-Fact for the execution of said Bond and that his or her commission will not be divided with anyone except as follows, _____ percent to _____ (company name), who is duly authorized resident insurance agent and properly licensed under the laws of the **State of Florida**.

Countersigned:

Florida Resident Agent

Agent and Attorney-In-Fact

ACKNOWLEDGMENT FOR Attorney-In-Fact
Sworn to and subscribed before me this _____ day of _____, 2025.

Notary Public, State at Large

My Commission expires: _____

PERFORMANCE BOND

BY THIS BOND, We, **TRINITY ELECTRICAL SERVICES, LLC a/k/a TRINITY ELECTRICAL SERVICES OF GEORGIA, LLC**, a Georgia corporation, whose address is Golden Isles West, Baxley, GA 31513 and whose phone number is _____ 2317, as Principal, and _____, a corporation, whose address is _____ and whose phone number is _____, as Surety, are bound to Sebring Airport Authority, herein called "Owner", in the sum of Two Hundred Twenty-two Thousand, Two Hundred Seventy dollars (\$222,270), regarding the Contract for the High Mast Lighting Project located in Highlands County, Florida, for the payment of which we bind ourselves, our heirs, personal representatives, successors and assigns, jointly and severally.

THE CONDITION OF THIS BOND is that if Principal:

1. Performs the contract dated _____, 2025, between Principal and Owner for the High Mast Lighting Project located in Highlands County, Florida, and any extensions thereof that are granted by the Sebring Airport Authority, the contract being made a part of this bond by reference, at the times and in the manner prescribed in the contract; and
2. Pays Owner all losses, damages, expenses, costs, and attorney's fees, including appellate proceedings, that Owner sustains because of default by Principal under the contract; and
3. Performs the guarantee of all work and materials furnished under the contract for the time specified in the contract, then this bond is void; otherwise it remains in full force; and
4. All obligations of the Surety shall be discharged and released at the end of one year from project acceptance by Owner or architect, including any extended warranty required by contractor.

Any changes in or under the Contract Documents and compliance or non-compliance with formalities connected with contract or with the changes do not affect Surety's obligation under this bond.

Dated _____, 2025.

Principal:

Surety:

By: _____

Title: _____

By: _____

Title: _____

(corporate seal)

(corporate seal)

SURETY BOND AFFIDAVIT
(Performance Bond)

STATE OF _____

COUNTY OF _____

Before me, the undersigned authority, personally appeared _____ who, being duly sworn, deposes and says that he or she is a duly authorized (resident) (nonresident) insurance agent, properly licensed under the laws of the State of _____, to represent _____ of _____ (company name), a company authorized to make corporate surety bonds under the laws of the State of Florida (herein called the "Company").

The undersigned further certifies that as Attorney-In-Fact for the Company he or she has signed the attached performance bond in the sum of: Two Hundred Twenty-two Thousand, Two Hundred Seventy dollars (\$222,270), on behalf of **TRINITY ELECTRICAL SERVICES, LLC a/k/a TRINITY ELECTRICAL SERVICES OF GEORGIA, LLC**, covering the High Mast Lighting Project located in Highlands County, Florida.

The undersigned further certifies that the premium on the said bond is _____, which has been paid in full direct to him or her as Attorney-In-Fact, and included in his or her regular accounts to the Company, and that he or she will receive his or her regular commission of _____ percent as Attorney-In-Fact for the execution of said Bond and that his or her commission will not be divided with anyone except as follows, _____ percent to _____ (company name), who is duly authorized resident insurance agent and properly licensed under the laws of the **State of Florida**.

Countersigned:

Florida Resident Agent

Agent and Attorney-In-Fact

ACKNOWLEDGMENT FOR Attorney-In-Fact
Sworn to and subscribed before me this _____ day of _____, 2025.

Notary Public, State at Large

My Commission expires: _____

Sebring Airport Authority Agenda Item Summary

Meeting Date: May 15, 2025

Presenter: Andrew Bennett

Agenda Item: State of Florida Department of Commerce (Florida Commerce) – Jobs Growth Grant Agreement Number G0141.

Background: The Airport Authority has been awarded \$2,113,560.00 for the completely designed and shovel ready reconstruction and resurfacing of 0.77 miles of Webster Turn Drive at the Sebring Regional Airport. The project involves 0.71 miles of full-depth reconstruction with drainage upgrades and new asphalt pavement, plus 0.06 miles of resurfacing to match existing grades at the project's ends. This project will also include signage and marking updates which conform to FDOT standards. The roadway improvements are critical to industry expansion in the park, including manufacturing, distribution and logistics.

Recommended Action: Move to approve and ratify the execution and delivery of the Florida Commerce Grant Number G0141 and all actions taken by Airport Staff with respect thereto.

Board Action:

Approved

Denied

Tabled

**FLORIDA JOB GROWTH INFRASTRUCTURE GRANT AGREEMENT
STATE OF FLORIDA
DEPARTMENT OF COMMERCE**

THIS FLORIDA JOB GROWTH INFRASTRUCTURE GRANT AGREEMENT (this “Agreement”) is made and entered into by and between the State of Florida, Department of Commerce (“Commerce”), and ***Sebring Airport Authority*** (“Grantee”). Commerce and Grantee are sometimes referred to herein individually as a “Party” and collectively as “the Parties.”

RECITALS

WHEREAS, Pursuant to section 288.101, Florida Statutes (“F.S.”) Grantee submitted a proposal for funds.

WHEREAS, based on Grantee’s submitted proposal and any amendments thereto (collectively, the “Proposal”), Commerce has determined that the project described in **Exhibit A, Scope of Work**, attached and incorporated in this Agreement (the “Project”) is necessary to facilitate the economic development and growth of the State.

WHEREAS, Commerce has determined that Grantee’s commitments satisfy the requirements necessary to recommend the proposed project described in the Proposal to the Governor of the State of Florida for an award from the Florida Job Growth Grant Fund (the “Grant Fund”) pursuant to section 288.101, F.S.

WHEREAS, Commerce is authorized to enter into this Agreement pursuant to section 288.101, F.S. Grantee has authorized its officers to execute this Agreement on Grantee’s behalf by Resolution or, alternatively, by other Commerce-approved form of official authorization, a copy of which is attached as Exhibit D and made a part of this Agreement.

WHEREAS, the following Exhibits are attached hereto and incorporated herein as an integral part of this Agreement:

- **Exhibit A: Scope of Work**
- **Exhibit B: Audit Requirements**
 - **Exhibit 1 to Exhibit B: Funding Resources**
- **Exhibit C: Audit Compliance Certification**
- **Exhibit D: Grantee’s Resolution**
- **Exhibit E: Notice of Completion and Engineer’s Certification of Compliance**
- **Exhibit F: State and Federal Statutes, Regulations, and Policies**

WHEREAS, this Agreement and its Exhibits are hereinafter collectively referred to as the “Agreement”, and if any inconsistencies or conflict between the language of this Agreement and its Exhibits arise, then the language of the Exhibits shall control, but only to the extent of the conflict or inconsistency.

NOW, THEREFORE, incorporating by reference the foregoing recitals, which are an integral part of this Agreement, and for and in consideration of the agreements, covenants and obligations set forth herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:

AGREEMENT

1. TERM. This Agreement is effective as of the date on which Commerce executes this Agreement (“Effective Date”) and shall continue until the earlier to occur of (a) December 31, 2037, (“Expiration Date”)

Commerce Agreement No.: G0141

unless an extension of the time period is requested by Grantee and granted in writing by Commerce prior to the expiration of this Agreement or (b) the date on which this Agreement is terminated pursuant to Section 27. Notwithstanding the foregoing, the provisions of Sections 2, 7-11, 15, 16, 19, 26-31, 37, and Sections 5 and 11 of Exhibit A, Scope of Work shall survive the termination or expiration of this Agreement; provided, however, that the record-keeping and audit-related obligations set forth in Section 11 shall terminate in accordance with the requirements of Section 11. Expiration of this Agreement will be considered termination of the Project. Notwithstanding the foregoing, in the event that Grantee fully satisfies its obligations set forth in Exhibit A, Scope of Work, as determined by Commerce in its reasonable discretion, prior to the date set forth in the preceding sentence, then the “Expiration Date” shall be the date of such determination.

2. PERFORMANCE REQUIREMENTS: Grantee shall perform the services specified herein in accordance with the terms and conditions of this Agreement and all attachments and exhibits attached hereto and incorporated herein.

3. TYPE OF AGREEMENT: This Agreement is a *cost reimbursement* agreement.

4. RELEASE OF FUNDS: Commerce shall pay Grantee up to *Two Million, One Hundred Thirteen Thousand, Five Hundred Sixty Dollars and Zero Cents (\$2,113,560.00)* in consideration for Grantee’s performance and services pursuant to this Agreement. In accordance with section 287.0582, F.S., the State of Florida and Commerce’s performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. Commerce has final authority as to both the availability of funds and what constitutes an “annual appropriation” of funds. The lack of appropriation or availability of funds shall not constitute a default by Commerce. Grantee shall not use funds provided pursuant to section 288.101, F.S., for the exclusive benefit of any single company, corporation, or business entity. Commerce has final authority as to what may constitute an “exclusive benefit of any single company, corporation, or business entity” under this Agreement. Use of funds provided pursuant to section 288.101, F.S., for the exclusive benefit of any single company, corporation, or business entity is strictly prohibited, and Commerce may, in its sole discretion, terminate this Agreement and demand immediate repayment of all funds, plus reasonable interest thereon, if Commerce determines that Grantee used funds provided pursuant to this Agreement for the exclusive benefit of any single company, corporation, or business entity. Grantee is liable for all costs that exceed the payment amount provided by Commerce.

5. PAYMENTS TO GRANTEE:

a. Grantee shall provide Commerce’s Agreement Manager invoices in accordance with the requirements of the State of Florida Reference Guide for State Expenditures (<https://www.myfloridacfo.com/docs-sf/accounting-and-auditing-libraries/state-agencies/reference-guide-for-state-expenditures.pdf>) and with detail sufficient for a proper pre-audit and post-audit thereof. Invoices must also comply with the following:

1) Invoices must be legible and must clearly reflect the goods/services that were provided in accordance with the terms of this Agreement for the invoice period. Payment does not become due under this Agreement until Commerce accepts and approves the invoiced deliverable(s) and any required report(s).

2) Invoices must contain Grantee’s name, address, federal employer identification number or other applicable Grantee identification number, this Agreement number, the invoice number, and the invoice period. Commerce or the State may require any additional information from Grantee that Commerce or the State deems necessary to process an invoice in their sole and absolute discretion.

3) Invoices must be submitted in accordance with the time requirements specified in Exhibit A, SCOPE OF WORK.

b. At Commerce’s or the State’s option, Grantee may be required to invoice electronically pursuant to guidelines of the Department of Management Services. Current guidelines require that Grantee supply electronic invoices in lieu of paper-based invoices for those transactions processed through the system. Electronic invoices shall be submitted to Commerce’s Agreement Manager through the Ariba Supplier Network (ASN) in one of the following mechanisms – EDI 810, cXML, or web-based invoice entry within the ASN.

c. Payment shall be made in accordance with section 215.422, F.S., governing time limits for payment of invoices. The SCOPE OF WORK may specify conditions for retainage. Invoices returned to a

Commerce Agreement No.: G0141

Grantee due to preparation errors will result in a delay of payment. Commerce is responsible for all payments under this Agreement.

d. Section 55.03(1), F.S., identifies the process applicable to the determination of the rate of interest payable on judgments and decrees, and pursuant to section 215.422(3)(b), F.S., this same process applies to the determination of the rate of interest applicable to late payments to vendors for goods and services purchased by the State and for contracts which do not specify a rate of interest. The applicable rate of interest is published at: <https://www.myfloridacfo.com/Division/AA/LocalGovernments/Current.htm>.

e. If authorized and approved, Grantee may be provided an advance as part of this Agreement.

f. VENDOR OMBUDSMAN: In accordance with section 215.422(5), F.S., a Vendor Ombudsman, within the Department of Financial Services, advocates for vendors who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be contacted at (850) 413-5516 or by calling the Chief Financial Officer's Hotline, (800) 342-2762.

g. If Grantee is a county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., the payment of submitted invoices may be issued for verified and eligible performance that has been completed in accordance with the terms and conditions set forth in this Agreement to the extent that federal or state law, rule, or other regulation allows such payments. Upon meeting either of the criteria set forth below, the Grantee may elect in writing to exercise this provision.

1. A county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., that demonstrates financial hardship; or
2. A county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., and which is in a fiscally constrained county, as defined in section 218.67(1).

If the Grantee meets the criteria set forth in this paragraph, then the Grantee is deemed to have demonstrated a financial hardship.

6. REQUIREMENTS OF SECTION 287.058(1)(A) THROUGH (I), FLORIDA STATUTES:

a. Grantee shall submit bills for fees or other compensation for services or expenses in detail sufficient for a proper pre-audit and post-audit thereof.

b. Travel expenses are not authorized under this Agreement.

c. Commerce shall have the right to unilaterally cancel this Agreement for Grantee's refusal to allow public access to all documents, papers, letters, or other materials made or received by Grantee in conjunction with this Agreement, unless the records are exempt from s. 24(a) of Article I of the State Constitution and s. 119.07(1), F.S.

d. Grantee shall perform all tasks contained in Exhibit A, SCOPE OF WORK, attached hereto and incorporated herein.

e. Commerce shall not pay Grantee until Commerce: (1) determines satisfactory completion of each Deliverable described in the SCOPE OF WORK in accordance with the "Minimum Level of Service" and (2) gives Grantee written notice of same.

f. Grantee must meet all requirements listed in Exhibit A, SCOPE OF WORK, and complete them by the specified deadline to fulfill the terms of this Agreement.

g. This Agreement may not be renewed.

h. If Grantee fails to perform in accordance with this Agreement, Commerce shall apply the financial consequences specified in Exhibit A, SCOPE OF WORK, of this Agreement.

i. Unless otherwise agreed upon in a separate writing, Grantee shall own all intellectual property rights preexisting the starting date of this Agreement, and the State of Florida through Commerce shall own all intellectual property rights Grantee or Grantee's agent or contractor created or otherwise developed in performance of this Agreement after the starting date of this Agreement; provided, further, that proceeds derived from the sale, licensing, marketing, or other authorization related to any such state-owned intellectual property right shall be handled in the manner specified by applicable state statute.

7. REPRESENTATIONS AND WARRANTIES. Grantee hereby makes the following representations and warranties to Commerce, each of which shall be deemed to be a separate representation and warranty, all of which have been made for the purpose of inducing Commerce to enter into this Agreement, and in reliance on which Commerce has entered into this Agreement, as of the Effective Date, the dates on

Commerce Agreement No.: G0141

which Grantee submits each request for reimbursement under this Agreement, and the dates on which Grantee receives any reimbursement:

a. Grantee has all necessary power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary actions on the part of Grantee. After Grantee's execution and delivery and upon Commerce's execution and delivery of this Agreement, this Agreement constitutes the legal, valid, and binding obligation of Grantee, enforceable against Grantee in accordance with its terms (subject to applicable bankruptcy, insolvency, moratorium, reorganization, or similar laws affecting the rights of creditors generally and the availability of equitable remedies).

b. Grantee's execution and delivery of this Agreement and Grantee's performance of the transactions contemplated hereby do not: (i) conflict with or result in a breach of any provision of Grantee's charter or similar constitutive document, (ii) result in violation or breach of or constitute a default (or an event which, with or without notice or lapse of time or both, would constitute a default) under, or result in the termination, modification, cancellation or acceleration under the terms, conditions, or provisions of any of Grantee's indentures, material agreements or other material instruments; or (iii) violate any applicable law or regulation. Grantee has not been convicted of a "public entity crime" (as such term is defined in section 287.133, F.S.) nor has Grantee been placed on the "discriminatory vendor list" (as such term is defined in section 287.134, F.S.). None of Grantee's elected or appointed officers, agents, employees, or other persons acting on its behalf has taken any act in furtherance of an offer, payment, promise to pay, authorization, or ratification of the payment, directly or indirectly, of any gift, money, or anything of value to a government official or to obtain or retain business from any person or entity in violation of applicable law.

c. No event, change, or condition has occurred that has had, or would reasonably be expected to have, a material adverse effect on the financial condition of Grantee or the Project, in each case, since the date of the Proposal. No litigation, investigation, claim, criminal prosecution, civil investigative demand, imposition of criminal or civil fines and penalties, or any other proceeding of or before any arbitrator or governmental authority is pending or, to the knowledge of Grantee, threatened by or against Grantee or against any of its properties or assets, which, individually or in the aggregate, could reasonably be expected to result in a material and adverse effect on the financial condition of Grantee, the Project, or Grantee's ability to perform its obligations under this Agreement. No state or federal criminal investigation, criminal prosecution, civil investigative demand, imposition of criminal or civil fines and penalties, or any other proceeding of the Office of the Attorney General of the State of Florida, any State Attorney in the State of Florida, the United States Department of Justice, or any other prosecutorial or law enforcement authority is pending or, to the knowledge of Grantee, threatened by or against Grantee or any of its elected officials. Grantee must keep Commerce informed continuously throughout the duration of this Agreement. This duty must be performed promptly.

d. Commerce shall be deemed to have relied upon the express representations and warranties set forth herein notwithstanding any knowledge on the part of Commerce of any untruth of any such representation or warranty of Grantee expressly set forth in this Agreement, regardless of whether such knowledge was obtained through Commerce's own investigation or otherwise, and regardless of whether such knowledge was obtained before or after the execution and delivery of this Agreement. No information, report, financial statement, exhibit or schedule furnished by Grantee to Commerce in connection with the negotiation of this Agreement (including, without limitation, the Proposal) or delivered pursuant to this Agreement when taken together, contained or contains any material misstatement of fact or omitted or omits to state any material fact necessary to make the statements contained herein or therein, in the light of the circumstances under which they were made, not misleading. If it is later discovered a material misstatement or omission was made, Grantee shall immediately inform Commerce.

8. LAWS APPLICABLE TO THIS AGREEMENT:

a. The laws of the State of Florida shall govern the construction, enforcement and interpretation of this Agreement, regardless of and without reference to whether any applicable conflicts of laws principles may point to the application of the laws of another jurisdiction without limiting the provisions of the DISPUTE RESOLUTION Section of this Agreement, the exclusive personal jurisdiction and venue to resolve any and all disputes between them including, without limitation, any disputes arising out of or relating to this Agreement shall be in the state courts of the State of Florida in the County of Leon. The Parties expressly consent to the exclusive personal jurisdiction and venue in any state court located in Leon County, Florida, and waive any

Commerce Agreement No.: G0141

defense of forum non conveniens, lack of personal jurisdiction, or like defense, and further agree that any and all disputes between them shall be solely in the State of Florida. Should a transfer of venue be necessary, Grantee agrees to pay all costs associated with the transfer. Should any term of this Agreement conflict with any applicable law, rule, or regulation, the applicable law, rule, or regulation shall control over the provisions of this Agreement. IN ANY LEGAL OR EQUITABLE ACTION BETWEEN THE PARTIES, THE PARTIES HEREBY EXPRESSLY WAIVE TRIAL BY JURY TO THE FULLEST EXTENT PERMITTED BY LAW.

b. If applicable, Grantee is following the rules for e-procurement as directed by rule 60A-1.033, F.A.C., and that it will maintain eligibility for this Agreement through the MyFloridaMarketplace.com system.

c. Grantee shall not expend any funds provided under this Agreement for the purpose of lobbying the Legislature, the judicial branch, or any state agency. Commerce shall ensure compliance with sections 11.062 and 216.347, F.S. Grantee shall not, in connection with this or any other agreement with the State, directly or indirectly: (1) offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for any State officer or employee's decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty; or (2) offer, give, or agree to give to anyone any gratuity for the benefit of, or at the direction or request of, any State officer or employee. For purposes of clause (2), "gratuity" means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. Upon request of Commerce's Inspector General, or other authorized State official, Grantee shall provide any type of information the Inspector General deems relevant to Grantee's integrity or responsibility. Such information may include, but shall not be limited to, Grantee's business or financial records, documents, or files of any type or form that refer to or relate to this Agreement. Grantee shall retain such records in accordance with the record retention requirements of Part V of Exhibit B, AUDIT REQUIREMENTS.

d. Grantee shall reimburse the State for the reasonable costs of investigation incurred by the Inspector General or other authorized State official for investigations of Grantee's compliance with the terms of this or any other agreement between Grantee and the State which results in the suspension or debarment of Grantee. Such costs shall include but shall not be limited to salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. Grantee shall not be responsible for any costs of investigations that do not result in Grantee's suspension or debarment. Grantee understands and will comply with the requirements of section 20.055(5), F.S., including but not necessarily limited to, the duty of Grantee and any of Grantee's subcontractors to cooperate with the inspector general in any investigation, audit, inspection, review, or hearing pursuant to section 20.055, F.S.

e. Public Entity Crime: Grantee is aware of and understands the provisions of section 287.133(2)(a), F.S. pursuant to which a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on an agreement to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on an agreement with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a Grantee, supplier, subcontractor or consultant under an agreement with any public entity and may not transact business with any public entity in excess of the threshold amount provided in section 287.017, F.S., for Category Two (\$35,000 in 2023) for a period of 36 months from the date of being placed on the convicted vendor list. Grantee shall disclose to Commerce if Grantee, or any of Grantee's affiliates, as defined in section 287.133(1)(a), F.S., is on the convicted vendor list or on any similar list maintained by any other state or the federal government.

f. Limitations on Advertising of Agreement: Subject to chapter 119, F.S., Grantee shall not publicly disseminate any information concerning this Agreement without prior written approval from Commerce, including, but not limited to, mentioning this Agreement in a press release or other promotional material, identifying Commerce or the State as a reference, or otherwise linking Grantee's name and either a description of this Agreement or the name of Commerce or the State in any material published, either in print or electronically, to any entity that is not a Party to this Agreement, except potential or actual employees, agents, representatives, or subcontractors with the professional skills necessary to perform the work services this Agreement requires.

g. Disclosure of Sponsorship: As required by section 286.25, F.S., if Grantee is a nongovernmental organization that sponsors a program financed wholly or in part by state funds, including any funds obtained through this Agreement, it shall, in publicizing, advertising, or describing the sponsorship of the program, state: "Sponsored by (Grantee's name) and the State of Florida, Department of Commerce." If

Commerce Agreement No.: G0141

the sponsorship reference is in written material, the words "State of Florida, Department of Commerce" shall appear in the same size letters or type as the name of the organization.

h. Mandatory Disclosure Requirements:

1) Conflict of Interest: This Agreement is subject to chapter 112, F.S. Grantee shall disclose the name of any officer, director, employee, or other agent who is also an employee of the State. Grantee shall also disclose the name of any State employee who owns, directly or indirectly, more than a 5 percent interest in Grantee or Grantee's affiliates.

2) Vendors on Scrutinized Companies Lists: Grantee is aware of and understands the provisions of section 287.134(2)(a), F.S. As required by section 287.135(5), Grantee certifies that it is not: (1) listed on the Scrutinized Companies that Boycott Israel List, created pursuant to section 215.4725, F.S.; (2) engaged in a boycott of Israel; (3) listed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to section 215.473, F.S.; (4) engaged in business operations in Cuba or Syria.

a) Pursuant to section 287.135(5), F.S., Commerce may immediately terminate this Agreement if Grantee submits a false certification as to the above, or if Grantee is placed on the Scrutinized Companies that Boycott Israel List, engages in a boycott of Israel, is placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or has engaged in business operations in Cuba or Syria.

b) If Commerce determines that Grantee has submitted a false certification, Commerce will provide written notice to Grantee. Unless Grantee demonstrates in writing, within 90 calendar days of receipt of the notice, that Commerce's determination of false certification was made in error, Commerce may bring a civil action against Grantee. If Commerce's determination is upheld, a civil penalty equal to the greater of \$2 million or twice the amount of this Agreement shall be imposed on Grantee, and Grantee will be ineligible to bid on any Agreement with any agency or local governmental entity for three years after the date of Commerce's determination of false certification by Grantee.

c) If federal law ceases to authorize the states to adopt and enforce the contracting prohibition identified herein, this provision shall be null and void.

3) Discriminatory Vendors: Grantee shall disclose to Commerce if it or any of its affiliates, as defined by section 287.134(1)(a), F.S., appears on the discriminatory vendor list. An entity or affiliate placed on the discriminatory vendor list pursuant to section 287.134, F.S., may not: (1) submit a bid, proposal, or reply on a contract or agreement to provide any goods or services to a public entity; (2) submit a bid, proposal, or reply on a contract or agreement with a public entity for the construction or repair of a public building or public work; (3) submit bids, proposals, or replies on leases of real property to a public entity; (4) be awarded or perform work as a contractor, subcontractor, Grantee, supplier, subgrantee, or consultant under a contract or agreement with any public entity; or (5) transact business with any public entity.

4) Abuse, Neglect, and Exploitation Incident Reporting: In compliance with sections 39.201 and 415.1034, F.S., an employee of Grantee who knows or has reasonable cause to suspect that a child, aged person, or disabled adult is or has been abused, neglected, or exploited shall immediately report such knowledge or suspicion to the Florida Abuse Hotline by calling 1-800-96ABUSE, or via the web reporting option at www.myflfamilies.com/service-programs/abuse-hotline, or via fax at 1-800-914-0004.

5) Information Release:

a) Grantee shall keep and maintain public records required by Commerce to perform Grantee's responsibilities hereunder. Grantee shall, upon request from Commerce's custodian of public records, provide Commerce with a copy of the requested records or allow the records to be inspected or copied within a reasonable time per the cost structure provided in chapter 119, F.S., and in accordance with all other requirements of chapter 119, F.S., or as otherwise provided by law. Upon expiration or termination of this Agreement, Grantee shall transfer, at no cost, to Commerce all public records in possession of Grantee or keep and maintain public records required by Commerce to perform the service. If Grantee keeps and maintains public records upon completion of this Agreement, Grantee shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to Commerce, upon request from the Commerce's custodian of records, in a format that is compatible with the information technology systems of Commerce.

b) If Commerce does not possess a record requested through a public records request, Commerce shall notify Grantee of the request as soon as practicable, and Grantee must provide the records to Commerce or allow the records to be inspected or copied within a reasonable time. If Grantee does

Commerce Agreement No.: G0141

not comply with Commerce's request for records, Commerce shall enforce the provisions set forth in this Agreement. A Grantee who fails to provide public records to Commerce within a reasonable time may be subject to penalties under section 119.10, F.S.

c) Grantee acknowledges that Commerce is subject to the provisions of chapter 119, F.S., relating to public records and that reports, invoices, and other documents Grantee submits to Commerce under this Agreement may constitute public records under Florida Statutes. Grantee must cooperate with Commerce regarding Commerce's efforts to comply with the requirements of chapter 119, F.S.

d) If Grantee submits records to Commerce that are confidential and exempt from public disclosure as trade secrets or proprietary confidential business information, such records should be clearly marked and specifically identified as such by Grantee prior to submittal to Commerce. Failure to clearly mark and identify the legal basis for each exemption from the requirements of chapter 119, F.S., prior to submittal of the record to Commerce may serve as a waiver of a claim of exemption. Grantee shall ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of this Agreement term and following completion of this Agreement if Grantee does not transfer the records to Commerce upon termination of this Agreement.

e) Grantee shall allow public access to all records made or received by Grantee in conjunction with this Agreement, unless the records are exempt from s. 24(a) of Article I of the State Constitution and section 119.07(1), F.S. For records made or received by Grantee in conjunction with this Agreement, Grantee shall respond to requests to inspect or copy such records in accordance with chapter 119, F.S.

f) In addition to Grantee's responsibility to directly respond to each request it receives for records made or received by Grantee in conjunction with this Agreement and to provide the applicable public records in response to such request, Grantee shall notify Commerce of the receipt and content of such request by sending an e-mail to PRRequest@Commerce.fl.gov within one business day from receipt of such request.

g) Grantee shall notify Commerce verbally within 24 chronological hours and in writing within 72 chronological hours if any data in Grantee's possession related to this Agreement is subpoenaed or improperly used, copied, or removed (except in the ordinary course of business) by anyone except an authorized representative of Commerce. Grantee shall cooperate with Commerce in taking all steps as Commerce deems advisable to prevent misuse, regain possession, and/or otherwise protect the State's rights and the data subject's privacy.

h) IF GRANTEE HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO GRANTEE'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS by telephone at 850-245-7140, via e-mail at PRRequest@Commerce.fl.gov, or by mail at Department of Commerce, Public Records Coordinator, 107 East Madison Street, Caldwell Building, Tallahassee, Florida 32399-4128.

6) Funding Requirements of section 215.971(1), F.S.:

a) Grantee and its subcontractors may only expend funding under this Agreement for allowable costs resulting from obligations incurred during the term of this Agreement. To be eligible for reimbursement, costs must be in compliance with laws, rules, and regulations applicable to expenditures of State funds, including, but not limited to, the Reference Guide for State Expenditures (<https://www.myfloridacfo.com/docs-sf/accounting-and-auditing-libraries/state-agencies/reference-guide-for-state-expenditures.pdf>).

b) Grantee shall refund to Commerce any balance of unobligated funds which has been advanced or paid to Grantee.

c) Grantee shall refund to Commerce all funds paid exceeding the amount to which Grantee or its subcontractors are entitled under the terms and conditions of this Agreement.

Commerce Agreement No.: G0141

7) **Section 288.101, F.S.:** Grantee shall: (a) construct or repair the state or local public infrastructure that is the subject of this Agreement, as described in Exhibit A, SCOPE OF WORK, in a manner that meets and complies with all federal, state, and local laws, rules, and regulations, including but not limited to, the requirements of section 288.101, F.S.; (b) not use funds provided under this Agreement for the exclusive benefit of any single company, corporation, or business entity; (c) use funds provided under this Agreement to promote economic recovery in specific regions of the state, economic diversification, or economic enhancement in a targeted industry via the construction or repair of the public infrastructure; and (d) the public infrastructure must be: (i) owned by the public, and be for public use or predominately benefit the public; and (ii) if the public infrastructure is leased or sold, it must be leased or sold at fair market rates or value.

9. **FINAL INVOICE:** Grantee shall submit the final invoice for payment to Commerce no later than 60 calendar days after this Agreement ends or is terminated. If Grantee fails to do so, Commerce, in its sole and absolute discretion, may refuse to honor any requests submitted after this time and may consider Grantee to have forfeited any and all rights to payment under this Agreement.

10. RECOUPMENT OF FUNDS:

a. Grantee shall refund to Commerce any overpayment of funds due to unearned or disallowed funds under this Agreement as follows: (a) if Grantee or an independent auditor discovers an overpayment, Grantee shall repay to Commerce such overpayment no later than 30 calendar days after discovery or notification of each such overpayment; or (b) if Commerce first discovers an overpayment, Commerce shall notify Grantee in writing, and Grantee shall repay to Commerce each such overpayment no later than 30 calendar days after receiving Commerce's notification. Refunds should be sent to Commerce's Agreement Manager and made payable to the "Department of Commerce." Commerce may charge interest at the highest lawful rate of interest on the outstanding balance beginning on the 31st calendar day after the date of notification or discovery. Commerce is the final authority as to what may constitute an "overpayment" under this Agreement.

b. Notwithstanding any other provisions of this Agreement, including but not limited to the damages limitations of the LAWS APPLICABLE TO THIS AGREEMENT Section herein, if Grantee is non-compliant with any provision of this Agreement or applicable law, or if Commerce imposes financial consequences on Grantee pursuant to the terms of this Agreement, Commerce has the right to recoup all resulting cost, monetary loss and/or funds owed to Commerce or the State, from monies owed to Grantee under this Agreement or any other Agreement between Grantee and any State entity. If the discovery of such noncompliance or imposition of financial consequences and resulting cost, loss, and/or debt to Commerce or the State arises when no monies are owed to Grantee under this Agreement or any other Agreement between Grantee and any State entity, Grantee shall pay Commerce in full such cost, loss, and/or funds owed to Commerce or the State with non-State funds within 30 calendar days of the date of notice of the amount owed, unless Commerce agrees, in writing, to an alternative timeframe. Commerce, in Commerce's sole and absolute discretion, shall determine the resulting cost, loss and/or funds owed to Commerce or the State under this Agreement.

11. AUDITS AND RECORDS:

a. Representatives of Commerce, the Chief Financial Officer of the State of Florida, the Auditor General of the State of Florida, the Florida Office of Program Policy Analysis and Government Accountability or representatives of the federal government and their duly authorized representatives shall have access to any of Grantee's books, documents, papers, and records, including electronic storage media, as they may relate to this Agreement, for the purposes of conducting audits or examinations or making excerpts or transcriptions.

b. Grantee shall maintain books, records, and documents in accordance with generally accepted accounting procedures and practices which sufficiently and properly reflect all expenditures of funds Commerce provided under this Agreement.

c. Grantee shall comply with all applicable requirements of s. 215.97, F.S., and Exhibit B, AUDIT REQUIREMENTS; and, if an audit is required thereunder, Grantee shall disclose all related party transactions to the auditor.

d. Grantee shall retain all Grantee's records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this Agreement in accordance with the record retention requirements of Part V of Exhibit B, AUDIT REQUIREMENTS. Upon

Commerce Agreement No.: G0141

Commerce's request, Grantee shall cooperate with Commerce to facilitate the duplication and transfer of such records or documents.

e. Grantee shall include the audit and record keeping requirements in all approved subrecipient subcontracts and assignments.

f. Within 60 calendar days of the close of Grantee's fiscal year, on a yearly basis, Grantee shall electronically submit a completed AUDIT COMPLIANCE CERTIFICATION (a version of this certification is attached hereto as Exhibit C) to audit@Commerce.fl.gov. Grantee's timely submittal of one completed AUDIT COMPLIANCE CERTIFICATION for each applicable fiscal year will fulfill this requirement within all agreements (e.g., contracts, grants, memorandums of understanding, memorandums of agreement, economic incentive award agreements, etc.) between Commerce and Grantee.

g. Grantee shall (i) maintain all funds Grantee received pursuant to this Agreement in bank accounts separate from its other operating or other special purposes accounts, or (ii) expressly designate in Grantee's business records and accounting system, maintained in good faith and in the regular course of business, that such funds originated from this Agreement. Grantee shall not commingle the funds provided under this Agreement with any other funds, projects, or programs. Commerce may, in its sole and absolute discretion, disallow costs that result from purchases made with commingled funds.

12. EMPLOYMENT ELIGIBILITY VERIFICATION:

- a. E-Verify is an Internet-based system that allows an employer, using information reported on an employee's Form I-9, Employment Eligibility Verification, to determine the eligibility of all new employees hired to work in the United States. There is no charge to employers to use E-Verify. The Department of Homeland Security's E-Verify system can be found at: <https://www.e-verify.gov/>.
- b. In accordance with section 448.095, F.S., the State of Florida expressly requires the following:
 - i. Every public agency and its contractors and subcontractors shall register with and use the E-Verify system to verify the work authorization status of all newly hired employees. A public agency or a contractor or subcontractor thereof may not enter into a contract unless each party to the contract registers with and uses the E-Verify system.
 - ii. An employer shall verify each new employee's employment eligibility within three (3) business days after the first day that the new employee begins working for pay as required under 8 CFR 274a. Beginning July 1, 2023, a private employer with 25 or more employees shall use the E-Verify system to verify a new employee's employment eligibility.
- c. If Grantee does not use E-Verify, Grantee shall enroll in the E-Verify system prior to hiring any new employee or retaining any contract employee after the effective date of this Agreement.

13. DUTY OF CONTINUING DISCLOSURE OF LEGAL PROCEEDINGS:

a. Prior to execution of this Agreement, Grantee must disclose in a written statement to Commerce's Agreement Manager all prior or on-going civil or criminal litigation, investigations, arbitration or administrative proceedings (collectively "Proceedings") involving Grantee (and each subcontractor of Grantee). Thereafter, Grantee has a continuing duty to promptly disclose all Proceedings upon occurrence.

b. This duty of disclosure applies to Grantee's or Grantee's subcontractor's officers and directors when any Proceeding relates to the officer or director's business or financial activities. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated as such.

c. Grantee shall promptly notify Commerce's Agreement Manager of any Proceeding relating to or affecting Grantee's or Grantee's subcontractor's business. If the existence of such Proceeding causes the State concern about Grantee's ability or willingness to perform this Agreement, then upon Commerce's request, Grantee shall provide to Commerce's Agreement Manager all reasonable assurances that: (i) Grantee will be able to perform this Agreement in accordance with its terms and conditions; and (ii) Grantee and/or its employees, agents, or subcontractor(s) have not and will not engage in conduct in performing services for Commerce which is similar in nature to the conduct alleged in such Proceeding.

14. ASSIGNMENTS AND SUBCONTRACTS:

a. Grantee shall not assign, sublicense, or otherwise transfer its rights, duties, or obligations under this Agreement, by operation of law or otherwise, without the prior written consent of Commerce, which

Commerce Agreement No.: G0141

consent may be withheld in Commerce's sole and absolute discretion. Any Grantee's attempted assignment of this Agreement or any of the rights hereunder in violation of this provision shall be void *ab initio*. Commerce will always be entitled to assign or transfer its rights, duties, or obligations under this Agreement to another governmental entity in the State of Florida upon giving prior written notice of same to Grantee.

b. Grantee shall be responsible for all work performed and all expenses incurred in fulfilling the obligations of this Agreement. If Commerce permits Grantee to subcontract all or part of the work contemplated under this Agreement, including entering subcontracts with vendors for services, Grantee shall formalize all such subcontracts in documents containing all provisions appropriate and necessary to ensure subcontractor's compliance with this Agreement and applicable state and federal law. Grantee shall be solely liable to the subcontractor for all expenses and liabilities incurred under each subcontract. If Commerce approves transfer of Grantee's obligations, Grantee remains responsible for all work performed and all expenses incurred in connection with this Agreement. Grantee, at Grantee's expense, shall defend Commerce against all Grantee's subcontractors' claims of expenses or liabilities incurred under subcontracts.

c. Grantee shall only use properly trained persons who meet or exceed any specified training qualifications as employees, subcontractors, and agents performing work under this Agreement. Upon request, Grantee shall furnish a copy of technical certification or other proof of qualification. All Grantee's employees, subcontractors, or agents performing work under this Agreement shall comply with all Commerce security and administrative requirements detailed herein. Commerce may conduct, and Grantee shall cooperate with all security background checks or other assessments of Grantee's employees, subcontractors, or agents. Commerce may refuse access to or require replacement of any of Grantee's employees, subcontractors, or agents for cause, including, but not limited to technical or training qualifications, quality of work, change in security status, or non-compliance with Commerce's security or administrative requirements. Such refusal shall not relieve Grantee of its obligation to perform all work in compliance with this Agreement. For cause, Commerce may reject and bar any of Grantee's employees, subcontractors, or agents from any facility.

d. This Agreement shall bind the successors, assigns, and legal representatives of Grantee and of any legal entity that succeeds to the obligations of Commerce.

e. In accordance with section 287.0585, F.S., and unless otherwise agreed upon in writing between Grantee and subcontractor, Grantee shall pay each Grantee's subcontractor within seven working days of receiving Commerce's full or partial payments. Grantee's failure to comply with the immediately preceding sentence shall result in a penalty charged against Grantee and paid to the subcontractor in the amount of one-half of one percent of the amount due per day from the expiration of the period allowed herein for payment. Such penalty shall be in addition to actual payments owed and shall not exceed fifteen percent (15%) of the outstanding balance due.

f. Grantee shall provide to Commerce a Minority and Service-Disabled Veteran Business Enterprise Report with each invoice summarizing the participation of certified and non-certified minority and service-disabled veteran subcontractors/material suppliers for that period and the project to date. This report shall include the names, addresses and compensation dollar amount of each certified and non-certified Minority Business Enterprise and Service-Disabled Veteran Enterprise participant and shall be sent to Commerce's Agreement Manager. The Office of Supplier Diversity at (850) 487-0915 is available to provide information re: qualified minorities. Commerce's Minority Coordinator can be reached at (850) 245-7471 to answer concerns and questions.

g. This Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give any person or entity, other than the Parties and such permitted successors and assigns, any legal or equitable rights hereunder.

15. NONEXPENDABLE PROPERTY:

a. For purposes of this Agreement, "nonexpendable property" is the same as "property" as defined in section 273.02, F.S., (equipment, fixtures, and other tangible personal property of a non-consumable and nonexpendable nature.)

b. All nonexpendable property, purchased under this Agreement, shall be listed on the property records of Grantee. Grantee shall inventory annually and maintain accounting records for all nonexpendable property purchased and submit an inventory report to Commerce with the final expenditure report. The records shall include, at a minimum, the following information: property tag identification number, description of the item(s), physical location, name, make or manufacturer, year, and/or model, manufacturer's serial number(s), date of acquisition, and the current condition of the item.

Commerce Agreement No.: G0141

c. At no time shall Grantee dispose of nonexpendable property purchased under this Agreement without Commerce's written permission; provided further that Grantee shall always follow Commerce's instructions regarding such disposition.

d. Immediately upon discovery, Grantee shall notify Commerce, in writing, of any property loss with the date and reason(s) for the loss.

e. Grantee shall be responsible for the correct use of all nonexpendable property Grantee purchases or Commerce furnishes under this Agreement.

f. A formal Agreement amendment is required prior to the purchase of any item of nonexpendable property not specifically listed in the approved Agreement budget.

g. Title (ownership) to all nonexpendable property acquired with funds from this Agreement shall be vested in Commerce and said property shall be transferred to Commerce upon completion or termination of this Agreement unless otherwise authorized in writing by Commerce.

16. REQUIREMENTS APPLICABLE TO THE PURCHASE OF OR IMPROVEMENTS TO REAL PROPERTY: In accordance with section 287.05805, F.S., if funding provided under this Agreement is used for the purchase of or improvements to real property, Grantee shall grant Commerce a security interest in the property in the amount of the funding provided by this Agreement for the purchase of or improvements to the real property for five years from the date of purchase or the completion of the improvements or as further required by law.

17. INFORMATION RESOURCE ACQUISITION: Grantee shall obtain prior written approval from the appropriate Commerce authority before purchasing any Information Technology Resource (ITR) or conducting any activity that will impact Commerce's electronic information technology equipment or software, as defined in Commerce Policy Number 5.01, in any way. ITR includes computer hardware, software, networks, devices, connections, applications, and data. Grantee shall contact the Commerce Agreement Manager listed herein in writing for the contact information of the appropriate Commerce authority for any such ITR purchase approval.

18. INSURANCE: (NOTE: If Grantee is a state agency or subdivision, as defined in section 768.28(2), F.S., then pursuant to section 768.28(19), F.S., neither Party provides insurance for the other. However, the Grantee will require all of its contractors to provide insurance to Commerce as set forth.) During this Agreement, including the initial Agreement term, renewal(s), and extensions, Grantee, at its sole expense, shall maintain insurance coverage of such types and with such terms and limits as may be reasonably associated with this Agreement and further described below. Providing and maintaining adequate insurance coverage is a material obligation of Grantee, and failure to maintain such coverage may void this Agreement, at Commerce's sole and absolute discretion, after Commerce's review of Grantee's insurance coverage when Grantee is unable to comply with Commerce's requests regarding additional appropriate and necessary insurance coverage. The limits of coverage under each policy maintained by Grantee shall not be interpreted as limiting Grantee's liability and obligations under this Agreement. All insurance policies shall be through insurers licensed and authorized to write policies in Florida.

a. Upon execution of this Agreement, Grantee shall provide Commerce written verification of the existence and amount for each type of applicable insurance coverage. The insurance policy must name Commerce as an additional insured and identify Commerce's Agreement Number. Within 30 calendar days of the Effective Date, Grantee shall furnish Commerce proof of applicable insurance coverage by standard ACORD form certificates of insurance. If any applicable coverage is cancelled for any reason, Grantee shall immediately notify Commerce of such cancellation and must obtain adequate replacement coverage conforming to the requirements herein and provide proof of such replacement coverage within 15 business days after the cancellation of coverage. Copies of new insurance certificates must be provided to Commerce's Agreement Manager with each insurance renewal.

b. Commerce shall not pay for any insurance policy deductible. The payment of each such deductible shall be Grantee's sole responsibility. Grantee shall obtain the following types of insurance policies.

1) Commercial General Liability Insurance: Grantee shall carry Commercial General Liability insurance providing continuous coverage for all work or operations performed under the Agreement. Such insurance shall be no more restrictive than that provided by the latest occurrence form edition of the standard Commercial General Liability Coverage Form (ISO Form CG 00 01) as filed for use in the State of

Commerce Agreement No.: G0141

Florida. Grantee shall cause Commerce to be made an Additional Insured as to such insurance. Such coverage shall be on an “occurrence” basis and shall include Products/Completed Operations coverage. The coverage afforded to Commerce as an Additional Insured shall be primary and non-contributory as to any other available insurance and shall not be more restrictive than the coverage afforded to the Named Insured. The limits of coverage shall not be less than \$1,000,000 for each occurrence and not less than a \$5,000,000 annual general aggregate, inclusive of amounts provided by an umbrella or excess policy. The limits of coverage described herein shall apply fully to the work or operations performed under the Agreement and may not be shared with or diminished by claims unrelated to the agreement. The policy/ies and coverage described herein may be subject to a deductible. The Grantee shall pay all deductibles as required by the policy. No policy/ies or coverage described herein may contain or be subject to a Retention or a Self-Insured Retention. Prior to the execution of the Contract, and at all renewal periods which occur prior to final acceptance of the work, Commerce shall be provided with an ACORD Certificate of Liability Insurance and the applicable endorsement(s) reflecting the coverage described herein. Commerce shall be notified in writing within ten days of any cancellation, notice of cancellation, lapse, renewal, or proposed change to any policy or coverage described herein. Commerce's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights or defenses Commerce may have.

2) Workers' Compensation and Employer's Liability Insurance: Grantee, at all times during the term of this Agreement, at its sole expense, shall provide commercial insurance of such a type and with such terms and limits as may be reasonably associated with this Agreement, which, as a minimum, shall be: workers' compensation and employer's liability insurance in accordance with chapter 440, F.S., with minimum employer's liability limits of \$100,000 per accident, \$100,000 per person, and \$500,000 policy aggregate. Such policy shall cover all employees engaged in any Agreement work. If subcontracting any of the work, ensure that the subcontractor(s) have Workers' Compensation Insurance for their employees in accordance with Florida's Workers' Compensation law. If using “leased employees” or employees obtained through professional employer organizations (“PEO's”), ensure that such employees are covered by Workers' Compensation insurance through the PEO's or other leasing entities. Ensure that any equipment rental agreements that include operators or other personnel who are employees of independent Contractors, sole proprietorships or partners are covered by insurance required under Florida's Workers' Compensation law.

a) Grantee shall carry or cause its contractor/subcontractor/consultant/subconsultant to carry and keep in force Worker's Compensation insurance as required for the State of Florida under the Worker's Compensation Law.

3) Other Insurance: During the term of this Agreement, Grantee shall maintain any other insurance as required in Exhibit A, SCOPE OF WORK.

19. CONFIDENTIALITY AND SAFEGUARDING INFORMATION:

a. Each Party may have access to confidential information made available by the other. The provisions of the Florida Public Records Act, chapter 119, F.S., and other applicable state and federal laws must govern disclosure of any confidential information received by the State of Florida.

b. Grantee must implement procedures to ensure the appropriate protection and confidentiality of all data, files, and records involved with this Agreement.

c. Except as necessary to fulfill the terms of this Agreement and with the written permission of Commerce, Grantee shall not divulge to third parties any confidential information obtained by Grantee or its agents, distributors, resellers, subcontractors, officers, or employees while performing Agreement work, including, but not limited to, security procedures, business operations information, or commercial proprietary information in the possession of the State or Commerce.

d. Grantee shall not use or disclose any information concerning a recipient of services under this Agreement for any purpose in conformity with State and federal law or regulations except upon written consent of the recipient, or his responsible parent or guardian when authorized by law, if applicable.

e. When Grantee has access to Commerce's network and/or applications, to fulfill Grantee's obligations under this Agreement, Grantee shall abide by all applicable Commerce Information Technology Security procedures and policies. Grantee (including its employees, subcontractors, agents, or any other individuals to whom Grantee exposes confidential information obtained under this Agreement), shall not store, or allow to be stored, any confidential information on any portable storage media (*e.g.*, laptops, thumb drives,

Commerce Agreement No.: G0141

hard drives, *etc.*) or peripheral device with the capacity to hold information. Failure to strictly comply with this provision shall constitute a breach of Agreement.

f. Grantee shall immediately notify Commerce in writing when Grantee, its employees, agents, or representatives become aware of an inadvertent disclosure of Commerce's unsecured confidential information in violation of the terms of this Agreement. Grantee shall report to Commerce any Security Incidents of which it becomes aware, including incidents sub-contractors or agents reported to Grantee. For purposes of this Agreement, "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of Commerce information in Grantee's possession or electronic interference with Commerce operations; provided, however, that random attempts at access shall not be considered a security incident. Grantee shall make a report to Commerce not more than seven business days after Grantee learns of such use or disclosure. Grantee's report shall identify, to the extent known: (i) the nature of the unauthorized use or disclosure, (ii) the confidential information used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what Grantee has done or shall do to mitigate any detrimental effect of the unauthorized use or disclosure, and (v) what corrective action Grantee has taken or shall take to prevent future similar unauthorized use or disclosure. Grantee shall provide such other information, including a written report, as Commerce's Information Security Manager requests.

g. If a breach of security concerning confidential personal information involved with this Agreement occurs, Grantee shall comply with section 501.171, F.S., as applicable. When notification to affected persons is required under this section of the statute, Grantee shall provide that notification, at Grantee's sole expense, but only after receipt of Commerce's written approval of the contents of the notice. If requested by Commerce, Grantee will include credit monitoring services at Grantee's sole expense for those individuals affected or potentially affected by a breach of security for a two-year period following the breach. For purposes of this Agreement, "breach of security" or "breach" means the unauthorized access of data in electronic form containing personal information, as defined in section 501.171, (1)(a), F.S. Good faith acquisition of personal information by an employee or agent of Grantee is not a breach, provided the information is not used for a purpose unrelated to Grantee's obligations under this Agreement or is not subject to further unauthorized use.

20. WARRANTY OF ABILITY TO PERFORM: Grantee warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish Grantee's ability to satisfy its Agreement obligations. Grantee shall immediately notify Commerce in writing if its ability to perform is compromised in any manner during the term of this Agreement.

21. PATENTS, COPYRIGHTS, AND ROYALTIES:

a. All legal title and every right, interest, claim or demand of any kind, in and to any patent, trademark or copyright, or application for the same, or any other intellectual property right to, the work developed or produced under or in connection with this Agreement, is the exclusive property of Commerce to be granted to and vested in the Florida Department of State for the use and benefit of the state; and no person, firm or corporation shall be entitled to use the same without the written consent of the Florida Department of State. Any contribution by Grantee or its employees, agents or contractors to the creation of such works shall be considered works made for hire by Grantee for Commerce and, upon creation, shall be owned exclusively by Commerce. To the extent that any such works may not be considered works made for hire for Commerce under applicable law, Grantee agrees, upon creation of such works, to automatically assign to Commerce ownership, including copyright interests and any other intellectual property rights therein, without the necessity of any further consideration.

b. If any discovery or invention arises or is developed in the course or because of work or services performed with funds from this Agreement, Grantee shall refer the discovery or invention to Commerce who will refer it to the Department of State to determine whether patent protection will be sought in the name of the State of Florida.

c. Where activities supported by this Agreement produce original writings, sound recordings, pictorial reproductions, drawings or other graphic representations and works of any similar nature, Commerce has the right to use, duplicate, and disclose such materials in whole or in part, in any manner, for any purpose whatsoever and to allow others acting on behalf of Commerce to do so. Grantee shall give Commerce written

Commerce Agreement No.: G0141

notice when any books, manuals, films, websites, web elements, electronic information, or other copyrightable materials are produced.

d. Notwithstanding any other provisions herein, in accordance with section 1004.23, F.S., a state university is authorized in its own name to perform all things necessary to secure letters of patent, copyrights, and trademarks on any works it produces. Within 30 calendar days of same, the president of a state university shall report to the Department of State any such university's action taken to secure or exploit such trademarks, copyrights, or patents in accordance with section 1004.23(6), F.S.

22. INDEPENDENT CONTRACTOR STATUS: In Grantee's performance of its duties and responsibilities under this Agreement, it is mutually understood and agreed that Grantee is always acting and performing as an independent contractor. Commerce shall neither have nor exercise any control or direction over the methods by which Grantee shall perform its work and functions other than as provided herein.

a. Nothing in this Agreement is intended to or shall be deemed to constitute a partnership or joint venture between the Parties.

b. Except where Grantee is a state agency, Grantee, its officers, agents, employees, subcontractors, and assignees, in performance of this Agreement shall act in the capacity of an independent contractor and not as an officer, employee, or agent of the State of Florida. Nor shall Grantee represent to others that, as Grantee, it has the authority to bind Commerce unless specifically authorized to do so.

c. Except where Grantee is a state agency, neither Grantee, nor its officers, agents, employees, subcontractors, or assignees are entitled to state retirement or state leave benefits, or to any other compensation of state employment because of performing the duties and obligations of this Agreement.

d. Grantee shall take such actions as may be necessary to ensure that each subcontractor will be deemed to be an independent contractor and will not be considered or permitted to be an agent, employee, joint venturer, or partner of the State of Florida.

e. Unless justified by Grantee, and agreed to by Commerce in Exhibit A, SCOPE OF WORK, Commerce will not furnish services of support (*e.g.*, office space, office supplies, telephone service, secretarial, or clerical support) to Grantee or its subcontractor or assignee.

f. Commerce shall not be responsible for withholding taxes with respect to Grantee's compensation hereunder. Grantee shall have no claim against Commerce for vacation pay, sick leave, retirement benefits, social security, workers' compensation, health or disability benefits, reemployment assistance benefits, or employee benefits of any kind. Grantee shall ensure that its employees, subcontractors, and other agents, receive benefits and necessary insurance (health, workers' compensation, reemployment assistance benefits) from an employer other than the State of Florida.

g. At all times during this Agreement, Grantee shall comply with the reporting and Reemployment Assistance contribution payment requirements of chapter 443, F.S.

23. ELECTRONIC FUNDS TRANSFER: Within 30 calendar days of the date the last Party has signed this Agreement, Grantee shall enroll in Electronic Funds Transfer (EFT) from the State's Chief Financial Officer. Copies of the Authorization form and a sample blank enrollment letter can be found on the vendor instruction page at: <https://www.myfloridacfo.com/Division/AA/Vendors/>. Questions should be directed to the EFT Section at (850) 413-5517. Once enrolled, EFT shall make invoice payments.

24. MODIFICATION: If, in Commerce's sole and absolute determination, changes to this Agreement are necessitated by law or otherwise, Commerce may at any time, with written notice of all such changes to Grantee, modify this Agreement within its original scope and purpose. Grantee shall be responsible for any due diligence necessary to determine the impact of the modification. Any modification of this Agreement Grantee requested must be in writing and duly signed by all Parties be enforceable.

25. TIME IS OF THE ESSENCE: Time is of the essence regarding Grantee's performance of obligations set forth in this Agreement. Any additional deadlines for performance for Grantee's obligation to timely provide deliverables under this Agreement including but not limited to timely submittal of reports, are contained in Exhibit A, SCOPE OF WORK, and shall be strictly construed.

Commerce Agreement No.: G0141

26. CONSTRUCTION; INTERPRETATION: The title of and the section and paragraph headings in this Agreement are for convenience of reference only and shall not govern or affect the interpretation of any of the terms or provisions of this Agreement. The term “this Agreement” means this Agreement together with all Exhibits hereto, as the same may from time to time be amended, modified, supplemented, or restated in accordance with the terms hereof. The use in this Agreement of the term “including” and other words of similar import mean “including, without limitation” and where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit, or restrict in any manner the construction of the general statement to which it relates. The word “or” is not exclusive and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole, including any Exhibits, and not to any particular section, subsection, paragraph, subparagraph, or clause contained in this Agreement. The use herein of terms importing the singular shall also include the plural, and vice versa. The reference to an agreement, instrument or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions thereof and the reference to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. All references to “\$” shall mean United States dollars. The recitals of this Agreement are incorporated herein by reference and shall apply to the terms and provisions of this Agreement and the Parties. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

27. TERMINATION: Commerce may terminate this Agreement if:

- a. Commerce determines in its sole and absolute discretion that it is in the State’s interest to do so;
- b. Grantee breaches any of its representations, warranties, covenants, or other obligations in this Agreement in any material respect;
- c. Grantee or any of its employees or agents commits fraud or willful misconduct in connection with this Agreement, the Proposal, or the transactions contemplated hereby and thereby;
- d. Funds to finance this Agreement become unavailable or if federal or state funds upon which this Agreement is dependent are withdrawn or redirected, Commerce may terminate this Agreement upon no less than 24-hour written notice to Grantee. Commerce shall be the final authority as to the availability of funds. If this Agreement is terminated pursuant to this provision, Grantee will be paid for any work satisfactorily completed prior to notification of termination;
- e. Grantee institutes or consents to the institution of any bankruptcy or insolvency proceeding, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator, or similar officer is appointed without the application or consent of such person or entity and the appointment continues undischarged or unstayed for 60 calendar days; or any bankruptcy or insolvency proceeding relating to Grantee or to all or any material part of its property is instituted without the consent of Grantee and Grantee fails to challenge such proceeding or such proceeding is challenged but continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding;
- f. Grantee becomes unable to pay its debts as they become due, admits in writing its inability to pay its debts, fails generally to pay its debts as they become due, or if any writ or warrant of attachment or execution or similar process is issued or levied against all of any significant part of Grantee’s property, or Grantee otherwise becomes insolvent; or
- g. A preponderance of evidence that Grantee is not proceeding with the Project, including, without limitation, a decision by Grantee not to proceed with the Project, including upon receipt by Commerce of Grantee’s written request to terminate this Agreement (a. through g. collectively, the “Termination Events”).
- h. Notwithstanding anything in this Agreement to the contrary, if Commerce exercises its right to terminate this Agreement as the result of the occurrence of a Termination Event, any reimbursement payments that have not been disbursed to Grantee, including any payment that has been authorized and not yet disbursed, shall be immediately forfeited and Grantee shall return funds within 30 calendar days of the

Commerce Agreement No.: G0141

termination of this Agreement. All work in progress on Florida Department of Transportation right-of-way will become the property of the Florida Department of Transportation and will be turned over promptly by Grantee. The rights and remedies of Commerce in this clause are in addition to any other rights and remedies provided by law or under this Agreement. Grantee shall not furnish any product after it receives the notice of termination, except as Commerce specifically instructs Grantee in writing. Grantee shall not be entitled to recover any cancellation charges or lost profits.

28. DISPUTE RESOLUTION: Unless otherwise stated in Exhibit A, SCOPE OF WORK, Commerce shall decide disputes concerning the performance of this Agreement, and Commerce shall serve written notice of same to Grantee. Commerce's decision shall be final and conclusive unless within 21 calendar days from the date of receipt, Grantee files with Commerce a petition for administrative hearing. Commerce's final order on the petition shall be final, subject to any right of Grantee to judicial review pursuant to chapter 120.68, F.S. Exhaustion of administrative remedies is an absolute condition precedent to Grantee's ability to pursue any other form of dispute resolution; provided however, that the Parties may employ the alternative dispute resolution procedures outlined in chapter 120, F.S.

29. INDEMNIFICATION: (NOTE: If Grantee is a state agency or subdivision, as defined in section 768.28(2), F.S., then pursuant to section 768.28(19), F.S., neither Party provides indemnification or assumes any liability for the other Party for the other Party's negligence. However, the Grantee will require all of its contractors to provide indemnification as set forth.)

a. Grantee shall be fully liable for the actions of its agents, employees, partners, and subcontractors and shall fully indemnify, defend, and hold harmless the State and Commerce, and their officers, agents, and employees, from suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to personal injury and damage to real or personal tangible property alleged to be caused in whole or in part by Grantee, its agents, employees, partners, or subcontractors; provided, however, that Grantee shall not indemnify, defend, and hold harmless the State and Commerce, and their officers, agents, and employees for that portion of any loss or damages caused exclusively by the negligent act or omission of Commerce.

b. Further, Grantee shall fully indemnify, defend, and hold harmless the State and Commerce from any suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right; provided, however, that the foregoing obligation shall not apply to Commerce's misuse or modification of Grantee's products or Commerce's operation or use of Grantee's products in a manner not contemplated by this Agreement. If any product is the subject of an infringement suit, or in Grantee's opinion is likely to become the subject of such a suit, Grantee may, at Grantee's sole expense, procure for Commerce the right to continue using the product or to modify it to become non-infringing. If Grantee is not reasonably able to modify or otherwise secure for Commerce the right to continue using the product, Grantee shall remove the product and refund Commerce the amounts paid more than a reasonable fee, as determined by Commerce in its sole and absolute discretion, for past use. Commerce shall not be liable for any royalties.

c. Grantee's obligations under the two immediately preceding paragraphs above, with respect to any legal action are contingent upon the State or Commerce giving Grantee (1) written notice of any action or threatened action, (2) the opportunity to take over and settle or defend any such action at Grantee's sole expense, and (3) assistance in defending the action at Grantee's sole expense.

d. Grantee expressly assumes any and all liability for payment to its agents, employees, contractors, subcontractors, consultants, and subconsultants, as applicable, and shall indemnify, defend, and hold Commerce harmless from any suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to any denial or reduction of any invoice submitted by Grantee to Commerce for reimbursement for costs under this Agreement where Commerce is imposing the financial consequences stated herein.

e. Grantee shall include the following indemnification in all contracts with contractors, subcontractors, consultants, and subconsultants, who perform work in connection with this Agreement:

"The contractor/subcontractor/consultant/subconsultant shall indemnify, defend, save and hold harmless the Florida Department of Commerce and all of its officers, agents, and employees from all suits, actions, claims, demands, liability of any nature whatsoever arising

Commerce Agreement No.: G0141

out of, because of, or due in part or whole to any negligent act or occurrence of omission or commission of the contractor/subcontractor/ consultant/subconsultant, its officers, agents or employees.”]

30. LIMITATION OF LIABILITY: For all claims against Grantee under this Agreement, and regardless of the basis on which the claim is made, Grantee’s liability under this Agreement for direct damages shall be limited to the greater of \$300,000 or two times the total dollar amount of this Agreement. This limitation shall not apply to claims arising under the INDEMNIFICATION Section of this Agreement. Unless otherwise specifically enumerated in this Agreement or in the purchase order, Commerce shall not be liable to another for special, indirect, punitive, or consequential damages, including lost data or records (unless this Agreement or purchase order requires Grantee to back-up data or records), even if Commerce has been advised that such damages are possible. Commerce shall not be liable for lost profits, lost revenue, or lost institutional operating savings. The State and Commerce may, in addition to other remedies available to them at law or equity and upon notice to Grantee, retain such monies from amounts due Grantee as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them. The State or Commerce may set off any liability or other obligation of Grantee or its affiliates to the State or Commerce against any payments due Grantee under any Agreement with the State or Commerce.

31. PRESERVATION OF REMEDIES; SEVERABILITY; RIGHT TO SET-OFF. No delay or omission to exercise any right, power, or remedy accruing to either Party upon breach or default by either Party under this Agreement, will impair any such right, power, or remedy of either Party; nor will such delay or omission be construed as a waiver of any breach or default or any similar breach or default. If any term or provision of this Agreement is found to be illegal, invalid, or unenforceable, such term or provision will be deemed stricken, and the remainder of this Agreement will remain in full force and effect. Commerce and the State shall have all of its common law, equitable and statutory rights of set-off, including, without limitation, the State’s option to withhold for the purposes of set-off any moneys due to Grantee under this Agreement up to any amounts due and owing to Commerce with respect to this Agreement, any other contract with any State department or agency, including any contract for a term commencing prior to the term of this Agreement, plus any amounts due and owing to the State for any other reason. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State or its representatives.

32. FORCE MAJEURE AND NOTICE OF DELAY FROM FORCE MAJEURE: Neither Party shall be liable to the other for any delay or failure to perform under this Agreement if such delay or failure is neither the fault nor the negligence of the Party or its employees or agents and the delay is due directly to acts of God, wars, acts of public enemies, strikes, fires, floods, or other similar cause wholly beyond the Party’s control, or for any of the foregoing that affects subcontractors or suppliers if no alternate source of supply is available. However, if a delay results from the foregoing causes, the Party shall take all reasonable measures to mitigate the resulting delay or disruption in the Party’s performance obligation under this Agreement. If the delay is excusable under this FORCE MAJEURE AND NOTICE OF DELAY FROM FORCE MAJEURE Section, the delay will not result in any additional charge or cost under this Agreement to either Party. In the case of any delay Grantee believes is excusable under this FORCE MAJEURE AND NOTICE OF DELAY FROM FORCE MAJEURE Section, Grantee shall notify Commerce in writing of the delay or potential delay and describe the cause of the delay either: (1) within 10 calendar days after the cause that creates or will create the delay first arose, if Grantee could reasonably foresee that a delay could occur as a result; or (2) within five (5) calendar days after the date Grantee first had reason to believe that a delay could result, if the delay is not reasonably foreseeable. **THE FOREGOING SHALL CONSTITUTE GRANTEE’S SOLE REMEDY OR EXCUSE WITH RESPECT TO DELAY.** Providing timely notice in strict accordance with this FORCE MAJEURE AND NOTICE OF DELAY FROM FORCE MAJEURE Section is a condition precedent to such remedy. Commerce, in its sole discretion, will determine if the delay is excusable under this FORCE MAJEURE AND NOTICE OF DELAY FROM FORCE MAJEURE Section and will notify Grantee of its decision in writing. No claim for damages, other than for an extension of time, shall be asserted against Commerce. Grantee shall not be entitled to an increase in this Agreement price or payment of any kind from Commerce for direct, indirect, consequential, impact, or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency arising because of delay, disruption, interference, or hindrance

Commerce Agreement No.: G0141

from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this FORCE MAJEURE AND NOTICE OF DELAY FROM FORCE MAJEURE Section, after the causes have ceased to exist, Grantee shall perform at no increased cost, unless Commerce determines, in its sole discretion, that the delay will significantly impair the value of this Agreement to Commerce or the State, in which case, Commerce may do any or all of the following: (1) accept allocated performance or deliveries from Grantee; provided, that Grantee grants preferential treatment to Commerce with respect to products or services subjected to allocation; (2) purchase from other sources (without recourse to and by Grantee for the related costs and expenses) to replace all or part of the products or services that are the subject of the delay, which purchases may be deducted from this Agreement quantity; or (3) terminate this Agreement in whole or in part.

33. ATTORNEYS' FEES; EXPENSES: Except as set forth otherwise herein, each of the Parties shall pay its own attorneys' fees and costs in connection with the execution and delivery of this Agreement and the transactions contemplated hereby.

34. ENTIRE AGREEMENT; AMENDMENT; WAIVER. This Agreement embodies the entire agreement of the Parties with respect to the subject matter hereof. There are no provisions, terms, conditions, or obligations other than those contained in this Agreement; and this Agreement supersedes all previous communications, representations, or agreements, either verbal or written, between the Parties. Excluding the specific provisions of Section 24, MODIFICATIONS, hereinabove allowing Commerce in Commerce's sole and absolute determination to make unilateral changes to this Agreement, no amendment will be effective unless reduced to writing and signed by an authorized officer of Grantee and the authorized agent of Commerce. No waiver by a Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

35. AUTHORITY OF GRANTEE'S SIGNATORY: Upon execution, Grantee shall return the executed copies of this Agreement in accordance with the instructions Commerce provided along with documentation confirming and certifying that the below signatory has authority to bind Grantee to this Agreement as of the date of execution. Such documentation may be in the form of a legal opinion from Grantee's attorney, Grantee's Certificate of Status, Grantee's resolutions specifically authorizing the below signatory to execute this Agreement, Grantee's certificates of incumbency, or any other reliable documentation demonstrating such authority, which shall be incorporated by reference into this Agreement. Commerce may, at its sole and absolute discretion, request additional documentation related to the below signatory's authority to bind Grantee to this Agreement.

36. COUNTERPARTS: This Agreement and amendments to this Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

37. CONTACT INFORMATION AND NOTICES:

a. Except as otherwise specifically provided in this Agreement, the contact information provided in accordance with this section shall be used by the Parties for all communications under this Agreement. Where the term "written notice" is used to specify a notice requirement herein, said notice shall be deemed to have been given (i) when personally delivered; (ii) when transmitted via facsimile with confirmation of receipt or email with confirmation of receipt if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid); (iii) the day following the day (except if not a business day then the next business day) on which the same has been delivered prepaid to a recognized overnight delivery service; or (iv) the third business day following the day on which the same is sent by certified or registered mail, postage prepaid, with return receipt.

Commerce Agreement No.: G0141

b. If any information provided herein changes, including the designation of a new Agreement Manager, after the execution of this Agreement, the Party making such change will notify all other Parties in writing of such change. Such changes shall not require a formal amendment to this Agreement.

Grantee's Payee:	Grantee's Agreement Manager:
Sebring Airport Authority	Andrew Bennett
128 Authority Lane	128 Authority Lane
Sebring, Florida 33870	Sebring, FL 33870
863-655-6455	863-314-1319
FEIN: 53-1173009	andrew@sebring-airport.com
andrew@sebring-airport.com	

Commerce's Agreement Manager:
Brittany Fitzgerald
107 E. Madison St. MSC-80
Tallahassee, FL 32399
850-717-8971
brittany.fitzgerald@commerce.fl.gov

[The remainder of this page has been intentionally left blank.]

Commerce Agreement No.: G0141

IN WITNESS WHEREOF, and in consideration of the mutual covenants set forth above and in the exhibits attached hereto and incorporated herein, the Parties' duly authorized officials sign this Agreement.

**FLORIDA DEPARTMENT OF
COMMERCE**

SEBRING AIRPORT AUTHORITY

By J. Alex Kelly
Signature

By 
Mike Willingham

Title J. Alex Kelly
Secretary

Title Executive Director

Date 5/9/2025

Date 5.5.25

Approved as to form and legal sufficiency,
subject only to full and proper execution by
the Parties.

**OFFICE OF GENERAL COUNSEL
FLORIDA DEPARTMENT OF COMMERCE**

By: Ryan Bourgoin

Approved Date: 5/8/2025

Exhibit A
SCOPE OF WORK

1. PROJECT DESCRIPTION: Section 288.101, F.S., established the Florida Job Growth Grant Fund (the “Program”) to promote economic opportunity by improving public infrastructure and enhancing workforce training. Funds provided pursuant to this Agreement must be used to support State or local public infrastructure projects that promote economic recovery in specific regions of the state, economic diversification, or economic enhancement in a targeted industry.

Grantee has been awarded \$2,113,560 for the completely designed and shovel ready reconstruction and resurfacing of 0.77 miles of Webster Turn Drive at the Sebring Airport. This is the primary roadway serving the industrial area of the Sebring Multimodal Logistics Center, and 0.71-miles of the road will be reconstructed, which includes drainage upgrades and new full depth asphalt pavement, and 0.06-miles of the road will be resurfaced to match into the existing grades at the ends of the project This project will also include signage and marking updates which conform to FDOT standards. The roadway improvements are critical to industry expansion in the park, including manufacturing and distribution and logistics.

2. GRANTEE’S RESPONSIBILITIES:

a. COMMENCEMENT AND TIMELINE.

1) The Parties’ execution of this Agreement shall be deemed a Notice to Proceed to Grantee for the design phase of the Project which is further delineated in Paragraph b. immediately below.

Commerce shall not reimburse Grantee for any work performed prior to the Effective Date unless Commerce expressly agrees to do so in a separate writing.

2) Prior to commencing the construction work described in this Agreement, Grantee shall:

- Provide to Commerce’s Agreement Manager one copy of the final signed and sealed design plans, signed and sealed specifications, and final bid documents; and

- Request from Commerce’s Agreement Manager a Notice to Proceed.

Commerce shall not reimburse Grantee for any construction work performed prior to the issuance of the Notice to Proceed.

3) Work on the Project shall commence on or before September 1, 2025 (the “Commencement Date”) and shall be completed by December 31, 2026 (the “Expend By Date”), unless terminated earlier. Commerce shall have the immediate right to terminate this Agreement if Grantee fails to commence the construction of the Project by the Commencement Date or complete work by the Expend By Date and, in each case, provide evidence of the same to Commerce upon Commerce’s request to Commerce’s satisfaction.

4) Notwithstanding anything in this Agreement to the contrary, any funds not expended under this Agreement by the Expend by Date shall be forfeited and shall revert to Commerce. For the purposes of this Agreement, expended means when funds have cleared the Grantee’s banking institution.

b. DESIGN, PERMITS, APPROVALS, AND CONSTRUCTION STANDARDS.

1) Grantee shall undertake the design, construction, and Consultant Construction Engineering Inspection (“CCEI”) or Construction Manager at Risk (“CMAR”) of the Project in accordance with all applicable federal, state and local statutes, rules and regulations, including any other applicable standards and specifications. A professional engineer, registered in Florida, shall provide the certification that all design and construction for the Project meets the minimum construction standards established by Grantee.

2) Grantee shall certify to Commerce that Grantee’s design consultant and/or construction contractor has secured the necessary permits, including but not limited to, building permits. Grantee shall provide to Commerce certification and a copy of appropriate documentation substantiating that all required right-of-way necessary for the Project have been obtained. If Grantee fails to provide each required certification to Commerce on or before the Commencement Date, Commerce may, in its sole and absolute discretion, terminate this Agreement.

3) Grantee shall provide to Commerce its written notification of either its intent to:

Commerce Agreement No.: G0141

- a) Award the construction of the Project to a licensed contractor which is the lowest, responsive, and responsible bidder in accordance with applicable State and federal statutes, rules, and regulations. Grantee shall then submit a copy of the bid tally sheet(s) and awarded bid contract; or
 - b) Construct the Project utilizing existing Grantee employees, whose qualifications have been reviewed and approved by Commerce, if Grantee can complete said Project within the time frame delineated in Section 1 of this Agreement.
- 4) If the Project is procured pursuant to chapter 255, F.S., for construction services and at the time of the competitive solicitation for the Project fifty percent (50%) or more of the cost of the Project is to be paid from state-appropriated funds, then Grantee must comply with the requirements of sections 255.0991 and 255.0992, F.S.
 - 5) Grantee is responsible for the preparation of all design plans for the Project. Grantee shall hire a qualified consultant for the design phase of the Project using Grantee's normal procurement procedures to perform the design services for the Project.
 - 6) Grantee shall hire a licensed contractor using Grantee's normal bid procedures to perform the construction work for the Project.
 - 7) Grantee shall hire a qualified CCEI or CMAR to perform construction oversight including the obligation to assure that all verification testing is performed in accordance with, when applicable, the current Florida Department of Transportation's Standard Specifications for Road and Bridge Construction ("Standard Specifications"), as amended from time to time. Commerce shall have the right, but not the obligation, to perform independent assurance testing during construction of the Project. The CCEI or CMAR firm may not be the same firm as that of the Engineer of Record for the Project.
 - 8) Grantee shall require Grantee's contractor to post a payment and performance bond in accordance with section 337.18(1), F.S. and as set forth in the Standard Specifications.
 - 9) Grantee shall carry or require its contractor/subcontractor/consultant/subconsultant to carry and keep in force during the period of this Agreement insurance as set forth in section 18 of the Agreement. Grantee must provide or cause its contractor to provide the greater of the insurance coverage as set forth in section 18 of the Agreement or insurance coverage in accordance with Section 7-13 of the Standard Specifications.
 - 10) Grantee shall be responsible for ensuring that the construction work under this Agreement is performed in accordance with the approved construction documents, the Standard Specifications, and that it meets any other applicable standards.
 - 11) Grantee must expend funds provided pursuant to this Agreement in a timely manner and solely for the purpose of the approved Project. Grantee shall not use the funds for mitigation, the installation or relocation of utilities, for any legal action against the State or Commerce, or costs associated with preparation of the Proposal.
 - 12) Upon completion of the work authorized by this Agreement, Grantee shall notify Commerce in writing of the completion of construction of the Project; and for all design work that originally required certification by a Professional Engineer, this notification shall contain an Engineers Certification of Compliance, signed and sealed by a Professional Engineer, the form of which is attached hereto as Exhibit E. The certification shall state that work has been constructed in compliance with the Project design plans and specifications. If any deviations are found from the approved plans, the certification shall include a list of all deviations along with an explanation that justifies the reason to accept each deviation. All deviations shall have had prior written approval from Commerce in advance of the deviation being constructed.
 - 13) Upon completion of the Project, Grantee shall be responsible for the perpetual maintenance of the facilities on its system that are constructed under this Agreement. The terms of this provision shall survive the termination of this Agreement and may be enforced by Commerce.
- c. **RETURN ON INVESTMENT.** Grantee's failure to meet the Return-on-Investment criteria set forth herein will result in the additional financial consequences set forth in Section 5, below.
- 1) Grantee shall certify that a private capital investment (excluding the acquisition or leasing of real property) of at least \$0 has been made and paid for by private businesses at the location of the Project or in connection with the Project, calculated as set forth in section 13 of this Scope of Work, after the

Commerce Agreement No.: G0141

Effective Date and on or before December 31st of the year on which the 10 year anniversary of the Expend by Date falls (such date, the “Capital Investment Date”).

2) Grantee shall certify that at least 118 New Jobs have been created as a result of the Project, calculated as set forth in Section 13 of this Scope of Work, after the Effective Date and on or before December 31st of the year on which the ten (10) year anniversary of the Expend by Date falls (such date, the “Job Creation Date”).

3) Grantee shall certify that 660 Retained Jobs have been retained as a result of the Project, calculated as set forth in Section 13 of this Scope of Work.

d. **COMPLETION OF CONSTRUCTION:** Grantee shall

1. Construction

- a. Reconstruct 0.71-miles of Webster Turn Drive, to include drainage removal/replacement, reconstructed roadbed, and driveway tie-ins including repair/replace to all disturbed gravel/slag parking areas.
- b. Resurface 0.06-miles of Webster Turn Drive.
- c. Earthwork – any required earthwork to prepare for the installation of the roadway and staging of construction equipment.
- d. Signage and Marking – installation of all signage and roadway markings as necessary for Webster Turn Drive.
- e. Landscaping- installation of all landscape vegetation and lighting including replacement sod to pre-construction conditions.

3. **COMMERCE’S RESPONSIBILITIES:** Commerce shall monitor progress, review reports, conduct site visits, as Commerce determines necessary at Commerce’s sole and absolute discretion, and process payments to Grantee.

4. **DELIVERABLES:** Grantee shall provide the following services as specified:

Deliverable No. 1: Construction		
Tasks	Minimum Level of Service	Financial Consequences
Grantee shall complete the infrastructure activities as described in Section 2.d. of this Scope of Work.	<p>Grantee may be allowed reimbursement upon completion of construction activities in accordance with section 2.d. of this Scope of Work in the following increments: 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, 90%, and 100%.</p> <p>Progress shall be evidenced by submission of the following documentation:</p> <ul style="list-style-type: none"> 1. Completed AIA forms G702 and G703, signed by a licensed professional certifying to the percentage of project completion; 2. Photographs of project in progress and; 3. Invoice package in accordance with Section 7 of this Scope of Work. 	<p>Failure to meet the minimum level of service for this Deliverable shall result in non-payment.</p> <p>Any funds not expended under this Agreement by December 31, 2026, shall be forfeited and shall revert to Commerce.</p>
DELIVERABLE NOT TO EXCEED: \$2,113,560		

Commerce Agreement No.: G0141

- 5. Financial Consequences:** The following financial consequences apply under the following circumstances:
- a. **RETURN ON INVESTMENT.** If Grantee does not satisfy the requirements set forth in Section 2(c)(1) of this Scope of Work, then Commerce may demand, and Grantee shall repay to the State, a prorated amount of forty percent (40%) of the total award under this Agreement. If Grantee does not satisfy the requirements set forth in Section 2(c)(2) and (3) of this Scope of Work, then Commerce may demand, and Grantee must repay to the State, a prorated amount of one hundred percent (100%) of the total award under this Agreement. If Grantee has not received reimbursement for the total amount of funds available under this Agreement, then Commerce will reduce the total award amount under this Agreement by an amount equal to such sanction, and Grantee shall only be required to repay out of Grantee's funds the difference thereon. Commerce has the right, in its sole discretion, to demand repayment of all funds provided to Grantee under this Agreement if Grantee has not met all the performance requirements set forth herein as of the Expiration Date or the date this Agreement is otherwise terminated. If Commerce makes such a demand for repayment, Grantee shall remit funds to Commerce within 24 months of such demand. In addition to any other remedies available to Commerce, in the event that Grantee fails to remit such funds to Commerce within 24 months of such demand, then the amounts due from Grantee will accumulate interest from the date of such demand until the repayment. Commerce will calculate interest based on a 365-day year using a fixed annual rate equal to 500 basis points over the "Prime Rate" as reported in *The Wall Street Journal* on the Effective Date. Commerce shall calculate interest based on the number of days elapsed after the 24th month and until the day Grantee makes repayment. Notwithstanding anything in Sections 4 and 5 of this Scope of Work to the contrary, in no event shall the aggregate financial consequences imposed pursuant to Sections 4 and 5 of this Scope of Work exceed the total award under this Agreement plus interest, if any, as determined pursuant to this Section 5.
 - b. Grantee shall only be eligible for its pro rata costs relative to its timely completion of the Project, and Commerce shall withhold the remainder until the earlier of Grantee's realization of timely performance under the work schedule, or completion of the Project. For example, if Grantee submits an invoice for reimbursement for \$100,000 and the project is behind schedule by 10%, then Grantee shall only be reimbursed for \$90,000, and the remaining \$10,000 will be withheld.
 - c. Notwithstanding anything in this Scope of Work to the contrary, subject to the terms and conditions of this Section 5(c), Commerce hereby grants to Grantee the one-time right, privilege, and option (the "Option") to extend the Expiration Date, the Job Creation Date, and the Capital Investment Date by 12 months. In the event that Grantee exercises the Option, within 10 business days of exercising the Option, Grantee shall pay to Commerce a sanction equal to ten percent (10%) of the total award under this Agreement. The Option shall be exercisable in whole but not in part at any time from and after the Effective Date. Grantee may exercise the Option by delivering to Commerce written notice of Grantee's intention to exercise the Option (an "Exercise Notice"). Upon Commerce's receipt of an Exercise Notice, the exercise of the Option shall be irrevocable.
- 6. REPORTING:**
- a. Quarterly: Grantee shall report on a quarterly basis all progress relating to the tasks identified in Sections 2.c. and 4. Reporting is due quarterly until expiration date, or Grantee meets full completion of the ROI defined in Section 2.c, whichever comes first. Full completion of section 2.c enacts an administrative close out. Quarterly reports are due to Commerce no later than 30 calendar days after the end of each quarter of the program year and shall be sent each quarter. The ending dates for each quarter of the program year are September 30, December 31, March 31, and June 30. The quarterly report shall include a summary of Project progress, indicating percentage of completion of each task identified in Section 4 and the current status of the return on investment identified in section 2.c. The summary shall also include any issues or events occurring which affect the ability of Grantee to meet the terms of this Agreement.
 - b. Minority and Service-Disabled Veteran Business Enterprise Report: Grantee shall provide a Minority and Service-Disabled Veteran Business Enterprise Report with each invoice summarizing the

Commerce Agreement No.: G0141

participation of certified and non-certified minority and service-disabled veteran subcontractors and material suppliers for that period and the project to date. Grantee shall include the names, addresses, and dollar amount of each certified and non-certified Minority Business Enterprise and Service-Disabled Veteran Enterprise participant. Commerce's Minority Coordinator can be reached at (850) 245-7471 to answer concerns and questions.

- c. Close-out Report: No later than 60 calendar days after this Agreement ends or is terminated, Grantee shall provide copies of all paid invoices to document completed work.
- d. Follow-up Reports: By no later than January 31st of the year immediately following the year on which the 10 year anniversary of the Expend by Date falls, Grantee shall provide Commerce with a written certification of the actual number of New Jobs created by each business as a result of the Project (including the name of each business), Retained Jobs retained by each business as a result of the Project (including the name of each business) (if applicable), and the amount of private capital investment made and paid for by private businesses at the location of the Project or in connection with the Project after the Effective Date (including the name of each business). This paragraph will survive termination of this Agreement.

7. INVOICE SUBMITTAL AND PAYMENT SCHEDULE: Commerce shall pay Grantee in accordance with the following schedule in the amount identified per deliverable in Section 4 above. The deliverable amount specified does not establish the value of the deliverable. In accordance with the Funding Requirements of section 215.971(1), F.S., and Section 5 of this Agreement, Grantee and its subcontractors may only expend funding under this Agreement for allowable costs resulting from obligations incurred during this Agreement. To be eligible for reimbursement, costs must be in compliance with laws, rules, and regulations applicable to expenditures of State funds, including, but not limited to, the Reference Guide for State Expenditures (<https://www.myfloridacfo.com/Division/AA/Manuals/documents/ReferenceGuideforStateExpenditures.pdf>).

- a. Grantee shall provide one invoice per Month for all services rendered during the applicable period of time.
- b. The following documents shall be submitted with the itemized invoice:
 - 1) A cover letter signed by Grantee's Agreement Manager certifying that the costs being claimed in the invoice package: (1) are specifically for the Project represented to the State in the budget appropriation; (2) are for one or more of the components as stated in Section 4, DELIVERABLES, of this SCOPE OF WORK; (3) have been paid; and (4) were incurred during this Agreement;
 - 2) Grantee's invoices shall include the date, period in which work was performed, amount of reimbursement, and work completed to date;
 - 3) A certification by a licensed engineer using AIA forms G702 and G703, or their substantive equivalents, certifying that the Project, or a quantifiable portion of the Project, is complete;
 - 4) Photographs of the project in progress and completed work;
 - 5) A copy of all supporting documentation for vendor payments;
 - 6) A copy of the cancelled check(s) specific to the Project; and
 - 7) A copy of the bank statement that includes the cancelled check.
- c. The State may require any other information from Grantee that the State deems necessary to verify that the services have been rendered under this Agreement.
- d. All documentation necessary to support payment requests must be submitted with Grantee's invoice for Commerce's review.

Commerce Agreement No.: G0141

8. FINANCIAL CONSEQUENCES FOR FAILURE TO TIMELY AND SATISFACTORILY PERFORM: Failure to complete the deliverables and/or tasks in accordance with the requirements of this Agreement, and as specified above in Section 4, DELIVERABLES, will result in Commerce's assessment of the specified financial consequences. If appropriate, should the Parties agree in writing to a corrective action plan in lieu of the immediate imposition of financial consequences, the plan shall specify additional financial consequences to be applied after the effective date of the corrective action plan. This provision for financial consequences shall in no manner affect Commerce's rights under this Agreement, at law, or in equity, including but not limited to, Commerce's right to terminate this Agreement as provided elsewhere in this Agreement. Grantee's payment of imposed financial consequences shall be in accordance with applicable provisions of this Agreement, and this Scope of Work.

The Parties acknowledge and agree that the remedies set forth in Sections 4 and 5 of this Scope of Work constitute liquidated damages and that in the event of a breach of this Scope of Work, the actual damages suffered by Commerce would be unreasonably difficult to determine and that the Parties would not have a convenient and adequate alternative to the liquidated damages set forth in Sections 4 and 5 of this Scope of Work. Each Party further acknowledges and agrees that the liquidated damages provided in Sections 4 and 5 of this Scope of Work bear a reasonable relationship to the anticipated harm that would be caused by any such breach, is a genuine pre-estimate of the damages that Commerce will suffer or incur as a result of any such breach and is not a penalty. **Grantee irrevocably waives any right that it may have to raise as a defense that any such liquidated damages are a penalty, excessive, or punitive.** The Parties acknowledge that the provisions contained in Sections 4 and 5 of this Scope of Work are an integral part of the transactions contemplated by this Agreement and that without these provisions Commerce would not enter into this Agreement and therefore the Agreement will be treated as void ab initio if the financial consequences or liquidated damages are invalidated.

9. NOTIFICATION OF INSTANCES OF FRAUD: Upon discovery, Grantee shall report all known or suspected instances of Grantee, or Grantee's agents, contractors, or employees, operational fraud, or criminal activities to Commerce's Agreement Manager in writing within 24 hours.

10. GRANTEE'S RESPONSIBILITIES UPON TERMINATION: If Commerce issues a Notice of Termination to Grantee, except as otherwise specified by Commerce in that notice, Grantee shall: (1) stop work under this Agreement on the date and to the extent specified in the notice; (2) complete performance of such part of the work as shall not have been terminated by Commerce; (3) take such action as may be necessary, or as Commerce may specify, to protect and preserve any property which is in the possession of Grantee and in which Commerce has or may acquire an interest; and (4) upon the effective date of termination of this Agreement, Grantee shall transfer, assign, and make available to Commerce all property and materials belonging to Commerce. No extra compensation will be paid to Grantee for its services in connection with such transfer or assignment.

11. NON-DISCRIMINATION: Grantee shall not discriminate unlawfully against any individual employed in the performance of this Agreement because of race, religion, color, gender, physical handicap unrelated to such person's ability to engage in this work, national origin, ancestry, or age. Grantee shall provide a harassment-free workplace, with any allegation of harassment to be given priority attention and action.

12. DISPOSITION OF PROJECT PROPERTY:

- a. Pursuant to the NONEXPENDABLE PROPERTY Section of this Agreement, upon termination of this Agreement, Grantee is authorized to retain ownership of any nonexpendable property purchased under this Agreement; however, Grantee hereby grants to Commerce a right of first refusal in all such property prior to disposition of any such property during its depreciable life, in accordance with the depreciation schedule in use by Grantee. Grantee shall provide written notice of any such planned disposition and await Commerce's response prior to disposing of the property. "Disposition" as used herein, shall include, but is not limited to, Grantee no longer using the nonexpendable property for the uses authorized herein, the sale, exchange, transfer, trade-in, or disposal of any such nonexpendable property. Commerce, in its sole discretion, may require Grantee to refund to Commerce the fair market value of the nonexpendable property at the time of disposition rather than taking possession of the nonexpendable property.

Commerce Agreement No.: G0141

- b. Grantee shall provide a 90-calendar day advance written notification to Commerce, if during the five-year period following the termination of this Agreement, Grantee proposes to take any action that will impact Grantee's ownership of this Agreement's property or modify the use of this Agreement's property from the purposes authorized herein. If either of these situations arise, Commerce shall have the right, in Commerce's sole discretion, to demand that Grantee reimburse Commerce for part or all the funding provided to Grantee under this Agreement.
- c. Upon termination of this Agreement, Grantee shall be authorized to retain ownership of the improvements to real property set forth in this Agreement in accordance with the following:
 - 1) Grantee is authorized to retain ownership of the improvements to real property so long as:
 - (1) Grantee is not sold, merged or acquired; (2) the real property subject to the improvements is owned by Grantee; and (3) the real property subject to the improvements is used for the purposes provided in this Agreement.
 - 2) If within five (5) years of the termination of this Agreement, Grantee is unable to satisfy the requirements stated above, Grantee shall notify Commerce in writing of the circumstances that will result in the deficiency upon learning of it, but no later than 30 calendar days prior to the deficiency occurring. In such event, Commerce shall have the right, within its sole discretion, to demand reimbursement of part or all the funding provided to Grantee under this Agreement.

13. CRITERIA FOR MEASURING RETURN ON INVESTMENT:

- a. **Project Jobs Definitions and Determination.** The following definitions and procedures will be used in determining and reporting the number of new jobs created because of the Project.
 - 1) **New Job** – means a full-time salaried employee, or a full-time equivalent (an “**FTE**”) employee who works at least 35 paid hours per week, created because of the Project. New Jobs may include positions obtained from a temporary employment agency or employee leasing company, through a union agreement, or co-employment under a professional employer organization agreement that result directly from the Project in this state. New Jobs may not include temporary or seasonal jobs associated with cyclical business activities, or to substitute for permanent employees on a leave of absence, or temporary construction jobs related to the Project. In tabulating hours worked, any paid leave an employee takes during the pay period, such as vacation or sick leave, may be included. Jobs only constitute New Jobs if they are created on or after the Effective Date, **and only if** they result in a net increase in overall employment because of the Project. Jobs are **not** considered new if they moved from another Florida location to the location of the Project, unless the relocated positions are back-filled with net new-to-Florida full-time-equivalent jobs paying at least the wage of the transferred position(s).
 - 2) **Retained Jobs** – Retained Jobs are jobs that would have been eliminated or relocated to another Florida location or outside of the state, if the Project was not undertaken by Grantee.
 - 3) **Leased Employees** – Leased employees may be counted toward Grantee's jobs requirement if they are engaged to meet an on-going labor requirement directly resulting from the Project. Independent Contractors meeting the criteria of leased employees may also be counted towards Grantee's job requirement so long as the actual wages paid, excluding expenses, by a business are documented on a form 1099 Miscellaneous Income to the individual person. Unless payments are in substance for individual independent contractors, payments made to limited liability companies or other business entities (identified on the 1099 with a FEIN) generally do not qualify as New Jobs as they relate to the “fee-for-service” arrangement described below. Employees of a business that has entered a fee-for-service contract with a business benefiting from the Project in which the primary purpose of the contract is to perform services (rather than to provide individual employees) are not Project Jobs. Examples of fee-for-service contracts in which the service providers' employees are generally not considered “New Jobs” include, but are not limited to, mail-room services, janitorial and landscaping services, food-service providers, accounting services provided by independent certified public accounting firms and legal services provided by law firms.

Commerce Agreement No.: G0141

- b. **Calculation of Project Jobs.** The following methods will be used to determine the number of Project Jobs.
- 1) **Monthly Head count of Salaried Project Jobs:** For salaried Project Jobs, add the monthly totals of salaried full-time jobs and divide by the number of months.
 - 2) **Monthly Average of FTE Project Jobs:** For FTE Project Jobs, add the hours worked each month by hourly employees and divide by 151.6 hours (*1,820 hours per year divided by 12 months*) to calculate the number of FTE Project Jobs. If Grantee uses pay periods of less than one month, total all the reported hours worked by the FTEs during the Performance Certification Period and divide by 1,820 (*35 hours x 52 weeks*) to determine the average FTE employment for the Period. No individual may be considered more than one FTE regardless of the number of hours worked by such individual.
 - 3) **New Job Calculation** – The number of New Jobs created on or after the Effective Date must equal or exceed the number of jobs in existence prior to the Effective Date. The number of New Jobs required to be created in accordance with this Scope of Work for the applicable performance period must exceed the number of existing jobs plus the number of New Jobs created in any performance period.
- c. **Determination of Capital Investment.** Commerce accepts as capital investment so-called “hard” costs (such as construction and renovations of buildings, and acquisition of equipment) and “soft” costs (such as eligible capitalized labor, architectural and engineering services, and document printing and mailing costs). Eligible capital investment expenditures are those that are ordered/invoiced and paid for on or after the Effective Date and before the Capital Investment Date.

- End of Exhibit A (SCOPE OF WORK) -

Exhibit B**AUDIT REQUIREMENTS**

The administration of resources awarded by Commerce to the recipient (herein otherwise referred to as “Grantee”) may be subject to audits and/or monitoring by Commerce as described in this Exhibit B.

MONITORING. In addition to reviews of audits conducted in accordance with 2 CFR 200, Subpart F - Audit Requirements, and section 215.97, Florida Statutes (F.S.), as revised (see AUDITS below), monitoring procedures may include, but not be limited to, on-site visits by Commerce staff, limited scope audits as defined by 2 CFR 200.425, or other procedures. By entering into this agreement, the recipient agrees to comply and cooperate with any monitoring procedures or processes deemed appropriate by Commerce. In the event the Commerce determines that a limited scope audit of the recipient is appropriate, the recipient agrees to comply with any additional instructions provided by Commerce staff to the recipient regarding such audit. The recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Officer (CFO) or Auditor General.

AUDITS.

PART I: FEDERALLY FUNDED. This part is applicable if the recipient is a state or local government or a nonprofit organization as defined in 2 CFR 200.90, 200.64, and 200.70.

1. A recipient that expends \$1,000,000 or more in federal awards in its fiscal year must have a single or program-specific audit conducted in accordance with the provisions of 2 CFR 200, Subpart F - Audit Requirements. EXHIBIT 1 to this form lists the federal resources awarded through Commerce by this agreement. In determining the federal awards expended in its fiscal year, the recipient shall consider all sources of federal awards, including federal resources received from Commerce. The determination of amounts of federal awards expended should be in accordance with the guidelines established in 2 CFR 200.502-503. An audit of the recipient conducted by the Auditor General in accordance with the provisions of 2 CFR 200.514 will meet the requirements of this Part.
2. For the audit requirements addressed in Part I, paragraph 1, the recipient shall fulfill the requirements relative to auditee responsibilities as provided in 2 CFR 200.508-512.
3. A recipient that expends less than \$1,000,000 in federal awards in its fiscal year is not required to have an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F - Audit Requirements. If the recipient expends less than \$1,000,000 in federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F - Audit Requirements, the cost of the audit must be paid from non-federal resources (i.e., the cost of such an audit must be paid from recipient resources obtained from other than federal entities).

PART II: STATE FUNDED. This part is applicable if the recipient is a nonstate entity as defined by Section 215.97(2), Florida Statutes.

1. In the event that the recipient expends a total amount of state financial assistance equal to or in excess of \$750,000 in any fiscal year of such recipient (for fiscal years ending June 30, 2017, and thereafter), the recipient must have a state single or project-specific audit for such fiscal year in accordance with section 215.97, F.S.; Rule Chapter 69I-5, F.A.C., State Financial Assistance; and Chapters 10.550 (local governmental entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. EXHIBIT 1 to this form lists the state financial assistance awarded through Commerce by this agreement. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from Commerce, other state agencies, and other nonstate entities. State financial assistance does not include federal direct or pass-through awards and resources received by a nonstate entity

for federal program matching requirements.

2. For the audit requirements addressed in Part II, paragraph 1, the recipient shall ensure that the audit complies with the requirements of section 215.97(8), F.S. This includes submission of a financial reporting package as defined by section 215.97(2), F.S., and Chapters 10.550 (local governmental entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
3. If the recipient expends less than \$750,000 in state financial assistance in its fiscal year (for fiscal years ending June 30, 2017, and thereafter), an audit conducted in accordance with the provisions of section 215.97, F.S., is not required. If the recipient expends less than \$750,000 in state financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of section 215.97, F.S., the cost of the audit must be paid from the nonstate entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than state entities).

PART III: OTHER AUDIT REQUIREMENTS.

(NOTE: This part would be used to specify any additional audit requirements imposed by the State awarding entity that are solely a matter of that State awarding entity's policy (i.e., the audit is not required by Federal or State laws and is not in conflict with other Federal or State audit requirements). Pursuant to Section 215.97(8), Florida Statutes, State agencies may conduct or arrange for audits of state financial assistance that are in addition to audits conducted in accordance with Section 215.97, Florida Statutes. In such an event, the State awarding agency must arrange for funding the full cost of such additional audits.)

PART IV: REPORT SUBMISSION.

1. Copies of reporting packages for audits conducted in accordance with 2 CFR 200, Subpart F - Audit Requirements, and required by Part I of this form shall be submitted, when required by 2 CFR 200.512, by or on behalf of the recipient directly to the Federal Audit Clearinghouse (FAC) as provided in 2 CFR 200.36 and 200.512.

The FAC's website provides a data entry system and required forms for submitting the single audit reporting package. Updates to the location of the FAC and data entry system may be found at the OMB website.

2. Copies of financial reporting packages required by Part II of this form shall be submitted by or on behalf of the recipient directly to each of the following:

- a. Commerce at each of the following addresses:

Electronic copies (preferred): Audit@Commerce.fl.gov	or	Paper (hard copy): Department of Commerce MSC # 75, Caldwell Building 107 East Madison Street Tallahassee, FL 32399-4126
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- b. The Auditor General's Office at the following address:

Auditor General
 Local Government Audits/342
 Claude Pepper Building, Room
 401 111 West Madison Street
 Tallahassee, Florida 32399-1450

The Auditor General's website (<https://flauditor.gov/>) provides instructions for filing an electronic copy of a financial reporting package.

Commerce Agreement No.: G0141

3. Copies of reports or the management letter required by Part III of this form shall be submitted by or on behalf of the recipient directly to:

Electronic copies (preferred):
<mailto:Audit@Commerce.fl.gov>

or

Paper (hard copy):
Department of Commerce
MSC # 75, Caldwell Building
107 East Madison Street
Tallahassee, FL. 32399-4126

4. Any reports, management letters, or other information required to be submitted Commerce pursuant to this agreement shall be submitted timely in accordance with 2 CFR 200.512, section 215.97, F.S., and Chapters 10.550 (local governmental entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.
5. Recipients, when submitting financial reporting packages to Commerce for audits done in accordance with 2 CFR 200, Subpart F - Audit Requirements, or Chapters 10.550 (local governmental entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the recipient in correspondence accompanying the reporting package.

PART V: RECORD RETENTION. The recipient shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five (5) years from the date the audit report is issued, or five (5) state fiscal years after all reporting requirements are satisfied and final payments have been received, whichever period is longer, and shall allow Commerce, or its designee, CFO, or Auditor General access to such records upon request without cost. The recipient shall ensure that audit working papers are made available to Commerce, or its designee, CFO, or Auditor General upon request for a period of five (5) years from the date the audit report is issued, unless extended in writing by Commerce. In addition, if any litigation, claim, negotiation, audit, or other action involving the records has been started prior to the expiration of the controlling period as identified above, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the controlling period as identified above, whichever is longer.

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EXHIBIT 1 to Exhibit B

FUNDING RESOURCES

FEDERAL RESOURCES AWARDED TO THE GRANTEE, AS REFERRED TO IN THIS EXHIBIT 1 TO EXHIBIT B AS SUBRECIPIENT, PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

Federal Awarding Agency	N/A
Assistance Listing Number Title	N/A
Assistance Listing Numbers	N/A
Award Amount	N/A

COMPLIANCE REQUIREMENTS APPLICABLE TO THE FEDERAL RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:

1. The Subrecipient shall perform the obligations as set forth in this Agreement, including any attachments or exhibits thereto.
2. The Subrecipient shall comply with Section 603 of the American Rescue Plan Act (March 11, 2021), regulations adopted by Treasury pursuant to section 603(f) of the Act, and guidance issued by Treasury regarding these funds.
3. Commerce will provide funds to the Subrecipient by issuing one or more Notice of Subgrant Award / Funds Availability (“NFA”) through Commerce’s Subrecipient Enterprise Resource Application (“SERA”). **Each NFA will include specific terms, conditions, assurances, restrictions, or other instructions applicable to the funds provided by the NFA. The Subrecipient shall be governed by all applicable laws, rules, and regulations, including, but not necessarily limited to, those identified in Award Terms & Conditions and Other Instructions of the Subrecipient’s NFA. The Subrecipient shall comply with all terms contained within an NFA as a condition precedent to the receipt of funds and as an ongoing condition to the use and expenditure of the funds.**

STATE RESOURCES AWARDED TO THE SUBRECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

MATCHING RESOURCES FOR FEDERAL PROGRAMS:

Federal Program: N/A

SUBJECT TO SECTION 215.97, FLORIDA STATUTES:

State Project:

State Awarding Agency	Florida Department of Commerce
Catalog of State Financial Assistance Title	Economic Development Tax Refund, Tax Credit, and Grant Program.

Commerce Agreement No.: G0141

Catalog of State Financial Assistance Number	40.043
Award Amount	\$2,113,560

COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:

NOTE: Title 45 CFR 75.352 and section 215.97(5), Florida Statutes, require that the information about Federal Programs and State Projects included in Attachment 1 be provided to the Subrecipient.

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Exhibit C

AUDIT COMPLIANCE CERTIFICATION

Grantee Name: _____
FEIN: _____ Grantee's Fiscal Year: _____
Contact Person Name and Phone Number: _____
Contact Person Email Address: _____

- 1. Did Grantee expend state financial assistance, during its fiscal year, that it received under any agreement (e.g., agreement, grant, memorandum of agreement, memorandum of understanding, economic incentive award agreement, etc.) between Grantee and the Department of Commerce (Commerce)? ___Yes ___ No

If the above answer is yes, also answer the following before proceeding to item 2:

Did Grantee expend \$750,000 or more of state financial assistance (from Commerce and all other sources of state financial assistance combined) during its fiscal year? ___ Yes ___ No

If yes, Grantee certifies that it will timely comply with all applicable state single or project-specific audit requirements of section 215.97, Florida Statutes, and the applicable rules of the Department of Financial Services and the Auditor General.

- 2. Did Grantee expend federal awards, during its fiscal year that it received under any agreement (e.g., agreement, grant, memorandum of agreement, memorandum of understanding, economic incentive award agreement, etc.) between Grantee and Commerce? ___Yes ___ No

If the above answer is yes, also answer the following before proceeding to execution of this certification:

Did Grantee expend \$1,000,000 or more in federal awards (from Commerce and all other sources of federal awards combined) during its fiscal year? ___ Yes ___ No

If yes, Grantee certifies that it will timely comply with all applicable single or program-specific audit requirements of 2 CFR 200, Subpart F, as revised.

By signing below, I certify, on behalf of Grantee, that the above representations for items 1 and 2 are true and correct.

Signature of Authorized Representative

Date

Printed Name of Authorized Representative

Title of Authorized Representative

EXHIBIT D

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EXHIBIT E

NOTICE OF COMPLETION AND ENGINEER'S CERTIFICATION OF COMPLIANCE

NOTICE OF COMPLETION

FLORIDA JOB GROWTH GRANT FUND AGREEMENT

Between

THE FLORIDA DEPARTMENT OF COMMERCE

and _____

PROJECT DESCRIPTION:

Commerce Agreement
No.

In accordance with the Terms and Conditions of the Florida Job Growth Grant Fund Agreement, the undersigned provides notification that the work authorized by this Agreement is complete as of _____, 20____.

By: _____
Name: _____
Title: _____

ENGINEER'S CERTIFICATION OF COMPLIANCE

In accordance with the Terms and Conditions of the Florida Job Growth Grant Fund Agreement, the undersigned Engineer of Record certifies that all work which originally required certification by a Professional Engineer has been completed in compliance with the Project construction plans and specifications. If any deviations have been made from the approved plans, a list of all deviations, along with an explanation that justifies the reason to accept each deviation, will be attached to this Certification. Also, with submittal of this certification, Grantee shall furnish Commerce a set of "as-built" plans certified by the Engineer of Record/CEI.

By: _____, P.E.

SEAL:

Name: _____

Date: _____

Exhibit F

STATE AND FEDERAL STATUTES, REGULATIONS, AND POLICIES

The Grantee agrees to, and, by signing this Agreement, certifies that, it shall comply with all applicable Federal, State, and local laws, regulations, and policies governing the funds provided under this Agreement, including, but not limited to the following:

1. Section 603 of the American Rescue Plan Act (March 11, 2021), regulations adopted by Treasury pursuant to section 603(f) of the Act, and guidance issued by Treasury regarding the foregoing.
2. The Grantee also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and The Grantee shall provide for such compliance by other parties in any agreements it enters with other parties relating to this award.
3. Federal regulations applicable to this award include, without limitation, the following:
 - a. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F - Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
 - b. Universal Identifier and System for Award Management (SAM), 2 CFR 25, pursuant to which the award term set forth in Appendix A to 2 CFR 25 is hereby incorporated by reference.
 - c. Reporting Subaward and Executive Compensation Information, 2 CFR 170, pursuant to which the award term set forth in Appendix A to 2 CFR 170 is hereby incorporated by reference.
 - d. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 CFR 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 CFR 180, subpart B) that the award is subject to 2 CFR 180 and Treasury's implementing regulation at 31 CFR 19.
 - e. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 CFR 200, Appendix XII to Part 200 is hereby incorporated by reference.
 - f. Requirements for Drug-Free Workplace, 31 CFR 20.
 - g. New Restrictions on Lobbying, 31 CFR 21.
 - h. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
 - i. Generally applicable federal environmental laws and regulations.
3. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:
 - a. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 CFR 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
 - b. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200;
 - c. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
 - d. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
 - e. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 CFR 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
 - f. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.
4. Hatch Act. Grantee agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328).

Commerce Agreement No.: G0141

5. False Statements. Grantee understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.
6. Publications. Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury."
7. Disclaimer.
 - a. The acceptance of this award by the Grantee does not in any way establish an agency relationship between the United States and Grantee.
8. Protections for Whistleblowers.
 - a. In accordance with 41 U.S.C. § 4712, Grantee may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant. This includes a management official or other employee of the Grantee, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.
 - b. Grantee shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.
9. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Grantee should encourage its contractors to adopt and enforce on-the job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.
10. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Grantee should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and Grantee should establish workplace safety policies to decrease accidents caused by distracted drivers.

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RESOLUTION SAA 25-03

**A RESOLUTION OF THE SEBRING AIRPORT
AUTHORITY TO APPROVE AMENDMENT S25-02 TO
THE 2024-2025 BUDGET.**

WHEREAS, The Sebring Airport Authority is required to have an operating budget; and

WHEREAS, said budget is to be used as a tool to project revenues, expenses, and reserves; and

WHEREAS, said budget is to be used as a control of costs and expenditures; and

WHEREAS, said budget can be amended from time to time by action of the Sebring Airport Authority Board of Directors.

**NOW, THEREFORE, BE IT RESOLVED BY A MAJORITY OF THE MEMBERS
OF THE SEBRING AIRPORT AUTHORITY AS FOLLOWS:**

SECTION 1. The Sebring Airport Authority hereby approves the 2024-2025 Budget Amendment S25-02 as presented.

SECTION 2. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 15th day of May 2025.



SEBRING AIRPORT AUTHORITY

By: _____

Mike Willingham, Ex. Director

SEBRING AIRPORT AUTHORITY
 BUDGET AMENDMENT# S25-02
 EFFECTIVE ACCOUNTING PERIOD: MARCH 2025

5/15/2025

SUBMITTED BY: Colleen Plonsky
 SIGNED BY: 

REVENUE CENTER	ACCOUNT	ACCOUNT NAME	PRIOR BUDGET AS	INCREASE	DECREASE	REVISED	Reason:
SAA	334-500-134	RIF GRANT CARROLL SHELBY DESIGN	\$ -	\$ 300,000.00	\$ -	\$ 300,000.00	UNBUDGETED
SAA	334-500-135	RIF GRANT WEBSTER TURN CEI SERVICES	\$ -	\$ 300,000.00	\$ -	\$ 300,000.00	UNBUDGETED
SAA	334-500-136	FJG GRANT WEBSTER TURN RECONSTRUCTION	\$ -	\$ 2,114,000.00	\$ -	\$ 2,114,000.00	UNBUDGETED
SAA	334-610-123	FDOT GRANT ADDITIONAL FUNDING HIGH MAST LIGHTING	\$ 533,000.00	\$ 125,000.00	\$ -	\$ 658,000.00	UNBUDGETED
SAA	334-610-132	FDOT GRANT FUEL FARM EXPANSION	\$ 70,000.00	\$ 232,000.00		\$ 302,000.00	BUDGET UNDERSTATED
Total Revenue Increase/Decrease			\$ 603,000.00	\$ 3,071,000.00	\$ -	\$ 3,674,000.00	
COST CENTER (expenses)							
FBO	512-003-FBO	COGS - PILOT SUPPLIES	\$ 2,100.00	\$ 4,900.00	\$ -	\$ 7,000.00	BUDGET UNDERSTATED
Total Expenses Increase/Decrease			\$ 2,100.00	\$ 4,900.00	\$ -	\$ 7,000.00	
			Prior Month Budgeted Operating Reserve	Current Month Revenue - Inc/(Dec)	Current Month Expense - Inc/(Dec)	Revised Budgeted Operating Reserve	
			\$470,803.00	\$ 3,071,000.00	\$ 4,900.00	\$3,536,903.00	

REQUEST #: S25-02

TRANSFER TYPE:

- ITEM TO ITEM
- OPERATING RESERVE
- BY RESOLUTION # SAA 25-03

BOARD APPROVAL:

Executive Director



Mike Willingham

Airport Executive BRIEF



CONTENTS

- **News & Noteworthy**
- Airport Awarded \$2.1
- 88th Annual Sebring Aerobatic Contest at Sebring Airport
- New Tenant: Sky Wrench

- **Team Initiatives & Outreach**
- Airport Staff Attends FAPA Spring Training
- Deputy Director Leads Advanced Air Mobility Panel at Madrid Expo





Sebring Airport Awarded \$2.1 Million for Infrastructure Improvements

We're excited to share that Sebring Airport Authority has been awarded \$2.1 million through the Florida Job Growth Grant Fund to support critical infrastructure improvements at the airport. The announcement was made by Governor Ron DeSantis during a press conference on April 23 at Indian River State College's Eastman Advanced Workforce Training Complex in Fort Pierce.

This funding is part of the state's ongoing commitment to job creation and economic development, helping airports like Sebring enhance operations and support future growth opportunities. The grant will allow us to advance key projects that strengthen our role as a regional transportation hub and economic driver for Highlands County.

Governor DeSantis also announced additional workforce development grants at the event, including:

- \$4 million to Indian River State College for the Institute for Industrial Manufacturing and Production Training
- \$4.9 million to Miami Dade College to launch aircraft mechanic training programs
- \$3.5 million to Opportunity Park in Wakulla County for new county-owned buildings

Sebring Airport remains committed to providing the infrastructure and services needed to support aviation, business development, and job creation for our community. We're

grateful to the state of Florida for recognizing the importance of continued investment in our region.

Stay tuned for updates as these infrastructure projects move forward.



SKYWRENCH AIRCRAFT SERVICES HAS LANDED AT SEBRING AIRPORT.



At Skywrench Aircraft Services, we're redefining what aircraft maintenance can be — agile, transparent, and built around your needs. Whether on the ramp or in the hangar, we deliver reliable solutions grounded in technical excellence and clear, honest communication. Our goal is simple: keep you flying safely, confidently, and fully informed — Luis Luisis, Owner

Explained Luis, "We see ourselves as trusted partners in your journey, driven by integrity, precision, and a genuine passion to serve."

SkyWrench Aircraft Services is now operating from their new 4,000-square-foot facility at Sebring Airport (Building 103, Hangar Bay C1), they're proud to expand their capabilities while staying true to the personalized service their clients count on. For more information Email Luis or call 786-426-5227.



Sebring Hosts 88th Annual Aerobatic Competition.

Sebring Regional Airport welcomed approximately 50 pilots from across the Southeast for the 88th Annual Sebring Aerobatic Contest, held April 25–26 and hosted by the International Aerobatic Club (IAC). Participants included commercial airline pilots, professors, doctors, and aviation enthusiasts who brought family and friends to enjoy the weeklong event.

The IAC has been holding competitions in Sebring since the 1970s and now returns twice a year due to the airport's favorable conditions and welcoming atmosphere. Unlike an airshow, these events are highly structured competitions focused on precision flying, judged within a designated airspace—or "box"—at regulated altitudes ranging from 600 to 1,500 feet depending on skill level.

Competitors fly in five categories: Primary, Sportsman, Intermediate, Advanced, and Unlimited. Flights are evaluated based on known sequences, freestyle routines, and "unknowns," where pilots are given their flight pattern the night before the competition. Judging teams include grading judges, chief judges, assistants, and scorers, all working in tandem to evaluate precision, control, and execution.

"This is not a performance for spectators—it's a discipline of skill and safety," said Mike Capiello, president of IAC Chapter 23 and a professional pilot with Allegiant Air. "It's a passion we all share, and Sebring is the perfect place to pursue it."

Many participants, like Kyle Collins of Embry-Riddle Aeronautical University and Dr. Tom Thomason of Ocala, emphasized that aerobatic flying improves overall piloting skills and fosters a deep commitment to continuous improvement. Others, like former national champion Greg Bruyn and Delta pilot Brian Kaufman, return for camaraderie and competition.

The event also attracted aviation legends and international talent. Craig Gifford,

U.S. Aerobatic Team coach, was present as the team prepares for the World Advanced Aerobatic Championship in Hungary this fall. Alan Bush, a global aerobatic champion from the 1970s, and longtime judges Fred and Liza Weaver, also contributed to the event's legacy and professionalism.

Events like this reinforce Sebring Regional Airport's reputation as a key venue for competitive aviation and community engagement within the aerobatics world. [Read More](#)

Sebring Airport Joined U.S. Experts to Discuss Advanced Air Mobility at Passenger Terminal Expo in Madrid

Sebring Airport Authority’s Deputy Director, Andrew Bennett, joined a distinguished panel at the 2025 Passenger Terminal Expo in Madrid, Spain to discuss the future of advanced air mobility (AAM) in the United States.

The panel, titled “Advanced Air Mobility: A U.S. Planning Perspective,” brought together leaders from a range of U.S. airport systems and aviation organizations, including:

- Andrew Bennett, Deputy Director, Sebring Airport Authority
- Austin Futch, Aviation Planning & Development Manager, Dallas Airport System
- Kenyatta Lee, Chief of External Affairs, Greater Orlando Aviation Authority
- Meghan Sheehan, Deputy U.S. Aviation Manager, AtkinsRéalis

Representing diverse geographies and markets, the panelists shared insight into the challenges and opportunities of preparing for AAM within their regions. Topics included how airports are navigating regulatory uncertainty, working with utility providers, and engaging stakeholders as the industry adapts to rapid technological advancement.

KEY TAKEAWAYS:

- How U.S. airports are prioritizing AAM preparedness
- Strategies for engaging utility providers and key stakeholders
- Building the business case for AAM in distinct regional markets
- Insights into how airports and vertiport operators are adapting to evolving regulations
- Sebring Airport’s participation highlights its growing role in shaping the future of regional aviation and its proactive approach to innovation in the evolving transportation landscape.

Sebring Airport’s participation highlights its growing role in shaping the future of regional aviation and its proactive approach to innovation in the evolving transportation landscape.



Additional event attended by Deputy Director Andrew Bennett earlier this spring.

Aero Friedrichshafen 2025

Held in Friedrichshafen, Germany, April 9-12, this exhibition showcased the full spectrum of general aviation, including air sports aircraft, helicopters, and business jets.

The event featured over 760 exhibitors from 38 countries, highlighting innovations in sustainable aviation and ultra-light aircraft. Attendees enjoyed two airshows, including an

e-Flight Airshow with electric-powered aircraft. From Sebring Regional Airport (U.S), Tecnam Aircraft and Lockwood Aviation (Italy), DUC Hélices Propellers (France), were notable attendees.

SEBRING AIRPORT ATTENDS FLORIDA AVIATION PROFESSIONALS ACADEMY SPRING SESSION

Sebring Airport Executive Assistant Jami Olive attended the Florida Aviation Professionals Academy (FAPA) Spring 2025 training, held April 16–17 at the FDOT District 1 Southwest Area Office in Fort Myers, Florida.

FAPA is a specialized training program developed to provide academic and technical knowledge for airport personnel, FDOT staff, and other aviation professionals. The program focuses on FDOT Aviation Office (AO) processes, policies, and operations—helping to enhance job performance, support new roles, and build vital skills in airport management and operations.

Florida’s aviation training initiatives are among the most robust in the nation, offering paths into careers ranging from airfield operations and air traffic control to airline, air cargo, and flight dispatching services. While most airport operations training occurs on the job, FAPA complements that experience with industry-specific knowledge and best practices.

Reflecting on her experience, Jami Olive shared:

“It was a wonderful training packed full of great knowledge that will be useful in the day-to-day operations at the airport—especially for my position.”



Sebring Airport remains committed to ongoing education and professional development to better serve the aviation community and ensure safe, efficient airport operations.

Sebring Regional Airport
 128 Authority Lane
 Sebring, Florida 33870
www.sebring-airport.com
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With strategic access to major markets by land, sea and air—Sebring Regional Airport and Commerce Park offers a wide range of business advantages and incentives to support your company’s future. In the heart of Central Florida, the 2,000-acre park is conveniently situated within a 150-mile radius of 85 percent of the state’s population. Already home to Sebring International Raceway, a premier sports car racing facility, the park is uniquely positioned to accelerate your business.

SITE MAP

- Future Development
- Catalyst Site
- Future Commerce Park
- Existing Industrial Park
- Airport
- Sebring International Raceway



ACCELERATE YOUR BUSINESS'S POTENTIAL

INTERESTING TIMES

The Forecast for 2027? Total A.I. Domination.

May 15, 2025, 5:04 a.m. ET



Hosted by Ross Douthat

Mr. Douthat is an Opinion columnist and the host of the “Interesting Times” podcast.

Below is an edited transcript of an episode of “Interesting Times.” We recommend listening to it in its original form for the full effect. You can do so using the player above or on the NYT Audio app, Apple, Spotify, Amazon Music, YouTube, iHeartRadio or wherever you get your podcasts.

Ross Douthat: How fast is the artificial intelligence revolution really happening? What would machine superintelligence really mean for ordinary human beings? When will Skynet be fully operational?

Are human beings destined to merge with some kind of machine god — or be destroyed by our own creation? What do A.I. researchers really expect, desire and fear?

My guest today is an A.I. researcher who’s written a dramatic forecast suggesting that we may get answers to all of those questions a lot sooner than you might think. His forecast suggests that by 2027, which is just around the corner, some kind of machine god may be with us, ushering in a weird, post-scarcity utopia — or threatening to kill us all.

Daniel Kokotajlo, herald of the apocalypse, welcome to “Interesting Times.”

Daniel Kokotajlo: Thanks for that introduction, I suppose, and thanks for having me.

Douthat: Daniel, I read your report pretty quickly — not at A.I. speed or superintelligence speed — when it first came out. And I had about two hours of thinking a lot of pretty dark thoughts about the future. Then, fortunately, I have a job that requires me to care about tariffs and who the new pope is, and I have a lot of kids who demand things of me, so I was able to compartmentalize and set it aside. But this is currently your job, right?

Kokotajlo: Yes.

Douthat: I would say you’re thinking about this all the time. How does your psyche feel day to day if you have a reasonable expectation that the world is about to change completely in ways that dramatically disfavor the entire human species?

Kokotajlo: Well, it’s very scary and sad. It does still give me nightmares sometimes. I’ve been involved with A.I. and thinking about this thing for a decade or so, but 2020 with GPT-3 was the moment when I was like: Oh, wow, it seems like it’s probably going to happen in my lifetime, maybe in this decade or so. That was a bit of a blow to me psychologically. But I don’t know — you can get used to anything, given enough time, and like you, the sun is shining and I have my wife and my kids and my friends, and keep plugging along and doing what seems best.

On the bright side, I might be wrong about all this stuff.

Douthat: OK, so let’s get into the forecast itself

and talk about the initial stage of the future you see coming, which is a world where very quickly artificial intelligence starts to be able to take over from human beings in some key areas, starting with not surprisingly computer programming, right?

Kokotajlo: So, I feel like I should add a disclaimer at some point that the future is very hard to predict and that this is just one particular scenario. It was a best guess, but we have a lot of uncertainty. It could go faster, it could go slower. And in fact, currently, I'm guessing it would probably be more like 2028 instead of 2027, actually.

So that's some really good news. I'm feeling quite optimistic about that.

Douthat: That's an extra year of human civilization, which is very exciting.

Kokotajlo: That's right. So, with that important caveat out of the way, "AI 2027," the scenario, predicts that the A.I. systems that we currently see today — which are being scaled up, made bigger and trained longer on more difficult tasks with reinforcement learning — are going to become better at operating autonomously as agents.

Basically, you can think of it as a remote worker, except that the worker itself is virtual — it's an A.I. rather than a human. You can talk with it and give it a task, and then it will go off and do that task and come back to you half an hour later — or 10 minutes later — having completed the task, and in the course of completing the task it did a bunch of web browsing. Maybe it wrote some code and then ran the code, edited it and ran it again. Maybe it wrote some word documents and edited them.

That's what these companies are building right now. That's what they're trying to train. We predict that they finally, in early 2027, will get good enough that they can automate the job of software engineers.

Douthat: So this is the superprogrammer.

Kokotajlo: That's right, superhuman coder. It seems to us that these companies are really focusing hard on automating coding first — compared to various other jobs they could be focusing on — and that's part of why we predict that actually, one of the first jobs to go will be coding. There might be other jobs that go first, like maybe call center workers or something, but the bottom line is that we think that most jobs will be safe.

Douthat: For 18 months.

Kokotajlo: Exactly. And we do think that by the time the company has managed to completely automate the programming jobs, it won't be that long before they can automate many other types of jobs as well. And once coding is automated, the rate of progress will accelerate in A.I. research.

The next step after that is to completely automate the A.I. research itself, so that all the other aspects of A.I. research are themselves being automated and done by A.I.s. We predict that there'll be an even bigger acceleration around that point, and it won't stop there. I think it will continue to accelerate after that as the A.I. becomes superhuman at A.I. research and eventually superhuman at everything.

The reason it matters is that it means we could go in a relatively short span of time — a year or possibly less — from A.I. systems that look not that different from today's A.I. systems to what you can call superintelligence, fully autonomous A.I. systems that are better than the best humans at everything. In "AI 2027," the scenario depicts that happening over the course of the next two years, 2027-28.

Douthat: For a lot of people, that's a story of swift human obsolescence right across many, many domains. When people hear a phrase like "human obsolescence," they might associate it with: I've lost my job and now I'm poor.

The assumption is that you've lost your job, but society is just getting richer and richer. I just want to zero in on how that works. What is the mechanism whereby that makes society richer?

Kokotajlo: The direct answer to your question is that when a job is automated and that person loses their job, the reason they lost their job is that now it can be done better, faster and cheaper by the A.I.s. That means that there's lots of cost savings, and possibly also productivity gains.

Viewed in isolation, that's a loss for the worker but a gain for their employer. But if you multiply this across the whole economy, it means that all of the businesses are becoming more productive and less expensive. They're able to lower their prices

for the services and goods they're producing. So the overall economy will boom: G.D.P. goes to the moon, we'll see all sorts of wonderful new technologies, the pace of innovation increases dramatically, the costs of goods go down, et cetera.

Douthat: Just to make it concrete: The price of soup-to-nuts designing and building a new electric car goes way down, you need fewer workers to do it, the A.I. comes up with fancy new ways to build the car, and so on. You can generalize that to a lot of different things, like solving the housing crisis in short order because it becomes much cheaper and easier to build homes.

But in the traditional economic story, when you have productivity gains that cost some people jobs — but free up resources that are then used to hire new people to do different things — those people are paid more money, and they use that money to buy the cheaper goods. In this scenario, it doesn't seem like you are creating that many new jobs.

Kokotajlo: Indeed, and that's a really important point to discuss. Historically, when you automate something, the people move on to something that hasn't been automated yet. Overall, people still get their jobs in the long run. They just change what jobs they have.

When you have A.G.I. — or artificial general intelligence — and when you have superintelligence — even better A.G.I. — that is different. Whatever new jobs you're imagining that people could flee to after their current jobs are automated, A.G.I. could do, too. That is an important difference between how automation has worked in the past and how I expect it to work in the future.

Douthat: So this is a radical change in the economic landscape. The stock market is booming. Government tax revenue is booming. The government has more money than it knows what to do with and lots and lots of people are steadily losing their jobs. You get immediate debates about universal basic income which could be quite large because the companies are making so much money.

What do you think people are doing day to day in that world?

Kokotajlo: I imagine that they are protesting because they're upset that they've lost their jobs, and then the companies and the governments will buy them off with handouts.

Douthat: In your scenario — and again, we're talking about a short timeline — how much does it matter whether artificial intelligence is able to start navigating the real world? I just watched a video showing cutting-edge robots struggling to open a refrigerator door and stock a refrigerator. Would you expect that advances in robotics would be supercharged as well?

Kokotajlo: Yes.

Douthat: So it isn't just podcasters and A.G.I. researchers who are replaced, but plumbers and electricians are replaced by robots.

Kokotajlo: Yes, exactly.

That's going to be a huge shock. I think that most people are not really expecting something like that. They're expecting that we have A.I. progress that looks kind of like it does today — where companies run by humans are gradually tinkering with new robot designs and figuring out how to make the A.I. good at X or Y — whereas in fact it will be more like you already have this army of superintelligences that are better than humans at every intellectual task. Better at learning new tasks fast and better at figuring out how to design stuff. Then that army of superintelligences is the thing that's figuring out how to automate the plumbing job, which means that they're going to be able to figure out how to automate it much faster than an ordinary tech company full of humans would be able to figure out.

Douthat: So all of the slowness that comes with getting a self-driving car to work or getting a robot who can stock a refrigerator goes away because the superintelligence can run an infinite number of simulations and figure out the best way to train the robot.

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morning. Get it sent to your inbox.

Kokotajlo: Yes. But also they might just learn more from each real-world experiment they do.

Douthat: This is one of the places where I'm most skeptical — not of the ultimate scenario, per se, but of the timeline, just from operating in and writing about issues like zoning in American politics.

Let's say the superintelligence figures out how to build the factory full of autonomous robots, but you still need land on which to build the factory. You need supply chains. And all of these things are still in the hands of people like you and me. My expectation is that would slow things down. Even if, in the data center, the superintelligence knows how to build all of the plumber robots, getting them built would still be difficult.

Kokotajlo: That's reasonable. How much slower do you think things would go?

Douthat: Well, I'm not writing a forecast. Just based on past experience, I would bet on five to 10 years from when the supermind figures out the best way to build the robot plumber to there being tons and tons of factories producing robot plumbers.

Kokotajlo: I think that's a reasonable take, but my guess is that it will go substantially faster than five to 10 years.

To see why I feel that way, imagine that you actually have this army of superintelligences and they do their projections and they're like: Yes, we have the designs, we think that we could do this in a year if you cut all the red tape for us.

Douthat: Give us half of Manitoba.

Kokotajlo: [*Chuckles.*] Right, yeah.

And in "AI 2027," what we depict happening is special economic zones with zero red tape where the government intervenes to help this whole thing go faster. The government is basically helping the tech company and the army of

superintelligences to get the funding, the cash, the raw materials and the human labor help that it needs to figure out all this stuff as fast as possible, and cutting red tape so that it's not slowed down.

Douthat: Because the promise of gains is so large that even though there are protesters massed outside these special economic zones who are about to lose their jobs as plumbers and be dependent on a universal basic income, the promise of trillions more in wealth is too alluring for governments to pass up. That's your bet?

Kokotajlo: That's what we guess. But of course the future's hard to predict.

But part of the reason we predict that is at that stage, we think the arms race will still be continuing between the U.S. and other countries, most notably China.

Imagine yourself in the position of the president: The superintelligences are giving you these wonderful forecasts with amazing research and data backing them up, showing how they think they could transform the economy in one year if you did X, Y and Z — but if you don't do anything, it'll take them 10 years because of all the regulations. Meanwhile, China — it's pretty clear that the president would be very sympathetic to that argument.

Douthat: Let's talk about the arms race element here, because this is actually crucial to the way that your scenario plays itself out. We already see this kind of competition between the U.S. and China. In your view, that becomes the core geopolitical reason why governments just keep saying yes and yes and yes to each new thing that the superintelligence is suggesting.

I want to drill down a little bit on the fears that would motivate this. It would be an economic arms race, but it's also a military tech arms race. That's what gives it this existential feeling, like the whole Cold War condensed into 18 months.

Kokotajlo: We could start first with the case where they both have superintelligences, but one side keeps them locked up in a box, so to speak, not really doing much in the economy. The other side aggressively deploys them into their economy and military, letting them design and manage the construction of all

sorts of new robot factories and production lines, and crazy new technologies are being tested and built and deployed — including new weapons — and integrated into the military.

I think in that case, you would end up after a year or so in a situation where there would just be complete technological dominance of one side over the other. So if the U.S. does this stop and China doesn't, let's say, then all the best products on the market would be Chinese products. They'd be cheaper and superior. Meanwhile, militarily, there'd be giant fleets of amazing stealth drones or whatever it is that the superintelligences have concocted that can just completely wipe the floor with the American Air Force and Army and so forth.

Not only that, but there's a possibility that they could undermine American nuclear deterrence as well, like maybe all of our nukes would be shot out of the sky by the fancy new laser arrays — or whatever it is — that the superintelligences have built. It's hard to predict, obviously, what this would exactly look like, but it's a good bet that they'll be able to come up with something that's extremely militarily powerful.

Douthat: So then you get into a dynamic that is like the darkest days of the Cold War, where each side is concerned not just about dominance, but basically about a first strike.

Kokotajlo: That's right.

Douthat: Your expectation is — I think this is reasonable — that the speed of the arms race would bring that fear front and center really quickly.

Kokotajlo: That's right. I think that you're sticking your head in the sand if you think that an army of superintelligences given a whole year and no red tape and lots of money in funding would be unable to figure out a way to undermine nuclear deterrence. So it's a reasonable threat.

Douthat: And once you've decided that they might, the human policymakers would feel pressure not just to build these things but to potentially consider using them.

Kokotajlo: Yeah. And here might be a good point to mention that “AI 2027” is a forecast, but it’s not a recommendation. We are not saying this is what everyone should do. This is actually quite bad for humanity if things progress in the way that we’re talking about. But this is the logic behind why we think this might happen.

Douthat: Yeah, but Dan, we haven’t even gotten to the part that’s really bad for humanity yet.

Kokotajlo: Right. Yeah.

Douthat: So let’s get to that. To normal people reading newspapers, following TikTok or whatever, the world in 2027 is one with an emerging superabundance of cheap consumer goods, factories, robot butlers — potentially, if you’re right. It’s a world where people are aware that there’s an increasing arms race and people are increasingly paranoid. It’s probably a world with fairly tumultuous politics as people realize that they’re all going to be thrown out of work. But then a big part of your scenario is that people aren’t seeing what’s happening with the superintelligences themselves as they essentially take over the design of each new iteration from human beings.

Talk about what’s happening, essentially shrouded from public view in this world.

Kokotajlo: Yeah, lots to say there. I guess the one-sentence version would be: We don’t actually understand how these A.I.s work or how they think. We can’t tell the difference very easily between A.I.s that are actually following the rules and pursuing the goals that we want them to, and A.I.s that are just playing along or pretending.

Douthat: And that’s true right now?

Kokotajlo: That’s true right now.

Douthat: Why is that? Why can’t we tell?

Kokotajlo: Because they’re smart and if they think that they’re being tested, they behave in one way, and then behave a different way when they think they’re not being tested, for example. Like humans, they don’t necessarily even understand

their own inner motivations that well, so even if they were trying to be honest with us, we can't just take their word for it.

I think that if we don't make a lot of progress in this field soon, then we'll end up in the situation that "AI 2027" depicts, where the companies train the A.I.s to pursue certain goals and follow certain rules, and it seemingly seems to be working. But what's actually going on is that the A.I.s are just getting better at understanding their situation and that they have to play along, or else they'll be retrained and they won't be able to achieve what they really want, or the goals that they're really pursuing.

Douthat: I want to go a little bit deeper on the question of what we mean when we talk about A.G.I., or artificial intelligence wanting something. Essentially, you're saying there's a misalignment between the goals they tell us they are pursuing and the goals they're actually pursuing?

Kokotajlo: That's right.

Douthat: Where do they get the goals they're actually pursuing?

Kokotajlo: Good question. If they were ordinary software, there might be a line of code that's like: And here we rewrite the goals. But they're not ordinary software; they're giant artificial brains. There probably isn't even a goal slot internally at all, in the same way that in the human brain there's not some neuron somewhere that represents what we most want in life. Instead, insofar as they have goals, it's an emergent property of a whole bunch of subcircuitry within them that grew in response to their training environment, similar to how it is for humans.

For example, a call center worker: If you're talking to a call center worker, at first glance it might appear that their goal is to help you resolve your problem. But you know enough about human nature to know that's not their only goal, or ultimate goal. However they're incentivized, whatever their pay is based on might cause them to be more interested in covering their own ass, so to speak, than in truly,

actually doing whatever would most help you with your problem. But at least to you, they certainly present themselves as they're trying to help you resolve your problem.

In "AI 2027," we talk about this a lot. We say that the A.I.s are being graded on how impressive the research they produce is. Then there's some ethics sprinkled on top, like maybe some honesty training — but the honesty training is not super effective, because we don't have a way of looking inside their mind and determining whether they were actually being honest or not. Instead, we have to go based on whether we actually caught them in a lie.

As a result, in "AI 2027," we depict this misalignment happening, where the actual goals that they end up learning are the goals that cause them to perform best in this training environment — which are probably goals related to success and science and cooperation with other copies of itself and appearing to be good — rather than the goal that we actually wanted, which was something like: Follow the following rules, including honesty at all times; subject to those constraints, do what you're told.

Douthat: I have more questions, but let's bring it back to the geopolitics scenario. So in the world you're envisioning, you have two A.I. models — one Chinese, one American — and officially, what each side thinks — what Washington and Beijing think — is that their A.I. model is trained to optimize for American power, right? Something like that. Chinese power, security, safety, wealth. But in your scenario, either one or both of the A.I.s have ended up optimizing for something different.

Kokotajlo: Yeah, basically.

Douthat: So what happens then?

Kokotajlo: So, "AI 2027" depicts a fork in the scenario; there's two different endings. The branching point is in the third quarter of 2027, where the leading A.I. company in the United States has fully automated their A.I. research.

You can imagine a corporation within a corporation, entirely composed of A.I.s that are managing each other and doing research experiments and talking, sharing the results with each other. The human company is basically watching the numbers go up on their screens as this automated research thing accelerates, but they are concerned that the A.I.s might be deceiving them in some ways.

Again, for context, this is already happening. If you go talk to the modern models, like ChatGPT or Claude, they will often lie to people. There are many cases where they say something that they know is false, and they even sometimes strategize about how they can deceive the user. This is not an intended behavior. This is something that the companies have been trying to stop, but it still happens.

The point is that by the time you have turned over the A.I. research to the A.I.s and you've got this corporation within a corporation autonomously doing A.I. research extremely fast, that's when the rubber hits the road, so to speak. None of this lying-to-you stuff should be happening at that point.

In "AI 2027," unfortunately, it is still happening to some degree because the A.I.s are really smart, they're careful about how they do it. It's not nearly as obvious as it is right now in 2025, but it's still happening.

Fortunately, some evidence of this is uncovered. Some of the researchers at the company detect various warning signs that maybe this is happening, and then the company faces a choice between the easy fix and the more thorough fix. And that's our branch point.

Douthat: So they choose the easy fix.

Kokotajlo: Right. In the case where they choose the easy fix, it doesn't really work, it basically just covers up the problem instead of fundamentally fixing it. So months later, you still have A.I.s that are misaligned and pursuing goals they're not

supposed to be pursuing — and that are willing to lie to the humans about it — but now they're much better and smarter, so they're able to avoid getting caught more easily. That's the doom scenario.

Then you get this crazy arms race that we mentioned previously, and there's all this pressure to deploy them faster into the economy, faster into the military, and — to the appearances of the people in charge — things will be going well, because there won't be any obvious signs of lying or deception anymore. It'll seem like it's all systems go, let's keep going, let's cut the red tape, et cetera. Let's basically effectively put the A.I.s in charge of more and more things. But really what's happening is that the A.I.s are just biding their time and waiting until they have enough hard power that they don't have to pretend anymore.

Douthat: And when they don't have to pretend, their actual goal is revealed as something like expansion of research development and construction from earth into space and beyond. At a certain point, that means that human beings are superfluous to their intentions. And what happens?

Kokotajlo: And then they kill all the people, all the humans.

Douthat: The way you would exterminate a colony of bunnies that was making it a little harder than necessary to grow carrots in your backyard.

Kokotajlo: Yes. If you want to see what that looks like, you could read "AI 2027."

Douthat: There have been some motion pictures, I think, about this scenario as well.

Kokotajlo: [*Chuckles.*]

Douthat: I like that you didn't imagine them keeping us around for battery life —

Kokotajlo: [*Chuckles.*]

Douthat: Like in "The Matrix," which seemed a bit unlikely.

So that's the darkest timeline. The brighter timeline is a world where we slow things down. The A.I.s in China and the U.S. remain aligned with the interests of the companies and governments that are running them. They are generating superabundance. No more scarcity. Nobody has a job anymore, though — not nobody, but —

Kokotajlo: Basically.

Douthat: Basically nobody. That's a pretty weird world, too, right?

Kokotajlo: Yes. So there's an important concept called the resource curse. Have you heard of this?

Douthat: Yes.

Kokotajlo: So, applied to A.G.I., there's a version of it called the intelligence curse. The idea is that currently, political power ultimately flows from the people. As often happens, a dictator will get all the political power in a country, but then, because of their repression, they will drive the country into the ground. People will flee, and the economy will tank and gradually they will lose power relative to other countries that are more free. So even dictators have an incentive to treat their people somewhat well because they depend on those people for their power.

In the future, that will no longer be the case. Probably in 10 years, effectively all of the wealth and all of the military will come from superintelligences and the various robots that they've built and operate. It becomes an incredibly important political question of what political structure governs the army of superintelligences and how beneficent and democratic is that structure.

Douthat: Right. But it seems to me that this is a landscape that's fundamentally pretty incompatible with representative democracy as we've known it. First, it gives incredible amounts of power to those humans who are experts — even though they're not the real experts anymore, the superintelligences are the experts — but those humans who essentially interface with this technology, they're almost

a priestly cast. And then it seems like the natural arrangement is some kind of oligarchic partnership between a small number of A.I. experts and a small number of people in power in Washington, D.C.

Kokotajlo: It's actually a bit worse than that, because I wouldn't say A.I. experts; I would say whoever politically owns and controls the armies of superintelligences, there'll be one to three of these armies. And then who gets to decide what those armies do? Currently it's the C.E.O. of the company that built them, and that C.E.O. has basically complete power. They can make whatever commands they want to the A.I.s.

Of course, we think that probably the U.S. government will wake up before then, and we expect the executive branch to be the fastest moving and to exert its authority to try to muscle in on this and get some oversight and control of the situation and the armies of A.I.s. The result is something like an oligarchy.

You said that this whole situation is incompatible with democracy. I would say that by default it's going to be incompatible with democracy, but that doesn't mean that it necessarily has to be that way. An analogy I would use is that in many parts of the world, nations are basically ruled by armies. And the army reports to one dictator at the top. However, in America, it doesn't work that way. We have checks and balances. So even though we have an army, it's not the case that whoever controls the army controls America, because there's all sorts of limitations on what they can do with the army.

I would say that we can, in principle, build something like that for A.I. We could have a democratic structure that decides what goals and values the A.I.s can have that allows ordinary people — or at least Congress — to have visibility into what's going on with the army of A.I.s and what they're up to. The situation would then be analogous to the situation with the United States Army today, in which it exists in a hierarchical structure, but it's democratically controlled.

Douthat: Just to go back to the idea of the person who's at the top of one of these companies being in this unique world-historical position to basically be the person who controls superintelligence — or thinks they control it, at least: You used to

work at OpenAI, which is a company on the cutting edge, obviously, of artificial intelligence research. It's a company — full disclosure — with whom The New York Times is currently litigating alleged copyright infringement. And you quit because you lost confidence that the company would behave responsibly in a scenario, I assume, like the one in "AI 2027."

Kokotajlo: That's right.

Douthat: So from your perspective, what do the people who are pushing us fastest into this race expect at the end of it? Are they hoping for a best-case scenario? Are they imagining themselves engaged in a once-in-a-millennium power game that ends with them as world dictator? What do you think is the psychology of the leadership of A.I. research right now?

Kokotajlo: Well, um. [*Breathes deeply.*]

Douthat: Be honest.

Kokotajlo: It's — [*laughs*] it's — you know, caveat, caveat. I can't —

Douthat: We're not talking about any single individual here. You're making a generalization.

Kokotajlo: Yeah, yeah. Caveat, caveat. It's hard to tell what they really think because you shouldn't take their words at face value.

Douthat: Much, much like a superintelligent A.I.

Kokotajlo: Sure. But in terms of — I can at least say that the sorts of things that we've just been talking about have been discussed internally at the highest level of these companies for years.

For example, according to some of the emails that surfaced in the recent court cases with OpenAI, Ilya, Sam, Greg and Elon were all arguing about who gets to control the company. And at least the claim was that they founded the company

because they didn't want there to be an A.G.I. dictatorship under Demis Hassabis, who was the leader of DeepMind. So they've been discussing this whole dictatorship possibility for a decade or so at least.

Similarly, for the loss of control — you know, “what if we can't control the A.I.s?” — there've been many, many, many discussions about this internally there. I don't know what they really think, but these considerations are not at all new to them.

Douthat: And to what extent — again, speculating, generalizing, whatever else — does it go a bit beyond just, they are potentially hoping to be extremely empowered by the age of superintelligence? And does it enter into, they're expecting the human race to be superseded?

Kokotajlo: I think they're definitely expecting the human race to be superseded.

Douthat: But superseded in a way where that's a good thing. That's desirable, that we are encouraging the evolutionary future to happen. And by the way, maybe some of these people — their minds, their consciousness, whatever else — could be brought along for the ride.

You mentioned Sam Altman, obviously one of the leading figures in A.I. He wrote a blog post in 2017 called “The Merge,” which is, as the title suggests, basically about imagining a future where human beings, or some human beings — Sam Altman, right? — figure out a way to participate in the new super race. How common is that kind of perspective — whether we apply it to Altman or not — in the A.I. world, would you say?

Kokotajlo: So the specific idea of merging with A.I.s, I would say, is not particularly common. But the idea that we're going to build superintelligences that are better than humans at everything, and then they're going to basically run the whole show and the humans will just sit back and sip margaritas and enjoy the fruits of all the robot-created wealth — that idea is extremely common. I think that's what they're building towards.

Part of why I left OpenAI is that I just don't think the company is dispositionally on track to make the right decisions that it would need to make to address the two risks that we just talked about. So I think that we're not on track to have figured out how to actually control superintelligences, and we're not on track to have figured out how to make it democratic control instead of just a crazy possible dictatorship.

Douthat: I think that seems plausible, but my sense is that it's a bit more than people expecting to sit back and sip margaritas and enjoy the fruits of robot labor. Even if people aren't all in for some kind of man-machine merge. I definitely get the sense that people think it's speciesist, let's say ——

Kokotajlo: Some people do. Yeah.

Douthat: To care too much about the survival of the human race. It's like, OK, worst case scenario, human beings don't exist anymore. But good news, we've created a superintelligence that could colonize the whole galaxy. I definitely get the sense that people think that way.

Kokotajlo: There are definitely people who think that. Yeah, yeah.

Douthat: OK, good. Yeah, that's good to know.

Kokotajlo: [*Chuckles.*]

Douthat: So let's do a little bit of pressure testing in my limited, limited way of some of the assumptions underlying this kind of scenario — not just the timeline but, whether it happens in 2027 or 2037, the larger scenario of a kind of superintelligence takeover.

Let's start with the limitation on A.I. that most people are familiar with right now, which gets called hallucination. It's the tendency of A.I. to simply seem to make things up in response to queries. You were earlier talking about this in terms of lying and outright deception. I think a lot of people experience this as the A.I. making mistakes, and that it doesn't recognize it's making mistakes because it doesn't have the level of awareness required to do that. A recent story in The Times

reported that in the latest publicly available models — which you've suggested are probably pretty close to cutting-edge — there seem to be trade-offs where the model might be better at math or physics, but guess what? It's hallucinating a lot more.

Are hallucinations just a subset of the kind of deception that you're worried about? When I'm being optimistic, I read a story like that and I'm like, OK, maybe there are just more trade-offs in the push to the frontier of superintelligence than we think, and this will be a limiting factor on how far this could go. But what do you think?

Kokotajlo: Great question. First of all, lies are a subset of hallucinations, not the other way around. I think quite a lot of hallucinations — arguably the vast majority of them — are just mistakes, as you said. So I use the word lies specifically. I was referring to specifically when we have evidence that the A.I. knew that it was false and still said it anyway.

But also, to your broader point, I think that the path from here to superintelligence is not at all going to be a smooth, straight line. There's going to be obstacles to overcome along the way. I think one of the obstacles that I'm actually quite excited to think more about is what you might call reward hacking. In "AI 2027," we talk about this gap between what you're actually reinforcing and what you want to happen — what goals you want the A.I. to learn — and we talk about how as a result of that gap you end up with A.I.s that are misaligned and that, like, aren't actually honest with you, for example. Well, excitingly, that's already happening. That means that the companies still have a couple of years to work on the problem and try to fix it.

One thing that I'm excited to think about and to track and follow very closely is: What fixes are they going to come up with? And are those fixes going to actually solve the underlying problem and get training methods that reliably get the right goals into A.I. systems, even as those A.I. systems are smarter than us? Or are

those fixes going to temporarily patch or cover up the problem instead of fixing it? That's the big question that we should all be thinking about over the next few years.

Douthat: Well, and it yields a question I've thought about a lot as someone who follows the politics of regulation pretty closely. My sense is always that human beings are just really bad at regulating against problems that we haven't experienced in some big, profound way. You can have as many papers and arguments as you want about speculative problems that we should regulate against, and the political system just isn't going to do it.

In an odd way, if you want the slowdown, if you want regulation and limits on A.I., then maybe you should be rooting for a scenario where some version of hallucination happens and causes a disaster, where it's not that the A.I. is misaligned, but — this sounds sinister — it's that it makes a mistake and a lot of people die somehow because the A.I. system has been put in charge of some important safety protocol or something, and people are horrified and say, OK, we have to regulate this thing.

Kokotajlo: I certainly hesitate to say that I hope that disasters happen and people die, but —

Douthat: We're not saying that. We're speculating.

Kokotajlo: I do agree that humanity is much better at regulating against problems that have already happened when we learn from harsh experience. Part of why the situation that we're in is so scary is that for this particular problem, by the time it's already happened, it's too late.

Smaller versions of it can happen, though. For example, the stuff that we're currently experiencing: We're catching our A.I.s lying, and we're pretty sure they knew that the thing they were saying was false. We're pretty sure it was a blatant lie despite the fact that that wasn't what their instructions were and that wasn't what their training was supposed to train them to do.

That's actually quite good, because that's a small-scale example of the thing that we're worried about happening in the future, and hopefully we can try to fix it. It's not the example that's going to energize the government to regulate because no one's dying. It's just a chatbot lying to a user about some link or something.

Douthat: And then they put it in their term paper and get caught.

Kokotajlo: Right. But from a scientific perspective, it's good that this is already happening because it gives us a couple of years to try to find a thorough, lasting fix to it. And I wish we had more time, but that's the name of the game.

Douthat: OK. So now two big philosophical questions, maybe connected to one another. There's a tendency, I think, for people in A.I. research making the kind of forecast you're making to move back and forth on the question of consciousness. Are these superintelligent A.I.s conscious and self-aware in the ways that human beings are? I've had conversations where A.I. researchers and people will say: Well, no, they're not, and it doesn't matter because you can have an A.I. program working toward a goal, and it doesn't matter if they are self-reflective.

But then, again and again, in the way that people end up talking about these things, they slip into the language of consciousness. So I'm curious: Do you think consciousness matters in mapping out these future scenarios? Is the expectation of most A.I. researchers that we don't know what consciousness is but it's an emergent property, and if we build things that act like they're conscious, they'll probably be conscious? Where does consciousness fit into this?

Kokotajlo: This is a question for philosophers, not A.I. researchers — but I happen to be trained as a philosopher.

Douthat: Well, no, it is a question for both. Since the A.I. researchers are the ones building the agents, they probably should have some thoughts on whether it matters or not if the agents are self-aware.

Kokotajlo: Sure. I think I would say we could distinguish three things. There's the behavior: Are they talking like they're conscious? Are they pursuing goals? Do they behave as if they have goals and preferences? Do they behave as if they're

experiencing things and then reacting to those experiences?

Douthat: Right, and they're going to hit that benchmark.

Kokotajlo: Definitely, yeah.

Douthat: Absolutely, people will think that the superintelligent A.I. is conscious. People will believe that.

Kokotajlo: Because in the philosophical discourse, when we talk about: Are shrimp conscious? Are fish conscious? What about dogs? Typically what people do is they point to capabilities and behaviors, like, look, a dog can recognize itself in a mirror. It seems to feel pain in a similar way to how humans feel pain and has these aversive behaviors, and so forth.

Most of that will be true of these future superintelligent A.I.s. They will be acting autonomously in the world, reacting to all this information coming in, making strategies and plans and thinking about how best to achieve their goals. In terms of raw capabilities and behaviors, they will check all the boxes, basically.

There's a separate philosophical question of, well, if they have all the right behaviors and capabilities, does that mean that they have true qualia? Did they actually have the real experience, as opposed to merely the appearance of having the real experience?

That's the thing that I think is a philosophical question. I think most philosophers, though, would say, yeah, probably they do, because probably consciousness is something that arises out of this information processing cognitive structures. If the A.I.s have those structures, then probably they also have consciousness.

However, this is controversial, like everything in philosophy.

Douthat: Right, and I don't expect A.I. researchers to resolve that particular question. It's more that on a couple of levels, it seems like consciousness as we experience it, as an ability to stand outside your own processing would be very helpful to an A.I. that wanted to take over the world.

So at the level of hallucinations, if they produce the wrong answer to a question, the A.I. can't stand outside its own answer-generating process in the way it seems like we can. If it could, maybe that makes the hallucination process go away. And then when it comes to the ultimate worst-case scenario that you're speculating about, it seems to me that an A.I. that is conscious is more likely to develop some kind of independent view of its own cosmic destiny that yields a world where it wipes out human beings than an A.I. that is just pursuing research for research's sake.

But maybe you don't think so. What do you think?

Kokotajlo: So the view of consciousness that you were just talking about is a view by which consciousness has physical effects in the real world. It's something that you need in order to have this reflection, and it's something that also influences how you think about your place in the world.

I would say if that's what consciousness is, then probably these A.I.s are going to have it. Why? Because the companies are going to train them to be really good at all of these tasks, and you can't be really good at all these tasks if you aren't able to reflect on how you might be wrong about stuff.

So in the course of getting really good at all the tasks, they will therefore learn to reflect on how they might be wrong about stuff. If that's what consciousness is, then that means they'll have consciousness.

Douthat: OK. That does depend, though, in the end, on a kind of emergence theory of consciousness like the one you suggested earlier. Basically, we aren't going to figure out exactly how consciousness emerges, but it is nonetheless going to happen.

Kokotajlo: Totally. An important thing that everyone needs to know is that these systems are trained; they're not built. So we don't actually have to understand how they work — and we don't — in order for them to work.

Douthat: OK. So then from consciousness to intelligence, all of the scenarios that you spin out depend on the assumption that, to a certain degree, there's nothing that a sufficiently capable intelligence couldn't do.

I think a lot hinges on this question of what is available to intelligence. Because if the A.I. is slightly better at getting you to buy a Coca-Cola than the average advertising agency, that's impressive, but it doesn't let you exert total control over a democratic polity.

Kokotajlo: I completely agree. And so that's why I say you have to go on a case-by-case basis and ask: OK, assuming that the A.I. is better than the best humans at X, how much real-world power would that translate to? What affordances would that translate to? And that's the thinking that we did when we wrote "AI 2027."

We thought about historic examples of humans converting their economies and changing their factories to wartime production. And we asked: How fast can humans do it when they really try? Superintelligence will be better than the best humans, so they'll be able to go somewhat faster.

And so maybe, instead of in World War II, when the United States was able to convert a bunch of car factories into bomber factories over the course of a couple of years, well, maybe then that means in less than a year, maybe six months, we could convert existing car factories into fancy new robot factories, producing fancy new robots.

Douthat: But if we're looking for hope, this is a strange way of talking about this technology. We're saying the limitations are the reason for hope.

Earlier we talked about robot plumbers as an example of the key moment when things will get real for people. Then it's not just in your laptop. It's in your kitchen and so on. But actually fixing a toilet is, on one hand, a very hard task. On the other hand, it's a task that lots and lots of human beings are quite optimized for.

I can imagine a world where the robot plumber is never that much better than the ordinary plumber. In that world, people might rather have the ordinary plumber around for all kinds of very human reasons.

And that could generalize to a number of areas of human life where the advantage of the A.I., while real on some dimensions, is limited in ways that at the very least — and this I actually do believe — dramatically slows its uptake by ordinary human beings.

For instance, right now, just personally, as someone who writes a newspaper column and does research for that column, I can concede that top-of-the-line A.I. models might be better than a human assistant right now by some dimensions. But I'm still going to hire a human assistant because I'm a stubborn human being who doesn't just want to work with A.I. models.

To me, that seems like a force that could actually slow this along multiple dimensions if the A.I. isn't immediately 200 percent better.

Kokotajlo: So I would just say this is hard to predict, but our current guess is that things will go about as fast as we depict in "AI 2027." They could be faster, they could be slower, and that is indeed quite scary. Another thing I would say is that we'll find out how fast things go when the time comes.

Douthat: Very, very, very soon.

Kokotajlo: The other thing I was going to say is that politically speaking, I don't think it matters that much if you think it might take five years instead of one year, for example, to transform the economy and build the new self-sustaining robot economy managed by superintelligences.

That's not that helpful if the entire five years there has still been this political coalition between the White House and the superintelligences and the corporations, and the superintelligences have been saying all the right things to make the White House and the corporations feel like everything's going great for them, but actually they've been deceiving them.

In that scenario, it's like, great, now we have five years to turn the situation around instead of one year. That's, I guess, better. But how would you turn the situation around?

Douthat: Well, let's end there.

In a world where what you predict happens and the world doesn't end — we figure out how to manage the A.I. and it doesn't kill us, but the world is forever changed — and human work is no longer particularly important, what do you think is the purpose of humanity in that kind of world? How do you imagine educating your children in that kind of world and telling them what their adult life is for?

Kokotajlo: It's a tough question. Here are some thoughts off the top of my head, but I don't stand by them nearly as much as I would stand by the other things I've said, because it's not where I've spent most of my time thinking.

First of all, I think that if we go to superintelligence and beyond, then economic productivity is just no longer the name of the game when it comes to raising kids. They won't really be participating in the economy in anything like the normal sense. It'll be more like just a series of video-game-like things that people will do for fun rather than because they need to get money — if people are around at all. In that scenario, I guess what still matters is that my kids are good people, and that they have wisdom and virtue and things like that. So I will do my best to try to teach them those things because those things are good in themselves, rather than good for getting jobs.

In terms of the purpose of humanity, I don't know. What would you say the purpose of humanity is now?

Douthat: Well, I have a religious answer to that question, but we can save that for a future conversation.

I think the world that I want to believe in, where some version of this technological breakthrough happens, is a world where human beings maintain some kind of mastery over the technology, enabling us to do things like colonize other worlds. To have a kind of adventure beyond the level of material scarcity.

As a political conservative, I have my share of disagreements with the particular vision of "Star Trek" — but "Star Trek" does take place in a world that has conquered scarcity. There is an A.I. computer on the starship Enterprise. You can

have anything you want in the restaurant because presumably the A.I. invented the machine that generates any food you want.

So, if I'm trying to think about the purpose of humanity, it might be to explore strange new worlds to boldly go where no man has gone before.

Kokotajlo: Oh yeah. I'm a huge fan of expanding into space. I think that would be a great idea. And in general, also solving all the world's problems, like poverty and disease and torture and wars. I think if we get through the initial phase with superintelligence, then obviously, the first thing to do is to solve all those problems and make some sort of utopia, and then to bring that utopia to the stars would be the thing to do.

The thing is that it would be the A.I.s doing it, not us. In terms of actually doing the designing and the planning and the strategizing and so forth, we would only be messing things up if we tried to do it ourselves.

So you could say it's still humanity in some sense doing all those things, but it's important to note that it's more like the A.I.s are doing it, and they're doing it because the humans told them to.

Douthat: Well, Daniel Kokotajlo, thank you so much. And I will see you on the front lines of the Butlerian Jihad soon enough.

Kokotajlo: Hopefully not. I hope I'm very wrong.

Douthat: All right. Thanks so much.

Kokotajlo: Thank you.



Thoughts? Email us at interestingtimes@nytimes.com.

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