



Thursday, December 14, 2023, 5:30 p.m.

GRU Administration Building

301 SE 4th Avenue

Gainesville, FL 32601

Authority Members

Craig Carter - Chair

James Coats, IV - Vice-Chair

Robert Karow - Member

Eric Lawson - Member

Vacant

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A. CALL TO ORDER

Agenda Statement: The Gainesville Regional Utilities Authority encourages civil public speech. The Gainesville Regional Utilities Authority expects each person entering this chamber to treat others with respect and courtesy. Speakers are expected to focus on agenda items under discussion. Signs, props, posters, food, and drinks should be left outside the auditorium.

B. ROLL CALL

C. INVOCATION

D. PLEDGE OF ALLEGIANCE

E. GENERAL PUBLIC COMMENT

(for items not on the agenda, not to exceed 30 minutes total)

F. ADOPTION OF THE AGENDA

G. APPROVAL OF MINUTES

1. **Minutes of the December 6, 2023 GRU Authority Meeting**

H. CEO/GM REMARKS

I. BUSINESS DISCUSSION ITEMS

1. **2023-1180 City Auditor Role as it Relates to GRU (B)**

Department: GRU (Budget, Finance & Accounting)

Description: This item discusses the City Auditor's current role and the authority given to the City Auditor.

Fiscal Note: None

Recommendation: The GRU Authority affirm that the CEO/GM is to pause any audits performed by the City Auditor for fiscal year 2024 and to approve the following next steps: Research creating an internal GRU audit function and/or Research creating a service level agreement with City Auditor to include number of audits, hours expended, etc. to control costs Research requirement for oversight of GRU's External Financial Statement Audit Come back to GRUA for additional recommendations in Spring 2024

2. 2023-1179 Procurement Compliance (B)

Department: GRU (Budget, Finance & Accounting)

Description: This item discusses the State's minimum requirements, cone of silence and different ordinance and policy requirements for GRU's current procurement process.

Fiscal Note: None

Recommendation: The GRU Authority approve an update to the GRU Procurement Policy that will focus on the minimum state requirements for future contracts and other legal documents to be in compliance with Chapter 2023-348 (HB 1645). As part of the Policy update, GRU will review current GRU-specific exceptions. Staff will bring back updated to policy to the GRU Authority at a later date.

3. 2023-1188 Legal Services and Contract for GRU (B)

Department: GRU/Budget, Finance and Accounting

Description: This item discusses the hiring of external legal counsel for GRU and the GRU Authority.

Fiscal Note: None

Recommendation: Options: 1.) GRU staff will draft a method of specified source to be used for the hiring of external legal counsel. 2.) The specified source contract will include a limit of \$50,000 and include a monthly evaluation. 3.) Once limit has been reached, the GRU Authority will be informed. 4.) GRU staff will develop an RFP and provide the scope of services to the GRU Authority for approval.

4. 2023-1178 Business Plan Kick-off (B)

Department: GRU/Sustainability

Description: Staff will present an overview of the business plan creation process and solicit feedback and direction on GRU's Mission and Vision statements and Strategic Objectives.

Fiscal Note: None

Recommendation: 1) GRUA approve development of a Business Plan, 2) GRUA give direction on Mission and Vision statement, and 3) GRUA give direction on Strategic Objectives

5. 2023-1181 Rate and GSC Scenarios (B)

Department: GRU/Budget, Finance & Accounting

Description: This item is related to a high-level overview of potential alternative rate structures and Government Services Contribution (GSC) levels for GRU's FY25 budget.

Fiscal Note: None at this time.

Recommendation: The GRU Authority hear a presentation on potential alternative rate structures and GSC levels for the FY25 GRU budget.

J. MEMBER COMMENT

K. ADJOURNMENT



Gainesville Regional Utilities Authority
MINUTES

December 6, 2023, 5:30 p.m.
GRU Administration Building
301 SE 4th Avenue
Gainesville, FL 32601

Members Present: Chair Craig Carter, Vice-Chair James Coats, IV, Robert Karow, Eric Lawson

A. CALL TO ORDER

Meeting was called to order at 5:30pm

B. ROLL CALL

Present:

- Member Karow
- Member Lawson
- Vice Chair Coats
- Chair Carter

C. INVOCATION

Chair Carter led the invocation and offered for anyone else to lead.

D. PLEDGE OF ALLEGIANCE

E. GENERAL PUBLIC COMMENT (for items not on the agenda, not to exceed 30 minutes total)

The Chair opened up public comment:

-Jim Konish

F. ADOPTION OF THE AGENDA

Moved by Vice-Chair Coats
Seconded by Eric Lawson

Approved

G. APPROVAL OF MINUTES

Moved by Vice-Chair Coats
Seconded by Robert Karow

Approved

1. **Minutes of the November 1, 2023 GRU Authority Meeting**
2. **Minutes of the November 15, 2023 GRU Authority Workshop**

H. GENERAL MANAGER REMARKS

The CEO/General Manager provided some updates to the board.

I. BUSINESS DISCUSSION ITEMS

1. 2023-1148 Liquidity Facility Options May 2024 (B)

The board heard a presentation from staff on the item.

The GM/CEO provided some additional information regarding the item.

Vice Chair Coats shared that he is supportive of Part 1&2

Member Karow inquired about the legislative aspect.

- The GM/CEO provided a response to Member Karow's inquiry.

Mike Weiner from Holland & Knight provided some additional information.

Chair Carter commented on the item.

Vice Chair made the following motion:

Motion for Part 1 & 2 (nix the 3rd part)

Motioned by Vice Chair Coats

Seconded by Member Karow

-Original Motion was withdrawn by the Vice Chair

Public Comment

-Jim Konish

-Angela Casteel

-Debbe Martinez

Staff spoke to the item and the members' concerns.

Mike Weiner spoke to the issue.

Staff was directed to consolidate recommendations onto one slide to assist the board in voting.

Revised Recommendation, which Includes all items were originally included, except for the 3rd item of the first recommendation side (see backup for revised slide):

Coats motioned

Lawson seconded

Public Comment:

-Jim Konish

-Debbie Martinez

-Angela Casteel

Moved by Vice-Chair Coats

Seconded by Eric Lawson

Recommendation:

The GRU Authority authorize the CEO/GM to initiate a simultaneous process to:

1) issue an RFP soliciting proposals for renewing/replacing the liquidity facilities supporting GRU's Series 2005C, 2006A and 2012B variable rate demand bonds

2) pursue negotiations of an extension of these liquidity facilities with Barclays.

The GRU Authority adopt the proposed resolution:

- 1) authorizing the extension of all existing credit enhancement facilities with respect to certain outstanding variable rate utilities system revenue bonds
- 2) authorizing an advance on the lines of credit if any existing credit enhancement facilities are unable to be extended or substituted
- 3) requesting the City Commission of the City of Gainesville to take certain actions in connection therewith consistent with Section 7.10 (1) of the Charter which provides for the City to perform all actions necessary and proper to effectuate the orderly transition of governance.

Approved

2. 2023-1149 Expanded Discussion of November 15, 2023 Topics, Including the Flow of Funds, GFT/GSC and Debt Reduction (B)

The board heard a presentation from staff on the item.

The board discussed this item.

Staff provided additional information.

No action was taken as this was informational only.

Recommendation: The Authority receive the presentation from staff and take action as deemed appropriate.

3. 2023-1150 Interlocal Agreement Between Alachua County And The City Of Gainesville For The Acquisition Of The Trunked Radio System (B)

Staff provided a presentation on the item.

Public Comment:

-Jim Konish

Moved by Eric Lawson

Seconded by Vice-Chair Coats

Recommendation: GRUA authorize the GRUA chair and the general manager or designees to execute the Purchase and Sale Agreement of the Public Safety Radio System to Alachua County subject to approval by the City Attorney as to form and legality. Consistent with the City Charter to do all things necessary to effectuate an orderly transition of management, operation, and control of the utilities from the City to the

Authority, GRUA authorize City Attorney to request City Commission to enter into Estoppel agreement with County

Approved as Recommended

4. 2023-1151 Discussion of the General Manager/CEO Position at GRU (NB)

The GM/CEO presented a plan to the board.

-Coats motioned for termination

+Motion died for lack of a second

+Chair stated that we will cap at 30 min. for public comment (started at 8:30pm)

-Jean Clark

-Robin Baxley

-Brett Goodman

-Rick Hutton

-Ed Bielarski

-Jim Konish

-Angela Casteel

-Debbie Martinez

-Christine Kunkel

-Tom Cunilio

-Bob (Last name not audible)

Members provided additional comments.

-Chair provided his input that he believes we can keep the CEO/GM in his role for one year and meet the expected metrics once the one year mark is up.

-Member Lawson gave his support. Agreed that we should give goals to the CEO/GM for this year.

-Member Karow said that he supports the CEO/GM as well.

Recommendation: GRU staff recommend that the GRU Authority discuss this topic further per GRU Authority members prior requests.

J. MEMBER COMMENT

Member Karow and Chair Carter inquired about counsel.

Vice Chair Coats inquired about an amended ordinance regarding Public Works.

Counsel from Folds Walker spoke regarding their interpretation of legal counsel for GRU.

Chair Carter spoke to various issues. He wants the board to make a motion to seek counsel with Folds Walker.

-Empower the chair to make a motion

-Determine financial costs

-Request for an RFP

-Member Karow motioned for the Chair to do the aforementioned things. Member Lawson seconded the motion.

+Public Comment:

-Jim Konish

-Tom Cunilio

-Debbie Martinez

Ayes have it for the motion.

K. ADJOURNMENT

Adjourned at 9:20pm



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2023-1180

Agenda Date: December 14, 2023

Department: Gainesville Regional Utilities

Title: 2023-1180 City Auditor Role as it Relates to GRU (B)

Department: GRU (Budget, Finance & Accounting)

Description: This item discusses the City Auditor's current role and the authority given to the City Auditor.

Fiscal Note: None

Explanation: Since the passing of HB 1645 (Chapter 2023-348) and the creation of the GRU Authority, there is a need to review the role that the City Auditor has as it relates to GRU. This item covers the minimum level of effort required by the State, language in the City Charter and Ordinance 2022-366 on the role and function of the City Auditor

Recommendation: The GRU Authority affirm that the CEO/GM is to pause any audits performed by the City Auditor for fiscal year 2024 and to approve the following next steps: Research creating an internal GRU audit function and/or Research creating a service level agreement with City Auditor to include number of audits, hours expended, etc. to control costs Research requirement for oversight of GRU's External Financial Statement Audit Come back to GRUA for additional recommendations in Spring 2024

City Auditor Role as it Relates to GRU

12/14/2023



Florida Statute, City Charter and Ordinance Overview of City Auditor

▪ Per 218.391 Florida Statute:

- Any municipality with revenues or the total of expenditures and expenses in excess of \$250,000, as reported in the fund financial statements.
- Shall have an annual financial audit of its accounts and records completed within 9 months after the end of the FY by and independent CPA retained by the entity and paid from its public funds

▪ Per City Charter:

- City Auditor “shall serve” at the will of the City Commission

▪ Per Ordinance No. 2022-366:

- Performs audit engagements that include financial, operational/performance, compliance and IT audits, and non-audit and advisory services to all City functions, Commission, and Boards
- Manages the city’s designated fraud reporting process (which allows for anonymous reporting) and conducts fraud investigations
- Manages the process for issuing proposals and selecting contracts for external auditors. Impacts GRU’s External Financial Statement Audit

Operations and Cost

- Conducts internal audits as part of their annual work plan
 - For FY24, the work plan consists of 9 projects that involve GRU over the next 18 months
- City Auditor is scheduled to deliver those reports to the City Audit Committee and the City Commission
- GRU is billed for the City Auditor's services through the Cost Allocation Plan

Recommendation

- Affirm CEO/GM to pause any audits performed by the City Auditor for FY 24
- Next Steps:
 - Research creating an internal GRU audit function
 - Research creating a service level agreement with City Auditor to include number of audits, hours expended, etc. to control costs
 - Research requirement for oversight of GRU's External Financial Statement Audit
 - Come back to GRUA for additional recommendations in Spring 2024





**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2023-1179

Agenda Date: December 14, 2023

Department: Gainesville Regional Utilities

Title: 2023-1179 Procurement Compliance (B)

Department: GRU (Budget, Finance & Accounting)

Description: This item discusses the State’s minimum requirements, cone of silence and different ordinance and policy requirements for GRU’s current procurement process.

Fiscal Note: None

Explanation: Since the passing of HB 1645 (Chapter 2023-348) and the creation of the GRU Authority, there is a need to review the procurement policy for how items are purchased for the Utility to operate. This item covers the minimum level of effort required by the State for purchasing items as well as ordinances and a policy passed by the City Commission that are layered on top of the minimum requirements. Clarification is needed to see if any of these are in conflict with section 7.12 Limitation on utility directives.—

“The Authority and the CEO/GM, in making all policy and operational decisions over the affairs of the utility system as contemplated under the provisions of this act, shall consider only pecuniary factors and utility industry best practices standards, which do not include consideration of the furtherance of social, political, or ideological interests. Appropriate pecuniary factors and utility industry best practices are those which solely further the fiscal and financial benefit of the utility system and customers. This provision does not prohibit the establishment and application of rate structures based on utility usage.”

Recommendation: The GRU Authority approve an update to the GRU Procurement Policy that will focus on the minimum state requirements for future contracts and other legal documents to be in compliance with Chapter 2023-348 (HB 1645). As part of the Policy update, GRU will review current GRU-specific exceptions. Staff will bring back updated to policy to the GRU Authority at a later date.

Procurement Compliance

12/14/2023



- State Minimum Requirements
- Cone of Silence
- Ordinance and Policy Requirements

7.12 Limitation on utility directives.—

“The Authority and the CEO/GM, in making all policy and operational decisions over the affairs of the utility system as contemplated under the provisions of this act, shall consider only pecuniary factors and utility industry best practices standards, which do not include consideration of the furtherance of social, political, or ideological interests.

Appropriate pecuniary factors and utility industry best practices are those which solely further the fiscal and financial benefit of the utility system and customers. This provision does not prohibit the establishment and application of rate structures based on utility usage.”

Minimum State Requirements For Municipalities

- Competitive selection
 - Fair and open competition
 - Florida State Statute 287.017 threshold for competitive selection is currently \$35,000 and above
- Consultants Competitive Negotiation Act (CCNA). Must follow rules for selecting certain professionals.
 - Applies to acquisition of professional architectural, engineering, landscape architectural, or registered surveying and mapping services.
 - Selection construction design-build firms and Construction Management @Risk (CMAR) firms.
 - Selection made based on qualifications

Minimum State Requirements For Municipalities

- Florida State Statute 287.0935 requires surety bonds.
 - Consist of bid bonds, performance bonds, payment bonds and any other specialty bonds required for specific scopes of work.
- Abide by Florida Sunshine Law for procurement public records retention
- Cone of Silence (defined on next slide)

Cone of Silence

- For bids, requests for quotes, requests for proposals, etc that are OVER \$50,000.
- Each solicitation for the procurement of commodities or contractual services shall include the following provision:
 - “Respondents to this solicitation or persons acting on their behalf may not contact, between the release of the solicitation and the end of the 72-hour period following the agency posting the notice of intended award, excluding Saturdays, Sundays, and state holidays, any employee or officer of the executive or legislative branch concerning any aspect of this solicitation, except in writing to the procurement officer or as provided in the solicitation documents. Violation of this provision may be grounds for rejecting a response.”
 - FL Statute 287.057 (25)
- No member of the GRUA or staff are allowed to talk about aspects of open/current proposals amongst themselves or with outside persons or vendors.

Cone of Silence (Cont.)

- ALL questions about any open proposal must be sent to the Procurement Staff in writing.
- Protects the integrity of the solicitation process.
- Violations can lead to rejections of bids.
- When proposals are posted, the GRU Authority Members will be notified of posted proposals.
- Once notified, please refrain from any and ALL conversations about open proposals.
- If there are questions about process or open proposals, contact GRU Procurement at: 352-393-1240 or email purchasing@gru.com

Ordinance and Policy Requirements

The City Commission has approved Ordinances that have been embedded into our procurement process for purchasing goods and services.

Conundrum for future contracts and other legal documents.

- In compliance with local ordinances
- Out of compliance with Chapter 2023-348 (HB 1645)

- Living Wage (\$15.00 [with health insurance] /\$17.25 [no health insurance] as of 10/1/23)
Ordinance
 - For each covered employee during the term of the agreement
 - Maintain records for compliance

- Local Preference Ordinance
 - Contracts for goods or services estimated to exceed \$50,000
 - Preference not to exceed 5% of the local business' total price, and not exceed \$25,000.
 - Submit valid business tax receipt issued 6 months prior
 - Submit that business is in area zoned for the conduct of such business

Ordinance and Policy Requirements

- Small Business Enterprise Ordinance
 - Independently owned with a net worth of not more than five million dollars and employs 200 or fewer permanent full-time employees.
 - Small and Service-Disabled Veteran Business Program:
 - As certified by the City of Gainesville equal opportunity department (EO)
 - Given a preference of 5% of the total price not to exceed \$25,000, when all of the following apply:
 - Purchase is anticipated to be greater than \$50,000;
 - Award is based on evaluation criteria other than to the lowest responsive and responsible bidder;
 - The certified small or service-disabled veteran business being evaluated did not receive a Local Preference
 - Business principal location with full-time personnel is located in Alachua, Bradford, Columbia, Gilchrist, Levy, Putnam or Union County

- Purchasing Requirements for Certain City Construction Projects Ordinance
 - Employment of Disadvantaged Workers and Apprentices
 - For all non-electrical construction projects \$300,000 or above
 - For all electrical construction \$75,000 or above
 - 10% of all labor hours performed by apprentices
 - 10% of all labor hours performed by disadvantaged workers

Ordinance and Policy Requirements

In Flight/ Pending Future Ordinance and Policy Requirements from City Commission

- Zero Waste Ordinance
 - Ban on Styrofoam products used by contractors
 - Approved products are unknown
 - Additional cost is unknown
 - Timeline for enactment is unknown
- Completed “Disparity Study” Impacts
 - Create ‘set aside’ for certain underserved groups
 - Could limit competition
 - Additional cost is unknown
 - Timeline for enactment is unknown

Recommendation

- GRU staff update Procurement Policy
- Focus on minimum state requirements for future contracts and other legal documents
- In compliance with Chapter 2023-348 (HB 1645)
- Evaluate current GRU- specific exceptions
- Staff to bring back updated policy to the GRU Authority for approval at a later date.





**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2023-1188

Agenda Date: December 14, 2023

Department: Gainesville Regional Utilities

Title: 2023-1188 Legal Services and Contract for GRU (B)

Department: GRU/Budget, Finance and Accounting

Description: This item discusses the hiring of external legal counsel for GRU and the GRU Authority.

Fiscal Note: None

Explanation: Since the passing of HB 1645 (Chapter 2023-348) and the creation of the GRU Authority, there is a need to review the role that the City Attorney has as it relates to GRU and the GRU Authority. Items for discussion include the role the current City Attorney's office will have and the role and responsibility that external counsel will have.

Recommendation: Options: 1.) GRU staff will draft a method of specified source to be used for the hiring of external legal counsel. 2.) The specified source contract will include a limit of \$50,000 and include a monthly evaluation. 3.) Once limit has been reached, the GRU Authority will be informed. 4.) GRU staff will develop an RFP and provide the scope of services to the GRU Authority for approval.

Contract-2024-009
GENERAL LEGAL SERVICES

Gainesville Regional Utilities
301 SE 4th Avenue
Gainesville, FL 32601



Gainesville Regional Utilities
GENERAL CONTRACT/AGREEMENT
General Legal Services

I. Introduction.....

II. Term of Agreement.....

III. General Terms And Conditions

IV. Supplemental Conditions.....

V. Technical Specifications/Scope of Work

VI. Signatures

1. Introduction

**CONTRACT BETWEEN THE CITY OF GAINESVILLE, d/b/a
GAINESVILLE REGIONAL UTILITIES, AND Folds & Walker, LLC
FOR
General Legal Services**

THIS CONTRACT is made and entered into with an effective date of December 14, 2023, by and between the CITY OF GAINESVILLE, a Florida municipal corporation d/b/a GAINESVILLE REGIONAL UTILITIES (“GRU”), with offices located at 301 SE 4th Avenue, Gainesville, FL 32601, and Folds & Walker, LLC (“CONTRACTOR”), a Florida Limited Liability Company, with its principal place of business at 527 E University Avenue Gainesville, FL 32601, individually referred to as “Party” or collectively as “Parties”.

WHEREAS, GRU requires general legal services; and

WHEREAS, the Gainesville Regional Utilities Authority sourced specified GRU to enter into a contract with Folds & Walker, LLC on December 6, 2023, for general legal services not to exceed \$50,000; and

WHEREAS, GRU desires to enter into a Contract for the services described herein.

NOW, THEREFORE, in consideration of the covenants contained herein, the Parties agree to the following:

1. Folds & Walker, LLC shall provide general legal services as detailed in the Technical Specifications/ Scope of Work in accordance with the General Terms and Conditions and Supplemental Conditions.
2. GRU shall pay to Folds & Walker, LLC for the faithful performance of this Contract not to exceed \$50,000.

2. Term of Agreement

2.1. Term

- A. The 1 year term of this Contract shall commence on the effective date and terminate on Friday, December 13, 2024.
- B. Beyond the extensions described above, this Contract may be extended for an additional six (6) months to allow for completion of a new solicitation.

3. General Terms And Conditions

3.1. DEFINITIONS

- Agreement: A written Contract between two or more Parties [“GRU” and “Contractor(s)”]. “Contract” and “Agreement” are synonymous.
- Deliverable: The completion of a milestone or the accomplishment of a task associated with the Work.
- Free on Board (FOB) Destination: The Contractor(s) is responsible for delivery of materials to a specified delivery point. The risks of loss are borne by the seller or consignee. Title passes when delivery is received by the buyer at destination. Seller has total responsibility until shipment is delivered.
- Specification: A description of the physical or functional characteristics of goods or services as defined in the Solicitation.
- Work: Activity involving effort done in order to achieve a purpose or result requested in the scope.

3.2. COMPLIANCE WITH REFERENCED SPECIFICATIONS

All Work, materials, systems, or operations specified by reference to standard trade or manufacturer’s published specifications shall comply with the requirements, except as modified by this Contract. The specifications used must be the latest published edition that is in effect on the effective date of this Contract unless a particular edition is specified. In the event of a conflict, the specifications that contain the more stringent requirements will govern.

3.3. CHANGE ORDERS

GRU shall pay Contractor(s) for the Work at the price[s] stated in this Contract. No additional payment will be made to Contractor(s) except for additional Work or materials stated on a valid change order, and issued by GRU prior to the performance of the added Work or delivery of additional materials. A change order may be issued without invalidating the Contract, if

1. made in writing,
2. signed by the authorized representative(s), and
3. accepted by Contractor(s).

Such change shall include the following: change orders that constitute changes

1. the general scope of Work,
2. the schedule,
3. administrative procedures not affecting the conditions of the Contract, or

4. the Contract price.

3.4. NOTICES

Notices to Contractor(s) shall be deemed to have been properly sent when electronically or physically delivered to Contractor(s) address and email. Notices to GRU are deemed to have been properly sent when delivered to Utilities Purchasing, 301 SE 4th Avenue, Gainesville, Florida 32601 or e-mailed and GRU acknowledges receipt of the email.

3.5. PAYMENT

- A. **Invoicing**. Contractor(s) is responsible for invoicing GRU for Work performed pursuant to this Contract. Itemized invoices shall include the following information (if applicable): Contract number, Purchase Order number, item number, job number, description of supplies or services, quantities, unit prices, Work location, GRU Project Representative, job start date, job completion date or other pertinent information. Itemized invoice(s) must be mailed to Gainesville Regional Utilities, Accounts Payable, P.O. Box 147117, Station A-27, Gainesville, FL 32614-7117 or faxed to 352-334-2964 or e-mailed to accountspayable@gru.com.
- B. **Receipting Report for Services**. An itemized receipting report for services must be provided to the GRU Project Representative prior to invoicing which includes the number of hours and labor rates by job title, overhead, authorized per diem or travel expenses, and other charges. Receipting reports shall be used by the Project Representative to verify the services rendered.
- C. **Payment Terms**. Unless otherwise agreed upon in writing, GRU's payment terms are net thirty (30) days from receipt of correct invoice. Contractor(s) shall not submit more than one (1) invoice per thirty-day period. Any delay in receiving invoices, or error and omissions, will be considered just cause for delaying or withholding payment. Invoices for partially completed Work may be allowed with GRU's prior approval. All partial invoices must be clearly identified as such on the invoice. Any charges or fees will be governed by current Florida Statutes.
- D. **Lien Release**. Before the final acceptance of the Work and payment by GRU, Contractor(s) shall furnish to GRU an affidavit and final waiver that all claims for labor and materials employed or used in the construction of said Work have been settled and no legal claim can be filed against GRU for such labor and materials. If such evidence is not furnished to GRU, such amounts as may be necessary to meet the unsatisfied claims may be retained from monies due to Contractor(s) under this Contract until the liability has been discharged.
- E. **Final Payment/Acceptance**. The acceptance by Contractor(s) of final payment due on termination of the Contract shall constitute a full and complete release of GRU from any and all claims, demands and causes of action whatsoever which Contractor(s), its successors or assigns have or may have against GRU under the provisions of this Contract.

3.6. COMPLIANCE WITH LAWS AND REGULATIONS

All City, County, State and Federal laws, regulations and/or ordinances shall be strictly observed. Contractor(s) is responsible for taking all precautions necessary to protect life and property.

3.7. GOVERNING LAW, VENUE, ATTORNEY'S FEES, AND WAIVER OF RIGHT TO JURY TRIAL

This Contract shall be governed and construed pursuant to the laws of Florida and may not be construed more strictly against one party than against the other. In the event of any legal proceedings arising from or related to this Contract: (1) venue for any state or federal legal proceedings shall be in Alachua County Florida; (2) each Party shall bear its own attorneys' fees except to the extent that Contractor agrees to indemnify GRU as described in Supplemental Conditions, including any appeals; and (3) for civil proceedings, the Parties hereby waive the right to jury trial.

3.8. VERIFICATION OF EMPLOYEES

The Contractor shall comply with all applicable requirements of Section 448.095, Florida Statutes, including but not limited to:

1. the Contractor shall register with and use the U.S. Department of Homeland Security's E-Verify system to verify the work authorization status of all new employees of the Contractor during the term of this Agreement; and
2. the Contractor shall expressly require any subcontractors performing work or providing services pursuant to this Agreement to likewise register with and use the U.S. Department of Homeland Security's E-Verify system to verify the work authorization status of all new employees of the subcontractor during the term of this Agreement. Section 448.095, Florida Statutes, states the statute must be construed in a manner that is fully consistent with any applicable federal laws or regulations, and therefore this section does not apply to this Agreement to the extent that this section would be inconsistent with any federal laws or regulations that are applicable to this Agreement.

3.9. SOVEREIGN IMMUNITY

Nothing in this Contract shall be interpreted as a waiver of GRU's sovereign immunity as granted pursuant to Section 768.28 Florida Statutes.

3.10. SEVERABILITY

If any provision of this Contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the Parties shall be construed and enforced as if this Contract did not contain the particular provision held to be invalid.

3.11. ASSIGNMENT

GRU or Contractor(s) shall not assign or transfer, in whole or in part, any right or obligation pursuant to this Contract, without the prior written consent of the other Party.

3.12. AUDIT OF RECORDS

Contractor(s) shall maintain records sufficient to document completion of the scope of services pursuant to this contract. At all reasonable times, these records shall be made available to review, inspect, copy and audit by persons duly authorized by GRU. These records shall be kept for a minimum of three (3) years after termination of this Contract. Records that relate to any litigation, appeals or settlement of claim arising pursuant to the performance of this Contract shall be made available until a final disposition has been made of such litigation, appeal, or claim.

3.13. NONEXCLUSIVE REMEDIES

Except as expressly set forth in this Contract, the exercise by either Party of any of its remedies under this Contract shall be without prejudice to its other remedies under this Contract or otherwise.

3.14. ADVERTISING

Contractor(s) shall not publicly disseminate any information concerning the Contract without prior written approval from GRU, including but not limited to, mentioning the Contract in a press release or other promotional material, identifying GRU or the City as a reference, or otherwise linking Contractor(s)'s name and either a description of the Contract or the name of the City or GRU in any material published, either in print or electronically, to any entity that is not a party to Contract, except potential or actual authorized distributors, dealers, resellers, or service representative.

3.15. MODIFICATION OF TERMS

This Contract constitutes the entire agreement between the Parties. No oral agreements or representations shall be valid or binding upon GRU or Contractor(s). No alteration or modification of this Contract, including substitution of product, shall be valid or binding unless authorized by GRU. Contractor(s) may not unilaterally modify the terms of this Contract by affixing additional terms to product upon delivery (e.g., attachment or inclusion of standard preprinted forms, product literature, "shrink wrap" terms accompanying or affixed to a product, whether written or electronic) or by incorporating such terms onto Contractor(s)'s order or fiscal forms or any other documents forwarded by Contractor(s) for payment. An acceptance of product or processing of documentation on forms furnished by Contractor(s) for approval or payment shall not constitute acceptance of the proposed modification to terms and conditions.

3.16. WAIVER

Any delay or failure by GRU to exercise or enforce any of its rights pursuant to this Contract shall not constitute or be deemed a waiver of GRU's right thereafter to enforce those rights, nor will any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

3.17. DISCLOSURE AND CONFIDENTIALITY

Florida's Public Records Law, Chapter 119, Florida Statutes, includes numerous exemptions to the general requirement to disclose information to the public in response to a public record's request. Exemptions are found in various provisions of the Florida Statutes, including but not limited to Section 119.071, Florida Statutes (General exemptions from inspection or copying of public records), and

Section 119.0713, Florida Statutes (Local government agency exemptions from inspection or copying of public records). Section 815.045, Florida Statutes (Trade secret information), provides that trade secret information as defined in Section 812.081, Florida Statutes (Trade secrets; theft, embezzlement; unlawful copying; definitions; penalty) is confidential and exempt from disclosure because it is a felony to disclose such records. The Parties understand and agree that Florida's Public Records Law is very broad and that documents claimed by a Party to be confidential and exempt from public disclosure pursuant to the Public Records Law may in fact not be deemed such by a court of law. Accordingly, the following provisions shall apply:

- A. Identifying Trade Secret or Otherwise Confidential and Exempt Information. For any records or portions thereof that Contractor claims to be Trade Secret or otherwise confidential and exempt from public disclosure under the Public Records Law, Contractor shall:
 - 1. Specifically identify the records or specific portions thereof that are confidential and exempt and reference the particular Florida Statute that grants such status. Provide one redacted copy of the record and one copy of the record with the confidential and exempt information highlighted. Contractor shall take care to redact only the confidential and exempt information within a record.
 - 2. Provide an affidavit or similar type of evidence that describes and supports the basis for Contractor's claim that the information is confidential and exempt from public disclosure.
- B. Request for Trade Secret or Otherwise Confidential and Exempt Information.
 - 1. In the event GRU receives a public records request for a record with information labeled by Contractor as Trade Secret or otherwise as confidential and exempt, GRU will provide the public record requester with the redacted copy of the record and will notify Contractor of the public records request.
 - 2. However and notwithstanding the above, in the event that GRU in its sole discretion finds no basis for Contractor's claim that certain information is Trade Secret or otherwise confidential and exempt under Florida's Public Records Law, then GRU shall notify Contractor in writing of such conclusion and provide Contractor a reasonable amount of time to file for declaratory action requesting a court of law to deem the requested information as Trade Secret or otherwise as confidential and exempt under Florida's Public Records Law. If Contractor fails to file for declaratory action within the reasonable amount of time provided, then GRU will disclose the information requested.
 - 3. If a public records lawsuit is filed against GRU requesting public disclosure of the information labeled by Contractor as Trade Secret or otherwise as confidential and exempt, GRU shall notify Contractor and Contractor shall intervene in the lawsuit to defend the nondisclosure of such information under Florida's Public Records Law.
 - 4. Contractor hereby indemnifies and holds GRU, its officers and employees harmless from any and all liabilities, damages, losses, and costs of any kind and nature, including but not

limited to attorney's fees, that arise from or are in any way connected with Contractor's claim that any information it provided to GRU is Trade Secret or otherwise confidential and exempt from public disclosure under Florida's Public Records Law.

- C. "Work Product" may include creative work which may lead to programs, intellectual properties, computer software, computer programs, codes, text, hypertext, designs, and/or any other work products associated with or arising directly out of the performance of the Work.

3.18. PUBLIC RECORDS

If Contractor(s) is either a "contractor" as defined in Section 119.0701(1)(a), Florida Statutes, or an "agency" as defined in Section 119.011(2), Florida Statutes, Contractor shall:

- A. Keep and maintain public records, as defined in Section 119.011(12) of the Florida Statutes, required by GRU to perform the service.
- B. Upon request from GRU's custodian of public records, provide the public agency 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 this chapter or as otherwise provided by law.
- C. 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 the contractor does not transfer the records to GRU.
- D. Upon completion of the contract, transfer, at no cost, to GRU all public records in possession of the contractor or keep and maintain public records required by GRU to perform the service. If the contractor transfers all public records to GRU upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to GRU, upon request from GRU's custodian of public records, in a format that is compatible with the information technology systems of GRU.
- E. IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, AS TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE GRU CUSTODIAN OF PUBLIC RECORDS AT (352) 393-1240, PURCHASING@GRU.COM, OR 301 SE 4TH AVENUE, GAINESVILLE FL 32601.

3.19. SALES TAX

Respondent's pricing shall include applicable taxes on items purchased or manufactured by Respondent for the project. GRU is exempt from Florida sales taxes for certain purchases. A "Consumer's Certificate of Exemption" is available at www.gru.com.

3.20. ANTI-DISCRIMINATION

Contractor shall not discriminate on the basis of race, color, religion, sex, gender, national origin, marital status, sexual orientation, age, disability or gender identity, or other unlawful forms of discrimination in the performance of this Contract. Contractor understands and agrees that a violation of this clause shall be considered a material breach of this Contract and may result in termination of the Contract. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

3.21. CAPTIONS AND SECTION HEADINGS

Captions and section headings used herein are for convenience only and shall not be used in construing this contract.

3.22. COUNTERPARTS

This agreement may be executed in any number of and by the different parties hereto on separate counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

3.23. PROHIBITION AGAINST CONSIDERATION OF SOCIAL, POLITICAL, OR IDEOLOGICAL INTEREST IN GOVERNMENT CONTRACTING.

In accordance with Section 287.05701(2)(a), F.S. (2023), GRU may not request documentation of or consider a vendor's social, political, or ideological interests when determining if the vendor is a responsible vendor, and may not give preference to a vendor based on the vendor's social, political, or ideological interests.

3.24. ATTACHMENTS

All exhibits attached to this contract are incorporated into and made part of this contract by reference.

4. Supplemental Conditions

These Supplemental Conditions amend or supplement the Solicitation/Contract as indicated below. All provisions which are not so amended or supplemented remain in full force and effect, except that the Technical Specifications/ Scope of Work, if any, shall govern if any conflict arises between such sections and these Supplemental Conditions.

4.1. CONDUCT OF THE WORK.

Contractor(s) shall be considered an independent entity and as such shall not be entitled to any right or benefit to which GRU employees are or may be entitled to by reason of employment. Except as specifically noted in this Contract, Contractor(s) shall be solely responsible for the means, methods, techniques, sequences, and procedures utilized by Contractor(s) in the performance of this Contract. Contractor(s) will assign only competent and skilled workers to perform the Work. All of Contractor(s)'s personnel or subcontractors engaged in any of the Work performed pursuant to this Contract are under Contractor(s)'s sole direction, supervision and control at all times and in all places. Contractor(s)'s employees must be as clean and in good appearance as the job conditions permit, conducting themselves in an industrious and professional manner. Contractor(s) and its employees cannot represent, act, or be deemed to be an agent or employee of GRU. Nothing in this Agreement is intended to or shall be deemed to constitute a partnership or joint venture between the Parties. Further, unless specifically authorized to do so, the Contractor(s) shall not represent to others that, as the Contractor(s), it has the authority to bind GRU to any third-party agreement.

4.2. CONTRACTOR(S) RESPONSIBILITIES. (SERVICES)

- A. Performance. Contractor(s) shall perform all Work promptly and diligently in a good, proper and workmanlike manner in accordance with the Specifications. In performing the Work, Contractor(s) has the freedom to perform Work in the manner which is most beneficial to the project provided that it is within the limits of these Specifications.
- B. Project Related Requirements. Contractor(s) is responsible for providing and paying expenses for all labor, tools, equipment, and materials. All project related requirements must be of high quality, in good working condition, and conducive for the particular task. Adequate first aid supplies must be provided by Contractor(s) and accessible to employees. These may include, but are not limited to, sanitation facilities, potable water, and office trailers.

4.3. INDEMNIFICATION.

- A. Contractor(s) shall be fully liable for its action, the actions of its agents, employees, partners, or subcontractors and fully indemnifies, defends, and holds harmless the City of Gainesville, GRU, its elected officials, its officers, agents, and employees, from any such suits, actions, damages, and/or 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 Contractor(s), its agents, employees, partners, or subcontractors.

- B. Further, Contractor(s) shall fully indemnify, defend, and hold harmless the City of Gainesville and/or GRU 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 will not apply to GRU's misuse or modification or Contractor(s)'s products or GRU's operation or use of Contractor(s)'s products in a manner not contemplated by the Contract or the purchase order. If any product is the subject of an infringement suit or in Contractor(s)'s opinion is likely to become the subject of such a suit, Contractor(s) may at its sole expense procure for GRU the right to continue using the product or to modify it to become non-infringing. If Contractor(s) is not reasonably able to modify or otherwise secure GRU the right to continue using the product, Contractor(s) shall remove the product and refund GRU the amounts paid in excess of a reasonable rental for past use. GRU shall not be liable for any royalties if applicable.
- C. Contractor(s)'s obligations under the preceding two paragraphs with respect to any legal action are contingent upon GRU giving Contractor(s)
 - 1. written notice of any action or threatened action,
 - 2. defending the action at Contractor(s)'s sole expense. Contractor(s) shall not be liable for any costs or expenses incurred or made by GRU in any legal action without Contractor(s)'s prior written consent, which will not be unreasonably withheld.
- D. The provisions of this section shall survive the termination or expiration of this Contract.
- E. The Contractor(s) shall indemnify and hold harmless GRU from all suits, actions or claims of any character brought on account of any injuries or damages received or sustained by any person, persons, or property by or from the Contractor(s) or by or in consequence of any neglect in safeguarding the work through use of unacceptable materials or workmanship or by or on account of any activity or omission, neglect or misconduct of the Contractor(s) or by or on account of any claim or amounts recovered from any infringement of patent, trademark, or copyright or from any claims or amounts arising or recovered under the "Worker's Compensation Law" and non-compliance with any local, state or federal codes, ordinances, orders or statutes, including the Occupational Safety and Health Act. This guarantee is in addition to and not intended as a limitation to any other warranty, express or implied. The City of Gainesville has adopted a Resolution that formally adopts the policy that the City does not contractually agree to indemnify other parties except in certain limited circumstances. The provisions of this section shall survive the termination or expiration of this Contract.
- F. Pursuant to Section 725.08, Florida Statutes, **this** Contract qualifies as a professional services contract and Contractor(s) qualifies as a design professional, as defined under Chapter 471 of the Florida Statutes. Notwithstanding the provisions of Section 725.06, Florida Statutes, Contractor(s) agrees to indemnify and hold harmless GRU, its elected officials, 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 design professional and other persons employed or utilized by the Contractor(s) in the performance of this Contract.

- G. Contractor(s) represents and warrants that Contractor(s) shall not infringe a trademark, copyright, patent, trade secret or any such intellectual property right in the performance of this Contract. In the event of an infringement suit related to or resulting from this Agreement, Contractor(s) represents and warrants that GRU will not be liable for any damages or royalties if applicable.

4.4. DISPUTES

If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, either party may, by giving written notice, refer the dispute to a meeting of appropriate higher management, to be held within 20 business days after giving of notice. If the dispute is not resolved within 30 business days after giving notice, or such later date as may be mutually agreed, the Parties will submit the dispute to a mediator. The Parties shall mutually agree to the mediator and the costs of the mediator will be borne equally by both parties. The venue for mediation and any subsequent litigation shall be in Alachua County, Florida.

4.5. DELAY

Notwithstanding the completion schedule, GRU has the right to delay performance for up to three (3) consecutive months as necessary or desirable and such delay will not be deemed a breach of Contract, but the performance schedule will be extended for a period equivalent to the time lost by reason of GRU's delay. Such extension of time will be Contractor(s)'s sole and exclusive remedy for such delay. If the project is stopped or delayed for more than three (3) consecutive months and GRU or Contractor(s) elects to terminate the Contract because of such delay, or if such stoppage or delay is due to actions taken by GRU within its control, then Contractor(s)'s sole and exclusive remedy under the Contract will be reimbursement for costs reasonably expended in preparation for or in performance of the Contract. None of the aforementioned costs will be interpreted to include home office overhead expenses or other expenses not directly attributable to performance of the Contract. Contractor(s) is not entitled to make any other claim, whether in breach of Contract or in tort for damages resulting in such delay.

4.6. DEFAULT

If Contractor(s) should be adjudged as bankrupt, or make a general assignment for the benefit of its creditor(s), or if a receiver should be appointed for Contractor(s), or if there is persistent or repeated refusal or failure to supply sufficient properly skilled workforce or proper materials, or if Contractor(s) should refuse or fail to make payment to persons supplying labor or materials for the Work pursuant to this Contract, or persistently disregards instructions of GRU, or fails to observe or perform or is guilty of a substantial violation of any provision of the Contract documents, then GRU, after serving at least ten (10) calendar days prior written notice to Contractor(s) of its intent to terminate and such default should continue un-remedied for a period of ten (10) calendar days, may terminate the Contract without prejudice to any other rights or remedies and take possession of the Work; and GRU may take

possession of and utilize in completing the Work such materials, appliances, equipment as may be on the site of the Work and necessary therefore. Contractor(s) will be liable to GRU for any damages resulting from such default.

4.7. TERMINATION

- A. Termination for Convenience. GRU may, by providing thirty “30” calendar days written notice to Contractor(s), terminate this Contract, or any part thereof, for any or no reason, for GRU’s convenience and without cause. After the termination date, Contractor(s) shall stop all Work and cause its suppliers and/or subcontractors to stop all Work in connection with this Contract. If GRU terminates for convenience, GRU shall pay Contractor(s) for goods and services accepted as of the date of termination, and for Contractor(s)’s actual and reasonable, out of pocket costs incurred directly as a result of such termination. GRU is not responsible for Work performed after the effective termination date of this contract.
- B. Termination for Cause (Cancellation). GRU may terminate this Contract for cause if Contractor(s) materially breaches this Contract by:
 - a. refusing, failing or being unable to properly manage or perform;
 - b. refusing, failing or being unable to perform the Work pursuant to this Contract with sufficient numbers of workers, properly skilled workers, proper materials to maintain applicable schedules;
 - c. refusing, failing or being unable to make prompt payment to subcontractors or suppliers;
 - d. disregarding laws, ordinances, rules, regulations or orders of any public authority or quasi-public authority having jurisdiction over the Project;
 - e. refusing, failing or being unable to substantially perform pursuant to the terms of this Contract as determined by GRU, or as otherwise defined elsewhere herein; and/or
 - f. refusing, failing or being unable to substantially perform in accordance with the terms of any other agreement between GRU and Contractor(s).
- C. Funding out Clause. If funds for this Contract are no longer available, GRU reserves the right to terminate this Contract without cause by providing Contractor(s) with thirty (30) calendar day’s written notice to Contractor(s).

4.8. FORCE MAJEURE

No Party to this Contract shall be liable for any default or delay in the performance of its obligations under this Contract due to an act of God or other event to the extent that:

- A. the non-performing Party is without fault in causing such default or delay; and

- B. such default or delay could not have been prevented by reasonable precautions. Such causes include, but are not limited to:
1. acts of civil or military authority (including but not limited to courts of administrative agencies); acts of God; war; terrorist attacks; riot; insurrection; inability of GRU to secure approval; validation or sale of bonds; inability of GRU or Supplier to obtain any required permits, licenses or zoning; blockades; embargoes; sabotage; epidemics; fires; hurricanes, tornados, floods; or strikes.

In the event of any delay resulting from such causes, the time for performance of each of the Parties hereunder (including the payment of invoices if such event actually prevents payment) shall be extended for a period of time reasonably necessary to overcome the effect of such delay. Any negotiated delivery dates established during or after a Force Majeure event will always be discussed and negotiated if additional delays are expected.

In the event of any delay or nonperformance resulting from such cause, the Party affected will promptly notify the other Party in writing of the nature, cause, date of commencement, and the anticipated impact of such delay or nonperformance. Such written notice, including change orders, will indicate the extent, if any, to which is anticipated that any delivery or completion date will be affected.

4.9. LIMITATION OF GRU'S LIABILITY

To the fullest extent permitted by law, GRU shall not be liable to Contractor(s) for any incidental, consequential, punitive, exemplary or indirect damages, lost profits, revenue or other business interruption damages, including but not limited to, loss of use of equipment or facility.

4.10. PERFORMANCE TIME

Contractor(s) shall complete the Work no later than the date set forth in the Contract or Task Assignment. Contractor(s) further understands and agrees that time is of the essence. If Contractor(s) fails to complete the Work on or before the date established for Final Completion, then Contractor(s) will be solely responsible for liquidated damages or other costs as set forth in the Solicitation or Contract.

4.11. INSURANCE

Contractor(s) shall meet the minimum insurance requirements at all times as required by law and GRU. Contractor(s) shall notify GRU of any changes in coverage within seven (7) business days of knowledge of such change taking effect. Failure to maintain minimum coverage may result in breach of Contract. Contractor(s) shall procure and maintain insurance with coverage amounts as required. Contractor(s) must furnish GRU a certificate of insurance in a form acceptable to GRU for the insurance required with endorsement naming GRU as additional insured.

4.12. MINIMUM INSURANCE AMOUNTS REQUIRED

Insurance is required in the amounts set forth below:

- Commercial General Liability: \$1,000,000 combined single limit for bodily injury and property damage

- Automobile Liability: \$1,000,000 combined single limit for bodily injury and property damage
- Worker's Compensation:
 - State (Florida): Statutory
 - Applicable Federal: Statutory
 - Employer's Liability:
 - \$500,000 per Accident
 - \$500,000 Disease, Policy Limit
 - \$500,000 Disease, Each Employee
- Excess Liability: \$1,000,000
- Professional Liability: \$1,000,000

4.13. NERC CIP COMPLIANCE REQUIREMENTS (SERVICES)

Pursuant to federally mandated security standards from the North American Electric Reliability Corporation (NERC) regarding Critical Infrastructure Protection (CIP), GRU has implemented specific requirements for any contract employee requiring access to protected systems and facilities. These requirements are outlined in NERC Standard "CIP-004-6 Table R3 – Personnel Risk Assessment Program", and apply to anyone who shall have physical and/or electronic access to these designated locations. Compliance verification for an employee, including annual training as well as a qualified criminal history background screening, will be required prior to granting that employee authorized access to the designated protected systems and/or facilities.

4.14. CONTRACTOR(S)' RESPONSIBILITIES

- A. Contractor(s) will recruit, screen, interview, hire and assign its employees to perform the work pursuant to this Contract; compensate its employees for hours worked at GRU; withhold and transmit payroll taxes, provide unemployment insurance and workers' compensation benefits; and handle unemployment and workers' compensation claims involving employees.
- B. Contractor(s) shall obtain background check and drug screening services of its employees who will perform work at GRU locations. To ensure compliance with the Fair Credit Reporting Act, Contractor(s) will not provide copies of such background check or drug screening results to GRU but will instead provide an attestation of completion of such services to GRU. Background check services may be conducted by one or more of Contractor(s)'s preferred, third-party vendors (e.g., Hire Right, A-Check Global).
- C. Contractor(s) shall require all of the Employees to self-report in writing to Contractor(s) within forty-eight hours any incidents of arrests by local, state or federal law enforcement agencies. If the Employee is unable to report in writing due to incarceration or confinement, the Employee shall notify Contractor(s) within forty-eight (48) hours after the arrest by text message, email,

phone call, or voicemail. In addition, all Employees holding a Commercial Driver's License (CDL) as a condition of employment shall self-report, in writing, to Contractor(s) within forty-eight (48) hours after any citations, arrests, or charges disqualifying the Employee from holding a CDL.

4.15. ORDER OF PRECEDENCE

In the event that there is any conflict between the terms and conditions, the order of precedence shall be as follows:

- A. Any modification to this Contract
- B. Contract
- C. GRU Technical Specifications/ Scope of Work
- D. GRU Supplemental Conditions
- E. GRU General Conditions
- F. GRU Instructions
- G. Contractor(s) Response

5. Technical Specifications/Scope of Work

Gainesville Regional Utilities operations provides multiple services including energy generation, energy delivery, natural gas, telecommunications, water, and wastewater. GRU also includes additional support services to operations. Examples include finance, information technology, and customer service.

Gainesville Regional Utilities (GRU) would like to enter in a contract with Folds Walker, LLC.

GRU will be using a specified source option to work enter into the agreement.

Folds Walker, LLC will provide guidance, consultation and counsel to GRU. Folds Walker, LLC will not represent GRU in matters of insurance litigation, immigration laws, employee disputes, labor agreements, contract sign off, bond counsel, and disclosure counsel. These additional, specialized, labor intensive specialties will be requested as part of the Legal Services Representation Request for Proposal (RFP) forthcoming.

The total for this agreement is \$50,000. A log of hours, rate, and topic worked on will be submitted to the GRU Authority on a regular cycle. The GRU Authority and Staff will provide input as to evaluation of the work provided.

Folds Walker, LLC will provide guidance and expertise for multiple subjects. For example, but not limited to: areas of legislative governmental issues, land use and zoning, ordinances/ resolutions/ proclamations, contract language, lease and rental agreements, policy development, memorandums of understanding and service level agreements.

Folds Walker, LLC is required to attend all GRU Authority meetings.

6. Signatures

IN WITNESS WHEREOF, the Parties hereto have executed this Contract on the date first above written.

Folds & Walker, LLC

BY: _____

Stuart Scott Walker
Managing Partner

Gainesville Regional Utilities Authority

BY: _____

Craig Carter, Chair for GRU Authority

Approved as to form and legality:

Dan Nee
City of Gainesville City Attorney

Procurement Representative:

Nelson Delcasio
Procurement Specialist III

12/14/23 Legal Services RFP Scope of Work DRAFT Handout

The firm or lawyer is expected to perform certain legal representations for GRU and GRUA as required. Such details include, but not limited to:

1. Contract Review

- a) Review right-of-way permits and easement agreements.
- b) Develop/ review contract language, lease and rental agreements, real estate documents, memorandums of understanding, service level agreements.
- c) Assist with developing Utility-wide and customer policies.
- d) Assist with the developing of construction contracts for various design and construction delivery methods, including but not limited to design-bid-build, design build, and construction manager at risk.
- e) Review contracts for technical service and material procurement for major capital projects.
- f) Provide interpretation and recommendations for liability and indemnification.
- g) Assist with interpretation of agreements/contracts with other utilities.
- h) Assist with negotiations of agreements.

2. Claims Review

- a) Review claims against GRU and make recommendations for settlement.
- b) Represent and/or provide guidance to the utility in mediation, lawsuits, and hearings Advocate on behalf of GRU in conflict resolution.

3. Industry compliance and strategy development

- a) Provide notification and responses to proposed changes to federal regulations, state statutes, county land development codes, and city codes and ordinances that could impact GRU's utility operations.
- b) Provide regulatory review of permits, consent orders, fines, penalties and notices of non-compliance.
- c) Represent and/ or provide guidance to GRU in regulatory enforcement and compliance hearings.
- d) Develop customized strategies for regulatory and environmental compliance, staying abreast of compliance legislation, and providing a mechanism for GRU's interests to be considered in local, state and national policy and regulatory processes.
- e) Research and have expertise in industry practices/ utility policies and procedures.

4. Employee Relations

- a) Assist with employee separations/terminations.
- b) Assist in immigration laws.
- c) Review and assist with developing labor agreements.
- d) Provide interpretation of labor laws and standards; employment laws.

5. Legal Services

- a) Provide legal counsel and advice with respect to environmental permitting, enforcement, and regulatory matters. Environmental legal counsel advises on water, wastewater, air, and solid and hazard waste issues.
- b) Legal assistance concerning Power Purchase Agreement(s) (PPA).
- c) Counsel for insurance litigation and claims
- d) Legal representation/ counsel for collection of delinquent accounts
- e) Legal consultant for business expansion opportunities
- f) Legal services for general regulatory issues
- g) Legal services/internet service provider
- h) Legal services property tax
- i) Legal services related to construction contracts.

6. Real Estate

- a) Reviews real estate documents for form and legality.
- b) Assists in the creation of verbiage for real estate acquisitions and dispositions.

7. Security

- a) Provide counsel regarding physical security issues, i.e. trespassing, signage requirements, etc.

8. Facilities Maintenance/Security

- a) Provide counsel regarding contract terms and breach of contract.

9. Public Records

- a) Provide consultation regarding Public Records Requests and related responses.

10. GRU Authority

- a) Provide consultation to the GRU Authority.
- b) Attend GRU Authority meetings and workshops.

GAINESVILLE REGIONAL UTILITIES SPECIFIED OR SOLE SOURCE SELECTION

A non-competitive situation exists if the good or service being purchased is from a sole or specified source. Justification for sole or specified purchases should be included with the requisition.

PROJECT NAME: General Legal Services **Date:** 12/11/2023

CHECK ONLY ONE METHOD OF SOURCE SELECTION

- SOLE SOURCE:** *A non-competitive method of procurement used when only one supplier possesses the unique ability or capability to meet the particular requirements of the entity or when only one supplier is practicably available.*

This is the sole source provider because:

- Replacement parts only available from the original equipment manufacturer (OEM)
(Example: Provide explanation letter from the manufacturer)
- Services will require copyrighted drawings or specification documents only available from the OEM or authorized OEM service center or distributor.
(Example: Provide explanation letter from the manufacturer)
- A unique good or service covered under an active U.S. patent or copyright.
(Example: Provide explanation letter from the manufacturer that includes but is not limited to Patent/Trademark and/or Copyright Number)

- SPECIFIED SOURCE:** *A specified source occurs when there is justification for the purchase of a good or service from a particular vendor.*

JUSTIFICATION IS REQUIRED FOR SPECIFIED SOURCE:

Summary

Gainesville Regional Utilities (GRU) would like to enter in a contract with Folds Walker, LLC.

GRU will be using a specified source option to work enter into the agreement.

Folds Walker, LLC will provide guidance, consultation and counsel to GRU. Folds Walker, LLC will not represent GRU in matters of insurance litigation, immigration laws, employee disputes, labor agreements, etc.

The total for this agreement is \$50,000. A log of hours, rate, and topic worked on will be submitted to the GRU Authority on a regular cycle. The GRU Authority and Staff will provide input as to evaluation of the work provided.

Folds Walker, LLC will provide guidance and expertise for multiple subjects. For example, but not limited to: areas of legislative governmental issues, land use and zoning, ordinances/ resolutions/ proclamations, contract language, lease and rental agreements, policy development, memorandums of understanding and service level agreements.

Folds Walker, LLC is required to attend all GRU Authority meetings.

Per this agreement,

Why this firm?

The firm's lawyers are in good standing with the Florida Bar. The firm has experience with local governments. The firm has served as general counsel to numerous cities for more than 30 years. Their current client list includes the cities and townships of Archer, High Springs, Micanopy and Newberry. The firm is well versed in understanding current issues as they relate to GRU.

Requestor Name: Craig Carter

Title: GRU Authority Chair

Signature (Required): _____



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2023-1178

Agenda Date: December 14, 2023

Department: Gainesville Regional Utilities

Title: 2023-1178 Business Plan Kick-off (B)

Department: GRU/Sustainability

Description: Staff will present an overview of the business plan creation process and solicit feedback and direction on GRU's Mission and Vision statements and Strategic Objectives.

Fiscal Note: None

Explanation: The GRU Authority (GRUA) was established as the governing body for GRU on October 4, 2023. The GRUA has indicated that GRU should evaluate its operations with the goal of transforming the utility to run more like a business. The first step in that process is developing a business plan for the future that incorporates the GRUA goals. Staff will present suggestions and solicit feedback for a new Mission and Vision statement and strategic objectives for the current year and affirm the process for developing the business plan to align with GRUA goals.

Recommendation: 1) GRUA approve development of a Business Plan, 2) GRUA give direction on Mission and Vision statement, and 3) GRUA give direction on Strategic Objectives

Business Plan Kick-off

December 14, 2023



- Introduction
- Mission and Vision Discussion
- Business Drivers
- Strategic Objectives
- Recommendations

Intro

- We heard you
- Modified our plan/vision/processes to accommodate
- Set a clear direction for the organization for the next year:
 - More business focus
 - Evaluate and modify existing processes
 - Invest in infrastructure
- Goal:
 - Connect the path of action to the intended result
- It will all come together in final approval of the FY25 budget
 - Tie money with the mission

- Today:
 - Fundamentals of building the Business Plan

Business Plan Outline

- Executive Summary
- Business Fundamentals
 - Mission Statement
 - Vision Statement
 - Strategic Objectives
- Market Analyses
- Operations Plan
- Financial Plan

- Recommendation to Authority:
 - Adopt the process and commitment to develop Business Plan



Mission & Vision

Mission Statement

- Drives the company:
 - Core of the business
 - Helps to shape business culture
- Answers the questions:
 - What do we do?
 - Whom do we serve?
 - How do we serve them?
- Current Mission Statement:
 - GRU will provide safe, reliable, competitively priced utility services in an environmentally responsible manner and will actively contribute to the enhancement of the quality of life in our community.

Vision Statement

- Gives the company direction:
 - It is the future of the business
 - It helps provide the purpose
 - It is about who the business wants to become
 - Aspirational
- Answers the questions:
 - What are our hopes and dreams?
 - What problem are we solving?
 - Who and what are we inspiring to changes?
- Current Vision Statement:
 - GRU envisions a well-run business optimizing all aspects of the organization for the benefit of the customers and the community at large

Mission and Vision Examples:

- **Company: Tesla**
 - **Mission:** To accelerate the world's transition to sustainable energy.
 - **Vision:** To create the most compelling car company of the 21st century by driving the world's transition to electric vehicles.
- **Company: Amazon**
 - **Mission:** We strive to offer our customers the lowest possible prices, the best available selection, and the utmost convenience.
 - **Vision:** To be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online.
- **Company: Toyota USA**
 - **Mission:** To attract and attain customers with high-valued products and services and the most satisfying ownership experience in America.
 - **Vision:** To be the most successful and respected car company in America.
- **Company: Duke Energy**
 - **Mission:** We strive to build a sustainable future for our communities, improve the lives of customers, and empower our employees to achieve excellence.
 - **Vision:** Duke Energy's vision is to become a national leader in sustainable energy generation and delivery

Mission Statement:

- More focused
- Demonstrated different path
- Easy to understand and communicate
- A new board was formed to improve GRU
 - Missions should tell how GRU will improve

Mission Statement Options:

- Considered:
 - Provide safe, reliable, competitively priced utility services in an environmentally responsible and fiscally sound manner
 - Give our customers a competitive advantage by delivering diversified utilities
 - Transform the utility to deliver competitive utility services
 - Focus to deliver competitive core services
 - Deliver competitive core services
 - Dedicated to Delivering utilities at competitive prices
- Proposed:
 - **Deliver competitive core services**

Vision Statement Options

- Considered:
 - Be the best run utility in Florida
 - High quality utilities at reasonable rates
 - Be recognized as a performance leader in the utility industry
 - Regain/Restore/Rebuild GRU's reputation in the community
 - Rebuild the best reputation with the people we serve
 - Always Ready, Always Reliable, Always Competitive
 - Deliver now; Prepare for the future
- Proposed:
 - **Rebuild our reputation with the people we serve**



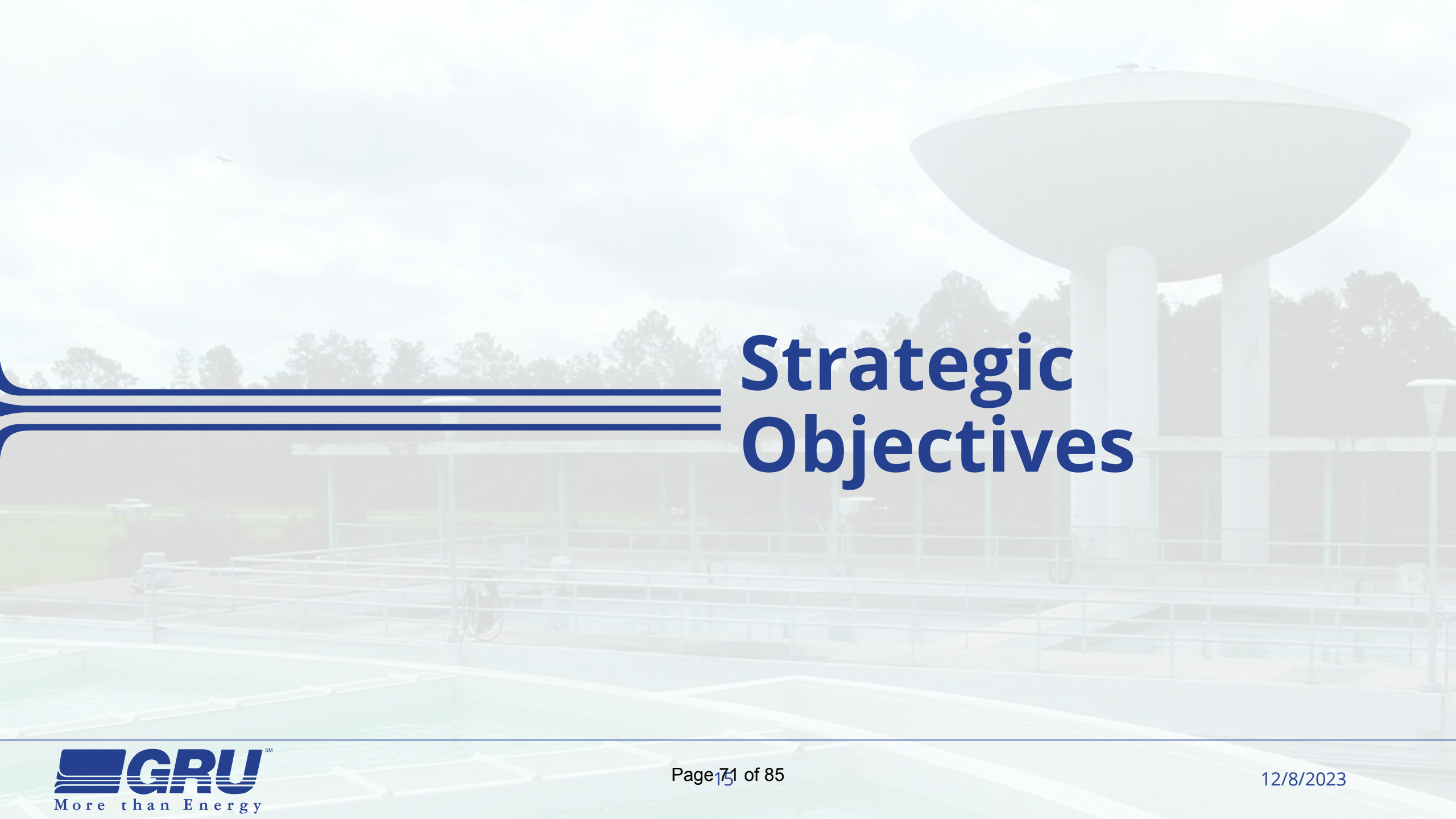
Business Drivers & Strategic Themes

Business Drivers

- Apply Business Principles
 - Each Area of the Business
- Improving Work Culture
 - Focus on Innovation and Growth
- Building Customer Trust
 - Commitment to Quality and Cost-competitive Services

Strategic Themes:

- Main focus areas of the organization
 - Helps to translate mission and vision statements into actionable focus areas
 - Helps for communicating strategic intent to all employees
- GRU Strategic Themes:
 - Workforce Engagement
 - Employee Safety
 - Financial Strength
 - Productivity
 - Value to Customer
 - Infrastructure Reliability



Strategic Objectives

Strategic Objectives:

- Action statements that describe:
 - What must be done successfully over the time horizon of the strategy
- Simple statements of strategic intent
 - Easy to understand
 - Represent continuous improvement potential

Immediate Action Plan

Business Drivers	Strategic Theme	Immediate Actions	Metric/Indicator	Target
Applying Business Principles	Productivity	Improve project delivery system	Incorporate business intelligence into project delivery	By 7/1/24
		Increase business process efficiency	Conduct "Start, Stop, Continue" work task analysis	By 10/1/24
	Financial Strength	Manage expenses at or lower than actual revenue	Actual-to-budget expenses YTD Actual-to-budget revenues	≤ 1.0
		Reduce net debt	Percent net debt reduction by 2034	≥ 20%
		Stabilize electric rates	FY25 rates	Bring options
		Increase net revenues	Power marketing value created	≥ \$1.5M
			Sale or lease of noncore business assets	≥ \$9M
			Board approval of net metering rate structure	10/1/24
Improving Work Culture	Employee Safety	Reduce recordable injuries	Recordable injury rate per 200,000 man hours	<1
		Reduce motor vehicle accidents	Preventable vehicle collisions per 1M miles	<4
	Workforce Engagement	Evaluate HR SLA	Hold GG/HR accountable to SLA	Monthly review
		Establish GRU-specific policies	Board approval	By 9/30/24
Building Customer Trust	Value to Customer	Implement AMI	% of electric AMI meters installed by 1/1/25	95%
		Define GG services and value	Identify expense reductions	≥ \$500k
		Development and expansions of products/services/rate structures	Expansion plan for products/services/rate structures identified and prioritized for implementation	By 7/1/24
	Infrastructure Reliability	Approve IRP recommended path forward	Plan to implement IRP recommended path forward that fits within debt reduction plan	By 4/17/24
		Infrastructure investment plan for each system	Capital infrastructure plan costs through 2034	≤ \$954M



Recommendations

Recommendations

- GRUA approve development of a Business Plan
- GRUA give direction on Mission and Vision Statement
- GRUA give direction on Strategic Objectives





**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2023-1181

Agenda Date: December 14, 2023

Department: Gainesville Regional Utilities

Title: 2023-1181 Rate and GSC Scenarios (B)

Department: GRU/Budget, Finance & Accounting

Description: This item is related to a high-level overview of potential alternative rate structures and Government Services Contribution (GSC) levels for GRU's FY25 budget.

Fiscal Note: None at this time.

Explanation: As we near the beginning of the FY25 GRU budget process, staff wanted to provide the Authority a brief overview of potential alternative:

- Base rate structures and their estimated impact on GRU reserves by system at the end of the forecast period. Included as part of these structures are reductions to O&M expense and GSC contributions in FY25 that are intended to offset reduced revenue associated with the base rate changes.
- GSC levels through FY34, with estimates of the cumulative expense reduction that these changes would generate.

Recommendation: The GRU Authority hear a presentation on potential alternative rate structures and GSC levels for the FY25 GRU budget.



Rate & GSC Scenarios

December 14, 2023

- As a preamble to the FY25 GRU budget process, following is a cursory discussion of potential alternative scenarios related to several key variables in GRU's budget development
 - Base rate structure
 - Level of Government Services Contribution

Rate Alternatives

ALTERNATIVE RATE STRUCTURE: NO INCREASE FY25, CPI FY26 - FY34				
ESTIMATED RESERVES @ FYE34				
	Reserves Target	Current Rate Structure	Alternative Rate Structure	Difference
Electric	84,251,248	123,084,229	145,414,897	22,330,668
Water	7,260,431	(61,442,639)	(25,099,887)	36,342,752
Wastewater	8,924,279	(13,031,057)	(37,498,958)	(24,467,901)
Gas	6,655,395	24,168,919	39,399,322	15,230,403
GRUCom	2,873,920	441,018	441,018	-
Combined	109,965,273	73,220,470	122,656,392	49,435,922

Current Rate Structure: E 3%/yr FY25 - FY27; WW 5%/yr FY25-27
 CPI (Source IHS Markit, Macroeconomic model):

2026	2.00%
2027	2.00%
2028	2.00%
2029	2.00%
2030	2.10%
2031	2.20%
2032	2.20%
2033	2.30%
2034	2.40%

\$4M combined O&M expense reduction in E & WW FY25
 GSC reductions of \$4M in FY25 are allocated over all systems

Rate & GSC Scenarios:

Rate Alternatives

ALTERNATIVE RATE STRUCTURE: E 1.5% FY25, WW 2.5% FY25, CPI FY26 - FY34				
ESTIMATED RESERVES @ FYE34				
	Reserves Target	Current Rate Structure	Alternative Rate Structure	Difference
Electric	84,251,248	123,084,229	178,180,541	55,096,312
Water	7,260,431	(61,442,639)	(25,099,887)	36,342,752
Wastewater	8,924,279	(13,031,057)	(23,981,545)	(10,950,488)
Gas	6,655,395	24,168,919	39,399,322	15,230,403
GRUCom	2,873,920	441,018	441,018	-
Combined	109,965,273	73,220,470	168,939,449	95,718,979

Current Rate Structure: E 3%/yr FY25 - FY27; WW 5%/yr FY25-27
 CPI (Source IHS Markit, Macroeconomic model):

2026	2.00%
2027	2.00%
2028	2.00%
2029	2.00%
2030	2.10%
2031	2.20%
2032	2.20%
2033	2.30%
2034	2.40%

\$2M combined O&M expense reduction in E & WW FY25
 GSC reductions of \$2M in FY25 are allocated over all systems

Eliminate GSC FY25 Forward

Incremental GSC Reduction FY25 - FY34	
Electric	102,853,840
Water	21,507,889
Wastewater	26,535,333
Gas	8,246,338
GRUCom	6,156,942
Combined	165,300,342
* To be applied to Debt or Rate Reduction	

Rate & GSC Options:

Reduce GSC by \$7.8M/Yr FY25 Forward

Incremental GSC Reduction FY25 - FY34	
Electric	48,539,400
Water	10,147,800
Wastewater	12,519,000
Gas	3,892,200
GRUCom	2,901,600
Combined	78,000,000
* To be applied to Debt or Rate Reduction	

Rate & GSC Options:

Keep GSC Flat at FY24 Level

Incremental GSC Reduction FY25 - FY34	
Electric	7,621,070
Water	1,593,649
Wastewater	1,966,163
Gas	611,018
GRUCom	456,202
Combined	12,248,102
* To be applied to Debt or Rate Reduction	

- Staff will be coming back to the Authority later in the budget process with a more comprehensive discussion of alternate structures for these variables and recommendations for their implementation as part of the FY25 budget