

# Board of Directors Meeting

March 28, 2022 09:00 AM



## Agenda Topic

## Presenter

### Agenda

- |      |   |                      |
|------|---|----------------------|
| I.   | Pledge of Allegiance/Moment of Silence  | Ceree Harden         |
| II.  | <a href="#">Approval of Minutes - Special Board of Directors Meeting - February 14, 2022</a>                              | Chair Wendy Hamilton |
| III. | Public Comments   |                      |
| IV.  | New Business  |                      |
|      | <a href="#">BD2022-03-01 - FY2021 Audited Financial Statements</a>  | Beth McCague         |
|      | <a href="#">BD2022-03-02 - Public Transportation Grant Agreement - Seaport Security</a>                                   | James Bennett        |
|      | <a href="#">BD2022-03-03 - Public Transportation Grant Agreement - Berth Improvements (Berth 22 Upgrades)</a>             | James Bennett        |
|      | <a href="#">BD2022-03-04 - Public Transportation Grant Agreement - Berth Improvements (Berth 20 T Berth Construction)</a> | James Bennett        |
| V.   | CEO Update  | Eric Green           |
| VI.  | Reports   |                      |
|      | <a href="#">R2022-03-01 Engineering and Construction Update</a>   | James Bennett        |
|      | <a href="#">R2022-03-02 Financial Highlights by Beth McCague</a>  | Info Only            |
|      | <a href="#">R2022-03-03 Financials/Vital Statistics</a>   | Mike McClung         |
|      | <a href="#">R2022-03-04 Commercial Highlights</a>   | Robert Peek          |
| VII. | Other Business  | Chair Wendy Hamilton |

### Approval of Settlement Agreement

Case Number: 3:20-cv-143-MMH-PDB

### Approval of Travel

Approval of Travel - Chairwoman Wendy Hamilton recommends approval of travel by one or more Board Members of the Authority for business solicitation purposes or to attend any necessary conferences during the months of April/May 2022.

VIII. Miscellaneous

A. Emergency Purchases - None

B. Unbudgeted Transactions - None

IX. Adjourn

Chair Wendy  
Hamilton

The next Board of Directors Meeting will be held on  
Monday, April 25, 2022.



## **Minutes for Special Board of Directors Meeting**

02/14/2022 | 09:00 AM - 09:38 AM - Eastern Time (US and Canada)

2831 Talleyrand Avenue, Jacksonville, FL 32206

### **Board Members Attending:**

Mr. Palmer Clarkson, Vice Chairman  
Mr. Daniel Bean, Treasurer  
Mr. Ed Fleming, Member  
Mr. Jamie Shelton, Member  
Mr. Ceree Harden, Member

Absent: Ms. Wendy Hamilton, Chairwoman  
Mr. Brad Talbert, Secretary

### **Other Attendees:**

Mr. Eric Green, Chief Executive Officer  
Mr. Fred Wong, Chief Operating Officer  
Ms. Beth McCague, Chief Financial Officer  
Mr. Nick Primrose, Chief, Regulatory Compliance  
Mr. James Bennett, Sr. Director, Engineering & Construction  
Mr. Robert Peek, Director & GM, Business Development  
Mr. Mike McClung, Director of Finance  
Mr. Reese Wilson, Office of General Counsel  
Ms. Rebecca Dicks, Board Liaison

## **Agenda**

A special meeting of the Jacksonville Port Authority Board of Directors was held on Monday, February 14, 2022 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Vice Chairman Palmer Clarkson called the meeting to order at 9:00 a.m. and welcomed all attendees. He informed the Board that Chairwoman Wendy Hamilton had a scheduling conflict so she asked him to conduct this meeting. He also stated for the record that Board Secretary Brad Talbert was also unable to attend this meeting due to a conflict. Board Member Jamie Shelton led the audience in the Pledge of Allegiance and a moment of silence.

Vice Chairman Clarkson recognized special guests in attendance at today's meeting from Ceres, CEO Craig Mygatt & Chief Investment Officer Gareth Maguire, and thanked them for attending.

## **Approval of Minutes - Board of Directors Meeting - December 6, 2021**

Vice Chairman Clarkson called for approval of the December 6, 2021 Board of Directors Meeting Minutes. After a motion by Mr. Bean and a second by Mr. Fleming, the Board unanimously approved the minutes as submitted.

### **Public Comments**

Vice Chairman Clarkson called for comments from the public. There were no public comments.

Before moving on to New Business, Vice Chairman Clarkson gave an update on the 2021 JAXPORT Charity Drive. He stated that JAXPORT employees and port partners raised nearly \$20,000 for the United Way of Northeast Florida and Creating Healthier Communities. Vice Chairman Clarkson thanked all JAXPORT employees who participated in the 2021 charity drive, as well as port partners AMPORTS, Crowley, Watco, and Taylor Engineering for their support. He also recognized JAXPORT Charity Drive Chair John Taylor, Director of Human Resources, and thanked him for organizing the drive.

### **New Business**

#### **AC2022-01-01 Bartram Island DMMA Cell "C" Services During Construction - Taylor Engineering, Inc.**

Mr. James Bennett presented this submission for Board approval of the issuance of Change Order No. 6 to Taylor Engineering, Inc. for Bartram Island DMMA Cell "C" Services during construction in the not to exceed amount of \$777,417.80. The total amount of the contract including this change order will be \$1,745,472.

After a motion by Mr. Bean and a second by Mr. Harden, the Board voted to approve this submission.

#### **BD2022-02-01 Sovereignty Submerged Land Lease Renewal BIMT Main Wharf (SSLL NO: 160223992)**

Mr. Fred Wong presented this submission for the Board to approve a renewal of the lease agreement JAXPORT entered into with the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida in 2001 for the purpose of operating a six-slip commercial docking facility to be used exclusively for mooring of vessels in conjunction with an Upland Marine Terminal. The lease has subsequently been renewed every five (5) years for continued operation on the same terms and conditions as the original lease.

After a motion by Mr. Harden and a second by Mr. Fleming, the Board voted to approve this submission.

**BD2018-04-01 Carnival Corporation Berthing & Terminal Use Agreement – Reinstatement**

Mr. Nick Primrose presented a resolution for Board approval authorizing the CEO to negotiate reinstatement of the Carnival Corporation berthing and terminal use agreement. The Board approved the original contract on April 30, 2018. Cruising services had been suspended due to a combination of COVID-19 and the Centers for Disease Control and Prevention’s (CDC) No Sail Order and Conditional Sailing Order issued two years ago which prevented Carnival Corporation and JAXPORT from performing their duties and responsibilities under the Agreement. Now that the CDC’s No Sail Order and Conditional Sailing Order have both expired, Carnival Corporation intends to restart cruises at JAXPORT on March 7, 2022.

After a motion by Mr. Fleming and a second by Mr. Bean, the Board voted to approve this resolution.

**BD2022-02-02 Termination of Hedge Transaction Associated with Special Purpose Bonds Series 2007**

Ms. Beth McCague presented this submission for Board approval of termination of the Hedge Transaction associated with Special Purpose Bonds Series 2007 that were issued to assist in funding the build out of the TraPac terminal at Dames Point. MOL/TraPac Jacksonville has notified JAXPORT of its intention to call for early redemption of the Special Purpose bonds and termination of the Hedge Transaction according to terms of the MOL/TraPac lease agreement.

After a motion by Mr. Bean and a second by Mr. Fleming, the Board voted to approve this submission.

**BD2022-02-03 Ceres/TraPac Lease Agreement**

CEO Eric Green made a few comments prior to Mr. Primrose bringing this submission to the Board for approval. He stated that sometimes decisions and negotiations aren’t popular with current JAXPORT tenants, but they are made with the best interest of the port and the community and he is certain that the agreement with Ceres/TraPac that Mr. Primrose would be presenting today is a very sound deal that will speak to a positive financial boost with a partner that is just as creative as JAXPORT. He then introduced the Chief Executive Officer of Ceres Craig Mygatt.

Mr. Mygatt stated that Ceres was very excited about its long-term commitment to JAXPORT and the local community. He stated that a significant investment by Ceres in the Dames Point Terminal will provide and an excellent gateway for South Atlantic-based distribution centers well into the future.

Mr. Primrose then presented Submission BD2022-02-03 for Board approval of:

(1) Authorizing the CEO, or his designee, to sign the Letter of Consent for the transfer of controlling interest in TraPac Jacksonville, LLC to Ceres; (2) Authorizing the CEO, or his designee, to sign a Surrender and Termination of Lease Agreement between Jacksonville Port Authority and TraPac Jacksonville, LLC, under the exclusive ownership of MOL upon final closing; (3) Approve the new Operating and Lease Agreement between Jacksonville Port Authority and TraPac Jacksonville, LLC, under the exclusive ownership of Ceres Terminals; and (4) Authorize the CEO, or his designee, to execute the new Operating and Lease Agreement between Jacksonville Port Authority and TraPac Jacksonville, LLC, under the exclusive ownership of Ceres Terminals.

After a motion by Mr. Bean and a second by Mr. Fleming, the Board voted to approve this submission.

Vice Chairman Clarkson thanked the Ceres guests for attending the meeting and for continuing to grow their business in Jacksonville. He stated that this investment will go a long way toward growing JAXPORT's cargo handling capabilities and the jobs they support.

### **CEO Update**

Mr. Green began his report by stating that he's sure everyone had noticed a fresh new look in the lobby. He stated that the immediate past chairman, Jamie Shelton, had encouraged him to take a hard look at the space and make it more visually appealing. Mr. Green stated that some of the work is still in progress and it will include one of his favorite pieces, a fish tank. Mr. Green feels that the JAXPORT lobby is now a better reflection of the port's brand. He is very proud that much of the work was actually done in-house by talented port employees. He recognized James Baity, Rodney Love, Brian Capprotti, Donnie Effler, James Bennett, Amy Klinkenberg, and Marv Grieve and thanked them for their hard work. He noted an interesting fact about the new reception desk is that it is truly a one-of-a-kind piece based off the JAXPORT brand and Amy's drawings which were brought to life by James, Rodney and Brian.

Mr. Green informed the Board that the Propeller Club will be hosting this year's annual State of the Port event on March 8th at UNF's University Center. At this event, Mr. Green stated that he will give an update on the past year in review and then hold a panel discussion with tenants and industry experts. News Anchor Mary Baer will be the master of ceremonies for this discussion.

Mr. Green stated that he will be traveling with the sales team to Long Beach to attend the Trans-Pacific Maritime Conference (TPM) at the end of the month. He stated that this is an opportunity to meet with major ocean carriers, shippers and big box distribution centers. TPM is one of the largest and most important conferences of its kind in the industry.

Mr. Green stated that at next month's board meeting, he is hopeful to present another deal to the Board that could be categorized as one of the best in the history of this organization. He stated that the port is very close to concluding negotiations.

Mr. Green also stated that he has an update on the harbor deepening estimated completion date. He stated that it has been moved up to May or June from the previously estimated date of November or December, so he's very excited about that possibility. He thanked the Board for all for their hard work and support that they have been giving to the port on this project.

## **Reports**

### **R2022-02-01 Engineering and Construction Update**

Mr. James Bennett provided an overview of the key capital and engineering projects.

### **R2022-02-02 Financial Highlights by Beth McCague**

Ms. Beth McCague provided Financial Highlights to the Board in their books for the month of December 2021.

### **R2022-02-03 Financials/Vital Statistics by Mike McClung**

Mr. Mike McClung provided an overview of the financials and vital statistics to the Board in their books as info only.

### **R2022-02-04 Commercial Highlights by Robert Peek**

Mr. Robert Peek provided commercial highlights to the Board in their books for the month of February 2022 as info only.

## **Other Business**

After a motion by Mr. Fleming and a second by Mr. Bean, the Board unanimously approved travel by one or more Board Members of the Authority for business solicitation purposes or to attend any necessary conferences and/or meetings during the months of March/April 2022.

## **Miscellaneous**

There were no emergency purchases or unbudgeted transactions.

## **Adjourn**

There being no further business of the Board, the meeting adjourned at 9:38 a.m. and Vice Chairman Clarkson invited everyone to attend the signing ceremony between Ceres Terminals and JAXPORT.

**BD2022-03-01**



**SUBMISSION  
FOR  
BOARD APPROVAL**

**SUBJECT: FY2021 Audited Financial Statements**

**COST: \$ NA BUDGETED: NA**

**SOURCE OF FUNDS: NA**

**BACKGROUND:**

The audit of the Jacksonville Port Authority's financial statements for the year ending September 30, 2021, LLP has been completed by RSM US, LLP, Certified Public Accountants. RSM is required to conduct their audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. RSM's audit has found that the Authority's financial statements conformed with the accounting principles generally accepted by the United States of America.

RSM has presented its draft report to the Audit Committee. After review and discussion, the Committee accepted the draft report and forwarded it to the full Board.

**RECOMMENDATION:**

It is recommended that the Board accept the audited financials prepared by RSM US, LLP.

**ATTACHMENTS:**

- Audited Financial Statements prepared by RSM US, LLP



**BD2022-03-01**



**SUBMISSION  
FOR  
BOARD APPROVAL**

**RECOMMENDED FOR APPROVAL**

Beth McCague  
Chief Financial Officer

Signature: *Beth McCague*  
Beth McCague (Mar 21, 2022 20:18 EDT)  
Email: Beth.McCague@jaxport.com

\_\_\_\_\_  
Signature and Date

**SUBMITTED FOR APPROVAL:**

Eric Green  
Chief Executive Officer

Signature: *Eric B. Green*  
Eric B. Green (Mar 21, 2022 20:21 EDT)  
Email: eric.green@jaxport.com

\_\_\_\_\_  
Signature and Date

**BOARD APPROVAL:**

3/28/2022  
Meeting Date

\_\_\_\_\_  
Rebecca Dicks/Recording Secretary

**ATTEST:**

\_\_\_\_\_  
Bradley S. Talbert, Secretary

\_\_\_\_\_  
Wendy Hamilton, Chairwoman

**Jacksonville Port Authority  
A Component Unit of the  
City of Jacksonville, Florida**

Annual Financial Report  
For the Year Ended September 30, 2021

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February 22, 2022

To the Board of Directors of the  
Jacksonville Port Authority:

We present the Annual Financial Report of the Jacksonville Port Authority (the Authority or JAXPORT), a component unit of the City of Jacksonville, Florida, for the fiscal year ended September 30, 2021. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, changes in financial position and cash flows in accordance with accounting principles generally accepted in the United States of America. Please refer to the Management Discussion and Analysis (MD&A) for additional information about the financial position of the Authority.

### ***Reporting Entity and Governance***

The Jacksonville Port Authority, a public body corporate and politic, was created in 1963 by Chapter 63-1447 of the Laws of Florida to own and operate marine facilities in Duval County, Florida.

JAXPORT is comprised of three separate terminal locations in Jacksonville, with a diverse mix of cargo including containers, automobiles, bulk and cruise operations. Approximately 3/4 of all revenues are generated by containers and autos. The remaining lines of business include breakbulk, dry bulk, liquid cargo and cruise.

A seven-member Board of Directors presently governs the Authority. The Board of Directors establishes Authority policy and appoints an Executive Director. The Board of Directors annually elects a Chairman, Vice-Chairman, Secretary and Treasurer. Directors serve a four-year term. The Board appoints an Executive Director who serves at the pleasure of the Board of Directors.

The Executive Director/CEO of the Authority plans and directs all the programs and activities of the Authority, focusing on the future and the development of long-term business strategies.

### ***2021 Financial Highlights***

Fiscal year 2021 was highlighted by a record 1,407,310 TEUs moving through JAXPORT, outpacing the previous record of 1,338,429 TEUs in 2019 (pre-pandemic). Some headwinds remain related to the pandemic (onset in March 2020), such as the absence of any cruise operations in 2021, and certain supply chain issues slowing down a robust market for autos. Notwithstanding, JAXPORT did move 623,212 autos through the port, up 67,336 units from prior year 2020 results of 555,876 units, but well short of the 696,427 auto units shipped in 2019. Bulk cargos including break bulk, liquid bulk and dry bulk remained steady year over year. Total tonnage for JAXPORT for 2021 was 10,338,474 tons representing a 4% increase over fiscal year 2020.

Asian container trade represented 366,969 TEUs in 2021 compared to 350,212 TEUs in 2020, up 5% and comprised 27% of JAXPORT's total container cargo business. JAXPORT's Puerto Rico trade grew to 910,393 TEUs compared to 792,330 TEUs in 2020, and currently comprise 62% of total container volumes.

Other JAXPORT container trade lanes include the Caribbean, South Africa, the Bahamas, European and Africa markets, and accounted for 129,948 TEUs in 2021, compared to 134,619 TEUs in 2020. These markets comprise 11% of total JAXPORT container revenue volumes.

Rating agencies Moody's Investors Service (September 2020) and Fitch Ratings (April 2021) both affirmed credit ratings of A2 and A, respectively, Outlook Stable for both.

As exhibited in the attached financial statements, JAXPORT continues to strive for disciplined fiscal stewardship focused on maintaining strong cash balances, and controlling expenses, while continuing to pay down existing debt.

***Harbor Deepening Project***

JAXPORT's most significant project to deepen the harbor to 47 feet remains ahead of schedule. Funding for the first 11 miles of the authorized 13-mile project was completed in 2020. Dredging the last 3 miles of the current 11-mile project commenced in September 2020 and is now estimated to be completed by June of 2022, three years ahead of original project schedule. Complementing harbor deepening, all in-water construction berth projects are completed or on schedule to be completed on or before completion of the 47 feet deepening project.

***Independent Audit***

A firm of independent certified public accountants is retained each year to conduct an audit of the financial statements of the Authority in accordance with auditing standards generally accepted in the United States and to meet the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Florida Auditor General. The Authority selected the firm of RSM US LLP to perform these services. Their opinion is presented with this report. Each year, the independent certified public accountants meet with the Audit Committee of the Board of Directors to review the results of the audit.

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual basis of accounting. The Authority is a local government proprietary fund, and therefore the activities are reported in conformity with governmental accounting and financial reporting principles issued by the Governmental Accounting Standards Board (GASB).

***Acknowledgement***

I would like to recognize the Finance Team in the preparation and presentation of JAXPORT's financial statements and commentary.

I would also like to thank the Board of Directors for their direction, oversight, and strong corporate governance in the financial and operational matters of the Port.

Respectfully submitted,



Eric Green, CEO



RSM US LLP

## Independent Auditor's Report

Members of the Board of Directors  
Jacksonville Port Authority  
Jacksonville, Florida

We have audited the accompanying financial statements of the Jacksonville Port Authority, Florida (the Authority), a component unit of the City of Jacksonville, Florida, as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

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, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

THE POWER OF BEING UNDERSTOOD  
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**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), the schedule changes in total OPEB liability, the schedules of the Authority' proportionate share of the net pension liability, and the schedules of Authority contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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 an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The revenue recognition – GAAP to budgetary basis reconciliation, and the schedule of expenditures of state financial assistance, as required by Chapter 10.550, *Rules of the Auditor General, State of Florida*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The revenue recognition – GAAP to budgetary basis reconciliation, and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the revenue recognition – GAAP to budgetary basis reconciliation, and the schedule of expenditures of state financial assistance 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 February 22, 2022 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 this report is 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 internal control over financial reporting or on compliance. This 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.

*RSM US LLP*

Jacksonville, Florida  
February 22, 2022

## **Jacksonville Port Authority**

### **Management's Discussion and Analysis (unaudited)**

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This section of the Jacksonville Port Authority's (the Authority or JAXPORT) annual financial report presents a narrative overview and analysis of the Authority's financial performance for the fiscal years ended September 30, 2021 and 2020. The discussion is intended to assist the readers in focusing on the significant financial issues and activities of the Authority and to identify any significant changes in financial position. We encourage readers to consider the information contained in this discussion in conjunction with the Authority's financial statements.

#### **FINANCIAL STATEMENTS PRESENTATION**

The Authority, a component unit of the City of Jacksonville, is considered a special purpose governmental entity engaged in a single business-type activity. JAXPORT is a landlord port and generates revenues primarily through user fees and charges to its tenants and customers. The Authority maintains a proprietary fund, which reports transactions related to activities similar to those found in the private sector. As such, the Authority presents only the statements required of enterprise funds, which include the statements of net position, statements of revenues, expenses and changes in net position and statements of cash flows.

The statements of net position presents information on all of the Authority's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The statements of revenue, expenses and changes in net position shows how the Authority's net position changed during the fiscal year. The statements of cash flows represents cash and cash equivalent activity for the fiscal year resulting from operating, non-capital financing, capital financing and investing activities. Collectively, these financial statements provide an assessment of the overall financial condition of the Authority.

#### **FINANCIAL ANALYSIS OF THE AUTHORITY**

A condensed overview of the Authority's net position is provided in the following pages. The statements of net position serve as a useful indicator of assessing the entity's financial position and relative components of assets, deferred outflows of resources, liabilities and deferred inflows of resources. It identifies these assets, deferred outflows of resources, liabilities and deferred inflows of resources for their expected use both for current operations and long-term purposes and identifies trends and allocation of resources.

As the Authority operates in a capital-intensive environment, capital assets are by far the largest component of net position. They are essential to seaport operations, providing land assets, buildings and equipment and other capital assets to its tenants and customers. These capital assets are largely funded by bonds and notes outstanding (debt). Repayment of this debt is provided annually from operations, as well as funds maintained by the Authority restricted for ongoing scheduled and certain future debt payments. The Authority's capital spending program is also supported by funding from its primary government, the City of Jacksonville, as well as state and federal grants. In addition to long-term assets and liabilities, the Authority holds current assets, including operating cash balances, to meet current liabilities.

Monetary amounts are presented in the thousands (000's), unless noted otherwise.



**Jacksonville Port Authority****Management's Discussion and Analysis (unaudited)**Operating Results for 2021

Total operating revenues for fiscal year 2021 were \$61,853, a decline in total revenues of 3%, compared to revenues of \$63,507 in fiscal year 2020. Container volumes in 2021 rebounded to a record 1,407,310 TEUs, and accounted for 51% of all revenues. Autos also rebounded in 2021, to 623,212 units and account for about 25% of all revenues. The absence of cruise revenues continued into all of fiscal year 2021, whereas fiscal year 2020 had reported about \$1.9 million in cruise related revenues. Bulk cargo volumes including breakbulk, dry bulk, and liquid bulk were relatively constant year over year, and collectively account for about 13% of total revenues. Container volumes growth in 2021, up 130,149 TEUs, reflected increased volumes in Puerto Rico and Caribbean trade lanes, as well as Asian trade.

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**  
(in thousands of dollars)

	2021	2020	2019
Operating revenue	\$ 61,853	\$ 63,507	\$ 67,533
Operating expenses			
Salaries and benefits	15,882	18,610	19,517
Services and supplies	3,806	3,952	4,412
Security services	4,374	5,039	4,701
Business travel and training	141	272	417
Promotion, advertising, dues and memberships	539	579	799
Utility services	632	850	1,047
Repairs and maintenance	1,846	1,829	1,810
Berth maintenance dredging	3,986	5,394	4,677
Miscellaneous	163	163	193
Total operating expenses	<u>31,369</u>	<u>36,688</u>	<u>37,573</u>
Operating income before depreciation	30,484	26,819	29,960
Depreciation	30,031	29,659	30,363
Operating income (loss)	<u>453</u>	<u>(2,840)</u>	<u>(403)</u>
Non-operating revenue (expense)			
Interest expense	(7,261)	(8,487)	(9,191)
Interest income	10	230	777
Shared revenue from primary government	9,847	1,847	2,282
Contributions to tenants	-	(901)	(2,138)
Capital contributions to tenants	-	(1,092)	-
Capital contributions to other government agencies	-	(1,025)	(300)
Gain (loss) on sale/disposition of assets	(150)	13	(1,545)
Other non-operating gains (expenses)	(853)	17	(220)
Total non-operating revenue (expense)	<u>1,593</u>	<u>(9,398)</u>	<u>(10,335)</u>
Income (loss) before capital contributions	2,046	(12,238)	(10,738)
Capital contributions	35,619	50,847	49,621
Changes in net position	37,665	38,609	38,883
<b>NET POSITION</b>			
Beginning of year	470,237	431,628	392,745
End of year	<u>\$ 507,902</u>	<u>\$ 470,237</u>	<u>\$ 431,628</u>

## Jacksonville Port Authority

### Management's Discussion and Analysis (unaudited)

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Total operating expenses before depreciation for 2021 were \$31,369, a decrease of \$5,319 from prior year expenses before depreciation of \$36,688. The Authority continued COVID-19 cost containment measures into early 2021, gradually returning to more normalized levels by year end. Salaries and benefits declined \$2,728, to \$15,882 in 2021, of which \$3,198 was attributable to variances in accounting for pension costs. Berth maintenance dredging expense declined \$1,408 in fiscal year 2021. The Authority was able to maintain employment of all existing personnel and incurred no furloughs of staff for both fiscal years 2020 and 2021.

Net non-operating revenues (expenses) for 2021 totaled \$1,593, compared to (\$9,398) in 2020, a \$10,991 favorable increase. Noteworthy in fiscal year 2021 is a significant increase in shared revenue from primary government totaling \$9,847, compared to \$1,847 in 2020. The increase is a result of certain debt obligations recorded on the books of the City, on behalf of the Authority, serviced by this revenue source, being fully satisfied at year end 2020. Interest expense on debt totaled \$7,261 in 2021, a reduction of \$1,226 from fiscal year 2020, primarily resulting from a bond refunding transaction in 2020.

Capital contributions in 2021, which include state, local, and federal grant contributions totaled \$35,619, compared to \$50,847 in 2020. Included in 2021, was a second capital contribution of \$4,161 from the City of Jacksonville, which was in addition to \$35,000 provided in fiscal 2020, provided specifically to support the funding of the final phase of the 47 feet harbor deepening project.

At the close of fiscal year 2021, the Authority had a net position of \$507,902, an increase of \$37,665 from \$470,237 at fiscal year-end 2020.

#### Revenue, Expenses and Changes in Net Position 2020 vs 2019

Total operating revenues for 2020 were \$63,507, an overall 6% decline from 2019 in a year that was adversely impacted by the onset of COVID-19 (March 2020). Total 2020 tonnage volumes declined 9% to 9,915,155 tons compared to 10,887,242 in 2019, and down 5% comparatively from 10,474,283 tons in 2018. Repercussions of COVID-19 were most notable in terms of supply chain disruptions impacting import autos and Asian cargo. Puerto Rico and Caribbean trade lanes were impacted only temporarily and rebounded to exceed 2019 twenty-foot equivalent units (TEU) volumes by 6%, while Asia based cargo TEU declined 21% in 2020. Total TEUs for 2020 were 1,227,161 compared to 1,338,429 in 2019, down 5% overall. Auto volumes in 2020 were 555,876 units, down 20% from a record 696,427 units achieved in 2019. Auto revenues were down 11%, as fixed land leases help buffer the decline in auto wharfage revenue. Cruise business was out of service from early March through year end 2020, and declined 66% to \$1,897. Other revenues, however, totaled \$6,041 up \$2,387, up 65% from 2019. Included in other revenues in 2020 were non-active cruise and other vessel layup fees of \$2,042. Bulk cargo revenues increased \$835, or 11% compared to 2019. In review, fiscal year 2020 exhibited the Authority's diversification of revenues, as some lines of business were able to sustain or exceed expectations partly offsetting the shortfall in others, in a challenging year.

Total operating expenses before depreciation for 2020 were \$36,688, a decrease of \$885 from prior year, a decrease of \$885 from prior year expenses before depreciation of \$37,573. In response to COVID-19's expected impacts to 2020 revenues, the Authority instituted cost containment measures in March 2020 to include holding open positions, deferral or reduction of non-essential services and supplies, reduced marketing expenses and suspension of travel. The Authority, however, was able to maintain the employment of all existing personnel and incurred no furloughs of staff. As a result of these measures, most controllable expense categories reflect significant savings year over year. Salaries and benefits declined \$907 and services and supplies expenses were reduced by \$460 compared to prior year. Security expenses were \$5,039, up \$338, a line item that reflects mandatory staffing levels. Business travel and business promotion combined declined \$365. Utility costs were down \$197. Berth maintenance dredging expenses of \$5,394 were up \$717 in 2020 compared to 2019, a trailing impact of Hurricane Dorian.

**Jacksonville Port Authority****Management's Discussion and Analysis (unaudited)**

Net non-operating expenses for 2020 totaled \$9,398. Significant non-operating expenses include interest expense of \$8,487, contributions to tenants of \$1,092 and contributions to other government agencies totaling \$1,025. Significant income and inflows included interest income of \$230 and shared revenue from primary government of \$1,847.

Capital contributions totaled \$50,847. State and federal grant contributions in 2020 were \$49,621, compared to \$38,883 in 2019. Also, in 2020, was a capital contribution from the City of Jacksonville (the City), which provided \$35,000 to assist with the funding of the final phase of the 47 feet harbor deepening project. An additional capital contribution of \$4,161 was received from the City in fiscal year 2021, the final part of a two-year capital grant commitment.

At the close of fiscal year 2020, the Authority had a net position of \$470,237, an increase of \$38,609 compared to \$431,628 in 2019.

Net Position2021 vs. 2020

At September 30, 2021, the Authority's net position was \$507,902 compared to \$470,237 at year end 2020. Operating income before depreciation was \$30,484, compared to \$26,819 in 2020. The Authority's operations are also supported by state, local and federal grants, totaling \$35,619 in 2021, primarily dedicated to capital improvements. The Authority is also supported through an interlocal agreement with the primary government (City of Jacksonville), which provided \$9,847 in fiscal year 2021, see Note A.22 for additional information.

<i>(In thousands of dollars)</i>	2021	2020	2019
<b>NET POSITION</b>			
Current assets	\$ 54,109	\$ 42,662	\$ 32,816
Noncurrent assets (excluding capital assets)	23,373	31,614	33,430
Capital assets	849,826	849,045	779,924
Deferred outflows of resources	9,266	11,284	6,181
Total assets and deferred outflows	936,574	934,605	852,351
Current liabilities	24,563	24,675	24,635
Bonds and notes outstanding (net of current portion)	214,291	222,152	225,903
Other noncurrent liabilities and deferred inflows	189,818	217,541	170,185
Total liabilities and deferred inflows	428,672	464,368	420,723
Net position			
Net investment in capital assets	468,910	440,981	404,185
Restricted for debt service	18,080	17,468	16,243
Restricted – other	2,926	2,991	3,416
Unrestricted	17,986	8,797	7,784
Total net position	\$ 507,902	\$ 470,237	\$ 431,628

Total assets and deferred outflows at year end 2021 were \$936,574, Capital Asset net increases in 2021 were nominal compared to large harbor deepening additions of \$77,344, and \$52,004 in fiscal years 2020 and 2019, respectively. Funding for the Harbor Deepening project was completed in fiscal year 2020 and included contributions from federal, state and local grants, as well as tenant and Authority support. See Note C for additional information. Depreciation expense was \$30,031 in 2021, compared to \$29,659 in 2020.

## Jacksonville Port Authority

### Management's Discussion and Analysis (unaudited)

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Total liabilities and deferred inflows were \$428,672 at year end 2021, compared to \$464,368 in 2020. Bonds and notes outstanding (net of current portion), declined \$7,861, primarily from scheduled debt service. Other noncurrent liabilities and deferred inflows were reduced significantly in 2021, reflecting paydowns of other borrowings (line and of credit and bridge loan) totaling \$16,567, and deferred revenue balances reductions of \$8,070. In addition to normal deferred lease revenue amortization, the Authority returned a \$4 million previous tenant lease prepayment, opting for future throughput fees instead. See note F for additional information. Deferred inflows of resources for pensions and related Net Pension Liability declined \$2,971.

Total net position at year end 2021 was \$507,902, reflecting net investment in capital assets of \$468,910, amounts restricted for debt service of \$18,080 and unrestricted balances of \$17,986.

#### Net Position

##### 2020 vs. 2019

At September 30, 2020, the Authority's net position was \$470,237 compared to \$431,628 at year end 2019. Operating income before depreciation was \$26,819, compared to \$29,960 in 2019. Depreciation expense was \$29,659 in 2020, compared to \$30,363 in prior year. The Authority's operations are also supported by state and federal grants, as well as an interlocal agreement with its primary government (City of Jacksonville). Interlocal revenues for 2020 were \$1,847. Additionally, in 2020, the city provided a \$35,000 capital grant in support of the 47' harbor deepening project. State and federal grants in aid of construction of were \$15,847.

Total assets and deferred outflows at year end 2020 were \$934,605, reflecting net Capital Asset additions of \$69,121, including \$77,344 for harbor deepening and \$21,436 for other port related improvements and equipment (net of depreciation). Funding for the Harbor Deepening project in fiscal year 2020 included contributions from primary government (the City) of \$35,000 and an FDOT grant funding commitment of \$37,700, supported by a bridge loan in the same amount from the City. Borrowings from the City will be repaid from construction progress FDOT grant draws, with an anticipated two-year construction phase.

Total liabilities and deferred inflows were \$464,368 at year end 2020, compared to \$420,723 in 2019. Reductions in bonds and notes payable totaled \$741, from scheduled debt service payments, amortization of bond premiums and as impacted by a significant debt refunding in 2020 (see Note K). Other noncurrent liabilities and deferred inflows in 2020 totaled \$217,541, an increase of \$47,356 from 2019, and included borrowings from the City of \$37,700 referenced above and interim borrowings of \$6,919 on the line of credit.

Total net position at year end 2020 was \$470,237, reflecting net investment in capital assets of \$440,981, amounts restricted for debt service of \$17,468 and unrestricted balances of \$8,797.

#### Cash Flows

##### 2021 vs 2020

Cash flows from operating activities in 2021 were \$20,571 compared to \$30,218 in prior year. Most of this \$9,647 reduction was related to a \$6 million prepaid lease payment received in 2020 and a subsequent \$4 million return of these funds in 2021, pertaining to a contract amendment in 2021 which allows for ongoing increased "throughput" payments instead.

Cash flows from noncapital financing activities in 2021 were \$9,847, representing an increase of \$8,000 over \$1,847 in 2020. These receipts from the primary government increased in 2021 as a result of the satisfaction of all debt obligations originally issued and recorded by the City. These shared revenues had been pledged to pay the debt service on these obligations.

## **Jacksonville Port Authority**

### **Management's Discussion and Analysis (unaudited)**

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Net cash used in capital and related financing activities totaled \$33,212, which include outlays for acquisition and construction of capital assets of \$31,369, principal and interest debt service payments of \$14,686, and paydown of other interim borrowings (City bridge loan and net line of credit activity) of \$16,567. Significant inflows include state and federal contributions-in-aid of construction of \$26,183 and an additional contribution from the City of \$4,161 supporting the harbor deepening project.

Cash and cash equivalents at the end of 2021 were \$41,415 compared to \$44,199 in 2020. The cash balance of \$41,415 at September 30, 2021 is comprised of \$17,004 in unrestricted cash, \$345 in construction funds, \$21,140 in restricted debt service and reserve funds and \$2,926 for renewal and replacement funds.

#### 2020 vs. 2019

Cash flows from operating activities in 2020 were \$30,218 compared to \$43,628 in 2019, a decrease of \$13,410. Receipts from customers were \$65,039, down \$17,003 from prior year. Prior fiscal year 2019 included a prepaid lease receipt of \$16,000 compared to \$6,000 in fiscal year 2020 – see Note F for additional information. The remaining decrease in receipts is attributable to reduced operating revenues in 2020. Payments to suppliers in 2020 were \$18,073. Payments to/for employees were \$16,748.

Cash flows from noncapital financing activities were \$1,847 compared to \$2,282 in 2019.

Net cash used in capital and related financing activities in 2020 totaled \$37,217. Acquisition and construction of capital assets outlays were \$103,787, partly funded by contributions-in-aid of construction of \$3,259. Harbor deepening spending totaled \$77,344 and was funded by a \$35,000 contribution from primary government (the City), also a bridge loan for \$37,700 from the City (for timing of FDOT Grant Funds committed) and the line of credit borrowings in anticipation of another City capital grants due in fiscal year 2021. Other line of credit activity was for funds expended on a berth rehab project, whereby FDOT grant reimbursements are being deferred over ten quarterly instalments starting in late 2020. Interest and principal payments on capital debt in 2020 were \$4,154. Contributions to tenants were \$1,667. Proceeds from issuance of debt of \$92,275 relate to the issuance of the 2020A and 2020B Bank Notes, which were used for the advance refunding of 95% of the 2012 Bonds \$84,695 two years in advance of their normal call date. Net borrowings of \$7,580 were combined with other available cash funds collectively totaling \$10,873, specifically designated for the 2012 Bonds refunding transaction – see Note K for additional information.

Cash flows from investing activities totaled \$230 in 2020 from interest income. Fiscal year 2019 included \$765 in interest income and an investment security sale of \$5,261 (liquidation of investments of funds restricted for debt service).

Cash and cash equivalents at the end of 2020, were \$44,199 compared to \$49,121 in 2019. The cash balance of \$44,199 at September 30, 2020 is comprised of \$16,788 in unrestricted cash, \$3,457 in construction funds, \$20,963 in restricted debt service and reserve funds and \$2,991 for renewal and replacement funds.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

Capital assets include land, land improvements, harbor deepening and related costs, buildings and building improvements and equipment. At September 30, 2021, the Authority had commitments for future construction work of approximately \$21,710. Additional information regarding capital assets can be found in the accompanying notes to the financial statements (see Note C).

## Jacksonville Port Authority

### Management's Discussion and Analysis (unaudited)

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#### 2021 vs. 2020

At September 30, 2021, the Authority's capital assets, net of depreciation, grew to \$849,826, compared to prior year net capital assets of \$849,045. Capital project additions for 2021 were \$30,981; major projects include wharf rehabilitation projects totaling \$13,057, dredge material management sites \$5,089, bridge rehabilitation \$2,130, and harbor deepening of \$1,509. Capital spending was partly funded by local, state and federal grants totaling \$35,619 in 2021. Depreciation expense for 2021 was \$30,031, compared to \$29,659 in 2020.

#### 2020 vs. 2019

At September 30, 2020, the Authority's capital assets, net of depreciation, grew to \$849,045, compared to prior year net capital assets of \$779,924. Capital project additions for 2020 were \$98,827; including harbor deepening project costs of \$77,344, wharf rehabilitation projects totaling \$18,294 and all other spending including tenant improvements of \$3,142. Capital spending was partly funded by local, state and federal grants totaling \$50,847 in 2020. Depreciation expense for 2020 was \$29,659, compared to \$30,363 in 2019.

### Long-Term Debt

#### 2021 vs. 2020

At September 30, 2021, the Authority had outstanding bonds and notes payable of \$221,963, a decrease of \$7,352 from \$229,315 at end of fiscal year 2020 (both net of unamortized bond premiums). Line of credit balances outstanding at September 30, 2021 were \$15,479, compared to \$19,346 at prior year-end. The Authority paid down balances of \$12,700 on a \$37,700 bridge loan from primary government, to \$25,000 at year-end 2021. Both the line of credit borrowings and the bridge loan serve as funding sources for large grant-funded capital project in progress (harbor deepening and wharf rehabilitation), whereby associated repayment amounts pending from FDOT grant reimbursement agreements will provide total repayment for both obligations, to be paid in full by 2023.

#### 2020 vs. 2019

At September 30, 2020, the Authority had outstanding bonds and notes payable of \$229,315, a decrease of \$741 from \$230,056 at end of fiscal year 2019 (both net of unamortized bond premiums). In 2020, the Authority executed an advance refunding of \$84,695 (95% of 2012 Bonds outstanding) with the issuance of the 2020 Bonds (Bank Note) in the amount of \$92,275, resulting in total NPV savings of approximately \$17 million through 2038 – see Note K for more information. The line of credit balance outstanding at September 30, 2020 was \$19,346, compared to \$12,427 at prior year end. The Authority also added borrowings of \$37,700 in 2020 for a bridge loan from primary government (the City). Both the line of credit and the \$37,700 bridge loan serve as funding sources for large capital project in progress (wharf rehabilitation and harbor deepening), whereby associated repayment amounts pending from FDOT grant reimbursement agreements, will provide total repayment for both to be paid in full by 2023.

The Authority exceeded its required minimum debt service coverage ratio for the 2021 fiscal year.

### Budgetary Highlights

The City Council of the City of Jacksonville, Florida approves and adopts the Authority's annual operating and capital budget. The Authority did not experience any budgetary stress during the fiscal years ended September 30, 2021 and 2020.

**Jacksonville Port Authority**

**Management's Discussion and Analysis (unaudited)**

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**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability to each of those groups. Questions concerning any information included in this report or any request for additional information should be addressed to the Chief Financial Officer, Jacksonville Port Authority, P.O. Box 3005, Jacksonville, FL 32206-0005.

**Jacksonville Port Authority****Statements of Net Position**  
**September 30, 2021 and 2020**  
*(In thousands of dollars)*

	2021	2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 17,004	\$ 16,788
Restricted cash and cash equivalents	8,149	7,867
Accounts receivable, net	7,309	6,056
Notes and other receivables	420	1,041
Grants receivable	19,454	9,243
Inventories and other assets	1,773	1,667
Total current assets	<u>54,109</u>	<u>42,662</u>
Noncurrent assets		
Restricted assets		
Cash and cash equivalents	15,917	16,087
Restricted for capital projects		
Cash and cash equivalents	345	3,457
Notes receivable	74	97
Grants receivable	7,037	11,973
Capital assets, net	849,826	849,045
Total noncurrent assets	<u>873,199</u>	<u>880,659</u>
Total assets	927,308	923,321
Deferred outflow of resources	9,266	11,284
Total assets and deferred outflow of resources	<u>\$ 936,574</u>	<u>\$ 934,605</u>

(continued)



**Jacksonville Port Authority****Statements of Net Position**  
**September 30, 2021 and 2020***(In thousands of dollars)*

	2021	2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 2,202	\$ 1,755
Accrued expenses	1,066	895
Accrued interest payable	2,928	3,365
Construction contracts payable	2,326	3,293
Retainage payable	1,382	803
Unearned revenue	6,987	7,401
Bonds and notes payable	7,672	7,163
Total current liabilities	<u>24,563</u>	<u>24,675</u>
Noncurrent liabilities		
Unearned revenue	120,952	129,022
Accrued expenses	3,291	3,406
Other obligations	8,537	8,537
Net pension liability	6,690	18,069
Bridge loan from primary government	25,000	37,700
Line of credit note	15,479	19,346
Bonds and notes payable	214,291	222,152
Total noncurrent liabilities	<u>394,240</u>	<u>438,232</u>
Total liabilities	<u>418,803</u>	<u>462,907</u>
Deferred inflow of resources for pensions	<u>9,869</u>	<u>1,461</u>
<b>Net Position</b>		
Net investment in capital assets	468,910	440,981
Restricted for		
Debt service	18,080	17,468
Repair and replacement	2,926	2,991
Unrestricted	17,986	8,797
Total net position	<u>\$ 507,902</u>	<u>\$ 470,237</u>

See Notes to the Financial Statements.

**Jacksonville Port Authority****Statements of Revenue, Expenses and Changes in Net Position  
For the Years Ended September 30, 2021 and 2020***(In thousands of dollars)*

	2021	2020
<b>Operating revenue</b>	<u>\$ 61,853</u>	<u>\$ 63,507</u>
<b>Operating expenses</b>		
Salaries and benefits	15,882	18,610
Services and supplies	3,806	3,952
Security services	4,374	5,039
Business travel and training	141	272
Promotions, advertising, dues and memberships	539	579
Utility services	632	850
Repairs and maintenance	1,846	1,829
Berth maintenance dredging	3,986	5,394
Miscellaneous	163	163
Total operating expenses	<u>31,369</u>	<u>36,688</u>
Operating income before depreciation	30,484	26,819
<b>Depreciation expense</b>	<u>30,031</u>	<u>29,659</u>
Operating income (loss)	<u>453</u>	<u>(2,840)</u>
<b>Non-operating revenues (expenses)</b>		
Interest expense	(7,261)	(8,487)
Investment income	10	230
Shared revenue from primary government	9,847	1,847
Contributions to tenants	-	(901)
Capital contributions to other government agencies	-	(1,025)
Capital contributions to tenants	-	(1,092)
Gain (loss) on sale/disposition of assets	(150)	13
Other non-operating gains (expenses)	(853)	17
Total non-operating income (expenses)	<u>1,593</u>	<u>(9,398)</u>
Income (loss) before capital contributions	2,046	(12,238)
<b>Capital contributions</b>	<u>35,619</u>	<u>50,847</u>
Change in net position	37,665	38,609
<b>Net position</b>		
Beginning of year	470,237	431,628
End of year	<u>\$ 507,902</u>	<u>\$ 470,237</u>

See Notes to the Financial Statements.

**Jacksonville Port Authority****Statements of Cash Flows****For The Years Ended September 30, 2021 and 2020***(In thousands of dollars)*

	2021	2020
<b>Cash flows from operating activities</b>		
Receipts from customers	\$ 56,815	\$ 65,039
Payments for services and supplies	(19,178)	(18,073)
Payments to/for employees	(17,066)	(16,748)
Net cash provided by operating activities	<u>20,571</u>	<u>30,218</u>
<b>Cash flows from noncapital financing activities</b>		
Receipts from primary government	9,847	1,847
Net cash provided by noncapital financing activities	<u>9,847</u>	<u>1,847</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from capital debt	-	92,275
Principal paid on debt refunding	-	(84,695)
Payments for refunding of revenue bonds	-	(10,873)
Note issue costs	-	(199)
Bridge loan from primary government	(12,700)	37,700
Contribution from primary government	4,161	35,000
Line of credit advances	10,844	18,116
Line of credit payments	(14,711)	(11,197)
Contributions to tenants	-	(1,667)
Contributions-in-aid of construction (grants)	26,183	3,259
Acquisition and construction of capital assets	(31,369)	(103,787)
Principal paid on capital debt	(7,163)	(4,154)
Interest paid on capital debt	(7,523)	(7,046)
Proceeds from sale of assets	42	32
Other	(976)	19
Net cash used in capital and related financing activities	<u>(33,212)</u>	<u>(37,217)</u>
<b>Cash flows provided from investing activities</b>		
Interest on investments	10	230
Net cash provided by investing activities	<u>10</u>	<u>230</u>
<b>Net decrease in cash and cash equivalents</b>	(2,784)	(4,922)
<b>Cash and cash equivalents</b>		
Beginning of year	44,199	49,121
End of year	<u>\$ 41,415</u>	<u>\$ 44,199</u>

(continued)

**Jacksonville Port Authority****Statements of Cash Flows****For the Years Ended September 30, 2021 and 2020***(In thousands of dollars)*

	2021	2020
<b>Reconciliation of operating loss to net cash provided by operating activities</b>		
Operating income (loss)	\$ 453	\$ (2,840)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	30,031	29,659
Decrease in accounts receivable and other current assets	(738)	(430)
Increase (decrease) in deferred outflow of resources – pension	1,653	(76)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	627	1,041
Unearned revenue	(8,484)	908
Pension	(11,379)	2,192
Increase (decrease) in deferred inflows of resources – pension	8,408	(236)
Total adjustments	20,118	33,058
Net cash provided by operating activities	<u>\$ 20,571</u>	<u>\$ 30,218</u>
<b>Noncash investing, capital and financing activities</b>		
Construction costs paid on account	\$ 3,708	\$ 4,096
Grants receivable	26,491	21,216
Loss on refunding of debt	-	5,796
Capital assets contributed to other governments	-	(1,025)

See Notes to the Financial Statements.

## Jacksonville Port Authority

### Notes to Financial Statements

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#### Note A – Summary of Significant Accounting Policies

##### 1. Reporting entity

The Jacksonville Port Authority (the Authority) was created in 1963 by Chapter 63-1447 of the Laws of Florida, to own and operate marine facilities in Duval County, Florida. The Authority is governed by a seven-member board. Three board members are appointed by the Governor of Florida and four are appointed by the Mayor and confirmed by the City Council of the City of Jacksonville, Florida. The City Council reviews and approves the Authority's annual budget.

The Authority is a component unit of the City of Jacksonville, Florida (the City), as defined by Governmental Accounting Standards Board (GASB) Section 2100 of Codification, *The Financial Reporting Entity*. The Authority's financial statements include all funds and departments controlled by the Authority or which are dependent on the Authority. No other agencies or organizations have been included in the Authority's financial statements.

##### 2. Basic financial statements

The Authority is considered a special purpose government engaged in a single business-type activity. Business-type activities are those activities primarily supported by user fees and charges. The Authority maintains a proprietary fund, which reports transactions related to activities similar to those found in the private sector. As such, the Authority presents only the statements required of enterprise funds, which include the statements of net position, statements of revenues, expenses and changes in net position and statements of cash flows.

##### 3. Fund structure

The operations of the Authority are recorded in a single proprietary fund. Proprietary funds distinguish operating revenues and expenses from non-operating revenue and expenses. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operation. The principal operating revenues for the Authority's proprietary fund are charges to customers for sales and services. Operating expenses include direct expenses of providing the goods or services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

##### 4. Basis of accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue or capital contributions when all eligibility requirements imposed by the provider are met.

Operating revenues of the Authority include revenues from facility operating leases, which are recognized over the term of the lease agreements. All other revenues, such as fees from wharfage, throughput and dockage, are recognized as services are provided.

The Authority's policy is to use restricted resources first, then unrestricted resources, when both are available for use to fund activity.

**Jacksonville Port Authority****Notes to Financial Statements**

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**Note A – Summary of Significant Accounting Policies (Continued)**5. New pronouncement not yet adopted

GASB Statement No. 87, Leases was issued in June 2017, and will be effective for the Authority in fiscal year 2022. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities that previously were classified as inflows of resources or outflows of resources based upon payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement also includes an exception for short-term leases and exceptions for contracts that transfer ownership, leases of assets that are investments and certain regulated leases. The implementation of GASB 87 will have a significant impact on the financial statements of the Authority.

GASB Statement No. 91, Conduit Debt Obligations was issued in May 2019, and will be effective for the Authority in fiscal year 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and improving required note disclosures. Management does not expect this to have a significant impact on the financial statements of the Authority.

GASB Statement No. 96, Subscription –Based Information Technology Arrangements was issued in May 2020, and will be effective for the Authority in fiscal year 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management is currently evaluating the impact of this standard to the Authority's financial statements.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 was issued in June 2020. Although certain provisions of this statement are effective immediately, the provisions likely to impact the Authority will be effective in fiscal year 2022. The primary objectives of this Statement are to: (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management does not expect this to have a significant impact on the financial statements of the Authority.

**Jacksonville Port Authority**

**Notes to Financial Statements**

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**Note A – Summary of Significant Accounting Policies (Continued)**

6. Budgeting procedures

The Authority's charter and related amendments, City Council resolutions and/or Board policies have established the following budgetary procedures for certain accounts maintained within its enterprise fund. These include:

Prior to July 1 of each year, the Authority shall prepare and submit its budget to the City Council for the ensuing fiscal year.

The City Council may increase or decrease the appropriation requested by the Authority on a total basis or a line-by-line basis; however, the appropriation from the City Council for construction, reconstruction, enlargement, expansion, improvement or development of any marine project or projects authorized to be undertaken by the Authority, shall not be reduced below \$800,000.

Once adopted, additional appropriations may only be through action of the City Council.

The Authority is authorized to transfer within Operating/Non-Operating Schedules and the Capital Schedule as needed. Transfers between schedules are allowable up to \$50,000. Once the \$50,000 limit is reached, City Council approval must be obtained. Operating budget item transfers require Chief Executive Officer or Chief Financial Officer approval. Line-to-line capital budget transfers of \$50,000 or less require the same approval levels. Line-to-line capital budget transfers of more than \$50,000 require the same approval levels, with additional notification to the Board if deemed necessary by either of the above-mentioned parties. Any Capital Budget transfer creating a new capital project greater than \$1,000,000 requires Board approval. All appropriations lapse at the end of each fiscal year and must be re-appropriated.

7. Cash and cash equivalents

Cash and cash equivalents consist of demand deposits, money market funds and the Florida State Board of Administration investment pool. Cash equivalents are investments with a maturity of three months or less when purchased.

8. Accounts Receivable

Management considers all accounts to be fully collectible; however, the Authority has established an allowance for doubtful accounts based upon collections experience. The allowance for doubtful accounts for the years ended September 30, 2021 and 2020 was \$92,000.

9. Grants Receivable

Grants received from federal and state government agencies that are restricted for the acquisition of construction of capital assets are recorded as capital contributions when earned. Grants are earned when costs relating to such capital assets, which are reimbursable under the terms of the grant, have been incurred. Grants receivable are classified as current unless deferred receipts arrangements are prescribed by grantor agreement.

**Jacksonville Port Authority**

**Notes to Financial Statements**

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**Note A – Summary of Significant Accounting Policies (Continued)**

10. Investments

The Authority’s investments are reported at fair value using quoted market price or other fair value techniques as required by GASB Statement No. 72, Fair Value Measurements. Fair value is defined by GASB Statement No. 72, as the price that would be received to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. Categories within the fair value hierarchy include: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 are unobservable inputs. As of September 30, 2021 and 2020, the Authority did not hold any investments.

11. Restricted assets

Certain proceeds of revenue bonds and notes, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position, as their use is limited by applicable debt agreements. Restricted cash also includes renewal and replacement funds restricted for capital improvements and other funds as specifically designated by contributors or by grant agreement.

12. Capital assets

Capital assets are carried at cost less accumulated depreciation. Donated capital assets are recorded at acquisition value. Capital assets are defined by the Authority as assets with an individual cost of \$5,000 or greater and an estimated useful life of more than one year.

Capital assets are depreciated on the straight-line basis over the estimated useful lives of the assets. The estimated useful lives of property and equipment are as follows:

<u>Asset Class</u>	<u>Estimated Service Life (Years)</u>
Buildings	20-30
Other improvements	10-50
Equipment	3-30

When capital assets are disposed of, the related cost and accumulated depreciation are recorded as gains or losses on disposition.

Costs incurred for Harbor Deepening are accounted for as non-depreciable land improvements. Costs incurred for the development of dredge spoil sites are recorded as land improvements and amortized over 20 years. Berth maintenance dredging is expensed as incurred.

13. Inventories and prepaid items

Inventories are stated at cost using the average cost method. Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items.



**Jacksonville Port Authority****Notes to Financial Statements**

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**Note A – Summary of Significant Accounting Policies (Continued)****14. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statements section, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenses) until that time. The Authority currently reports the net deferred loss on refunding of debt and deferred outflows related to pensions in this category.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement section, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority currently reports deferred inflows related to pensions in this category.

**15. Unearned revenue**

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the financial statements. Unearned revenue consists primarily of unearned lease revenue.

**16. Compensated absences (accrued leave plan)**

Compensated absences consist of paid time off, which employees accrue each pay period. Individual leave accrual rates vary based upon position and years of service criteria. A liability is accrued as the benefits are earned by the employee for services already rendered and to the extent it is probable the employer will compensate the employees for the benefits. Maximum leave accrual balances cap at 480 hours for union employees, and 350 hours for non-union employees.

**17. Conduit debt**

Conduit debt obligations are certain limited-obligation revenue bonds issued by governmental agencies for the express purpose of providing capital financing for a specific third-party that is not a part of the issuer's financial reporting entity. The governmental agency has no obligation for such debt on whose behalf they are issued and the debt is not included in the accompanying financial statements. As of September 30, 2021, total conduit debt was \$61,035,000. The original amount was \$100,000,000 issued as Special Purpose Facilities Revenue Bonds, Series 2007 (Mitsui O.S.K. Lines, Ltd. Project).

**18. Long-term obligations**

In the financial statements, long-term obligations are reported as liabilities in the statements of net position. Bond premiums and discounts are deferred and amortized over the life of the related obligation using the straight-line method, which is not materially different than the effective interest method. Bonds payable are reported net of the applicable premium or discount. Costs of issuance are expensed as incurred.

**19. 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/inflows of resources and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan 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, plan contributions are recognized as of employer payroll paid dates.

## Jacksonville Port Authority

### Notes to Financial Statements

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#### Note A – Summary of Significant Accounting Policies (Continued)

##### 20. Other post-employment benefits

The Authority obtains actuarial valuation reports for its post-employment benefit plan (other than pensions) and records the total OPEB liability as required under GASB Statement No. 75.

##### 21. Net position

In the financial statements, net position is classified in the following categories:

**Net Investment in Capital Assets** – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, deferred balances from debt refunding and prepaid lease revenues (unearned revenues) that are attributable to the acquisition, construction or improvement of these assets will reduce this category.

**Restricted Net Position** – This category represents the net position of the Authority which is restricted by constraints placed on the use by external groups such as creditors, grantors, contributors or laws and regulations.

**Unrestricted Net Position** – This category represents the net position of the Authority, which is not restricted for any project or other purpose.

##### 22. Shared revenue from primary government

Shared revenue from primary government represents the Authority's share of the Communications Service Tax received by the City, millage payments from the Jacksonville Electric Authority (JEA) pursuant to City Ordinance Code and the Interlocal Agreement, as well as a fixed contribution from the City. These revenues had been pledged to pay debt service on bond obligations issued by the city and designated for port expansion projects. All previous debt obligations issued by the City, on behalf of the Authority, were paid off at year-end 2020. Shared revenue from primary government was \$9,847,000 and \$1,847,000 in 2021 and 2020, respectively.

##### 23. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **Jacksonville Port Authority**

### **Notes to Financial Statements**

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#### **Note B – Deposits and Investments**

##### Cash and Deposits

At September 30, 2021 and 2020, the carrying amount of the Authority's cash deposit accounts was \$20,063,000 and \$19,909,000, respectively. The Authority's cash deposits are held by banks that qualify as a public depository under the Florida Security for Community Deposits Act as required by Chapter 280, Florida Statutes. The Authority's cash deposits are fully insured by the Public Deposits Trust Fund.

Cash equivalents consist of deposits with the State Board of Administration (SBA) for participation in the Local Government Surplus Funds Trust Fund investment pool created by Section 218.405, Florida Statutes. This investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

##### Investments

The Authority formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits and issuer limits, credit ratings requirements and maturity limits to protect the Authority's cash and investment assets.

The Authority's investment policy allows for the following investments: The State Board of Administration's Local Government Surplus Funds Trust Fund, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Saving Accounts, Repurchase Agreements, Commercial Paper, Corporate Bonds, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Money Market Mutual Funds) and Intergovernmental Investment Pool.

In instances where unspent bond proceeds, scheduled bond payments held by a third-party trustee, or other bond reserves as prescribed by bond covenants are held, the Authority will look first to the Authority's Bond Resolution for guidance on qualified investments and then to the Authority's investment policy.

##### Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates adversely affecting the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Authority's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. The policy of the Authority is to maintain an amount equal to three months, or one quarter, of the budgeted operating expenses of the current fiscal year in securities with maturities of less than 90 days. The weighted average duration of the portfolio will not exceed 3 years at the time of each reporting period.

**Jacksonville Port Authority****Notes to Financial Statements****Note B – Deposits and Investments (Continued)**

As of September 30, the Authority had the following investments and effective duration presented in terms of years:

<u>2021</u> <i>(in thousands of dollars)</i>	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Investment Type			
Investments Subject to Interest Rate Risk			
Money market funds	\$ 21,352	\$ 21,352	\$ -
Total investments	\$ 21,352	\$ 21,352	\$ -

<u>2020</u> <i>(in thousands of dollars)</i>	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Investment Type			
Investments Subject to Interest Rate Risk			
Money market funds	\$ 24,290	\$ 24,290	\$ -
Total investments	\$ 24,290	\$ 24,290	\$ -

Total investments amounts shown above are classified as restricted cash and cash equivalents, reflecting money market funds held for debt service obligations (and related proceeds), on the statements of net position.

**Credit Risk**

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investment policy permits the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as described below:

Commercial paper of any United States company or foreign company domiciled in the United States that is rated, at the time of purchase, 'Prime-1' by Moody's and 'A-1' by Standard & Poor's (prime commercial paper), or equivalent as provided by two nationally recognized rating agencies. If the commercial paper is backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated 'A' or better by at least two nationally recognized rating agencies.

**Jacksonville Port Authority****Notes to Financial Statements****Note B – Deposits and Investments (Continued)**

Corporate bonds issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum 'A' by Moody's and a minimum long-term debt rating of 'A' by Standard & Poor's, or equivalent as provided by two nationally recognized rating agencies.

Bankers' acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, 'P-1' by Moody's Investors Service and 'A-1' Standard & Poor's, or equivalent as provided by two nationally recognized rating agencies.

State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least 'Aa' by Moody's and 'AA' by Standard & Poor's for long-term debt, or rated at least 'VMIG-2' by Moody's and 'A-2' by Standard & Poor's for short-term debt (one year or less), or equivalent as provided by two nationally recognized rating agencies.

Federal instrumentalities or U.S. Government sponsored agencies which are non-full faith and credit agencies limited to the following:

- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank or its Authority banks (FHLB)
- Federal National Mortgage Association (FNMA)
- Federal Home Loan Mortgage Corporation (Freddie Macs)

Money market funds shall be rated 'AAAm' or better by Standard & Poor's or the equivalent by another rating agency. As of September 30, the Authority had the following credit exposure as a percentage of total investments:

2021

<u>Security Type</u>	<u>Credit Rating</u>	<u>% of Portfolio</u>
Money market funds	AAAm	100.00%
Total		100.00%

2020

<u>Security Type</u>	<u>Credit Rating</u>	<u>% of Portfolio</u>
Money market funds	AAAm	100.00%
Total		100.00%

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, with the exception of certificates of deposits, shall be held with a third-party custodian and all securities purchased by and all collateral obtained by the Authority should be properly designated as an asset of the Authority. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida.

## **Jacksonville Port Authority**

### **Notes to Financial Statements**

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#### **Note B – Deposits and Investments (Continued)**

##### Concentration of Credit Risk

The Authority's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the Authority's investment portfolio.

A maximum of 100% may be invested in non-negotiable interest-bearing time certificates of deposit, time deposit accounts, demand deposit accounts, or savings accounts in banks organized under State of Florida law. To include national banks organized under the laws of the United States and doing business in the State of Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, or such deposits are with a national bank whose short-term ratings are at least A-1 by Standard Poor's, or P-1 by Moody's Rating agency.

A maximum of 100% of available funds may be invested in the Local Government Surplus Funds Trust Fund, in Savings Accounts and in the United States Government Securities: 50% of available funds may be invested in United States Government Agencies with a 25% limit on individual issuers; 100% of available funds may be invested in Federal Instrumentalities with a 40% limit on individual Issuers; 25% of available funds may be invested in Interest Bearing Time Deposit with a 15% limit on individual issuers; 50% of available funds may be invested in Repurchase Agreements with a 25% limit on individual issuers; 20% of available funds may be directly invested in Commercial Paper with a 10% limit on individual issuers; 15% of available funds may be directly invested in Corporate Bonds with a 5% limit on individual issuers; 20% of available funds may be directly invested in Bankers Acceptances with a 10% limit on individual issuers; 20% of available funds may be invested in State and/or Local Government Taxable and/or Tax-Exempt Debt with a 25% limit of individual funds and 25% of available funds may be invested in intergovernmental investment pools.

##### **Fair Value Measurements**

The Authority categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based upon the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are unobservable inputs. The Authority had no fair value measurements at September 30, 2021 or at September 30, 2020.

**Jacksonville Port Authority****Notes to Financial Statements****Note C – Capital Assets**

Capital asset activity for the years ended September 30, 2021 and 2020, was as follows:

<u>2021</u> <i>(in thousands of dollars)</i>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Capital assets not being depreciated</b>				
Land and improvements	\$ 144,763	\$ 684	\$ -	\$ 145,447
Harbor deepening and related costs	278,487	1,509	-	279,996
Construction in progress	37,450	28,510	(4,522)	61,438
Total capital assets not being depreciated	<u>460,700</u>	<u>30,703</u>	<u>(4,522)</u>	<u>486,881</u>
<b>Depreciable capital assets</b>				
Buildings	96,484	-	-	96,484
Improvements	592,754	2,679	-	595,433
Equipment	147,883	2,121	(3,167)	146,837
Total depreciable capital assets at historical cost	<u>837,121</u>	<u>4,800</u>	<u>(3,167)</u>	<u>838,754</u>
<b>Less accumulated depreciation for:</b>				
Buildings	62,200	3,158	-	65,358
Improvements	307,483	21,451	-	328,934
Equipment	79,093	5,422	(2,998)	81,517
Total accumulated depreciation	<u>448,776</u>	<u>30,031</u>	<u>(2,998)</u>	<u>475,809</u>
Depreciable capital assets, net	<u>388,345</u>	<u>(25,231)</u>	<u>(169)</u>	<u>362,945</u>
Capital assets, net	<u>\$ 849,045</u>	<u>\$ 5,472</u>	<u>\$ (4,691)</u>	<u>\$ 849,826</u>

**Jacksonville Port Authority****Notes to Financial Statements****Note C – Capital Assets (Continued)**

2020 <i>(in thousands of dollars)</i>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital assets not being depreciated</b>				
Land and improvements	\$ 145,470	\$ -	\$ (707)	\$ 144,763
Harbor Deepening and related costs	201,143	77,344	-	278,487
Construction in progress	22,545	24,893	(9,988)	37,450
Total capital assets not being depreciated	<u>369,158</u>	<u>102,237</u>	<u>(10,695)</u>	<u>460,700</u>
<b>Depreciable capital assets</b>				
Buildings	96,685	-	(201)	96,484
Improvements	595,661	6,038	(8,945)	592,754
Equipment	155,818	1,540	(9,475)	147,883
Total depreciable capital assets at historical cost	<u>848,164</u>	<u>7,578</u>	<u>(18,621)</u>	<u>837,121</u>
<b>Less accumulated depreciation for:</b>				
Buildings	59,186	3,166	(152)	62,200
Improvements	295,080	21,215	(8,812)	307,483
Equipment	83,132	5,278	(9,317)	79,093
Total accumulated depreciation	<u>437,398</u>	<u>29,659</u>	<u>(18,281)</u>	<u>448,776</u>
Depreciable capital assets, net	<u>410,766</u>	<u>(22,081)</u>	<u>(340)</u>	<u>388,345</u>
Capital assets, net	<u>\$ 779,924</u>	<u>\$ 80,156</u>	<u>\$ (11,035)</u>	<u>\$ 849,045</u>

**Land Improvements – Harbor Deepening and Dredge Spoil Sites**

The Authority has entered into cooperative agreements with the United States Army Corps of Engineers (USACE) to share in costs to deepen the channel of open access waterways to agreed-upon depths. To date, the Authority's share (as Non-Federal Sponsor) of these costs amounts to approximately \$280 million. These costs, referred to as harbor deepening costs, are classified as non-depreciable land improvements on the Authority's financial statements. Pursuant to the agreement, the USACE provides for the continued maintenance of the channel at the deepened depth in perpetuity. Similarly, dredge spoil sites are also managed in conjunction with the USACE and costs associated with the improvement and expansions of these sites are accounted for as improvements made to land, which is included in other capital assets and amortized over a 20-year life. To date, the Authority's share of these costs total, net of depreciation is approximately \$21 million. Costs incurred and paid by the USACE (Federal Sponsor / Government) for both harbor deepening and dredge spoil sites, are not capitalized or recorded on the books of the Authority.



**Jacksonville Port Authority****Notes to Financial Statements**

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**Note D – Leasing Operations – Lessor**

The Authority is the lessor on agreements with various tenants for their use of port facilities. Capital assets held for lease have a cost of \$836,665,000 and accumulated depreciation of \$385,423,000 as of September 30, 2021. Revenues recognized for facility leases for the fiscal years ended September 30, 2021 and 2020, were \$18,170,000 and \$18,588,000, respectively.

Minimum future rental receipts and contractual minimum annual guarantees for each of the next five years and thereafter, excluding contingent or volume variable amounts on non-cancelable operating facility leases at September 30, 2021, are as follows:

<i>(in thousands of dollars)</i>	<u>Total</u>
2022	\$ 28,932
2023	24,160
2024	21,260
2025	21,916
2026	20,424
2027-2031	102,337
2032-2036	97,902
2037-2041	66,848
2042-2046	30,731
	<u>\$ 414,510</u>

**Note E – Operating Lease with Mitsui O.S.K. Lines, Ltd. (MOL)**

In 2005, the Authority entered into an Operating and Lease Agreement with Mitsui O.S.K. Lines (MOL), LTD., Japanese Corporation (Lessee), whereby the Authority (Lessor) agreed to construct a 158-acre container terminal for exclusive use by the lessee. The 30-year lease term begins at the date of project completion, which occurred January 2009. The lessee is responsible for all operational costs of the facility over the lease term. Per terms of the 30-year agreement, all constructed facilities are owned by and reported as capital assets of the Authority. MOL subsequently assigned the lease to TraPac, Inc., a wholly-owned subsidiary of MOL. MOL remains ultimately responsible for the obligations to the Authority.

Financing

The lease agreement stipulates that MOL would provide project financing arrangements for the first \$195 million, the financing includes:

\$100 million in Special Purpose Bonds, Series 2007 (SPB), issued in April 2007 as conduit debt designated for the Mitsui O.S.K. Lines, Ltd. Project. The debt proceeds were remitted to the Authority for project construction and reported as unearned revenue. The Authority has no obligation to pay the Series 2007 bonds, which is payable by MOL and supported by an irrevocable direct-pay Letter of Credit by Sumitomo Mitsui Banking Corporation. See Note A.17 for additional information on conduit debt.

Additionally, the Authority issued \$95 million of its own debt, whereby MOL provides scheduled monthly rent payments to the Authority to meet these debt service requirements. These scheduled rent payments and related debt service obligations will be fully extinguished in fiscal year 2023.

## **Jacksonville Port Authority**

### **Notes to Financial Statements**

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#### **Note E – Operating Lease with Mitsui O.S.K. Lines, Ltd. (MOL) (Continued)**

##### Revenue Recognition

Lease revenue for this transaction is recognized on a straight-line basis over the lease term, in accordance with lease accounting guidance. The lease term began in August 2005, concurrent with the start of construction of the terminal and expires in the year 2039. Ongoing cargo throughput fees and other tariff related charges are assessed pursuant to the tenant agreement. Unearned revenue at September 30, 2021 and 2020, totaled approximately \$112 million and \$116 million, respectively.

#### **Note F – Operating Lease with SSA Atlantic, LLC**

In fiscal year 2019, the Authority executed a 25-year lease agreement with SSA Atlantic, LLC (SSA). The lease includes approximately 77 acres initially, with plans for future development totaling 100+ acres within 3-5 years. The contract, based upon tonnage-based throughput rates, anticipates a deep water (47' berth) and significant revenue volumes with the build out of the planned terminal. As part of the contract, SSA paid \$18 million in lump sum lease prepayments (revised from \$28 million originally). The contract provides SSA exclusive use of three cranes (owned by the Authority) over the 25-year lease term. The lump sum payments of net \$18 million are being recognized on a straight-line basis over the lease term, in accordance with lease accounting guidance. Unearned revenue at September 30, 2021 and 2020, was \$16 million and \$20.7 million, respectively. The revenue recognized in 2021 from this agreement totaled \$700,000.

In addition to the revenue features of the contract detailed above, the Authority also charges SSA for crane maintenance activities, which continue to be maintained by using Authority personnel and supplies over the first five years of the agreement. These amounts are recorded as contra-salaries and benefits and contra-repairs and maintenance expense on the books of the Authority.

#### **Note G – Pension Plan**

##### Retirement Benefits

The Authority provides retirement benefits to its employees through the Florida Retirement System (FRS), the Florida Retirement System Health Insurance Subsidy (HIS) and an FRS Deferred Retirement Option Program (DROP). Additionally, the Authority provides an implicit rate subsidy for retiree insurance (an age adjusted premium benefit), which is addressed in Note I – Other Post-Employment Benefits.

**Jacksonville Port Authority****Notes to Financial Statements**

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**Note G – Pension Plan (Continued)**Governmental Accounting Standards Board Statement No. 68

As a participating employer, the Authority follows accounting guidance under GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which requires employers participating in cost-sharing multiple employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. The GASB 68 component of pension expense captures and records the Authority's proportionate share of Net Pension Liability of both the FRS Pension Plan and Health Insurance Program, along with the Authority's related allocation of Deferred Outflows and Deferred Inflows and pension expense impacts. The GASB 68 pension expense accrual has no current year impact on pension funding. The employer share of FRS and HIS pension funding contributions are recorded as expense when contributed. The two elements (accrual and contributions) are combined to show total pension expense of the Authority.

**General Information about the FRS**

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program 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, multiple employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report and other relevant information, is available from the Florida Department of Management Services Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The Authority's pension expense for FRS and HIS totaled \$264,479 and \$3,260,117 for the fiscal years ended September 30, 2021 and 2020, respectively. Included in pension expense is the amortization of deferred inflows and outflows as well as the changes in the net pension liability.

Florida Retirement System (FRS) Pension Plan

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

**Jacksonville Port Authority****Notes to Financial Statements**

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**Note G – Pension Plan (Continued)**

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to 4 years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits and annual cost-of-living adjustments to eligible participants.

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

***Benefits Provided:*** Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 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. The following chart shows the percentage value for each year of service credit earned:

	%
	Value
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Senior Management Service Class</i>	2.00

**Jacksonville Port Authority****Notes to Financial Statements****Note G – Pension Plan (Continued)**

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%. 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. Contribution rates for fiscal years 2021 and 2020, were as follows:

Notes: Employer rates include 1.66% for the postemployment health insurance subsidy program.

Class	Percent of Gross Salary		
	Employee	2021	2020
		Employer	Employer
FRS, Regular	3.00	10.82	10.00
FRS, Senior Management Service	3.00	29.01	27.29
DROP – Applicable to Members from all above classes	0.00	18.34	16.98

The Authority's contributions, for FRS and HIS totaled \$1,640,690 and employee contributions totaled \$340,433 for the fiscal year ended September 30, 2021. The Authority's contributions, for FRS and HIS totaled \$1,420,852 and employee contributions totaled \$337,141 for the fiscal year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2021, the Authority reported a liability of \$2,480,995 for its proportionate share of the FRS Plan's net pension liability, compared to \$13,754,260 at September 30, 2020. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Authority's proportionate share of the net pension liability was based on the Authority's 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the Authority's proportionate share was 0.0328%, which was an increase of 0.0011% from its proportionate share measured as of June 30, 2020, of 0.0317%. At June 30, 2020, the Authority's decreased by 0.0024% from its proportionate share measured as of June 30, 2019, of 0.0341%.

**Jacksonville Port Authority****Notes to Financial Statements****Note G – Pension Plan (Continued)**

For the fiscal year ended September 30, 2021, the Authority recognized the Plan pension expense of \$10,616. Fiscal year 2020 showed pension expense of \$2,926,108, which, in addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, for 2021 and 2020, as shown:

<u>2021</u>	Deferred Outflow of Resources	Deferred Inflow of Resources
<u>Description</u>		
Differences between expected and actual experience	\$ 425,247	\$ -
Change of assumptions	1,697,620	-
Net difference between projected and actual earnings on FRS pension plan investments	-	8,665,570
Changes in proportion and differences between Authority FRS contributions and proportional share of contributions	358,517	690,432
Authority FRS contributions subsequent to the measurement date	315,926	-
Total	<u>\$ 2,797,310</u>	<u>\$ 9,356,002</u>

<u>2020</u>	Deferred Outflow of Resources	Deferred Inflow of Resources
<u>Description</u>		
Differences between expected and actual experience	\$ 526,404	\$ -
Change of assumptions	2,489,959	-
Net difference between projected and actual earnings on FRS pension plan investments	818,942	-
Changes in proportion and differences between Authority FRS contributions and proportional share of contributions	140,401	891,486
Authority FRS contributions subsequent to the measurement date	272,446	-
Total	<u>\$ 4,248,152</u>	<u>\$ 891,486</u>

**Jacksonville Port Authority****Notes to Financial Statements**

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**Note G – Pension Plan (Continued)**

The deferred outflows of resources related to pensions, totaling \$315,926, resulted from the Authority's contributions to the Plan subsequent to the measurement date and will be recognized as a reduction of the net pension liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2021	Amount
2022	\$ (557.4)
2023	(1,228.6)
2024	(1,319.6)
2025	(1,337.6)
2026	(1,368.1)
Thereafter	(1,063.3)

**Actuarial Assumptions:** The total pension liabilities in the July 1, 2021 and 2020, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2021	2020
Inflation	2.40%	2.40%
Salary Increase	3.25%	3.25%
Investment Rate of Return	6.80%	6.80%

PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details in valuation reports.

**Jacksonville Port Authority****Notes to Financial Statements****Note G – Pension Plan (Continued)**

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

July 1, 2021 Actuarial Assumptions:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	<u>100.0%</u>			
Assumed inflation – Mean			2.4%	1.2%

July 1, 2020 Actuarial Assumptions:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	<u>100%</u>			
Assumed inflation – Mean			2.4%	1.7%



**Jacksonville Port Authority****Notes to Financial Statements**

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**Note G – Pension Plan (Continued)**

**Discount Rate:** The discount rate used to measure the total pension liability was 6.8%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate:** The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.8%) or 1 percentage-point higher (7.8%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of the net pension liability			
As of July 1, 2021	\$ 11,095,178	\$ 2,480,995	\$ (4,719,495)
As of July 1, 2020	\$ 21,963,242	\$ 13,754,260	\$ 4,595,644

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

**The Retiree Health Insurance Subsidy Program (HIS)**

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

**Benefits Provided:** For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive HIS Plan benefits, 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. For the fiscal year ended June 30, 2021, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. 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.

**Jacksonville Port Authority****Notes to Financial Statements****Note G – Pension Plan (Continued)**

The Authority's contributions to the HIS Plan totaled \$203,674 for the fiscal year ended June 30, 2021, and \$203,293 for the fiscal year ended June 30, 2020.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* At June 30, 2021, the Authority reported a net pension liability of \$4,209,146 for its proportionate share of the HIS Plan's net pension liability, compared to \$4,315,437 at September 30, 2020. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Authority's proportionate share of the net pension liability was based on the Authority's 2020-21 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the Authority's proportionate share was 0.0343%, a 0.0010% decrease in its proportionate share measured as of June 30, 2020, of 0.0353%.

For the fiscal year ended June 30, 2021, the Authority recognized the HIS Plan pension expense of \$253,863 and \$334,009 for fiscal year 2020. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>2021</u>	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$	140,849	\$ 1,763
Change of assumptions		330,745	173,428
Net difference between projected and actual earnings on HIS pension plan investments		4,388	-
Changes in proportion and differences between Authority HIS contributions and proportional share of contributions		59,860	348,191
Authority HIS contributions subsequent to the measurement date		46,984	-
Total		<u>\$ 582,826</u>	<u>\$ 523,382</u>
<u>Description</u>	<u>2020</u>	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$	176,528	\$ 3,329
Change of assumptions		464,032	250,926
Net difference between projected and actual earnings on HIS pension plan investments		3,445	-
Changes in proportion and differences between Authority HIS contributions and proportional share of contributions		96,263	315,023
Authority HIS contributions subsequent to the measurement date		44,934	-
Total		<u>\$ 785,202</u>	<u>\$ 569,278</u>

**Jacksonville Port Authority****Notes to Financial Statements****Note G – Pension Plan (Continued)**

The deferred outflows of resources related to pensions, totaling \$46,984, resulted from the Authority's contributions to the Plan subsequent to the measurement date and will be recognized as a reduction of the net pension liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2021	Amount
2022	\$ 35.6
2023	(29.2)
2024	(25.7)
2025	13.6
2026	57.2
Thereafter	(39.0)

**Actuarial Assumptions:** The total pension liabilities in the July 1, 2021 and 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2021	2020
Inflation	2.40%	2.40%
Salary Increase	3.25%	3.25%
Investment Rate of Return	2.16%	2.21%

Mortality rates were based on the Generational RP-2010 with Projection Scale MP 2018.

**Discount Rate:** The discount rate used to measure the total pension liability was 2.16%. 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.

**Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:** The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.16%) or 1 percentage-point higher (3.16%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of the net pension liability			
As of July 1, 2021	\$ 4,866,180	\$ 4,209,146	\$ 3,670,853
As of July 1, 2020	\$ 4,988,453	\$ 4,315,437	\$ 3,764,576

**Jacksonville Port Authority****Notes to Financial Statements**

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**Note G – Pension Plan (Continued)**

*Pension Plan Fiduciary Net Position:* Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

**FRS – Defined Contribution Pension Plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees 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 County 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 0.04% of payroll and by forfeited benefits of plan members.

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. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided, 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 \$584,052 for the fiscal year ended September 30, 2021, and \$445,329 for the fiscal year ended September 30, 2020.

**Jacksonville Port Authority****Notes to Financial Statements**

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**Note H – Deferred Compensation Plan**

The Authority offers its employees a deferred compensation plan (the 457 Plan) created in accordance with IRS Code Section 457. The 457 Plan, which is available to all full-time employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All plan assets are held by trustees for the exclusive benefit of plan participants and beneficiaries. Thus, the assets and liabilities relating to the 457 Plan are not reflected on the Authority's statements of net position.

The Authority also makes matching contributions to a separate retirement plan created in accordance with IRS Code Section 401(a). The Authority contributes a specified amount for each dollar the employee defers to the 457 Plan. All 401(a) Plan assets are held by trustees for the exclusive benefit of plan participants and beneficiaries. Thus, the assets and liabilities relating to the 401(a) plan are not reflected on the Authority's statements of position. The Authority's 401(a) matching contributions were \$172,000 and \$172,000 for the years ended September 30, 2021 and 2020, respectively.

**Note I – Other Post-Employment Benefits (OPEB)**Plan Description

The Authority maintains a single employer medical benefits plan that it makes available both to current and retired employees. Retiree employees have a one-time benefit option to continue coverage under the group plan upon retirement. Retirees pay the full insurance premium with no direct subsidy from the Authority. The medical plan is an experience rated insurance contract plan that provides medical benefits to employees and eligible retirees and their dependents. The post-retirement benefit portion of the benefits (referred to as OPEB) refers to the benefits applicable to current and future retirees based upon GASB 75. The Authority currently has 125 active participants in the group medical plan and 3 participating retirees.

OPEB Liability

GASB 75 requires the recording of the OPEB liability. The OPEB liability is the actuarial present value of the total projected benefits allocated to years of employment prior to the measurement date. The Authority recognizes an implicit rate subsidy (age adjusted premium benefit), which is calculated based on the annual required contribution of the employer, as determined in accordance with parameters of GASB 75. The OPEB Expense reflects the annual change in the employer's OPEB liability, with deferred recognition provided for certain items. GASB 75 calls for the Authority to have an OPEB valuation performed every two years. The Authority does not accumulate assets to pay benefits but rather finances the program on a pay-as-you-go basis.

**Jacksonville Port Authority****Notes to Financial Statements**

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**Note I – Other Post-Employment Benefits (OPEB) (Continued)****Actuarial Assumptions****Valuation Date:** 10/1/2020 (9/30/2021 census)**Discount Rate:** 2.66% per annum (Beginning of year) 2.43% per annum (End of year). *Source: The S&P 20 AA Municipal Bond Index***Salary Scale:** 3.0% per annum**Health Care Cost Trend Rate:** 6.5% per annum trending down 0.5% each year until reaching the ultimate trend of 4.5%**Mortality:** PUB-2010 mortality table with MP-2021 projection.**Asset Valuation Method:** Market value.**Amortization Basis:** Experience Gains/Losses: Average Expected Future Working Lifetime of the whole group. Assumption Changes: Average Expected Future Working Lifetime of the whole group.**Changes in Total OPEB Liability**

The following data presents the changes in the total OPEB Liability for fiscal years ended September 30, 2021 and 2020:

	2021	2020
Balance, beginning of year	\$ 315,914	\$ 294,914
Service cost	15,206	15,000
Interest cost	7,917	12,000
Differences between expected and actual experience	18,890	-
Changes in assumptions or other inputs	83,659	-
Benefit payments	(36,594)	(6,000)
Net change	89,078	21,000
Balance, end of year	<u>\$ 404,992</u>	<u>\$ 315,914</u>

Deferred inflows and outflows associated with the Authority's total OPEB liability are not considered significant by management and accordingly have not been recorded in the Authority's financial statements.

**Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rate and Discount Rate**

**Jacksonville Port Authority****Notes to Financial Statements****Note I – Other Post-Employment Benefits (OPEB) (Continued)**

**Health Care Cost Trend Sensitivity**, calculated using trend rates that are one percent lower or higher than the current rate assumption:

	Rate	Total OPEB Liability		
		1% Decrease	Current Rate	1% Increase
As of September 30, 2021	6.5%	\$375,074	\$404,992	\$440,071
As of September 30, 2020	6.5%	\$258,000	\$316,000	\$381,000

**Discount Rate Sensitivity:** The discount rate was based upon a 20-year tax-exempt municipal bond fund, below are the changes as impacted by a 1% lower or higher than the current rate assumption:

	Discount Rate	Total OPEB Liability		
		1% Decrease	Current Rate	1% Increase
As of September 30, 2021	2.43%	\$420,284	\$404,992	\$389,095
As of September 30, 2020	2.66%	\$355,000	\$316,000	\$284,000

**Note J – Risk Management**

The Authority participates in the City's experience rated self-insurance plan which provides for auto liability, comprehensive general liability and workers' compensation coverage, up to \$1,200,000 per occurrence for workers' compensation claims. The Authority has excess coverage for individual workers' compensation claims above \$1,200,000. The Authority's expense is the premium charged by the City's self-insurance plan. Workers' Compensation and General Liability insurance premiums amounted to \$176,000 and \$181,000 for the years ended September 30, 2021 and 2020, respectively.

The Authority is also a participant in the City's property insurance program which is provided through commercial insurance policies. Premium expense amounted to \$535,000 and \$532,000 for the years ended September 30, 2021 and 2020, respectively.

As a part of the Authority's risk management program, the Authority also purchases certain additional commercial insurance policies to cover exposures such as special risk employees and business interruption coverage. The Authority does not retain any risk on their policies and settlements have not exceeded insurance coverage for each of the last three fiscal years.

**Jacksonville Port Authority****Notes to Financial Statements****Note K – Long-Term Debt and Other Noncurrent Liabilities**

Long-term liability activity for the years ended September 30, 2021 and 2020, was as follows:

<i>(In thousands of dollars)</i>	2021				Amounts Due Within One Year
	Beginning Balance	Additions	Reductions	Ending Balance	
Bonds and notes payable					
Revenue bonds	\$ 42,400	\$ -	\$ -	\$ 42,400	\$ -
Revenue and Refunding bonds	2,715	-	(865)	1,850	905
Revenue Notes – Tax Exempt	175,393	-	(6,197)	169,196	6,377
Revenue Note – Taxable	3,405	-	(100)	3,305	390
Unamortized original issue premium amounts	5,402	-	(190)	5,212	-
Total bonds and notes payable	229,315	-	(7,352)	221,963	7,672
Liability for pollution remediation	876	-	(78)	798	-
Compensated absences and other	1,539	533	(301)	1,771	338
Line of credit	19,346	10,844	(14,711)	15,479	-
Bridge loan from primary government	37,700	-	(12,700)	25,000	-
Reserve for grants assessment	970	-	-	970	-
Other obligation	8,537	-	-	8,537	-
	<u>\$ 298,283</u>	<u>\$ 11,377</u>	<u>\$ (35,142)</u>	<u>\$ 274,518</u>	<u>\$ 8,010</u>
	2020				Amounts Due Within One Year
<i>(In thousands of dollars)</i>	Beginning Balance	Additions	Reductions	Ending Balance	
Bonds and notes payable					
Revenue bonds	\$ 42,400	\$ -	\$ -	\$ 42,400	\$ -
Revenue and Refunding bonds	87,410	-	(84,695)	2,715	865
Revenue Notes – Tax Exempt	90,617	88,870	(4,094)	175,393	6,198
Revenue Note – Taxable	60	3,405	(60)	3,405	100
Unamortized original issue premium amounts	9,569	-	(4,167)	5,402	-
Total bonds and notes payable	230,056	92,275	(93,016)	229,315	7,163
Liability for pollution remediation	1,018	-	(142)	876	-
Compensated absences and other	1,502	389	(352)	1,539	367
Line of credit	12,427	18,116	(11,197)	19,346	-
Bridge loan from primary government	-	37,700	-	37,700	-
Reserve for grants assessment	1,013	-	(43)	970	-
Other obligation	8,537	-	-	8,537	-
	<u>\$ 254,553</u>	<u>\$ 148,480</u>	<u>\$ (104,750)</u>	<u>\$ 298,283</u>	<u>\$ 7,530</u>



**Jacksonville Port Authority****Notes to Financial Statements****Note K – Long-Term Debt and Other Noncurrent Liabilities (Continued)**

Long-term liabilities at September 30, 2021 and 2020, consisted of the following:

<i>(in thousands of dollars)</i>	2021	2020
Tax Exempt Revenue Note, Series 2017, due in varying amounts through 2028. Interest rates are fixed at 2.25%.	\$ 18,900	\$ 21,035
Revenue and Refunding Bonds, Series 2012, including serial bonds due in varying amounts through 2023. Interest rates range from 4.00% to 5.0%.	1,850	2,715
Tax Exempt Revenue Note, Series 2010, due in varying amounts through 2030. Interest rates are fixed at 2.69%.	16,654	17,976
Tax Exempt Bank Note Crane 2014, Subordinate Obligation due in varying amounts through 2034. Interest rates are fixed at 3.04%.	17,496	18,530
Revenue Bonds, Series 2018B, due in varying amounts thru 2048. Interest rates are fixed at 5%.	42,400	42,400
Tax Exempt Revenue Note, Series 2018A, due in varying amounts through 2033. Interest rate are fixed at 2.872%.	27,276	28,982
Taxable Revenue Note, Series 2020A, due in varying amounts through 2024. Interest rate are fixed at 2.66%	3,305	3,405
Taxable Revenue Note, Series 2020B, due in varying amounts through 2038. Interest rate (taxable) are 2.66% thru 2022, converting to a tax-exempt rate on 2.11% in August 2022.	88,870	88,870
Tax Exempt Bridge Loan from primary government, due in varying amounts through 2023. Interest rates vary based upon the city's commercial paper rate.	25,000	37,700
\$50 million Line of Credit Note, Subordinate Obligation, interest due semi-annually in varying rates, 1.95% to 2.40% in 2020 and 2021. Principal due December 2022.	15,479	19,346
	257,230	280,959
Less current portion	7,672	7,163
	\$ 249,558	\$ 273,796

**Jacksonville Port Authority****Notes to Financial Statements**

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**Note K – Long-Term Debt and Other Noncurrent Liabilities (Continued)**

In January 2009, the Authority established a \$50 million multi-year Line of Credit with Regions Bank, which was subsequently renewed, due and payable December 2022. The current agreement allows for additional renewal options up to 1-5 years. It is the intention of the Authority to use the line for a revolving medium term or long-term funding source designated for the Authority's capital spending program. The outstanding balance on the Line of Credit at September 30, 2021 was \$15,479,000.

In November 2010, the Authority executed a loan agreement with Regions Bank, Tax-Exempt Revenue Note Series 2010, for the purpose of paying off the Series 2000 Revenue Bonds and to establish a required reserve account. The Regions Bank, Tax Exempt Note Series 2010, has a final maturity of 2030. The outstanding balance as of September 30, 2021 was \$16,654,000.

In September 2012, the Authority issued \$87,410,000 in Revenue and Refunding Bonds, Series 2012. The bonds were issued to refund \$65,020,000 of the Authority's outstanding Series 2008 Bonds and to finance new capital project spending. The Series 2012 issue had a final maturity of 2038. In 2020, the 2012 Bonds were advance refunded with the issuance of the 2020A and 2020B Bonds, with the exception of 5% of the outstanding balance. These remaining obligations have a maturity date of November 2022. The outstanding balance as of September 30, 2021 was \$1,850,000.

In September 2014, the Authority executed a loan agreement (SunTrust Bank Note) in the amount of \$25,000,000 to support the acquisition of new three cranes. The agreement has a fixed term rate of 3.04%. The SunTrust Bank Note issue has a final maturity of 2034. The outstanding balance as of September 30, 2021 was \$17,496,000.

In November 2017, the Authority executed a loan agreement with Regions Bank, the Tax-Exempt Revenue Note, Series 2017, for the purpose of paying off the balance of the 2008 Bonds. The original amount of the loan was \$23,120,000, at a fixed term rate of 2.25%, with a final maturity of 2028. The outstanding balance as of September 30, 2021 was \$18,900,000.

In August 2018, the Authority executed a \$28,982,000 loan agreement with Chase Bank, N.A., Tax-Exempt Revenue Note Series 2018A, for the purpose of financing or refinancing expenditures relating to the cost of portions of the Authority's capital program and to pay down the Authority's Line of Credit. The agreement has a fixed term rate of 2.872% with a term of 15 years. The outstanding balance as of September 30, 2021 was \$27,276,000.

In August 2018, the Authority issued \$42,400,000 in Revenue Bonds, Series 2018B, for the purposes of financing the Authority's capital improvement program, largely the harbor deepening project. The bonds have a fixed term rate of 5.00% with a term of 30 years. The outstanding balance as of September 30, 2021 was \$42,400,000.

In March 2020, the Authority executed loan agreements with Truist Bank for the purpose of advance refunding \$84,695 (95%) of the Series 2012 bonds. The transaction effectively defeased 95% of the outstanding Series 2012 Bonds in advance of their 2022 call date in a Cinderella Bonds transaction. The transaction resulted in two bank notes, the Taxable Revenue Note, Series 2020A for \$3,405,000, at 2.66%, and the Taxable Revenue Note, Series 2020B for \$88,870,000, ranging from 2.11% to 2.66%. The Series 2020A Note has a maturity date of 2024 and the Series 2020B note converts in 2022 to a Tax-Exempt Note, with a fixed rate of 2.11% through 2038. The outstanding balance of the Taxable Revenue Note, Series 2020A Note at September 30, 2021 was \$3,305,000. The outstanding balance of the Taxable Revenue Note, Series 2020B Note at September 30, 2021 was \$88,870,000.

**Jacksonville Port Authority****Notes to Financial Statements**

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**Note K – Long-Term Debt and Other Noncurrent Liabilities (Continued)**

In August 2020, the Authority executed the 2020 Bridge Loan with the City of Jacksonville in the amount of \$37,700,000. The purpose of the loan is to provide bridge financing for an FDOT Grant, in like amount, for the Harbor Deepening Contract C payment remitted in full to the USACE at September 2020. The FDOT grant calls for reimbursements, based upon project expenditures. FDOT funds collected by the Authority are concurrently remitted against the outstanding on the loan to the city. Total repayment is expected to occur within two years. The interest rate is based upon the City's commercial paper borrowing rate, estimated at .4% – 1%. The outstanding balance on the 2020 Bridge Loan with the City of Jacksonville at September 30, 2021 was \$25,000,000.

Bond covenants

The Authority's debt resolutions place restrictions on the issuance of additional bonds, designates required funding of related bond reserves and requires certain monies for debt service payments be held in trust funds. The Authority has also agreed in its bond covenants to establish and maintain rates charged to customers that will be sufficient to generate certain levels of operating revenues and operating income in excess of its annual debt service on the various outstanding bonds. The Authority has agreed to maintain net operating revenues in excess of 125% of the senior debt service obligations and 100% of the total subordinate debt service obligations.

Debt Maturities

Required debt service for the outstanding bonds and notes payable for the next five years and thereafter to maturity as of September 30, 2021, was as follows:

Years ending	<i>(in thousands of dollars)</i>	<u>Interest</u>	<u>Principal</u>
2022		\$ 6,753	\$ 7,672
2023		6,154	8,036
2024		5,795	8,668
2025		5,565	8,920
2026		5,334	9,183
2027 – 2031		22,966	51,430
2032 – 2036		16,063	57,507
2037 – 2041		9,030	38,835
2042 – 2046		4,789	15,305
2047 – 2051		858	11,195
		<u>\$ 83,307</u>	<u>\$ 216,751</u>

**Jacksonville Port Authority****Notes to Financial Statements****Note K – Long-Term Debt and Other Noncurrent Liabilities (Continued)**Original Issue Discount and Deferred Loss on Refundings (in thousands of dollars)

Unamortized premiums on Bonds were \$5,212 and \$5,402 in 2021 and 2020, respectively. Unamortized deferred loss on debt refundings was \$5,886 and \$6,251 in 2021 and 2020, respectively.

Deferred outflow/inflow of resources

Deferred outflow of resources as shown on the statements of net position include unamortized loss on debt refundings and defeasance transactions. Additionally, deferred outflows and inflows are recorded for changes related to pensions activities.

(in thousands of dollars)

	2021	2020
Deferred loss on debt refundings	\$ 5,886	\$ 6,251
Deferred outflow pension (see Note G)	3,380	5,033
Total deferred outflow of resources	<u>\$ 9,266</u>	<u>\$ 11,284</u>
Deferred inflow of resources – pension (see note G)	<u>\$ 9,869</u>	<u>1,461</u>

Other Noncurrent Liabilities

Unearned revenue balances were \$127,939,000 and \$136,423,000 for years ended September 30, 2021 and 2020, respectively. The current portion was \$6,987,000 and represents one year of rent amortization on MOL and SSA rents collected but unearned. See Note E and Note F for further explanation regarding unearned lease rents revenue recognition.

The Authority has accrued reserves in the amount of \$798,000 for specific pollution remediation liability. These reserves are reviewed annually for any additional liability and adequacy and adjusted accordingly.

OPEB liabilities for retiree medical benefits were \$405,000 and \$316,000 at September 30, 2021 and 2020, respectively. See Note I for additional information.

The Authority has reserved a balance of \$970,000 related to a de-obligation of FEMA Grant Funds for prior year's hurricane-related dredge funding. See Note M for additional information.

**Note L – Other Obligation**

The Authority entered into a Project Cooperation Agreement with the USACE in 2001 for Construction of the Improvement Features of the Jacksonville Harbor Federal Navigation Project. This project was completed in 2010, and cooperatively resulted in 40 feet depth of General Navigation Features in the Jacksonville Harbor.

The Project Cooperation Agreement committed federal government funding of 65% towards project costs and required the Authority to fund 25% of the project costs. The agreement also required that the Authority be responsible for the remaining 10% of total projects costs, payable over a period of up to a 30-year amortization. As a result, an estimated liability amount of \$8,537,000 is currently recorded as other obligations by the Authority. As of September 30, 2021, repayment terms had not been determined.

## **Jacksonville Port Authority**

### **Notes to Financial Statements**

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#### **Note M – Commitments and Contingencies**

##### Construction Related

At September 30, 2021, the Authority had commitments for future construction work of approximately \$21,710,000, primarily for the rehabilitation of terminal berths (75% grant funded), and Dredge Material Management Areas (50% grant funded).

##### Environmental Remediation

The Authority owns several parcels of property located at the southernmost portion of the Talleyrand Marine Terminal which were used by previous owners to conduct fertilizer blending and packaging and other operations involving the use of chemicals. Property adjacent to these parcels, owned by an unrelated third-party has also been identified to contain contaminants attributed to its former use. In conjunction with the Florida Department of Environmental Protection (FDEP), the Authority developed an Interim Remedial Action Plan (IRAP), which includes a site soil and groundwater treatment system, allowing for the groundwater to be captured by wells and discharged to a nearby publicly owned treatment works facility (POTW). The Authority had originally established a \$1.5 million reserve for project and ongoing operations costs of the groundwater treatment system, of which \$798,000 remains at September 30, 2021, for ongoing operations and monitoring costs.

##### Collective Bargaining Agreement

The Authority's workforce is made up of approximately 150 employees. Union employees represent about 40% of the total. The current union contract was renewed in fiscal year 2021, extended through September 30, 2025.

##### Grant Program Compliance Requirements

The Authority participates in federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal and state regulations. Any disallowance resulting from a regulatory audit may become a liability to the Authority. In 2013, the Authority recorded a reserve in the amount of \$1,377,000 (net balance of \$970,000 at September 30, 2021) for a specific de-obligated grant (FEMA) funding, related to a prior years' hurricane related dredging event. This determination made by FEMA was based upon time requirement guidelines available to complete the debris removal work. The Authority's position is that expenditures were proper and will continue to pursue options regarding this determination.

#### **Note N – Significant Customers**

For the fiscal year ended September 30, 2021, the Authority had five customers with significant operating revenues (10% or more of total revenues): Crowley Liner Services (16%), Trapac (12%), Tote Maritime (11%), SSA Atlantic (11%), and APS East Coast (10%).

**Jacksonville Port Authority**

**Notes to Financial Statements**

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**Note O – Capital Contributions**

Federal Contributions

The Authority received monies from federal funding awards designated for constructing various capital assets and capital improvements. Contributions of \$653,225 and \$697,082 were recorded for the years ended September 30, 2021 and 2020, respectively.

State Contributions

Amounts from state funding awards totaled \$30,804,926 and \$15,150,060 for the years ended September 30, 2021 and 2020, respectively.

Local Contributions

Amounts from local funding from the City, designated for the Harbor Deepening project, totaled \$4,160,988 and \$35,000,000 for the years ended September 30, 2021 and 2020, respectively.

**JACKSONVILLE PORT AUTHORITY**  
**REQUIRED SUPPLEMENTAL INFORMATION (UNAUDITED)**

**Schedule of Changes in Total OPEB Liability**  
**Last Ten Fiscal Years\***  
**(in dollars)**

	2021	2020	2019	2018
Total OPEB liability – beginning	\$ 315,914	\$ 294,914	\$ 317,699	\$ 319,347
Service cost	15,206	15,000	16,000	14,896
Interest cost	7,917	12,000	12,098	11,984
Differences between expected and actual experience	18,890	-	67,260	-
Changes in assumptions or other inputs	83,659	-	(115,492)	(18,451)
Benefit payments	(36,594)	(6,000)	(2,651)	(10,077)
Net change	89,078	21,000	(22,785)	(1,648)
Total OPEB liability – ending	\$ 404,992	\$ 315,914	\$ 294,914	\$ 317,699
Covered employee payroll	\$ 10,092,846	\$ 9,887,483	\$ 9,578,318	\$ 9,164,400
Total OPEB Liability as a percentage of covered payroll	4.01%	3.20%	3.08%	3.47%

\* Changes in total OPEB Liability for the fiscal years prior to 2018 were not available, and accordingly, not included in the schedule.

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS  
(amounts expressed in dollars)**

	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the FRS net pension liability	0.0328%	0.0317%	0.0341%	0.0358%	0.0374%	0.0353%	0.0352%
Authority's proportionate share of the FRS net pension liability	\$2,480,995	\$13,754,260	\$11,740,361	\$10,797,420	\$11,070,761	\$8,917,567	\$4,546,261
Authority's covered-employee payroll	\$12,269,541	\$12,234,777	\$12,246,587	\$12,533,283	\$12,195,198	\$11,910,007	\$11,486,853
Authority's proportionate share of the FRS net pension liability as a percentage of its covered-employee payroll	20.22%	112.42%	95.86%	86.15%	90.78%	74.87%	39.58%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ending June 30, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 are available.



**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY –  
HEALTH INSURANCE SUBSIDY PENSION PLAN  
LAST TEN FISCAL YEARS  
(amounts expressed in dollars)**

	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the HIS net pension liability	0.0343%	0.0353%	0.0370%	0.0370%	0.0398%	0.0383%	0.0373%
Authority's proportionate share of the HIS net pension liability	\$4,209,146	\$4,315,437	\$4,137,205	\$3,917,903	\$4,250,943	\$4,461,658	\$3,806,082
Authority's covered-employee payroll	\$12,269,541	\$12,234,777	\$12,246,587	\$12,533,283	\$12,195,198	\$11,910,007	\$11,486,853
Authority's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	34.31%	35.27%	33.78%	31.26%	34.86%	37.46%	33.13%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ending June 30, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 are available.

**SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS  
(amounts expressed in dollars)**

	2021	2020	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 1,437,015	\$ 1,217,755	\$ 1,167,644	\$ 1,202,882	\$ 1,046,313	\$ 947,884	\$ 948,391
FRS contributions in relation to the contractually required FRS	1,437,015	1,217,755	1,167,644	1,202,882	1,046,313	947,884	948,391
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 12,269,541	\$ 12,234,777	\$ 12,246,587	\$ 12,553,283	\$ 12,195,198	\$ 11,910,007	\$ 11,486,853
FRS contributions as a percentage of cover-employee payroll	11.7%	10.0%	9.5%	9.6%	8.6%	8.0%	8.3%

Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ending September 30, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 are available.

**SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS  
HEALTH INSURANCE SUBSIDY PENSION PLAN  
LAST TEN FISCAL YEARS  
(amounts expressed in dollars)**

	2021	2020	2019	2018	2017	2016	2015
Contractually required HIS contribution	\$ 203,674	\$ 203,097	\$ 203,293	\$ 208,052	\$ 202,440	\$ 197,706	\$ 157,222
HIS contributions in relation to the contractually required HIS	203,674	203,097	203,293	208,052	202,440	197,706	157,222
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 12,269,541	\$ 12,234,777	\$ 12,246,587	\$ 12,533,283	\$ 12,195,198	\$ 11,910,007	\$ 11,486,853
HIS contributions as a percentage of cover-employee payroll	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.4%

Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ending September 30, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 are available.

**SUPPLEMENTAL INFORMATION**

**Jacksonville Port Authority**

**Revenue Recognition  
GAAP to Budgetary Basis Reconciliation  
For the Fiscal Year Ended September 30, 2021**

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GAAP Revenue – per Financial Statements	\$ 61,853
Reconciling Adjustment – GAAP to Budgetary Revenues – See Note (1)	<u>(3,273)</u>
Budgetary Basis Revenues	<u><u>\$ 58,580</u></u>

Note 1. MOL and SSA rent payments are recognized on a straight-line basis over the contract lease term for GAAP, while budgetary basis revenues are recognized primarily when received.

**Jacksonville Port Authority, Florida****Schedule of Expenditures of State Financial Assistance  
Fiscal Year Ended September 30, 2021**

Agency/Program	CFDA/ CSFA Number	Grant Number	Expenditures
<b>STATE PROJECTS</b>			
<u>State of Florida Department of Transportation</u>			
Seaport Grants	55.005	GOG95	\$ 1,147,746
Seaport Grants	55.005	G0O84	193,182
Seaport Grants	55.005	G0496	9,793,427
Seaport Grants	55.005	G1604	3,460
Seaport Grants	55.005	G1K24	15,067,954
Seaport Grants	55.005	G1L95	5,710
Seaport Grants	55.005	G1M54	1,044,026
Seaport Grants	55.005	G1V25	723,883
Seaport Grants	55.005	G1P01	2,952,522
<b>Total Seaport Grants</b>			30,931,910
<b>Total Expenditures of State Financial Assistance</b>			\$ 30,931,910

See accompanying notes to schedule of expenditures of state financial assistance.

**Jacksonville Port Authority, Florida**

**Notes to Schedule of Expenditures of State Financial Assistance  
For the Year Ended September 30, 2021**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures state financial assistance (the Schedule) includes the state grant activity of the Jacksonville Port Authority, Florida and is presented using the accrual basis of accounting for grants which are accounted for in proprietary funds. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General.

**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 *Cost Principles for State, Local and Indian Tribal Governments 2 CFR Part 225*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3. Subrecipients**

The Authority did not make sub-awards of state financial assistance during the year ended September 30, 2021.

**Note 4. Indirect Cost Recovery**

The Authority did not recover its indirect costs using the 10% de minimus indirect cost rate provided under section 200.414 of the Uniform Guidance.



RSM US LLP

**Report on Internal Control over Financial  
Reporting and on Compliance and Other Matters Based on an Audit  
of Financial Statements Performed in Accordance With  
Governmental Auditing Standards**

**Independent Auditor's Report**

Members of the Board of Directors  
Jacksonville Port Authority  
Jacksonville, 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 Jacksonville Port Authority (the Authority), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 22, 2022.

**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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

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**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.

*RSM US LLP*

Jacksonville, Florida  
February 22, 2022



RSM US LLP

**Report on Compliance For the Major  
State Project; Report on Internal Control Over Compliance;  
as Required by Chapter 10.550, Rules of the Florida Auditor General**

**Independent Auditor's Report**

Members of the Board of Directors  
Jacksonville Port Authority  
Jacksonville, Florida

**Report on Compliance for the Major State Project**

We have audited the Jacksonville Port Authority's (the Authority) compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the Authority's major state project for the year ended September 30, 2021. The Authority's major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Authority's major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, *Rules of the Florida Auditor General*. Those standards, and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state project. However, our audit does not provide a legal determination of the Authority's compliance.

**Opinion on the Major State Project**

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended September 30, 2021.

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**Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 state project 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 state project 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

*RSM US LLP*

Jacksonville, Florida  
February 22, 2022

**Jacksonville Port Authority, Florida**

**Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2021**

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**I – Summary of Independent Auditor’s Results**

Financial Statements

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____	Yes	X	No
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Significant deficiency(ies) identified?

_____	Yes	X	None Reported
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Noncompliance material to financial statements noted?

_____	Yes	X	No
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**Jacksonville Port Authority, Florida**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended September 30, 2021**

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**I – Summary of Independent Auditor's Results (Continued)**

State Financial Assistance

Internal control over major state projects:

Material weakness(es) identified?	_____ Yes	_____ X _____ No
Significant deficiency(ies) identified?	_____ Yes	_____ X _____ None Reported

Type of auditor's report issued on compliance for major projects:

\_\_\_\_\_ Unmodified \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with state projects pursuant to Rules of the Auditor General?

\_\_\_\_\_ Yes \_\_\_\_\_ X \_\_\_\_\_ No

Identification of major projects:

<u>CSFA Number</u>	<u>Name of State Project</u>
55.005	Seaport Grants

Dollar threshold used to distinguish between type A and type B projects:

\$927,957

**Jacksonville Port Authority, Florida**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended September 30, 2021**

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**II – Financial Statement Findings**

A. Internal Control Over Financial Reporting

None Reported.

B. Compliance and Other Matters

None Reported.

**III – State Financial Assistance Findings and Questioned Costs**

A. Internal Control Over Compliance

None Reported.

B. Compliance

None Reported.

**Jacksonville Port Authority, Florida**

**Summary Schedule of Prior Audit Findings  
For the Year Ended September 30, 2021**

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None Reported.



RSM US LLP

**Management Letter Required By  
Chapter 10.550 of the Rules of the  
Auditor General of the State of Florida**

Members of the Board of Directors  
Jacksonville Port Authority  
Jacksonville, Florida

**Report on the Financial Statements**

We have audited the financial statements of the Jacksonville Port Authority (the Authority) as of and for the year ended September 30, 2021, and issued our report thereon dated February 22, 2022.

**Auditor's Responsibility**

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

**Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financing Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance For the Major State Project; Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 22, 2022, 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. In that regard, 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. The specific legal authority that established the Authority is disclosed in Note A of the financial statements.

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**Financial Condition and Management**

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

Pursuant to sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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 the financial information provided by the 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.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 have any such findings.

**Purpose of This Letter**

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

*RSM US LLP*

Jacksonville, Florida  
February 22, 2022



RSM US LLP

### Independent Accountant's Report

To the Members of the Board of Directors  
Jacksonville Port Authority  
Jacksonville, Florida

We have examined the Jacksonville Port Authority's (the Authority) compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2021. 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 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.

Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

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

*RSM US LLP*

Jacksonville, Florida  
February 22, 2022

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**BD2022-03-02**



## **SUBMISSION FOR BOARD APPROVAL**

**SUBJECT: Public Transportation Grant Agreement – Seaport Security**

**Amount:** \$90,000

**BUDGETED:** N/A

**SOURCE OF FUNDS:** Florida Department of Transportation (FDOT)

**BACKGROUND:** JAXPORT continues to meet all security requirements in order to maintain our terminals to required standards. This includes continual upgrades to our systems and equipment as necessary. These systems include physical security needs (fencing, lighting, thermal/radar detection systems, etc.) as well as hardware and software components.

**STATUS:** The Florida Department of Transportation (FDOT) has presented a Public Transportation Grant Agreement (PTGA) for JAXPORT's Seaport Security Initiative in the amount of \$90,000 (75% FDOT) to match with \$30,000 (25% JAXPORT) funds. The three key components covered by the PTGA are:

1. The purchase and installation of a thermal and / or radar detection system and address certain physical security needs (e.g., fencing, lighting).
2. The purchase and installation of a video streaming system hardware to support situational awareness at cargo and passenger terminals.
3. The purchase and installation of handheld, backpack, and / or vehicle / vessel mounted chemical, biological, radiological, and nuclear (CBRN) detection and identification devices.

FDOT requires a resolution authorizing the CEO to execute the PTGA and any supplemental changes to the grant.

**RECOMMENDATION:** It is recommended that the Jacksonville Port Authority Board of Directors approve the acceptance of the Public Transportation Grant Agreement and adopt the attached Resolution.

**ATTACHMENTS:**

Resolution

Public Transportation Grant Agreement for JAXPORT's Seaport Security Initiative

**BD2022-03-02**



**SUBMISSION  
FOR  
BOARD APPROVAL**

**RECOMMENDED FOR APPROVAL:**

James Bennett, Sr. Director  
Engineering & Construction

**Signature:** James G. Bennett, PE  
James G. Bennett, PE (Mar 23, 2022 09:07 EDT)

**Email:** James.Bennett@jaxport.com

\_\_\_\_\_  
Signature and Date

**SUBMITTED FOR APPROVAL:**

Eric Green  
Chief Executive Officer

**Signature:** Eric B. Green  
Eric B. Green (Mar 23, 2022 10:07 EDT)

**Email:** eric.green@jaxport.com

\_\_\_\_\_  
Signature and Date

**BOARD APPROVAL:**

3/28/2022  
Meeting Date

\_\_\_\_\_  
Rebecca Dicks/Recording Secretary

**ATTEST:**

\_\_\_\_\_  
Bradley S. Talbert, Secretary

\_\_\_\_\_  
Wendy O. Hamilton, Chairwoman

**A RESOLUTION OF THE JACKSONVILLE PORT AUTHORITY AUTHORIZING THE EXECUTION OF A PUBLIC TRANSPORTATION GRANT AGREEMENT BETWEEN THE FLORIDA DEPARTMENT OF TRANSPORTATION AND THE JACKSONVILLE PORT AUTHORITY FOR STATE FUNDING IN FDOT FISCAL YEAR 2022 FOR JAXPORT'S SEAPORT SECURITY INITIATIVE**

**WHEREAS**, the Jacksonville Port Authority (JAXPORT) has been presented a Public Transportation Grant Agreement (PTGA) with the Florida Department of Transportation (FDOT) FM 444930-1-94-03 for: 1) purchase and installation of a thermal and/or radar detection system and address certain physical security needs (e.g. fencing, lighting); 2) purchase and installation of a video streaming system hardware to support situational awareness of cargo and passenger terminals; and 3) purchase and installation of handheld, backpack, and/or vehicle/vessel mounted chemical, biological, radiological, and nuclear (CBRN) detection and identification devices; and

**WHEREAS**, FDOT and JAXPORT have agreed that FDOT will provide funds of \$90,000 under Reimbursement Payment Provisions according to the terms and conditions of the PTGA.

**NOW THERE, BE IT REOLVED** by JAXPORT:

**Section 1:** JAXPORT confirms its desire to enter into the PTGA with FDOT.

**Section 2:** The Chief Executive Officer, or his authorized representative, is herein specifically authorized to enter into and sign such documents as may be necessary, including the PTGA and any Supplemental Public Transportation Grant Agreement(s) for the purpose of scope changes, funding adjustments, contract duration changes, additional financial project numbers as well as execute Assurances, Certification and all other documents as may be required to support this project.

**Section 3:** Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED AND ADPOTED THIS 28<sup>th</sup> DAY OF MARCH 2022.

JACKSONVILLE PORT AUTHORITY

(Official Seal)

ATTEST

\_\_\_\_\_  
Wendy O. Hamilton, Chairwoman

\_\_\_\_\_  
Bradley S. Talbert, Secretary



*Florida Department of Transportation*

**RON DESANTIS**  
**GOVERNOR**

2198 Edison Avenue, MS 2806  
Jacksonville, Florida 32204

**KEVIN J. THIBAUT, P.E.**  
**SECRETARY**

**DATE:** February 16, 2022

**TO:** Eric Green  
Chief Executive Officer  
Jacksonville Port Authority  
2831 Talleyrand Avenue  
Jacksonville FL, 32206

**FROM:** Justin Ryan, AMPE  
District Freight & Seaports Coordinator  
Florida Department of Transportation District Two

**SUBJECT:** Public Transportation Grant Agreement for Execution  
Financial Project No. 444930-1-94-03; Contract No. TBD

Please see the attached Public Transportation Grant Agreement (PTGA) for Jacksonville Port Authority's Seaport Security Initiative. Please sign in DocuSign and include the Jacksonville Port Authority's Board resolution to allow for the encumbrance of funding, and execution by FDOT.

Should you require additional information or a meeting with Department representatives please contact me at (904) 360-5693.

Sincerely,

*Justin Ryan*

Justin Ryan, AMPE  
District Freight & Seaports Coordinator

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION  
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Financial Project Number(s): <small>(item-segment-phase-sequence)</small> 444930-1-94-03	Fund(s):	DPTO	FLAIR Category:	088794
	Work Activity Code/Function:	215	Object Code:	751000
	Federal Number/Federal Award Identification Number (FAIN) – Transit only:		Org. Code:	55022020229
Contract Number:	Federal Award Date:		Vendor Number:	F593730270001
CFDA Number: N/A	Agency DUNS Number:	06-190- 0957		
CFDA Title: N/A				
CSFA Number: 55.005				
CSFA Title: Seaport Grant Program				

THIS PUBLIC TRANSPORTATION GRANT AGREEMENT (“Agreement”) is entered into \_\_\_\_\_, by and between the State of Florida, Department of Transportation, (“Department”), and Jacksonville Port Authority, (“Agency”). The Department and the Agency are sometimes referred to in this Agreement as a “Party” and collectively as the “Parties.”

NOW, THEREFORE, in consideration of the mutual benefits to be derived from joint participation on the Project, the Parties agree to the following:

- 1. Authority.** The Agency, by Resolution or other form of official authorization, a copy of which is attached as **Exhibit “D”, Agency Resolution** and made a part of this Agreement, has authorized its officers to execute this Agreement on its behalf. The Department has the authority pursuant to Section(s) 311, Florida Statutes, to enter into this Agreement.
- 2. Purpose of Agreement.** The purpose of this Agreement is to provide for the Department’s participation in Jaxport’s seaport security initiative, as further described in **Exhibit "A", Project Description and Responsibilities**, attached and incorporated into this Agreement (“Project”), to provide Department financial assistance to the Agency, state the terms and conditions upon which Department funds will be provided, and to set forth the manner in which the Project will be undertaken and completed.
- 3. Program Area.** For identification purposes only, this Agreement is implemented as part of the Department program area selected below (select all programs that apply):

- Aviation
- Seaports**
- Transit
- Intermodal
- Rail Crossing Closure
- Match to Direct Federal Funding** (Aviation or Transit)
- (Note: Section 15 and Exhibit G do not apply to federally matched funding)
- Other**

- 4. Exhibits.** The following Exhibits are attached and incorporated into this Agreement:

- Exhibit A: Project Description and Responsibilities
- Exhibit B: Schedule of Financial Assistance
- \*Exhibit B1: Deferred Reimbursement Financial Provisions
- \*Exhibit B2: Advance Payment Financial Provisions
- \*Exhibit C: Terms and Conditions of Construction
- Exhibit D: Agency Resolution
- Exhibit E: Program Specific Terms and Conditions
- Exhibit F: Contract Payment Requirements
- \*Exhibit G: Audit Requirements for Awards of State Financial Assistance
- \*Exhibit H: Audit Requirements for Awards of Federal Financial Assistance

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\_\_ \*Additional Exhibit(s):

\*Indicates that the Exhibit is only attached and incorporated if applicable box is selected.

**5. Time.** Unless specified otherwise, all references to “days” within this Agreement refer to calendar days.

**6. Term of Agreement.** This Agreement shall commence upon full execution by both Parties (“Effective Date”) and continue through March 31, 2026. If the Agency does not complete the Project within this time period, this Agreement will expire unless an extension of the time period is requested by the Agency and granted in writing by the Department prior to the expiration of this Agreement. Expiration of this Agreement will be considered termination of the Project. The cost of any work performed prior to the Effective Date or after the expiration date of this Agreement will not be reimbursed by the Department.

a. \_\_ If this box is checked the following provision applies:

Unless terminated earlier, work on the Project shall commence no later than the \_\_ day of \_\_, or within \_\_ days of the issuance of the Notice to Proceed for the construction phase of the Project (if the Project involves construction), whichever date is earlier. The Department shall have the option to immediately terminate this Agreement should the Agency fail to meet the above-required dates.

**7. Amendments, Extensions, and Assignment.** This Agreement may be amended or extended upon mutual written agreement of the Parties. This Agreement shall not be renewed. This Agreement shall not be assigned, transferred, or otherwise encumbered by the Agency under any circumstances without the prior written consent of the Department.

**8. Termination or Suspension of Project.** The Department may, by written notice to the Agency, suspend any or all of the Department’s obligations under this Agreement for the Agency’s failure to comply with applicable law or the terms of this Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected.

a. Notwithstanding any other provision of this Agreement, if the Department intends to terminate the Agreement, the Department shall notify the Agency of such termination in writing at least thirty (30) days prior to the termination of the Agreement, with instructions to the effective date of termination or specify the stage of work at which the Agreement is to be terminated.

b. The Parties to this Agreement may terminate this Agreement when its continuation would not produce beneficial results commensurate with the further expenditure of funds. In this event, the Parties shall agree upon the termination conditions.

c. If the Agreement is terminated before performance is completed, the Agency shall be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed the equivalent percentage of the Department’s maximum financial assistance. If any portion of the Project is located on the Department’s right-of-way, then all work in progress on the Department right-of-way will become the property of the Department and will be turned over promptly by the Agency.

d. In the event the Agency fails to perform or honor the requirements and provisions of this Agreement, the Agency shall promptly refund in full to the Department within thirty (30) days of the termination of the Agreement any funds that were determined by the Department to have been expended in violation of the Agreement.

e. The Department reserves the right to unilaterally cancel this Agreement for failure by the Agency to comply with the Public Records provisions of Chapter 119, Florida Statutes.

**9. Project Cost:**



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- a. The estimated total cost of the Project is \$120,000. This amount is based upon **Exhibit "B", Schedule of Financial Assistance**. The timeline for deliverables and distribution of estimated amounts between deliverables within a grant phase, as outlined in **Exhibit "B", Schedule of Financial Assistance**, may be modified by mutual written agreement of the Parties and does not require execution of an **Amendment to the Public Transportation Grant Agreement**. The timeline for deliverables and distribution of estimated amounts between grant phases requires an amendment executed by both Parties in the same form as this Agreement.
- b. The Department agrees to participate in the Project cost up to the maximum amount of \$90,000 and, the Department's participation in the Project shall not exceed 75.00% of the total eligible cost of the Project, and as more fully described in **Exhibit "B", Schedule of Financial Assistance**. The Agency agrees to bear all expenses in excess of the amount of the Department's participation and any cost overruns or deficits involved.

#### 10. Compensation and Payment:

- a. **Eligible Cost.** The Department shall reimburse the Agency for allowable costs incurred as described in **Exhibit "A", Project Description and Responsibilities**, and as set forth in **Exhibit "B", Schedule of Financial Assistance**.
- b. **Deliverables.** The Agency shall provide quantifiable, measurable, and verifiable units of deliverables. Each deliverable must specify the required minimum level of service to be performed and the criteria for evaluating successful completion. The Project and the quantifiable, measurable, and verifiable units of deliverables are described more fully in **Exhibit "A", Project Description and Responsibilities**. Modifications to the deliverables in **Exhibit "A", Project Description and Responsibilities** requires a formal written amendment.
- c. **Invoicing.** Invoices shall be submitted no more often than monthly by the Agency in detail sufficient for a proper pre-audit and post-audit, based on the quantifiable, measurable, and verifiable deliverables as established in **Exhibit "A", Project Description and Responsibilities**. Deliverables and costs incurred must be received and approved by the Department prior to reimbursement. Requests for reimbursement by the Agency shall include an invoice, progress report, and supporting documentation for the deliverables being billed that are acceptable to the Department. The Agency shall use the format for the invoice and progress report that is approved by the Department.
- d. **Supporting Documentation.** Supporting documentation must establish that the deliverables were received and accepted in writing by the Agency and must also establish that the required minimum standards or level of service to be performed based on the criteria for evaluating successful completion as specified in **Exhibit "A", Project Description and Responsibilities** has been met. All costs invoiced shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of charges as described in **Exhibit "F", Contract Payment Requirements**.
- e. **Travel Expenses.** The selected provision below is controlling regarding travel expenses:

Travel expenses are NOT eligible for reimbursement under this Agreement.

Travel expenses ARE eligible for reimbursement under this Agreement. Bills for travel expenses specifically authorized in this Agreement shall be submitted on the Department's Contractor Travel Form No. 300-000-06 and will be paid in accordance with Section 112.061, Florida Statutes, and the most current version of the Department's Disbursement Handbook for Employees and Managers.

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- f. Financial Consequences.** Payment shall be made only after receipt and approval of deliverables and costs incurred unless advance payments are authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, Florida Statutes, or the Department's Comptroller under Section 334.044(29), Florida Statutes. If the Department determines that the performance of the Agency is unsatisfactory, the Department shall notify the Agency of the deficiency to be corrected, which correction shall be made within a time-frame to be specified by the Department. The Agency shall, within thirty (30) days after notice from the Department, provide the Department with a corrective action plan describing how the Agency will address all issues of contract non-performance, unacceptable performance, failure to meet the minimum performance levels, deliverable deficiencies, or contract non-compliance. If the corrective action plan is unacceptable to the Department, the Agency will not be reimbursed. If the deficiency is subsequently resolved, the Agency may bill the Department for the amount that was previously not reimbursed during the next billing period. If the Agency is unable to resolve the deficiency, the funds shall be forfeited at the end of the Agreement's term.
- g. Invoice Processing.** An Agency receiving financial assistance from the Department should be aware of the following time frames. Inspection or verification and approval of deliverables shall take no longer than 20 days from the Department's receipt of the invoice. The Department has 20 days to deliver a request for payment (voucher) to the Department of Financial Services. The 20 days are measured from the latter of the date the invoice is received or the deliverables are received, inspected or verified, and approved.
- If a payment is not available within 40 days, a separate interest penalty at a rate as established pursuant to Section 55.03(1), Florida Statutes, will be due and payable, in addition to the invoice amount, to the Agency. Interest penalties of less than one (1) dollar will not be enforced unless the Agency requests payment. Invoices that have to be returned to an Agency because of Agency preparation errors will result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to the Department.
- A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for Agency who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be contacted at (850) 413-5516.
- h. Records Retention.** The Agency shall maintain an accounting system or separate accounts to ensure funds and projects are tracked separately. Records of costs incurred under the terms of this Agreement shall be maintained and made available upon request to the Department at all times during the period of this Agreement and for five years after final payment is made. Copies of these records shall be furnished to the Department upon request. Records of costs incurred include the Agency's general accounting records and the Project records, together with supporting documents and records, of the Contractor and all subcontractors performing work on the Project, and all other records of the Contractor and subcontractors considered necessary by the Department for a proper audit of costs.
- i. Progress Reports.** Upon request, the Agency agrees to provide progress reports to the Department in the standard format used by the Department and at intervals established by the Department. The Department will be entitled at all times to be advised, at its request, as to the status of the Project and of details thereof.
- j. Submission of Other Documents.** The Agency shall submit to the Department such data, reports, records, contracts, and other documents relating to the Project as the Department may require as listed in **Exhibit "E", Program Specific Terms and Conditions** attached to and incorporated into this Agreement.

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- k. Offsets for Claims.** If, after Project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to this Agreement, the Department may offset such amount from payments due for work or services done under any agreement that it has with the Agency owing such amount if, upon written demand, payment of the amount is not made within 60 days to the Department. Offsetting any amount pursuant to this paragraph shall not be considered a breach of contract by the Department.
- l. Final Invoice.** The Agency must submit the final invoice on the Project to the Department within 120 days after the completion of the Project. Invoices submitted after the 120-day time period may not be paid.
- m. Department's Performance and Payment Contingent Upon Annual Appropriation by the Legislature.** The Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. If the Department's funding for this Project is in multiple fiscal years, a notice of availability of funds from the Department's project manager must be received prior to costs being incurred by the Agency. See **Exhibit "B", Schedule of Financial Assistance** for funding levels by fiscal year. Project costs utilizing any fiscal year funds are not eligible for reimbursement if incurred prior to funds approval being received. The Department will notify the Agency, in writing, when funds are available.
- n. Limits on Contracts Exceeding \$25,000 and Term more than 1 Year.** In the event this Agreement is in excess of \$25,000 and has a term for a period of more than one year, the provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated:
- "The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of \$25,000 and which have a term for a period of more than 1 year."
- o. Agency Obligation to Refund Department.** Any Project funds made available by the Department pursuant to this Agreement that are determined by the Department to have been expended by the Agency in violation of this Agreement or any other applicable law or regulation shall be promptly refunded in full to the Department. Acceptance by the Department of any documentation or certifications, mandatory or otherwise permitted, that the Agency files shall not constitute a waiver of the Department's rights as the funding agency to verify all information at a later date by audit or investigation.
- p. Non-Eligible Costs.** In determining the amount of the payment, the Department will exclude all Project costs incurred by the Agency prior to the execution of this Agreement, costs incurred after the expiration of the Agreement, costs that are not provided for in **Exhibit "A", Project Description and Responsibilities**, and as set forth in **Exhibit "B", Schedule of Financial Assistance**, costs agreed to be borne by the Agency or its contractors and subcontractors for not meeting the Project commencement and final invoice time lines, and costs attributable to goods or services received under a contract or other arrangement that has not been approved

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in writing by the Department. Specific unallowable costs may be listed in **Exhibit "A", Project Description and Responsibilities.**

- 11. General Requirements.** The Agency shall complete the Project with all practical dispatch in a sound, economical, and efficient manner, and in accordance with the provisions in this Agreement and all applicable laws.
- a. Necessary Permits Certification.** The Agency shall certify to the Department that the Agency's design consultant and/or construction contractor has secured the necessary permits.
  - b. Right-of-Way Certification.** If the Project involves construction, then the Agency shall provide to the Department certification and a copy of appropriate documentation substantiating that all required right-of-way necessary for the Project has been obtained. Certification is required prior to authorization for advertisement for or solicitation of bids for construction of the Project, even if no right-of-way is required.
  - c. Notification Requirements When Performing Construction on Department's Right-of-Way.** In the event the cost of the Project is greater than \$250,000.00, and the Project involves construction on the Department's right-of-way, the Agency shall provide the Department with written notification of either its intent to:
    - i.** Require the construction work of the Project that is on the Department's right-of-way to be performed by a Department prequalified contractor, or
    - ii.** Construct the Project utilizing existing Agency employees, if the Agency can complete said Project within the time frame set forth in this Agreement.
  - d.**  If this box is checked, then the Agency is permitted to utilize its own forces and the following provision applies: **Use of Agency Workforce.** In the event the Agency proceeds with any phase of the Project utilizing its own forces, the Agency will only be reimbursed for direct costs (this excludes general overhead).
  - e.**  If this box is checked, then the Agency is permitted to utilize **Indirect Costs: Reimbursement for Indirect Program Expenses** (select one):
    - i.**  Agency has selected to seek reimbursement from the Department for actual indirect expenses (no rate).
    - ii.**  Agency has selected to apply a de minimus rate of 10% to modified total direct costs. Note: The de minimus rate is available only to entities that have never had a negotiated indirect cost rate. When selected, the de minimus rate must be used consistently for all federal awards until such time the agency chooses to negotiate a rate. A cost policy statement and de minimis certification form must be submitted to the Department for review and approval.
    - iii.**  Agency has selected to apply a state or federally approved indirect cost rate. A federally approved rate agreement or indirect cost allocation plan (ICAP) must be submitted annually.
  - f. Agency Compliance with Laws, Rules, and Regulations, Guidelines, and Standards.** The Agency shall comply and require its contractors and subcontractors to comply with all terms and conditions of this Agreement and all federal, state, and local laws and regulations applicable to this Project.
  - g. Claims and Requests for Additional Work.** The Agency shall have the sole responsibility for resolving claims and requests for additional work for the Project. The Agency will make

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best efforts to obtain the Department's input in its decisions. The Department is not obligated to reimburse for claims or requests for additional work.

**12. Contracts of the Agency:**

- a. **Approval of Third Party Contracts.** The Department specifically reserves the right to review and approve any and all third party contracts with respect to the Project before the Agency executes or obligates itself in any manner requiring the disbursement of Department funds, including consultant and purchase of commodities contracts, or amendments thereto. If the Department chooses to review and approve third party contracts for this Project and the Agency fails to obtain such approval, that shall be sufficient cause for nonpayment by the Department. The Department specifically reserves unto itself the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of the same. If Federal Transit Administration (FTA) funds are used in the Project, the Department must exercise the right to third party contract review.
- b. **Procurement of Commodities or Contractual Services.** It is understood and agreed by the Parties hereto that participation by the Department in a project with the Agency, where said project involves the purchase of commodities or contractual services where purchases or costs exceed the Threshold Amount for CATEGORY TWO per Section 287.017, Florida Statutes, is contingent on the Agency complying in full with the provisions of Section 287.057, Florida Statutes. The Agency's Authorized Official shall certify to the Department that the Agency's purchase of commodities or contractual services has been accomplished in compliance with Section 287.057, Florida Statutes. It shall be the sole responsibility of the Agency to ensure that any obligations made in accordance with this Section comply with the current threshold limits. Contracts, purchase orders, task orders, construction change orders, or any other agreement that would result in exceeding the current budget contained in **Exhibit "B", Schedule of Financial Assistance**, or that is not consistent with the Project description and scope of services contained in **Exhibit "A", Project Description and Responsibilities** must be approved by the Department prior to Agency execution. Failure to obtain such approval, and subsequent execution of an amendment to the Agreement if required, shall be sufficient cause for nonpayment by the Department, in accordance with this Agreement.
- c. **Consultants' Competitive Negotiation Act.** It is understood and agreed by the Parties to this Agreement that participation by the Department in a project with the Agency, where said project involves a consultant contract for professional services, is contingent on the Agency's full compliance with provisions of Section 287.055, Florida Statutes, Consultants' Competitive Negotiation Act. In all cases, the Agency's Authorized Official shall certify to the Department that selection has been accomplished in compliance with the Consultants' Competitive Negotiation Act.
- d. **Disadvantaged Business Enterprise (DBE) Policy and Obligation.** It is the policy of the Department that DBEs, as defined in 49 C.F.R. Part 26, as amended, shall have the opportunity to participate in the performance of contracts financed in whole or in part with Department funds under this Agreement. The DBE requirements of applicable federal and state laws and regulations apply to this Agreement. The Agency and its contractors agree to ensure that DBEs have the opportunity to participate in the performance of this Agreement. In this regard, all recipients and contractors shall take all necessary and reasonable steps in accordance with applicable federal and state laws and regulations to ensure that the DBEs have the opportunity to compete for and perform contracts. The Agency and its contractors and subcontractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of contracts, entered pursuant to this Agreement.

- 13. Maintenance Obligations.** In the event the Project includes construction or the acquisition of commodities then the following provisions are incorporated into this Agreement:

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- a. The Agency agrees to accept all future maintenance and other attendant costs occurring after completion of the Project for all improvements constructed or commodities acquired as part of the Project. The terms of this provision shall survive the termination of this Agreement.

**14. Sale, Transfer, or Disposal of Department-funded Property:**

- a. The Agency will not sell or otherwise transfer or dispose of any part of its title or other interests in real property, facilities, or equipment funded in any part by the Department under this Agreement without prior written approval by the Department.
- b. If a sale, transfer, or disposal by the Agency of all or a portion of Department-funded real property, facilities, or equipment is approved by the Department, the following provisions will apply:
  - i. The Agency shall reimburse the Department a proportional amount of the proceeds of the sale of any Department-funded property.
  - ii. The proportional amount shall be determined on the basis of the ratio of the Department funding of the development or acquisition of the property multiplied against the sale amount, and shall be remitted to the Department within ninety (90) days of closing of sale.
  - iii. Sale of property developed or acquired with Department funds shall be at market value as determined by appraisal or public bidding process, and the contract and process for sale must be approved in advance by the Department.
  - iv. If any portion of the proceeds from the sale to the Agency are non-cash considerations, reimbursement to the Department shall include a proportional amount based on the value of the non-cash considerations.
- c. The terms of provisions "a" and "b" above shall survive the termination of this Agreement.
  - i. The terms shall remain in full force and effect throughout the useful life of facilities developed, equipment acquired, or Project items installed within a facility, but shall not exceed twenty (20) years from the effective date of this Agreement.
  - ii. There shall be no limit on the duration of the terms with respect to real property acquired with Department funds.

- 15. Single Audit.** The administration of Federal or State resources awarded through the Department to the Agency by this Agreement may be subject to audits and/or monitoring by the Department. The following requirements do not limit the authority of the Department to conduct or arrange for the conduct of additional audits or evaluations of Federal awards or State financial assistance or limit the authority of any state agency inspector general, the State of Florida Auditor General, or any other state official. The Agency shall comply with all audit and audit reporting requirements as specified below.

**Federal Funded:**

- a. In addition to reviews of audits conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, monitoring procedures may include but not be limited to on-site visits by Department staff and/or other procedures, including reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to Federal awards provided through the Department by this Agreement. By entering into this Agreement, the Agency agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Agency further agrees to comply and cooperate with any

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inspections, reviews, investigations, or audits deemed necessary by the Department, State of Florida Chief Financial Officer (CFO), or State of Florida Auditor General.

- b. The Agency, a non-Federal entity as defined by 2 CFR Part 200, Subpart F – Audit Requirements, as a subrecipient of a Federal award awarded by the Department through this Agreement, is subject to the following requirements:
- i. In the event the Agency expends a total amount of Federal awards equal to or in excess of the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, the Agency must have a Federal single or program-specific audit conducted for such fiscal year in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements. **Exhibit “H”, Audit Requirements for Awards of Federal Financial Assistance**, to this Agreement provides the required Federal award identification information needed by the Agency to further comply with the requirements of 2 CFR Part 200, Subpart F – Audit Requirements. In determining Federal awards expended in a fiscal year, the Agency must consider all sources of Federal awards based on when the activity related to the Federal award occurs, including the Federal award provided through the Department by this Agreement. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by 2 CFR Part 200, Subpart F – Audit Requirements. An audit conducted by the State of Florida Auditor General in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements, will meet the requirements of this part.
  - ii. In connection with the audit requirements, the Agency shall fulfill the requirements relative to the auditee responsibilities as provided in 2 CFR Part 200, Subpart F – Audit Requirements.
  - iii. In the event the Agency expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards, the Agency is exempt from Federal audit requirements for that fiscal year. However, the Agency must provide a single audit exemption statement to the Department at [FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us) no later than nine months after the end of the Agency’s audit period for each applicable audit year. In the event the Agency expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards in a fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR Part 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 the Agency’s resources obtained from other than Federal entities).
  - iv. The Agency must electronically submit to the Federal Audit Clearinghouse (FAC) at <https://harvester.census.gov/facweb/> the audit reporting package as required by 2 CFR Part 200, Subpart F – Audit Requirements, within the earlier of 30 calendar days after receipt of the auditor’s report(s) or nine months after the end of the audit period. The FAC is the repository of record for audits required by 2 CFR Part 200, Subpart F – Audit Requirements. However, the Department requires a copy of the audit reporting package also be submitted to [FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us) within the earlier of 30 calendar days after receipt of the auditor’s report(s) or nine months after the end of the audit period as required by 2 CFR Part 200, Subpart F – Audit Requirements.
  - v. Within six months of acceptance of the audit report by the FAC, the Department will review the Agency’s audit reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate action on all deficiencies has been taken pertaining to the Federal award provided through the Department by this Agreement. If the Agency fails to have an

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audit conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, the Department may impose additional conditions to remedy noncompliance. If the Department determines that noncompliance cannot be remedied by imposing additional conditions, the Department may take appropriate actions to enforce compliance, which actions may include but not be limited to the following:

1. Temporarily withhold cash payments pending correction of the deficiency by the Agency or more severe enforcement action by the Department;
  2. Disallow (deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
  3. Wholly or partly suspend or terminate the Federal award;
  4. Initiate suspension or debarment proceedings as authorized under 2 C.F.R. Part 180 and Federal awarding agency regulations (or in the case of the Department, recommend such a proceeding be initiated by the Federal awarding agency);
  5. Withhold further Federal awards for the Project or program;
  6. Take other remedies that may be legally available.
- vi. As a condition of receiving this Federal award, the Agency shall permit the Department or its designee, the CFO, or State of Florida Auditor General access to the Agency's records, including financial statements, the independent auditor's working papers, and project records as necessary. Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is complete or the dispute is resolved.
- vii. The Department's contact information for requirements under this part is as follows:

Office of Comptroller, MS 24  
 605 Suwannee Street  
 Tallahassee, Florida 32399-0450  
[FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us)

**State Funded:**

- a. In addition to reviews of audits conducted in accordance with Section 215.97, Florida Statutes, monitoring procedures to monitor the Agency's use of state financial assistance may include but not be limited to on-site visits by Department staff and/or other procedures, including reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to state financial assistance awarded through the Department by this Agreement. By entering into this Agreement, the Agency agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Agency further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, the Department of Financial Services (DFS), or State of Florida Auditor General.
- b. The Agency, a "nonstate entity" as defined by Section 215.97, Florida Statutes, as a recipient of state financial assistance awarded by the Department through this Agreement, is subject to the following requirements:
  - i. In the event the Agency meets the audit threshold requirements established by Section 215.97, Florida Statutes, the Agency must have a State single or project-specific audit conducted for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. **Exhibit "G", Audit Requirements for Awards of State Financial Assistance**, to this Agreement indicates state financial



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assistance awarded through the Department by this Agreement needed by the Agency to further comply with the requirements of Section 215.97, Florida Statutes. In determining the state financial assistance expended in a fiscal year, the Agency shall consider all sources of state financial assistance, including state financial assistance received from the Department by this Agreement, 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.

- ii. In connection with the audit requirements, the Agency shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2)(e), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
- iii. In the event the Agency does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, the Agency is exempt for such fiscal year from the state single audit requirements of Section 215.97, Florida Statutes. However, the Agency must provide a single audit exemption statement to the Department at [FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us) no later than nine months after the end of the Agency's audit period for each applicable audit year. In the event the Agency does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, in a fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the Agency's resources (*i.e.*, the cost of such an audit must be paid from the Agency's resources obtained from other than State entities).
- iv. In accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, copies of financial reporting packages required by this Agreement shall be submitted to:

Florida Department of Transportation  
 Office of Comptroller, MS 24  
 605 Suwannee Street  
 Tallahassee, Florida 32399-0405  
[FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us)

And

State of Florida Auditor General  
 Local Government Audits/342  
 111 West Madison Street, Room 401  
 Tallahassee, FL 32399-1450  
 Email: [flaudgen\\_localgovt@aud.state.fl.us](mailto:flaudgen_localgovt@aud.state.fl.us)

- v. Any copies of financial reporting packages, reports, or other information required to be submitted to the Department shall be submitted timely in accordance with Section 215.97, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.
- vi. The Agency, when submitting financial reporting packages to the Department for audits done in accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date the reporting package was delivered to the Agency in correspondence accompanying the reporting package.

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- vii. Upon receipt, and within six months, the Department will review the Agency's financial reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate corrective action on all deficiencies has been taken pertaining to the state financial assistance provided through the Department by this Agreement. If the Agency fails to have an audit conducted consistent with Section 215.97, Florida Statutes, the Department may take appropriate corrective action to enforce compliance.
- viii. As a condition of receiving state financial assistance, the Agency shall permit the Department or its designee, DFS, or the Auditor General access to the Agency's records, including financial statements, the independent auditor's working papers, and project records as necessary. Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is complete or the dispute is resolved.
- c. The Agency shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued and shall allow the Department or its designee, DFS, or State of Florida Auditor General access to such records upon request. The Agency shall ensure that the audit working papers are made available to the Department or its designee, DFS, or State of Florida Auditor General upon request for a period of five years from the date the audit report is issued, unless extended in writing by the Department.

**16. Notices and Approvals.** Notices and approvals referenced in this Agreement must be obtained in writing from the Parties' respective Administrators or their designees.

**17. Restrictions, Prohibitions, Controls and Labor Provisions:**

- a. **Convicted Vendor List.** 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 on a contract to provide any goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids 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 Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.
- b. **Discriminatory Vendor List.** In accordance with Section 287.134, Florida Statutes, an entity or affiliate who has been placed on the Discriminatory Vendor List, kept by the Florida Department of Management Services, may not submit a bid on a contract to provide goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids 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.
- c. **Non-Responsible Contractors.** An entity or affiliate who has had its Certificate of Qualification suspended, revoked, denied, or have further been determined by the Department to be a non-responsible contractor, may not submit a bid or perform work for the construction or repair of a public building or public work on a contract with the Agency.

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- d. **Prohibition on Using Funds for Lobbying.** No funds received pursuant to this Agreement may be expended for lobbying the Florida Legislature, judicial branch, or any state agency, in accordance with Section 216.347, Florida Statutes.
- e. **Unauthorized Aliens.** The Department shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. If the contractor knowingly employs unauthorized aliens, such violation will be cause for unilateral cancellation of this Agreement.
- f. **Procurement of Construction Services.** If the Project is procured pursuant to Chapter 255, Florida Statutes, for construction services and at the time of the competitive solicitation for the Project, 50 percent or more of the cost of the Project is to be paid from state-appropriated funds, then the Agency must comply with the requirements of Section 255.0991, Florida Statutes.
- g. **E-Verify.** The Agency shall:
  - i. Utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Agency during the term of the contract; and
  - ii. Expressly require any subcontractors performing work or providing services pursuant to the state contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term.
- h. **Executive Order 20-44.** Pursuant to Governor's Executive Order 20-44, if the Agency is required by the Internal Revenue Code to file IRS Form 990 and is named in statute with which the Department must form a sole-source, public-private agreement; or through contract or other agreement with the State, annually receives 50% or more of its budget from the State or from a combination of State and Federal funds, Recipient shall submit an Annual Report to the Department, including the most recent IRS Form 990, detailing the total compensation for each member of the Agency executive leadership team. Total compensation shall include salary, bonuses, cashed-in leave, cash equivalents, severance pay, retirement benefits, deferred compensation, real-property gifts, and any other payout. The Agency shall inform the Department of any changes in total executive compensation during the period between the filing of Annual Reports within 60 days of any change taking effect. All compensation reports shall detail the percentage of executive leadership compensation received directly from all State and/or Federal allocations to the Agency. Annual Reports shall be in the form approved by the Department and shall be submitted to the Department at [fdotsingleaudit@dot.state.fl.us](mailto:fdotsingleaudit@dot.state.fl.us) within 180 days following the end of each tax year of the Agency receiving Department funding.
- i. **Design Services and Construction Engineering and Inspection Services.** If the Project is wholly or partially funded by the Department and administered by a local governmental entity, except for a seaport listed in Section 311.09, Florida Statutes, or an airport as defined in Section 332.004, Florida Statutes, the entity performing design and construction engineering and inspection services may not be the same entity.

**18. Indemnification and Insurance:**

- a. It is specifically agreed between the Parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof, a third party beneficiary under this Agreement, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The Agency guarantees the payment of all just claims

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for materials, supplies, tools, or labor and other just claims against the Agency or any subcontractor, in connection with this Agreement. Additionally, the Agency shall indemnify and hold harmless the State of Florida, Department of Transportation, including the Department's officers and employees, from liabilities, damages, losses, and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness, or intentional wrongful misconduct of the Agency and persons employed or utilized by the Agency in the performance of this Agreement. This indemnification shall survive the termination of this Agreement. Additionally, the Agency agrees to include the following indemnification in all contracts with contractors/subcontractors and consultants/subconsultants who perform work in connection with this Agreement:

"To the fullest extent permitted by law, the Agency's contractor/consultant shall indemnify and hold harmless the Agency and the State of Florida, Department of Transportation, including the Department's officers and employees, from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the contractor/consultant and persons employed or utilized by the contractor/consultant in the performance of this Agreement.

This indemnification shall survive the termination of this Agreement."

- b. The Agency shall provide Workers' Compensation Insurance in accordance with Florida's Workers' Compensation law for all employees. If subletting any of the work, ensure that the subcontractor(s) and subconsultant(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.
- c. If the Agency elects to self-perform the Project, then the Agency may self-insure. If the Agency elects to hire a contractor or consultant to perform the Project, then the Agency shall carry, or cause its contractor or consultant to carry, Commercial General Liability insurance providing continuous coverage for all work or operations performed under this 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 Florida. The Agency shall cause, or cause its contractor or consultant to cause, the Department 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 the Department as an Additional Insured shall be primary 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 and such deductibles shall be paid by the Named Insured. No policy/ies or coverage described herein may contain or be subject to a Retention or a Self-Insured Retention unless the Agency is a state agency or subdivision of the State of Florida that elects to self-perform the Project. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, the Department shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The Department shall be notified in writing within ten days of any cancellation, notice of cancellation, lapse, renewal, or proposed change to any policy or

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coverage described herein. The Department'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 the Department may have.

- d. When the Agreement includes the construction of a railroad grade crossing, railroad overpass or underpass structure, or any other work or operations within the limits of the railroad right-of-way, including any encroachments thereon from work or operations in the vicinity of the railroad right-of-way, the Agency shall, or cause its contractor to, in addition to the insurance coverage required above, procure and maintain Railroad Protective Liability Coverage (ISO Form CG 00 35) where the railroad is the Named Insured and where the limits are not less than \$2,000,000 combined single limit for bodily injury and/or property damage per occurrence, and with an annual aggregate limit of not less than \$6,000,000. The railroad shall also be added along with the Department as an Additional Insured on the policy/ies procured pursuant to the paragraph above. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, both the Department and the railroad shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The insurance described herein shall be maintained through final acceptance of the work. Both the Department and the railroad shall be notified in writing within ten days of any cancellation, notice of cancellation, renewal, or proposed change to any policy or coverage described herein. The Department'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 the Department may have.
- e. When the Agreement involves work on or in the vicinity of utility-owned property or facilities, the utility shall be added along with the Department as an Additional Insured on the Commercial General Liability policy/ies procured above.

**19. Miscellaneous:**

- a. **Environmental Regulations.** The Agency will be solely responsible for compliance with all applicable environmental regulations and for any liability arising from non-compliance with these regulations, and will reimburse the Department for any loss incurred in connection therewith.
- b. **Non-Admission of Liability.** In no event shall the making by the Department of any payment to the Agency constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist on the part of the Agency and the making of such payment by the Department, while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.
- c. **Severability.** If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected. In such an instance, the remainder would then continue to conform to the terms and requirements of applicable law.
- d. **Agency not an agent of Department.** The Agency and the Department agree that the Agency, its employees, contractors, subcontractors, consultants, and subconsultants are not agents of the Department as a result of this Agreement.
- e. **Bonus or Commission.** By execution of the Agreement, the Agency represents that it has not paid and, also agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the financing hereunder.

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- f. **Non-Contravention of State Law.** Nothing in the Agreement shall require the Agency to observe or enforce compliance with any provision or perform any act or do any other thing in contravention of any applicable state law. If any of the provisions of the Agreement violate any applicable state law, the Agency will at once notify the Department in writing so that appropriate changes and modifications may be made by the Department and the Agency to the end that the Agency may proceed as soon as possible with the Project.
- g. **Execution of Agreement.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same Agreement. A facsimile or electronic transmission of this Agreement with a signature on behalf of a party will be legal and binding on such party.
- h. **Federal Award Identification Number (FAIN).** If the FAIN is not available prior to execution of the Agreement, the Department may unilaterally add the FAIN to the Agreement without approval of the Agency and without an amendment to the Agreement. If this occurs, an updated Agreement that includes the FAIN will be provided to the Agency and uploaded to the Department of Financial Services' Florida Accountability Contract Tracking System (FACTS).
- i. **Inspector General Cooperation.** The Agency agrees to comply with Section 20.055(5), Florida Statutes, and to incorporate in all subcontracts the obligation to comply with Section 20.055(5), Florida Statutes.
- j. **Law, Forum, and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. In the event of a conflict between any portion of the contract and Florida law, the laws of Florida shall prevail. The Agency agrees to waive forum and venue and that the Department shall determine the forum and venue in which any dispute under this Agreement is decided.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year written above.

AGENCY Jacksonville Port Authority

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: Authorized Official or James M. Knight

Title: \_\_\_\_\_

Title: Urban Planning and Modal Administrator

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION  
Legal Review:

\_\_\_\_\_

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**EXHIBIT A**

**Project Description and Responsibilities**

**A. Project Description** (description of Agency's project to provide context, description of project components funded via this Agreement (if not the entire project)): This project provides for Department participation on Jaxport's seaport security initiative. This project has three components. Component 1 includes purchase and installation of a thermal and / or radar detection system and address certain physical security needs (e.g., fencing, lighting). The purpose of this system is to detect and track small vessels attempting to gain access to Jaxport waterside facilities to intercept unauthorized persons attempting to enter the seaport. Component 2 includes purchase and installation of a video streaming system hardware to support situational awareness at cargo and passenger terminals. This technology will enable the seaport to share real-time video footage with law enforcement during critical incidents. Component 3 includes purchase and installation of handheld, backpack, and / or vehicle / vessel mounted chemical, biological, radiological, and nuclear (CBRN) detection and identification devices. This equipment will aid in security screenings, identifying specific CBRN threats (e.g., type of substances / isotopes), and validating safety zones from CBRN threats.

**B. Project Location** (limits, city, county, map): Jacksonville, Florida

**C. Project Scope** (allowable costs: describe project components, improvement type/service type, approximate timeline, project schedule, project size): This project includes the procurement of capital equipment to complete the activities described in the Project Description, including: cables; cameras (e.g., thermal); chemical, biological, radiological and nuclear (CBRN) detection / identification device(s); control modules; fencing; information systems hardware; installation and testing; lighting; monitors; mounting equipment; power supply equipment; software / software licensing; and thermal/radar detection system/sensors.

**D. Deliverable(s):**

The project scope identifies the ultimate project deliverables. Deliverables for requisition, payment and invoice purposes will be the incremental progress made toward completion of project scope elements. Supporting documentation will be quantifiable, measurable, and verifiable, to allow for a determination of the amount of incremental progress that has been made, and provide evidence that the payment requested is commensurate with the accomplished incremental progress and costs incurred by the Agency.

**E. Unallowable Costs** (including but not limited to): Travel costs are not allowed.

**F. Transit Operating Grant Requirements (Transit Only):**

Transit Operating Grants billed as an operational subsidy will require an expenditure detail report from the Agency that matches the invoice period. The expenditure detail, along with the progress report, will be the required deliverables for Transit Operating Grants. Operating grants may be issued for a term not to exceed three years from execution. The original grant agreement will include funding for year one. Funding for years two and three will be added by amendment as long as the grantee has submitted all invoices on schedule and the project deliverables for the year have been met.

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**EXHIBIT B**

**Schedule of Financial Assistance**

FUNDS AWARDED TO THE AGENCY AND REQUIRED MATCHING FUNDS PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

**A. Fund Type and Fiscal Year:**

Financial Management Number	Fund Type	FLAIR Category	State Fiscal Year	Object Code	CSFA/CFDA Number	CSFA/CFDA Title or Funding Source Description	Funding Amount
444930-1-94-03	DPTO	088794	2022	751000	55.005	Seaport Grant Program	\$90,000.00
444930-1-94-03	LF	088794	2022	-	-	Local Matching Funds	\$30,000.00
<b>Total Financial Assistance</b>							<b>\$120,000</b>

**B. Estimate of Project Costs by Grant Phase:**

Phases*	State	Local	Federal	Totals	State %	Local %	Federal %
Land Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Planning	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Environmental/Design/Construction	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Capital Equipment/ Preventative Maintenance	\$90,000.00	\$30,000.00	\$0.00	\$120,000.00	75.00	25.00	0.00
Match to Direct Federal Funding	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Mobility Management (Transit Only)	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
<b>Totals</b>	<b>\$90,000.00</b>	<b>\$30,000.00</b>	<b>\$0.00</b>	<b>\$120,000.00</b>			

\*Shifting items between these grant phases requires execution of an Amendment to the Public Transportation Grant Agreement.

**BUDGET/COST ANALYSIS CERTIFICATION AS REQUIRED BY SECTION 216.3475, FLORIDA STATUTES:**

I certify that the cost for each line item budget category (grant phase) has been evaluated and determined to be allowable, reasonable, and necessary as required by Section 216.3475, Florida Statutes. Documentation is on file evidencing the methodology used and the conclusions reached.

Justin Ryan

Department Grant Manager Name

Signature

Date



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**EXHIBIT D**

**AGENCY RESOLUTION**

***PLEASE SEE ATTACHED***

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**EXHIBIT E  
PROGRAM SPECIFIC TERMS AND CONDITIONS – SEAPORTS**

**A. General.**

1. These assurances shall form an integral part of the Agreement between the Department and the Agency.
2. These assurances delineate the obligations of the parties to this Agreement to ensure their commitment and compliance with specific provisions of **Exhibit “A”, Project Description and Responsibilities** and **Exhibit “B”, Schedule of Financial Assistance** as well as serving to protect public investment in seaports and the continued viability of the State Seaport System.
3. The Agency shall comply with the assurances as specified in this Agreement.

**B. Required Documents.** The documents listed below, as applicable, are required to be submitted to the Department by the Agency in accordance with the terms of this Agreement:

1. Quarterly Progress Reports provided within thirty (30) days of the end of each calendar year quarter, if requested by the Department.
2. Electronic invoice summaries and backup information, including a progress report must be submitted to the District Office when requesting payment.
3. All proposals, plans, specifications, and third party contracts covering the Project.
4. The Agency will upload required and final close out documents to the Department's web-based grant management system (e.g., SeaCIP.com).

**C. Duration of Terms and Assurances.**

1. The terms and assurances of this Agreement shall remain in full force and effect throughout the useful life of a facility developed; equipment acquired; or Project items installed within a facility for a seaport development project, but shall not exceed 20 years from the effective date of this Agreement.
2. There shall be no limit on the duration of the terms and assurances of this Agreement with respect to real property acquired with funds provided by the State of Florida.

**D. Compliance with Laws and Rules.** The Agency hereby certifies, with respect to this Project, it will comply, within its authority, with all applicable, current laws and rules of the State of Florida and local governments, which may apply to the Project. Including but not limited to the following (current version of each):

1. Chapter 311, Florida Statutes (F.S.)
2. Local Government Requirements
  - a. Local Zoning/Land Use Ordinance
  - b. Local Comprehensive Plan

**E. Construction Certification.** The Agency hereby certifies, with respect to a construction-related project, that all design plans and specifications will comply with applicable federal, state, local, and professional standards, including but not limited to the following:

1. Federal Requirements
2. Local Government Requirements
  - a. Local Building Codes
  - b. Local Zoning Codes
3. Department Requirements
  - a. Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways (Commonly Referred to as the “Florida Green Book”)
  - b. Manual on Uniform Traffic Control Devices

**F. Consistency with Local Government Plans.**

1. The Agency assures the Project is consistent with the currently existing and planned future land use development plans approved by the local government having jurisdictional responsibility for the area surrounding the seaport.
2. The Agency assures that it has given fair consideration to the interest of local communities and has had reasonable consultation with those parties affected by the Project.

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3. The Agency assures that the Comprehensive Master Plan, if applicable, is incorporated as part of the approved local government comprehensive plan as required by Chapter 163, F.S.
- G. Land Acquisition Projects.** For the purchase of real property, the Agency assures that it will:
1. Acquire the land in accordance with federal and state laws governing such action.
  2. Maintain direct control of Project administration, including:
    - a. Maintain responsibility for all related contract letting and administrative procedures.
    - b. Ensure a qualified, State certified general appraiser provides all necessary services and documentation.
    - c. Furnish the Department with a projected schedule of events and a cash flow projection within 20 calendar days after completion of the review appraisal.
    - d. Establish a Project account for the purchase of the land.
    - e. Collect and disburse federal, state, and local Project funds.
  3. The Agency assures that it shall use the land for seaport purposes in accordance with the terms and assurances of this Agreement within 10 years of acquisition.
- H. Preserving Rights, Powers and Interest.**
1. The Agency will not take or permit any action that would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms and assurances of this Agreement without the written approval of the Department. Further, it will act promptly to acquire, extinguish, or modify, in a manner acceptable to the Department, any outstanding rights or claims of right of others which would interfere with such performance by the Agency.
  2. If an arrangement is made for management and operation of the funded facility or equipment by any entity or person other than the Agency, the Agency shall reserve sufficient rights and authority to ensure that the funded facility or equipment will be operated and maintained in accordance with the terms and assurances of this Agreement.
  3. The Agency will not sell or otherwise transfer or dispose of any part of its title or other interests in the funded facility or equipment without prior written approval by the Department. This assurance shall not limit the Agency's right to lease seaport property, facilities or equipment for seaport-compatible purposes in the regular course of seaport business.
- I. Third Party Contracts.** The Department reserves the right to approve third party contracts, except that written approval is hereby granted for:
1. Execution of contracts for materials from a valid state or intergovernmental contract. Such materials must be included in the Department approved Project scope and/or quantities.
  2. Other contracts less than \$5,000.00 excluding engineering consultant services and construction contracts. Such services and/or materials must be included in the Department approved Project scope and/or quantities.
  3. Construction change orders less than \$5,000.00. Change orders must be fully executed prior to performance of work.
  4. Contracts, purchase orders, and construction change orders (excluding engineering consultant services) up to the threshold limits of Category Three. Such contracts must be for services and/or materials included in the Department approved Project scope and/or quantities. Purchasing Categories and Thresholds are defined in Section 287.017, F.S., and Chapter 60, Florida Administrative Code. The threshold limits are adjusted periodically for inflation, and it shall be the sole responsibility of the Agency to ensure that any obligations made in accordance with this Agreement comply with the current threshold limits. Obligations made in excess of the appropriate limits shall be cause for Department non-participation.
  5. In all cases, the Agency shall include a copy of the executed contract or other agreement with the backup documentation of the invoice for reimbursement of costs associated with the contract.
- J. Inspection or verification and approval of deliverables.** Section 215.422(1), F.S., allows 5 working days for the approval and inspection of goods and services unless the bid specifications, purchase orders, or contracts specifies otherwise. The Agreement extends this timeline by specifying that the inspection or verification and approval of deliverables shall take no longer than 20 days from the Department's receipt of an invoice.

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**K. Federal Navigation Projects**

1. Funding reimbursed from any federal agency for this Project shall be remitted to the Department, in an amount proportional to the Department's participating share in the Project. The Agency shall remit such funds to the Department immediately upon receipt.
2. Department funding, as listed in **Exhibit "B", Schedule of Financial Assistance**, may not be used for environmental monitoring costs.

**L. Acquisition of Crane.** Department funding, as listed in **Exhibit "B", Schedule of Financial Assistance** will be cost reimbursed using the following schedule, unless stated otherwise in **Exhibit "A", Project Description and Responsibilities**:

1. Sixty (60) percent after landside delivery and acceptance by the Agency.
2. Forty (40) percent after installation and commissioning has been completed.

*-- End of Exhibit E --*

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**EXHIBIT F**

**Contract Payment Requirements  
Florida Department of Financial Services, Reference Guide for State Expenditures  
Cost Reimbursement Contracts**

Invoices for cost reimbursement contracts must be supported by an itemized listing of expenditures by category (salary, travel, expenses, etc.). Supporting documentation shall be submitted for each amount for which reimbursement is being claimed indicating that the item has been paid. Documentation for each amount for which reimbursement is being claimed must indicate that the item has been paid. Check numbers may be provided in lieu of copies of actual checks. Each piece of documentation should clearly reflect the dates of service. Only expenditures for categories in the approved agreement budget may be reimbursed. These expenditures must be allowable (pursuant to law) and directly related to the services being provided.

Listed below are types and examples of supporting documentation for cost reimbursement agreements:

(1) Salaries: A payroll register or similar documentation should be submitted. The payroll register should show gross salary charges, fringe benefits, other deductions and net pay. If an individual for whom reimbursement is being claimed is paid by the hour, a document reflecting the hours worked times the rate of pay will be acceptable.

(2) Fringe Benefits: Fringe Benefits should be supported by invoices showing the amount paid on behalf of the employee (e.g., insurance premiums paid). If the contract specifically states that fringe benefits will be based on a specified percentage rather than the actual cost of fringe benefits, then the calculation for the fringe benefits amount must be shown.

Exception: Governmental entities are not required to provide check numbers or copies of checks for fringe benefits.

(3) Travel: Reimbursement for travel must be in accordance with Section 112.061, Florida Statutes, which includes submission of the claim on the approved State travel voucher or electronic means.

(4) Other direct costs: Reimbursement will be made based on paid invoices/receipts. If nonexpendable property is purchased using State funds, the contract should include a provision for the transfer of the property to the State when services are terminated. Documentation must be provided to show compliance with Department of Management Services Rule 60A-1.017, Florida Administrative Code, regarding the requirements for contracts which include services and that provide for the contractor to purchase tangible personal property as defined in Section 273.02, Florida Statutes, for subsequent transfer to the State.

(5) In-house charges: Charges which may be of an internal nature (e.g., postage, copies, etc.) may be reimbursed on a usage log which shows the units times the rate being charged. The rates must be reasonable.

(6) Indirect costs: If the contract specifies that indirect costs will be paid based on a specified rate, then the calculation should be shown.

Contracts between state agencies, and/or contracts between universities may submit alternative documentation to substantiate the reimbursement request that may be in the form of FLAIR reports or other detailed reports.

The Florida Department of Financial Services, online Reference Guide for State Expenditures can be found at this web address <https://www.myfloridacfo.com/Division/AA/Manuals/documents/ReferenceGuideforStateExpenditures.pdf>.

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**EXHIBIT G**

**AUDIT REQUIREMENTS FOR AWARDS OF STATE FINANCIAL ASSISTANCE**

**THE STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:**

**SUBJECT TO SECTION 215.97, FLORIDA STATUTES:~**

**Awarding Agency:** Florida Department of Transportation

**State Project Title:** Seaport Grant Program

**CSFA Number:** 55.005

**\*Award Amount:** \$90,000

\*The award amount may change with amendments

Specific project information for CSFA Number 55.005 is provided at: <https://apps.fldfs.com/fsaa/searchCatalog.aspx>

**COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT:**

State Project Compliance Requirements for CSFA Number 55.005 are provided at: <https://apps.fldfs.com/fsaa/searchCompliance.aspx>

The State Projects Compliance Supplement is provided at: <https://apps.fldfs.com/fsaa/compliance.aspx>

**BD2022-03-03**



## **SUBMISSION FOR BOARD APPROVAL**

**SUBJECT: Public Transportation Grant Agreement – Berth Improvements  
(Berth 22 Upgrades)**

**Amount:** \$3,750,000

**BUDGETED:** N/A

**SOURCE OF FUNDS:** Florida Department of Transportation (FDOT)

**BACKGROUND:** JAXPORT continues to plan for the increase in cargo at the Blount Island Marine Terminal for both containers and Roll-on/Roll-off (RO/RO). With the increase in container vessel traffic expected on the main wharf, limited opportunities for auto vessel berthing will be available on the main wharf to accommodate overflow. In order to address the continued need for auto vessel berthing to maintain and grow the auto processing, the existing RO/RO berths must be upgraded. Berth 22 will be improved by installing a breasting dolphin and a mooring dolphin to accommodate the larger auto vessels (750' LOA). Additionally, a portion of the existing berth deck will be widened to allow for mid-ship ramps to be used simultaneously with the stern quarter-ramp. The additional dolphins allow for safe berthing of the larger vessels, while the mid-ship ramp improves operational efficiencies. All the existing fenders will be upgraded and the current berth will have some additional berth repairs.

**STATUS:** The Florida Department of Transportation (FDOT) has presented a Public Transportation Grant Agreement (PTGA) for the improvements to Berth 22 in the amount of \$3,750,000 (75% FDOT) to be matched with \$1,250,000 (25% JAXPORT) for a total project cost of \$5,000,000.

FDOT requires a resolution authorizing the CEO to execute the PTGA and any supplemental changes to the grant.

**RECOMMENDATION:** It is recommended that the Jacksonville Port Authority Board of Directors approve the acceptance of the Public Transportation Grant Agreement and adopt the attached Resolution.

**ATTACHMENTS:**

Resolution

Public Transportation Grant Agreement for BIMT berth improvements initiative.

**BD2022-03-03**



# SUBMISSION FOR BOARD APPROVAL

**RECOMMENDED FOR APPROVAL :**

James Bennett, Sr. Director  
Engineering & Construction

**Signature:** James G. Bennett, PE  
James G. Bennett, PE (Mar 23, 2022 09:14 EDT)

**Email:** James.Bennett@jaxport.com

\_\_\_\_\_  
Signature and Date

**SUBMITTED FOR APPROVAL:**

Eric Green  
Chief Executive Officer

**Signature:** Eric B. Green  
Eric B. Green (Mar 23, 2022 10:10 EDT)

**Email:** eric.green@jaxport.com

\_\_\_\_\_  
Signature and Date

**BOARD APPROVAL:**

3/28/2022  
Meeting Date

\_\_\_\_\_  
Rebecca Dicks/Recording Secretary

**ATTEST:**

\_\_\_\_\_  
Bradley S. Talbert, Secretary

\_\_\_\_\_  
Wendy O. Hamilton, Chairwoman



**A RESOLUTION OF THE JACKSONVILLE PORT AUTHORITY  
AUTHORIZING THE EXECUTION OF A PUBLIC  
TRANSPORTATION GRANT AGREEMENT BETWEEN THE  
FLORIDA DEPARTMENT OF TRANSPORTATION AND THE  
JACKSONVILLE PORT AUTHORITY FOR STATE FUNDING  
IN FDOT FISCAL YEAR 2022 FOR BERTH 22  
IMPROVEMENTS AT BLOUNT ISLAND**

**WHEREAS**, the Jacksonville Port Authority (JAXPORT) has been presented a Public Transportation Grant Agreement (PTGA) with the Florida Department of Transportation (FDOT) FM 440264-1-94-02 for improvement of Berth 22 at Blount Island; and

**WHEREAS**, FDOT and JAXPORT have agreed that FDOT will provide funds of \$3,3750,000 under Reimbursement Payment Provisions according to the terms and conditions of the PTGA;

**NOW THERE, BE IT REOLVED** by JAXPORT:

**Section 1:** JAXPORT confirms its desire to enter into the PTGA with FDOT.

**Section 2:** The Chief Executive Officer, or his authorized representative, is herein specifically authorized to enter into and sign such documents as may be necessary, including the PTGA and any Supplemental Public Transportation Grant Agreement(s) for the purpose of scope changes, funding adjustments, contract duration changes, additional financial project numbers as well as execute Assurances, Certification and all other documents as may be required to support this project.

**Section 3:** Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED AND ADPOTED THIS 28<sup>th</sup> DAY OF MARCH 2022.

JACKSONVILLE PORT AUTHORITY

\_\_\_\_\_  
Wendy O. Hamilton, Chairwoman

(Official Seal)

ATTEST

\_\_\_\_\_  
Bradley S. Talbert, Secretary

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Financial Project Number(s): <small>(item-segment-phase-sequence)</small> 440264-1-94-02	Fund(s):	GMR	FLAIR Category:	088794
	Work Activity Code/Function:	215	Object Code:	751000
	Federal Number/Federal Award Identification Number (FAIN) – Transit only:		Org. Code:	55022020229
Contract Number:	Federal Award Date:		Vendor Number:	F593730270001
CFDA Number: N/A	Agency DUNS/UEI Number:	06-190- 0957		
CFDA Title: N/A				
CSFA Number: 55.005				
CSFA Title: Seaport Grant Program				

THIS PUBLIC TRANSPORTATION GRANT AGREEMENT (“Agreement”) is entered into \_\_\_\_\_, by and between the State of Florida, Department of Transportation, (“Department”), and Jacksonville Port Authority, (“Agency”). The Department and the Agency are sometimes referred to in this Agreement as a “Party” and collectively as the “Parties.”

NOW, THEREFORE, in consideration of the mutual benefits to be derived from joint participation on the Project, the Parties agree to the following:

- 1. Authority.** The Agency, by Resolution or other form of official authorization, a copy of which is attached as **Exhibit “D”, Agency Resolution** and made a part of this Agreement, has authorized its officers to execute this Agreement on its behalf. The Department has the authority pursuant to Section(s) 311, Florida Statutes, to enter into this Agreement.
- 2. Purpose of Agreement.** The purpose of this Agreement is to provide for the Department’s participation in Jaxport’s Blount Island Berth Improvements initiative., as further described in **Exhibit "A", Project Description and Responsibilities**, attached and incorporated into this Agreement (“Project”), to provide Department financial assistance to the Agency, state the terms and conditions upon which Department funds will be provided, and to set forth the manner in which the Project will be undertaken and completed.
- 3. Program Area.** For identification purposes only, this Agreement is implemented as part of the Department program area selected below (select all programs that apply):

- Aviation
- Seaports**
- Transit
- Intermodal
- Rail Crossing Closure
- Match to Direct Federal Funding (Aviation or Transit)
- (Note: Section 15 and Exhibit G do not apply to federally matched funding)
- Other

- 4. Exhibits.** The following Exhibits are attached and incorporated into this Agreement:

- Exhibit A: Project Description and Responsibilities
- Exhibit B: Schedule of Financial Assistance
- \*Exhibit B1: Deferred Reimbursement Financial Provisions
- \*Exhibit B2: Advance Payment Financial Provisions
- \*Exhibit C: Terms and Conditions of Construction
- Exhibit D: Agency Resolution
- Exhibit E: Program Specific Terms and Conditions
- Exhibit F: Contract Payment Requirements
- \*Exhibit G: Audit Requirements for Awards of State Financial Assistance

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- \*Exhibit H: Audit Requirements for Awards of Federal Financial Assistance
- \*Additional Exhibit(s):

\*Indicates that the Exhibit is only attached and incorporated if applicable box is selected.

**5. Time.** Unless specified otherwise, all references to “days” within this Agreement refer to calendar days.

**6. Term of Agreement.** This Agreement shall commence upon full execution by both Parties (“Effective Date”) and continue through March 31, 2027. If the Agency does not complete the Project within this time period, this Agreement will expire unless an extension of the time period is requested by the Agency and granted in writing by the Department prior to the expiration of this Agreement. Expiration of this Agreement will be considered termination of the Project. The cost of any work performed prior to the Effective Date or after the expiration date of this Agreement will not be reimbursed by the Department.

a.  If this box is checked the following provision applies:

Unless terminated earlier, work on the Project shall commence no later than the     day of    , or within     days of the issuance of the Notice to Proceed for the construction phase of the Project (if the Project involves construction), whichever date is earlier. The Department shall have the option to immediately terminate this Agreement should the Agency fail to meet the above-required dates.

**7. Amendments, Extensions, and Assignment.** This Agreement may be amended or extended upon mutual written agreement of the Parties. This Agreement shall not be renewed. This Agreement shall not be assigned, transferred, or otherwise encumbered by the Agency under any circumstances without the prior written consent of the Department.

**8. Termination or Suspension of Project.** The Department may, by written notice to the Agency, suspend any or all of the Department’s obligations under this Agreement for the Agency’s failure to comply with applicable law or the terms of this Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected.

- a. Notwithstanding any other provision of this Agreement, if the Department intends to terminate the Agreement, the Department shall notify the Agency of such termination in writing at least thirty (30) days prior to the termination of the Agreement, with instructions to the effective date of termination or specify the stage of work at which the Agreement is to be terminated.
- b. The Parties to this Agreement may terminate this Agreement when its continuation would not produce beneficial results commensurate with the further expenditure of funds. In this event, the Parties shall agree upon the termination conditions.
- c. If the Agreement is terminated before performance is completed, the Agency shall be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed the equivalent percentage of the Department’s maximum financial assistance. If any portion of the Project is located on the Department’s right-of-way, then all work in progress on the Department right-of-way will become the property of the Department and will be turned over promptly by the Agency.
- d. In the event the Agency fails to perform or honor the requirements and provisions of this Agreement, the Agency shall promptly refund in full to the Department within thirty (30) days of the termination of the Agreement any funds that were determined by the Department to have been expended in violation of the Agreement.
- e. The Department reserves the right to unilaterally cancel this Agreement for failure by the Agency to comply with the Public Records provisions of Chapter 119, Florida Statutes.

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**9. Project Cost:**

- a. The estimated total cost of the Project is \$5,000,000. This amount is based upon **Exhibit "B", Schedule of Financial Assistance**. The timeline for deliverables and distribution of estimated amounts between deliverables within a grant phase, as outlined in **Exhibit "B", Schedule of Financial Assistance**, may be modified by mutual written agreement of the Parties and does not require execution of an **Amendment to the Public Transportation Grant Agreement**. The timeline for deliverables and distribution of estimated amounts between grant phases requires an amendment executed by both Parties in the same form as this Agreement.
- b. The Department agrees to participate in the Project cost up to the maximum amount of \$3,750,000 and, the Department's participation in the Project shall not exceed 75.00% of the total eligible cost of the Project, and as more fully described in **Exhibit "B", Schedule of Financial Assistance**. The Agency agrees to bear all expenses in excess of the amount of the Department's participation and any cost overruns or deficits involved.

**10. Compensation and Payment:**

- a. **Eligible Cost.** The Department shall reimburse the Agency for allowable costs incurred as described in **Exhibit "A", Project Description and Responsibilities**, and as set forth in **Exhibit "B", Schedule of Financial Assistance**.
- b. **Deliverables.** The Agency shall provide quantifiable, measurable, and verifiable units of deliverables. Each deliverable must specify the required minimum level of service to be performed and the criteria for evaluating successful completion. The Project and the quantifiable, measurable, and verifiable units of deliverables are described more fully in **Exhibit "A", Project Description and Responsibilities**. Modifications to the deliverables in **Exhibit "A", Project Description and Responsibilities** requires a formal written amendment.
- c. **Invoicing.** Invoices shall be submitted no more often than monthly by the Agency in detail sufficient for a proper pre-audit and post-audit, based on the quantifiable, measurable, and verifiable deliverables as established in **Exhibit "A", Project Description and Responsibilities**. Deliverables and costs incurred must be received and approved by the Department prior to reimbursement. Requests for reimbursement by the Agency shall include an invoice, progress report, and supporting documentation for the deliverables being billed that are acceptable to the Department. The Agency shall use the format for the invoice and progress report that is approved by the Department.
- d. **Supporting Documentation.** Supporting documentation must establish that the deliverables were received and accepted in writing by the Agency and must also establish that the required minimum standards or level of service to be performed based on the criteria for evaluating successful completion as specified in **Exhibit "A", Project Description and Responsibilities** has been met. All costs invoiced shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of charges as described in **Exhibit "F", Contract Payment Requirements**.
- e. **Travel Expenses.** The selected provision below is controlling regarding travel expenses:

Travel expenses are NOT eligible for reimbursement under this Agreement.

Travel expenses ARE eligible for reimbursement under this Agreement. Bills for travel expenses specifically authorized in this Agreement shall be submitted on the Department's Contractor Travel Form No. 300-000-06 and will be paid in accordance with Section 112.061, Florida Statutes, and the most current version of the Department's Disbursement Handbook for Employees and Managers.

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- f. **Financial Consequences.** Payment shall be made only after receipt and approval of deliverables and costs incurred unless advance payments are authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, Florida Statutes, or the Department's Comptroller under Section 334.044(29), Florida Statutes. If the Department determines that the performance of the Agency is unsatisfactory, the Department shall notify the Agency of the deficiency to be corrected, which correction shall be made within a time-frame to be specified by the Department. The Agency shall, within thirty (30) days after notice from the Department, provide the Department with a corrective action plan describing how the Agency will address all issues of contract non-performance, unacceptable performance, failure to meet the minimum performance levels, deliverable deficiencies, or contract non-compliance. If the corrective action plan is unacceptable to the Department, the Agency will not be reimbursed. If the deficiency is subsequently resolved, the Agency may bill the Department for the amount that was previously not reimbursed during the next billing period. If the Agency is unable to resolve the deficiency, the funds shall be forfeited at the end of the Agreement's term.
- g. **Invoice Processing.** An Agency receiving financial assistance from the Department should be aware of the following time frames. Inspection or verification and approval of deliverables shall take no longer than 20 days from the Department's receipt of the invoice. The Department has 20 days to deliver a request for payment (voucher) to the Department of Financial Services. The 20 days are measured from the latter of the date the invoice is received or the deliverables are received, inspected or verified, and approved.

If a payment is not available within 40 days, a separate interest penalty at a rate as established pursuant to Section 55.03(1), Florida Statutes, will be due and payable, in addition to the invoice amount, to the Agency. Interest penalties of less than one (1) dollar will not be enforced unless the Agency requests payment. Invoices that have to be returned to an Agency because of Agency preparation errors will result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to the Department.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for Agency who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be contacted at (850) 413-5516.

- h. **Records Retention.** The Agency shall maintain an accounting system or separate accounts to ensure funds and projects are tracked separately. Records of costs incurred under the terms of this Agreement shall be maintained and made available upon request to the Department at all times during the period of this Agreement and for five years after final payment is made. Copies of these records shall be furnished to the Department upon request. Records of costs incurred include the Agency's general accounting records and the Project records, together with supporting documents and records, of the Contractor and all subcontractors performing work on the Project, and all other records of the Contractor and subcontractors considered necessary by the Department for a proper audit of costs.
- i. **Progress Reports.** Upon request, the Agency agrees to provide progress reports to the Department in the standard format used by the Department and at intervals established by the Department. The Department will be entitled at all times to be advised, at its request, as to the status of the Project and of details thereof.
- j. **Submission of Other Documents.** The Agency shall submit to the Department such data, reports, records, contracts, and other documents relating to the Project as the Department may require as listed in **Exhibit "E", Program Specific Terms and Conditions** attached to and incorporated into this Agreement.

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- k. Offsets for Claims.** If, after Project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to this Agreement, the Department may offset such amount from payments due for work or services done under any agreement that it has with the Agency owing such amount if, upon written demand, payment of the amount is not made within 60 days to the Department. Offsetting any amount pursuant to this paragraph shall not be considered a breach of contract by the Department.
- l. Final Invoice.** The Agency must submit the final invoice on the Project to the Department within 120 days after the completion of the Project. Invoices submitted after the 120-day time period may not be paid.
- m. Department's Performance and Payment Contingent Upon Annual Appropriation by the Legislature.** The Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. If the Department's funding for this Project is in multiple fiscal years, a notice of availability of funds from the Department's project manager must be received prior to costs being incurred by the Agency. See **Exhibit "B", Schedule of Financial Assistance** for funding levels by fiscal year. Project costs utilizing any fiscal year funds are not eligible for reimbursement if incurred prior to funds approval being received. The Department will notify the Agency, in writing, when funds are available.
- n. Limits on Contracts Exceeding \$25,000 and Term more than 1 Year.** In the event this Agreement is in excess of \$25,000 and has a term for a period of more than one year, the provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated:

"The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of \$25,000 and which have a term for a period of more than 1 year."
- o. Agency Obligation to Refund Department.** Any Project funds made available by the Department pursuant to this Agreement that are determined by the Department to have been expended by the Agency in violation of this Agreement or any other applicable law or regulation shall be promptly refunded in full to the Department. Acceptance by the Department of any documentation or certifications, mandatory or otherwise permitted, that the Agency files shall not constitute a waiver of the Department's rights as the funding agency to verify all information at a later date by audit or investigation.
- p. Non-Eligible Costs.** In determining the amount of the payment, the Department will exclude all Project costs incurred by the Agency prior to the execution of this Agreement, costs incurred after the expiration of the Agreement, costs that are not provided for in **Exhibit "A", Project Description and Responsibilities**, and as set forth in **Exhibit "B", Schedule of Financial Assistance**, costs agreed to be borne by the Agency or its contractors and subcontractors for not meeting the Project commencement and final invoice time lines, and costs attributable to goods or services received under a contract or other arrangement that has not been approved

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in writing by the Department. Specific unallowable costs may be listed in **Exhibit "A", Project Description and Responsibilities**.

- 11. General Requirements.** The Agency shall complete the Project with all practical dispatch in a sound, economical, and efficient manner, and in accordance with the provisions in this Agreement and all applicable laws.
- a. Necessary Permits Certification.** The Agency shall certify to the Department that the Agency's design consultant and/or construction contractor has secured the necessary permits.
  - b. Right-of-Way Certification.** If the Project involves construction, then the Agency shall provide to the Department certification and a copy of appropriate documentation substantiating that all required right-of-way necessary for the Project has been obtained. Certification is required prior to authorization for advertisement for or solicitation of bids for construction of the Project, even if no right-of-way is required.
  - c. Notification Requirements When Performing Construction on Department's Right-of-Way.** In the event the cost of the Project is greater than \$250,000.00, and the Project involves construction on the Department's right-of-way, the Agency shall provide the Department with written notification of either its intent to:
    - i.** Require the construction work of the Project that is on the Department's right-of-way to be performed by a Department prequalified contractor, or
    - ii.** Construct the Project utilizing existing Agency employees, if the Agency can complete said Project within the time frame set forth in this Agreement.
  - d.**  If this box is checked, then the Agency is permitted to utilize its own forces and the following provision applies: **Use of Agency Workforce.** In the event the Agency proceeds with any phase of the Project utilizing its own forces, the Agency will only be reimbursed for direct costs (this excludes general overhead).
  - e.**  If this box is checked, then the Agency is permitted to utilize **Indirect Costs: Reimbursement for Indirect Program Expenses** (select one):
    - i.**  Agency has selected to seek reimbursement from the Department for actual indirect expenses (no rate).
    - ii.**  Agency has selected to apply a de minimus rate of 10% to modified total direct costs. Note: The de minimus rate is available only to entities that have never had a negotiated indirect cost rate. When selected, the de minimus rate must be used consistently for all federal awards until such time the agency chooses to negotiate a rate. A cost policy statement and de minimis certification form must be submitted to the Department for review and approval.
    - iii.**  Agency has selected to apply a state or federally approved indirect cost rate. A federally approved rate agreement or indirect cost allocation plan (ICAP) must be submitted annually.
  - f. Agency Compliance with Laws, Rules, and Regulations, Guidelines, and Standards.** The Agency shall comply and require its contractors and subcontractors to comply with all terms and conditions of this Agreement and all federal, state, and local laws and regulations applicable to this Project.
  - g. Claims and Requests for Additional Work.** The Agency shall have the sole responsibility for resolving claims and requests for additional work for the Project. The Agency will make

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best efforts to obtain the Department's input in its decisions. The Department is not obligated to reimburse for claims or requests for additional work.

**12. Contracts of the Agency:**

- a. **Approval of Third Party Contracts.** The Department specifically reserves the right to review and approve any and all third party contracts with respect to the Project before the Agency executes or obligates itself in any manner requiring the disbursement of Department funds, including consultant and purchase of commodities contracts, or amendments thereto. If the Department chooses to review and approve third party contracts for this Project and the Agency fails to obtain such approval, that shall be sufficient cause for nonpayment by the Department. The Department specifically reserves unto itself the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of the same. If Federal Transit Administration (FTA) funds are used in the Project, the Department must exercise the right to third party contract review.
- b. **Procurement of Commodities or Contractual Services.** It is understood and agreed by the Parties hereto that participation by the Department in a project with the Agency, where said project involves the purchase of commodities or contractual services where purchases or costs exceed the Threshold Amount for CATEGORY TWO per Section 287.017, Florida Statutes, is contingent on the Agency complying in full with the provisions of Section 287.057, Florida Statutes. The Agency's Authorized Official shall certify to the Department that the Agency's purchase of commodities or contractual services has been accomplished in compliance with Section 287.057, Florida Statutes. It shall be the sole responsibility of the Agency to ensure that any obligations made in accordance with this Section comply with the current threshold limits. Contracts, purchase orders, task orders, construction change orders, or any other agreement that would result in exceeding the current budget contained in **Exhibit "B", Schedule of Financial Assistance**, or that is not consistent with the Project description and scope of services contained in **Exhibit "A", Project Description and Responsibilities** must be approved by the Department prior to Agency execution. Failure to obtain such approval, and subsequent execution of an amendment to the Agreement if required, shall be sufficient cause for nonpayment by the Department, in accordance with this Agreement.
- c. **Consultants' Competitive Negotiation Act.** It is understood and agreed by the Parties to this Agreement that participation by the Department in a project with the Agency, where said project involves a consultant contract for professional services, is contingent on the Agency's full compliance with provisions of Section 287.055, Florida Statutes, Consultants' Competitive Negotiation Act. In all cases, the Agency's Authorized Official shall certify to the Department that selection has been accomplished in compliance with the Consultants' Competitive Negotiation Act.
- d. **Disadvantaged Business Enterprise (DBE) Policy and Obligation.** It is the policy of the Department that DBEs, as defined in 49 C.F.R. Part 26, as amended, shall have the opportunity to participate in the performance of contracts financed in whole or in part with Department funds under this Agreement. The DBE requirements of applicable federal and state laws and regulations apply to this Agreement. The Agency and its contractors agree to ensure that DBEs have the opportunity to participate in the performance of this Agreement. In this regard, all recipients and contractors shall take all necessary and reasonable steps in accordance with applicable federal and state laws and regulations to ensure that the DBEs have the opportunity to compete for and perform contracts. The Agency and its contractors and subcontractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of contracts, entered pursuant to this Agreement.

**13. Maintenance Obligations.** In the event the Project includes construction or the acquisition of commodities then the following provisions are incorporated into this Agreement:



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- a. The Agency agrees to accept all future maintenance and other attendant costs occurring after completion of the Project for all improvements constructed or commodities acquired as part of the Project. The terms of this provision shall survive the termination of this Agreement.

**14. Sale, Transfer, or Disposal of Department-funded Property:**

- a. The Agency will not sell or otherwise transfer or dispose of any part of its title or other interests in real property, facilities, or equipment funded in any part by the Department under this Agreement without prior written approval by the Department.
- b. If a sale, transfer, or disposal by the Agency of all or a portion of Department-funded real property, facilities, or equipment is approved by the Department, the following provisions will apply:
  - i. The Agency shall reimburse the Department a proportional amount of the proceeds of the sale of any Department-funded property.
  - ii. The proportional amount shall be determined on the basis of the ratio of the Department funding of the development or acquisition of the property multiplied against the sale amount, and shall be remitted to the Department within ninety (90) days of closing of sale.
  - iii. Sale of property developed or acquired with Department funds shall be at market value as determined by appraisal or public bidding process, and the contract and process for sale must be approved in advance by the Department.
  - iv. If any portion of the proceeds from the sale to the Agency are non-cash considerations, reimbursement to the Department shall include a proportional amount based on the value of the non-cash considerations.
- c. The terms of provisions “a” and “b” above shall survive the termination of this Agreement.
  - i. The terms shall remain in full force and effect throughout the useful life of facilities developed, equipment acquired, or Project items installed within a facility, but shall not exceed twenty (20) years from the effective date of this Agreement.
  - ii. There shall be no limit on the duration of the terms with respect to real property acquired with Department funds.

**15. Single Audit.** The administration of Federal or State resources awarded through the Department to the Agency by this Agreement may be subject to audits and/or monitoring by the Department. The following requirements do not limit the authority of the Department to conduct or arrange for the conduct of additional audits or evaluations of Federal awards or State financial assistance or limit the authority of any state agency inspector general, the State of Florida Auditor General, or any other state official. The Agency shall comply with all audit and audit reporting requirements as specified below.

**Federal Funded:**

- a. In addition to reviews of audits conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, monitoring procedures may include but not be limited to on-site visits by Department staff and/or other procedures, including reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to Federal awards provided through the Department by this Agreement. By entering into this Agreement, the Agency agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Agency further agrees to comply and cooperate with any

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inspections, reviews, investigations, or audits deemed necessary by the Department, State of Florida Chief Financial Officer (CFO), or State of Florida Auditor General.

- b. The Agency, a non-Federal entity as defined by 2 CFR Part 200, Subpart F – Audit Requirements, as a subrecipient of a Federal award awarded by the Department through this Agreement, is subject to the following requirements:
- i. In the event the Agency expends a total amount of Federal awards equal to or in excess of the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, the Agency must have a Federal single or program-specific audit conducted for such fiscal year in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements. **Exhibit “H”, Audit Requirements for Awards of Federal Financial Assistance**, to this Agreement provides the required Federal award identification information needed by the Agency to further comply with the requirements of 2 CFR Part 200, Subpart F – Audit Requirements. In determining Federal awards expended in a fiscal year, the Agency must consider all sources of Federal awards based on when the activity related to the Federal award occurs, including the Federal award provided through the Department by this Agreement. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by 2 CFR Part 200, Subpart F – Audit Requirements. An audit conducted by the State of Florida Auditor General in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements, will meet the requirements of this part.
  - ii. In connection with the audit requirements, the Agency shall fulfill the requirements relative to the auditee responsibilities as provided in 2 CFR Part 200, Subpart F – Audit Requirements.
  - iii. In the event the Agency expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards, the Agency is exempt from Federal audit requirements for that fiscal year. However, the Agency must provide a single audit exemption statement to the Department at [FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us) no later than nine months after the end of the Agency’s audit period for each applicable audit year. In the event the Agency expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards in a fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR Part 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 the Agency’s resources obtained from other than Federal entities).
  - iv. The Agency must electronically submit to the Federal Audit Clearinghouse (FAC) at <https://harvester.census.gov/facweb/> the audit reporting package as required by 2 CFR Part 200, Subpart F – Audit Requirements, within the earlier of 30 calendar days after receipt of the auditor’s report(s) or nine months after the end of the audit period. The FAC is the repository of record for audits required by 2 CFR Part 200, Subpart F – Audit Requirements. However, the Department requires a copy of the audit reporting package also be submitted to [FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us) within the earlier of 30 calendar days after receipt of the auditor’s report(s) or nine months after the end of the audit period as required by 2 CFR Part 200, Subpart F – Audit Requirements.
  - v. Within six months of acceptance of the audit report by the FAC, the Department will review the Agency’s audit reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate action on all deficiencies has been taken pertaining to the Federal award provided through the Department by this Agreement. If the Agency fails to have an

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audit conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, the Department may impose additional conditions to remedy noncompliance. If the Department determines that noncompliance cannot be remedied by imposing additional conditions, the Department may take appropriate actions to enforce compliance, which actions may include but not be limited to the following:

1. Temporarily withhold cash payments pending correction of the deficiency by the Agency or more severe enforcement action by the Department;
  2. Disallow (deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
  3. Wholly or partly suspend or terminate the Federal award;
  4. Initiate suspension or debarment proceedings as authorized under 2 C.F.R. Part 180 and Federal awarding agency regulations (or in the case of the Department, recommend such a proceeding be initiated by the Federal awarding agency);
  5. Withhold further Federal awards for the Project or program;
  6. Take other remedies that may be legally available.
- vi. As a condition of receiving this Federal award, the Agency shall permit the Department or its designee, the CFO, or State of Florida Auditor General access to the Agency's records, including financial statements, the independent auditor's working papers, and project records as necessary. Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is complete or the dispute is resolved.
- vii. The Department's contact information for requirements under this part is as follows:

Office of Comptroller, MS 24  
 605 Suwannee Street  
 Tallahassee, Florida 32399-0450  
[FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us)

**State Funded:**

- a. In addition to reviews of audits conducted in accordance with Section 215.97, Florida Statutes, monitoring procedures to monitor the Agency's use of state financial assistance may include but not be limited to on-site visits by Department staff and/or other procedures, including reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to state financial assistance awarded through the Department by this Agreement. By entering into this Agreement, the Agency agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Agency further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, the Department of Financial Services (DFS), or State of Florida Auditor General.
- b. The Agency, a "nonstate entity" as defined by Section 215.97, Florida Statutes, as a recipient of state financial assistance awarded by the Department through this Agreement, is subject to the following requirements:
  - i. In the event the Agency meets the audit threshold requirements established by Section 215.97, Florida Statutes, the Agency must have a State single or project-specific audit conducted for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. **Exhibit "G", Audit Requirements for Awards of State Financial Assistance**, to this Agreement indicates state financial

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assistance awarded through the Department by this Agreement needed by the Agency to further comply with the requirements of Section 215.97, Florida Statutes. In determining the state financial assistance expended in a fiscal year, the Agency shall consider all sources of state financial assistance, including state financial assistance received from the Department by this Agreement, 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.

- ii. In connection with the audit requirements, the Agency shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2)(e), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
- iii. In the event the Agency does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, the Agency is exempt for such fiscal year from the state single audit requirements of Section 215.97, Florida Statutes. However, the Agency must provide a single audit exemption statement to the Department at [FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us) no later than nine months after the end of the Agency's audit period for each applicable audit year. In the event the Agency does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, in a fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the Agency's resources (*i.e.*, the cost of such an audit must be paid from the Agency's resources obtained from other than State entities).
- iv. In accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, copies of financial reporting packages required by this Agreement shall be submitted to:

Florida Department of Transportation  
Office of Comptroller, MS 24  
605 Suwannee Street  
Tallahassee, Florida 32399-0405  
[FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us)

And

State of Florida Auditor General  
Local Government Audits/342  
111 West Madison Street, Room 401  
Tallahassee, FL 32399-1450  
Email: [flaudgen\\_localgovt@aud.state.fl.us](mailto:flaudgen_localgovt@aud.state.fl.us)

- v. Any copies of financial reporting packages, reports, or other information required to be submitted to the Department shall be submitted timely in accordance with Section 215.97, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.
- vi. The Agency, when submitting financial reporting packages to the Department for audits done in accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date the reporting package was delivered to the Agency in correspondence accompanying the reporting package.

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- vii. Upon receipt, and within six months, the Department will review the Agency's financial reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate corrective action on all deficiencies has been taken pertaining to the state financial assistance provided through the Department by this Agreement. If the Agency fails to have an audit conducted consistent with Section 215.97, Florida Statutes, the Department may take appropriate corrective action to enforce compliance.
- viii. As a condition of receiving state financial assistance, the Agency shall permit the Department or its designee, DFS, or the Auditor General access to the Agency's records, including financial statements, the independent auditor's working papers, and project records as necessary. Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is complete or the dispute is resolved.
- c. The Agency shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued and shall allow the Department or its designee, DFS, or State of Florida Auditor General access to such records upon request. The Agency shall ensure that the audit working papers are made available to the Department or its designee, DFS, or State of Florida Auditor General upon request for a period of five years from the date the audit report is issued, unless extended in writing by the Department.

**16. Notices and Approvals.** Notices and approvals referenced in this Agreement must be obtained in writing from the Parties' respective Administrators or their designees.

**17. Restrictions, Prohibitions, Controls and Labor Provisions:**

- a. **Convicted Vendor List.** 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 on a contract to provide any goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids 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 Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.
- b. **Discriminatory Vendor List.** In accordance with Section 287.134, Florida Statutes, an entity or affiliate who has been placed on the Discriminatory Vendor List, kept by the Florida Department of Management Services, may not submit a bid on a contract to provide goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids 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.
- c. **Non-Responsible Contractors.** An entity or affiliate who has had its Certificate of Qualification suspended, revoked, denied, or have further been determined by the Department to be a non-responsible contractor, may not submit a bid or perform work for the construction or repair of a public building or public work on a contract with the Agency.
- d. **Prohibition on Using Funds for Lobbying.** No funds received pursuant to this Agreement may be expended for lobbying the Florida Legislature, judicial branch, or any state agency, in accordance with Section 216.347, Florida Statutes.

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- e. **Unauthorized Aliens.** The Department shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. If the contractor knowingly employs unauthorized aliens, such violation will be cause for unilateral cancellation of this Agreement.
- f. **Procurement of Construction Services.** If the Project is procured pursuant to Chapter 255, Florida Statutes, for construction services and at the time of the competitive solicitation for the Project, 50 percent or more of the cost of the Project is to be paid from state-appropriated funds, then the Agency must comply with the requirements of Section 255.0991, Florida Statutes.
- g. **E-Verify.** The Agency shall:
  - i. Utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Agency during the term of the contract; and
  - ii. Expressly require any subcontractors performing work or providing services pursuant to the state contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term.
- h. **Executive Order 20-44.** Pursuant to Governor's Executive Order 20-44, if the Agency is required by the Internal Revenue Code to file IRS Form 990 and is named in statute with which the Department must form a sole-source, public-private agreement; or through contract or other agreement with the State, annually receives 50% or more of its budget from the State or from a combination of State and Federal funds, Recipient shall submit an Annual Report to the Department, including the most recent IRS Form 990, detailing the total compensation for each member of the Agency executive leadership team. Total compensation shall include salary, bonuses, cashed-in leave, cash equivalents, severance pay, retirement benefits, deferred compensation, real-property gifts, and any other payout. The Agency shall inform the Department of any changes in total executive compensation during the period between the filing of Annual Reports within 60 days of any change taking effect. All compensation reports shall detail the percentage of executive leadership compensation received directly from all State and/or Federal allocations to the Agency. Annual Reports shall be in the form approved by the Department and shall be submitted to the Department at [fdotsingleaudit@dot.state.fl.us](mailto:fdotsingleaudit@dot.state.fl.us) within 180 days following the end of each tax year of the Agency receiving Department funding.
- i. **Design Services and Construction Engineering and Inspection Services.** If the Project is wholly or partially funded by the Department and administered by a local governmental entity, except for a seaport listed in Section 311.09, Florida Statutes, or an airport as defined in Section 332.004, Florida Statutes, the entity performing design and construction engineering and inspection services may not be the same entity.

**18. Indemnification and Insurance:**

- a. It is specifically agreed between the Parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof, a third party beneficiary under this Agreement, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The Agency guarantees the payment of all just claims for materials, supplies, tools, or labor and other just claims against the Agency or any subcontractor, in connection with this Agreement. Additionally, the Agency shall indemnify, defend, and hold harmless the State of Florida, Department of Transportation, including the Department's officers and employees, from liabilities, damages, losses, and costs, including,

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but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness, or intentional wrongful misconduct of the Agency and persons employed or utilized by the Agency in the performance of this Agreement. This indemnification shall survive the termination of this Agreement. Additionally, the Agency agrees to include the following indemnification in all contracts with contractors/subcontractors and consultants/subconsultants who perform work in connection with this Agreement:

"To the fullest extent permitted by law, the Agency's contractor/consultant shall indemnify, defend, and hold harmless the Agency and the State of Florida, Department of Transportation, including the Department's officers and employees, from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the contractor/consultant and persons employed or utilized by the contractor/consultant in the performance of this Agreement.

This indemnification shall survive the termination of this Agreement."

- b. The Agency shall provide Workers' Compensation Insurance in accordance with Florida's Workers' Compensation law for all employees. If subletting any of the work, ensure that the subcontractor(s) and subconsultant(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.
- c. If the Agency elects to self-perform the Project, then the Agency may self-insure. If the Agency elects to hire a contractor or consultant to perform the Project, then the Agency shall carry, or cause its contractor or consultant to carry, Commercial General Liability insurance providing continuous coverage for all work or operations performed under this 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 Florida. The Agency shall cause, or cause its contractor or consultant to cause, the Department 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 the Department as an Additional Insured shall be primary 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 and such deductibles shall be paid by the Named Insured. No policy/ies or coverage described herein may contain or be subject to a Retention or a Self-Insured Retention unless the Agency is a state agency or subdivision of the State of Florida that elects to self-perform the Project. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, the Department shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The Department 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. The Department'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 the Department may have.

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- d. When the Agreement includes the construction of a railroad grade crossing, railroad overpass or underpass structure, or any other work or operations within the limits of the railroad right-of-way, including any encroachments thereon from work or operations in the vicinity of the railroad right-of-way, the Agency shall, or cause its contractor to, in addition to the insurance coverage required above, procure and maintain Railroad Protective Liability Coverage (ISO Form CG 00 35) where the railroad is the Named Insured and where the limits are not less than \$2,000,000 combined single limit for bodily injury and/or property damage per occurrence, and with an annual aggregate limit of not less than \$6,000,000. The railroad shall also be added along with the Department as an Additional Insured on the policy/ies procured pursuant to the paragraph above. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, both the Department and the railroad shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The insurance described herein shall be maintained through final acceptance of the work. Both the Department and the railroad shall be notified in writing within ten days of any cancellation, notice of cancellation, renewal, or proposed change to any policy or coverage described herein. The Department'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 the Department may have.
- e. When the Agreement involves work on or in the vicinity of utility-owned property or facilities, the utility shall be added along with the Department as an Additional Insured on the Commercial General Liability policy/ies procured above.

**19. Miscellaneous:**

- a. **Environmental Regulations.** The Agency will be solely responsible for compliance with all applicable environmental regulations and for any liability arising from non-compliance with these regulations, and will reimburse the Department for any loss incurred in connection therewith.
- b. **Non-Admission of Liability.** In no event shall the making by the Department of any payment to the Agency constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist on the part of the Agency and the making of such payment by the Department, while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.
- c. **Severability.** If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected. In such an instance, the remainder would then continue to conform to the terms and requirements of applicable law.
- d. **Agency not an agent of Department.** The Agency and the Department agree that the Agency, its employees, contractors, subcontractors, consultants, and subconsultants are not agents of the Department as a result of this Agreement.
- e. **Bonus or Commission.** By execution of the Agreement, the Agency represents that it has not paid and, also agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the financing hereunder.
- f. **Non-Contravention of State Law.** Nothing in the Agreement shall require the Agency to observe or enforce compliance with any provision or perform any act or do any other thing in contravention of any applicable state law. If any of the provisions of the Agreement violate any applicable state law, the Agency will at once notify the Department in writing so that



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appropriate changes and modifications may be made by the Department and the Agency to the end that the Agency may proceed as soon as possible with the Project.

- g. Execution of Agreement.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same Agreement. A facsimile or electronic transmission of this Agreement with a signature on behalf of a party will be legal and binding on such party.
- h. Federal Award Identification Number (FAIN).** If the FAIN is not available prior to execution of the Agreement, the Department may unilaterally add the FAIN to the Agreement without approval of the Agency and without an amendment to the Agreement. If this occurs, an updated Agreement that includes the FAIN will be provided to the Agency and uploaded to the Department of Financial Services' Florida Accountability Contract Tracking System (FACTS).
- i. Inspector General Cooperation.** The Agency agrees to comply with Section 20.055(5), Florida Statutes, and to incorporate in all subcontracts the obligation to comply with Section 20.055(5), Florida Statutes.
- j. Law, Forum, and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. In the event of a conflict between any portion of the contract and Florida law, the laws of Florida shall prevail. The Agency agrees to waive forum and venue and that the Department shall determine the forum and venue in which any dispute under this Agreement is decided.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year written above.

AGENCY Jacksonville Port Authority

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: Authorized Official or James M. Knight, P.E.

Title: \_\_\_\_\_

Title: Urban Planning and Modal Administrator

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION  
Legal Review:

\_\_\_\_\_

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**EXHIBIT A**

**Project Description and Responsibilities**

**A. Project Description** (description of Agency's project to provide context, description of project components funded via this Agreement (if not the entire project)): This Agreement provides for the Department's financial participation in Jaxport's Blount Island Marine Terminal Improvements initiative. This project includes construction of additional breasting and mooring dolphins and widens a portion of the existing pier to accommodate mid-ship ramps on roll on / roll off (RO/RO) vessels. Associated pier improvements include lighting and extension of existing walkways and electrical systems.

**B. Project Location** (limits, city, county, map): Jacksonville, Florida

**C. Project Scope** (allowable costs: describe project components, improvement type/service type, approximate timeline, project schedule, project size): This Project includes the environmental work, design work, and construction work required to complete the Berth development activities described in the Project Description, including: aids to navigation; apron improvements; asphalt paving activities; benthic studies; berthing area widening and deepening; bulkhead caps; cap faces repair or installation; cable protection systems; cap soffits repair or installation; cast in place concrete; cathodic protection; compaction; concrete; concrete beams; concrete caps; construction; construction inspection services; construction management services; construction services; consulting services; contractor stand-by; cost estimates; crack repairs; crane rail repair or installation; deck ballast; demobilization; demolition; electrical components and systems; engineering services; environmental assessments; fasteners and connectors; fenders and bollards; form work; geotechnical services; historical resource studies; installation and testing; lighting systems; mitigation assessments; mobilization; painting; panel soffits repair or installation; permitting; pilings; plan development (e.g., 30 / 60 / 90 / 100 % and as-builts); precast concrete; preconstruction engineering and design; procurement costs; rebar repair or installation; reconstruction of underdeck concrete; seagrass studies; sheet piling; shore and slope protection; sidewalk and walkway systems; signage and way finding; steel; stormwater management; striping of roadway or storage areas; structural components; surveying; temporary structures; tie-back systems; turning basin widening and deepening; utilities; and, water quality protection structures.

**D. Deliverable(s):**

The project scope identifies the ultimate project deliverables. Deliverables for requisition, payment and invoice purposes will be the incremental progress made toward completion of project scope elements. Supporting documentation will be quantifiable, measurable, and verifiable, to allow for a determination of the amount of incremental progress that has been made, and provide evidence that the payment requested is commensurate with the accomplished incremental progress and costs incurred by the Agency.

**E. Unallowable Costs** (including but not limited to): Travel costs are not allowed.

**F. Transit Operating Grant Requirements (Transit Only):**

Transit Operating Grants billed as an operational subsidy will require an expenditure detail report from the Agency that matches the invoice period. The expenditure detail, along with the progress report, will be the required deliverables for Transit Operating Grants. Operating grants may be issued for a term not to exceed three years from execution. The original grant agreement will include funding for year one. Funding for years two and three will be added by amendment as long as the grantee has submitted all invoices on schedule and the project deliverables for the year have been met.



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**EXHIBIT B**

**Schedule of Financial Assistance**

FUNDS AWARDED TO THE AGENCY AND REQUIRED MATCHING FUNDS PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

**A. Fund Type and Fiscal Year:**

Financial Management Number	Fund Type	FLAIR Category	State Fiscal Year	Object Code	CSFA/CFDA Number	CSFA/CFDA Title or Funding Source Description	Funding Amount
440264-1-94-02	GMR	088794	2022	751000	55.005	Seaport Grant Program	\$3,750,000.00
440264-1-94-02	LF	088794	2022	-	-	Local Matching Funds	\$1,250,000.00
<b>Total Financial Assistance</b>							<b>\$5,000,000.00</b>

**B. Estimate of Project Costs by Grant Phase:**

Phases*	State	Local	Federal	Totals	State %	Local %	Federal %
Land Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Planning	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Environmental/Design/Construction	\$3,750,000.00	\$1,250,000.00	\$0.00	\$5,000,000.00	75.00	25.00	0.00
Capital Equipment/ Preventative Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Match to Direct Federal Funding	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Mobility Management (Transit Only)	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
<b>Totals</b>	<b>\$3,750,000.00</b>	<b>\$1,250,000.00</b>	<b>\$0.00</b>	<b>\$5,000,000.00</b>			

\*Shifting items between these grant phases requires execution of an Amendment to the Public Transportation Grant Agreement.

**BUDGET/COST ANALYSIS CERTIFICATION AS REQUIRED BY SECTION 216.3475, FLORIDA STATUTES:**

I certify that the cost for each line item budget category (grant phase) has been evaluated and determined to be allowable, reasonable, and necessary as required by Section 216.3475, Florida Statutes. Documentation is on file evidencing the methodology used and the conclusions reached.

Justin Ryan

Department Grant Manager Name

Signature

Date

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**EXHIBIT C**

**TERMS AND CONDITIONS OF CONSTRUCTION**

**1. Design and Construction Standards and Required Approvals.**

- a. The Agency understands that it is responsible for the preparation and certification of all design plans for the Project. The Agency shall hire a qualified consultant for the design phase of the Project or, if applicable, the Agency shall require their design-build contractor or construction management contractor to hire a qualified consultant for the design phase of the Project.
- b. Execution of this Agreement by both Parties shall be deemed a Notice to Proceed to the Agency for the design phase or other non-construction phases of the Project. If the Project involves a construction phase, the Agency shall not begin the construction phase of the Project until the Department issues a Notice to Proceed for the construction phase. Prior to commencing the construction work described in this Agreement, the Agency shall request a Notice to Proceed from the Department's Project Manager, FDOT District 2 Seaport Coordinator (email: Justin.Ryan@dot.state.fl.us) or from an appointed designee. Any construction phase work performed prior to the execution of this required Notice to Proceed is not subject to reimbursement.
- c. The Agency will provide one (1) copy of the final design plans and specifications and final bid documents to the Department's Project Manager prior to bidding or commencing construction of the Project.
- d. The Agency shall require the Agency's contractor to post a payment and performance bond in accordance with applicable law(s).
- e. The Agency shall be responsible to ensure that the construction work under this Agreement is performed in accordance with the approved construction documents, and that the construction work will meet all applicable Agency and Department standards.
- f. Upon completion of the work authorized by this Agreement, the Agency shall notify the Department 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 Engineer's Certification of Compliance, signed and sealed by a Professional Engineer, the form of which is attached to this Exhibit. The certification shall state that work has been completed in compliance with the Project construction plans and specifications. If any deviations are found from the approved plans or specifications, the certification shall include a list of all deviations along with an explanation that justifies the reason to accept each deviation.

**2. Construction on the Department's Right of Way.** If the Project involves construction on the Department's right-of-way, then the following provisions apply to any and all portions of the Project that are constructed on the Department's right-of-way:

- a. The Agency shall hire a qualified contractor using the Agency's normal bid procedures to perform the construction work for the Project. The Agency must certify that the installation of the Project is completed by a Contractor prequalified by the Department as required by Section 2 of the Standard Specifications for Road and Bridge Construction (2016), as amended, unless otherwise approved by the Department in writing or the Contractor exhibits past project experience in the last five years that are comparable in scale, composition, and overall quality to the site characterized within the scope of services of this Project.

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- b. Construction Engineering Inspection (CEI) services will be provided by the Agency by hiring a Department prequalified consultant firm including one individual that has completed the Advanced Maintenance of Traffic Level Training, unless otherwise approved by the Department in writing. The CEI staff shall be present on the Project at all times that the contractor is working. Administration of the CEI staff shall be under the responsible charge of a State of Florida Licensed Professional Engineer who shall provide the certification that all design and construction for the Project meets the minimum construction standards established by Department. The Department shall approve all CEI personnel. The CEI firm shall not be the same firm as that of the Engineer of Record for the Project. The Department shall have the right, but not the obligation, to perform independent assurance testing during the course of construction of the Project. Notwithstanding the foregoing, the Department may issue a written waiver of the CEI requirement for portions of Projects involving the construction of bus shelters, stops, or pads.
- c. The Project shall be designed and constructed in accordance with the latest edition of the Department's Standard Specifications for Road and Bridge Construction, the Department Design Standards, and the Manual of Uniform Traffic Control Devices (MUTCD). The following guidelines shall apply as deemed appropriate by the Department: the Department Structures Design Manual, AASHTO Guide Specifications for the Design of Pedestrian Bridges, AASHTO LRFD Bridge Design Specifications, Florida Design Manual, Manual for Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways (the "Florida Green Book"), and the Department Traffic Engineering Manual. The Agency will be required to submit any construction plans required by the Department for review and approval prior to any work being commenced. Should any changes to the plans be required during construction of the Project, the Agency shall be required to notify the Department of the changes and receive approval from the Department prior to the changes being constructed. The Agency shall maintain the area of the Project at all times and coordinate any work needs of the Department during construction of the Project.
- d. The Agency shall notify the Department a minimum of 48 hours before beginning construction within Department right-of-way. The Agency shall notify the Department should construction be suspended for more than 5 working days. The Department contact person for construction is FDOT District 2 Seaport Coordinator.
- e. The Agency shall be responsible for monitoring construction operations and the maintenance of traffic (MOT) throughout the course of the Project in accordance with the latest edition of the Department Standard Specifications, section 102. The Agency is responsible for the development of a MOT plan and making any changes to that plan as necessary. The MOT plan shall be in accordance with the latest version of the Department Design Standards, Index 600 series. Any MOT plan developed by the Agency that deviates from the Department Design Standards must be signed and sealed by a professional engineer. MOT plans will require approval by the Department prior to implementation.
- f. The Agency shall be responsible for locating all existing utilities, both aerial and underground, and for ensuring that all utility locations be accurately documented on the construction plans. All utility conflicts shall be fully resolved directly with the applicable utility.
- g. The Agency will be responsible for obtaining all permits that may be required by other agencies or local governmental entities.
- h. It is hereby agreed by the Parties that this Agreement creates a permissive use only and all improvements located on the Department's right-of-way resulting from this Agreement shall become the property of the Department. Neither the granting of the permission to use the Department right of way nor the placing of facilities upon the Department property shall operate to create or vest any property right to or in the Agency, except as may otherwise be provided in separate agreements. The Agency shall not acquire any right, title, interest or

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estate in Department right of way, of any nature or kind whatsoever, by virtue of the execution, operation, effect, or performance of this Agreement including, but not limited to, the Agency's use, occupancy or possession of Department right of way. The Parties agree that this Agreement does not, and shall not be construed to, grant credit for any future transportation concurrency requirements pursuant to Chapter 163, F.S.

- i. The Agency shall not cause any liens or encumbrances to attach to any portion of the Department's property, including but not limited to, the Department's right-of-way.
- j. The Agency shall perform all required testing associated with the design and construction of the Project. Testing results shall be made available to the Department upon request. The Department shall have the right to perform its own independent testing during the course of the Project.
- k. The Agency shall exercise the rights granted herein and shall otherwise perform this Agreement in a good and workmanlike manner, with reasonable care, in accordance with the terms and provisions of this Agreement and all applicable federal, state, local, administrative, regulatory, safety and environmental laws, codes, rules, regulations, policies, procedures, guidelines, standards and permits, as the same may be constituted and amended from time to time, including, but not limited to, those of the Department, applicable Water Management District, Florida Department of Environmental Protection, the United States Environmental Protection Agency, the United States Army Corps of Engineers, the United States Coast Guard and local governmental entities.
- l. If the Department determines a condition exists which threatens the public's safety, the Department may, at its discretion, cause construction operations to cease and immediately have any potential hazards removed from its right-of-way at the sole cost, expense, and effort of the Agency. The Agency shall bear all construction delay costs incurred by the Department.
- m. The Agency shall be responsible to maintain and restore all features that might require relocation within the Department right-of-way.
- n. The Agency will be solely responsible for clean up or restoration required to correct any environmental or health hazards that may result from construction operations.
- o. The acceptance procedure will include a final "walk-through" by Agency and Department personnel. Upon completion of construction, the Agency will be required to submit to the Department final as-built plans and an engineering certification that construction was completed in accordance to the plans. Submittal of the final as-built plans shall include one complete set of the signed and sealed plans on 11" X 17" plan sheets and an electronic copy prepared in Portable Document Format (PDF). Prior to the termination of this Agreement, the Agency shall remove its presence, including, but not limited to, all of the Agency's property, machinery, and equipment from Department right-of-way and shall restore those portions of Department right of way disturbed or otherwise altered by the Project to substantially the same condition that existed immediately prior to the commencement of the Project.
- p. If the Department determines that the Project is not completed in accordance with the provisions of this Agreement, the Department shall deliver written notification of such to the Agency. The Agency shall have thirty (30) days from the date of receipt of the Department's written notice, or such other time as the Agency and the Department mutually agree to in writing, to complete the Project and provide the Department with written notice of the same (the "Notice of Completion"). If the Agency fails to timely deliver the Notice of Completion, or if it is determined that the Project is not properly completed after receipt of the Notice of Completion, the Department, within its discretion may: 1) provide the Agency with written authorization granting such additional time as the Department deems appropriate to correct the deficiency(ies); or 2) correct the deficiency(ies) at the Agency's sole cost and expense,

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without Department liability to the Agency for any resulting loss or damage to property, including, but not limited to, machinery and equipment. If the Department elects to correct the deficiency(ies), the Department shall provide the Agency with an invoice for the costs incurred by the Department and the Agency shall pay the invoice within thirty (30) days of the date of the invoice.

- q. The Agency shall implement best management practices for erosion and pollution control to prevent violation of state water quality standards. The Agency shall be responsible for the correction of any erosion, shoaling, or water quality problems that result from the construction of the Project.
- r. Portable Traffic Monitoring Site (PTMS) or a Telemetry Traffic Monitoring Site (TTMS) may exist within the vicinity of your proposed work. It is the responsibility of the Agency to locate and avoid damage to these sites. If a PTMS or TTMS is encountered during construction, the Department must be contacted immediately.
- s. During construction, highest priority must be given to pedestrian safety. If permission is granted to temporarily close a sidewalk, it should be done with the express condition that an alternate route will be provided, and shall continuously maintain pedestrian features to meet Americans Disability Act (ADA) standards.
- t. Restricted hours of operation will be as follows, unless otherwise approved by the Department's District Construction Engineer or designee (insert hours and days of the week for restricted operation): Not Applicable
- u. Lane closures on the state road system must be coordinated with the Public Information Office at least two weeks prior to the closure. The contact information for the Department's Public Information Office is:

Insert District PIO contact info:

Phone: (904) 360-5457; FAX: (904) 360-5519

**Note: (Highlighted sections indicate need to confirm information with District Office or appropriate DOT person managing the Agreement)**

- 3. **Engineer's Certification of Compliance.** The Agency shall complete and submit and if applicable Engineer's Certification of Compliance to the Department upon completion of the construction phase of the Project.



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**ENGINEER’S CERTIFICATION OF COMPLIANCE**

PUBLIC TRANSPORTATION GRANT AGREEMENT  
BETWEEN  
THE STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION  
and \_\_\_\_\_

PROJECT DESCRIPTION: \_\_\_\_\_

DEPARTMENT CONTRACT NO.: \_\_\_\_\_

FINANCIAL MANAGEMENT NO.: \_\_\_\_\_

In accordance with the Terms and Conditions of the Public Transportation Grant Agreement, the undersigned 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, the Agency shall furnish the Department a set of “as-built” plans for construction on the Department’s Right of Way certified by the Engineer of Record/CEI.

By: \_\_\_\_\_, P.E.

SEAL:

Name: \_\_\_\_\_

Date: \_\_\_\_\_

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**EXHIBIT D**

**AGENCY RESOLUTION**

***PLEASE SEE ATTACHED***

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**EXHIBIT E  
PROGRAM SPECIFIC TERMS AND CONDITIONS – SEAPORTS**

**A. General.**

1. These assurances shall form an integral part of the Agreement between the Department and the Agency.
2. These assurances delineate the obligations of the parties to this Agreement to ensure their commitment and compliance with specific provisions of **Exhibit “A”, Project Description and Responsibilities** and **Exhibit “B”, Schedule of Financial Assistance** as well as serving to protect public investment in seaports and the continued viability of the State Seaport System.
3. The Agency shall comply with the assurances as specified in this Agreement.

**B. Required Documents.** The documents listed below, as applicable, are required to be submitted to the Department by the Agency in accordance with the terms of this Agreement:

1. Quarterly Progress Reports provided within thirty (30) days of the end of each calendar year quarter, if requested by the Department.
2. Electronic invoice summaries and backup information, including a progress report must be submitted to the District Office when requesting payment.
3. All proposals, plans, specifications, and third party contracts covering the Project.
4. The Agency will upload required and final close out documents to the Department's web-based grant management system (e.g., SeaCIP.com).

**C. Duration of Terms and Assurances.**

1. The terms and assurances of this Agreement shall remain in full force and effect throughout the useful life of a facility developed; equipment acquired; or Project items installed within a facility for a seaport development project, but shall not exceed 20 years from the effective date of this Agreement.
2. There shall be no limit on the duration of the terms and assurances of this Agreement with respect to real property acquired with funds provided by the State of Florida.

**D. Compliance with Laws and Rules.** The Agency hereby certifies, with respect to this Project, it will comply, within its authority, with all applicable, current laws and rules of the State of Florida and local governments, which may apply to the Project. Including but not limited to the following (current version of each):

1. Chapter 311, Florida Statutes (F.S.)
2. Local Government Requirements
  - a. Local Zoning/Land Use Ordinance
  - b. Local Comprehensive Plan

**E. Construction Certification.** The Agency hereby certifies, with respect to a construction-related project, that all design plans and specifications will comply with applicable federal, state, local, and professional standards, including but not limited to the following:

1. Federal Requirements
2. Local Government Requirements
  - a. Local Building Codes
  - b. Local Zoning Codes
3. Department Requirements
  - a. Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways (Commonly Referred to as the “Florida Green Book”)
  - b. Manual on Uniform Traffic Control Devices

**F. Consistency with Local Government Plans.**

1. The Agency assures the Project is consistent with the currently existing and planned future land use development plans approved by the local government having jurisdictional responsibility for the area surrounding the seaport.
2. The Agency assures that it has given fair consideration to the interest of local communities and has had reasonable consultation with those parties affected by the Project.

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3. The Agency assures that the Comprehensive Master Plan, if applicable, is incorporated as part of the approved local government comprehensive plan as required by Chapter 163, F.S.
- G. Land Acquisition Projects.** For the purchase of real property, the Agency assures that it will:
1. Acquire the land in accordance with federal and state laws governing such action.
  2. Maintain direct control of Project administration, including:
    - a. Maintain responsibility for all related contract letting and administrative procedures.
    - b. Ensure a qualified, State certified general appraiser provides all necessary services and documentation.
    - c. Furnish the Department with a projected schedule of events and a cash flow projection within 20 calendar days after completion of the review appraisal.
    - d. Establish a Project account for the purchase of the land.
    - e. Collect and disburse federal, state, and local Project funds.
  3. The Agency assures that it shall use the land for seaport purposes in accordance with the terms and assurances of this Agreement within 10 years of acquisition.
- H. Preserving Rights, Powers and Interest.**
1. The Agency will not take or permit any action that would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms and assurances of this Agreement without the written approval of the Department. Further, it will act promptly to acquire, extinguish, or modify, in a manner acceptable to the Department, any outstanding rights or claims of right of others which would interfere with such performance by the Agency.
  2. If an arrangement is made for management and operation of the funded facility or equipment by any entity or person other than the Agency, the Agency shall reserve sufficient rights and authority to ensure that the funded facility or equipment will be operated and maintained in accordance with the terms and assurances of this Agreement.
  3. The Agency will not sell or otherwise transfer or dispose of any part of its title or other interests in the funded facility or equipment without prior written approval by the Department. This assurance shall not limit the Agency's right to lease seaport property, facilities or equipment for seaport-compatible purposes in the regular course of seaport business.
- I. Third Party Contracts.** The Department reserves the right to approve third party contracts, except that written approval is hereby granted for:
1. Execution of contracts for materials from a valid state or intergovernmental contract. Such materials must be included in the Department approved Project scope and/or quantities.
  2. Other contracts less than \$5,000.00 excluding engineering consultant services and construction contracts. Such services and/or materials must be included in the Department approved Project scope and/or quantities.
  3. Construction change orders less than \$5,000.00. Change orders must be fully executed prior to performance of work.
  4. Contracts, purchase orders, and construction change orders (excluding engineering consultant services) up to the threshold limits of Category Three. Such contracts must be for services and/or materials included in the Department approved Project scope and/or quantities. Purchasing Categories and Thresholds are defined in Section 287.017, F.S., and Chapter 60, Florida Administrative Code. The threshold limits are adjusted periodically for inflation, and it shall be the sole responsibility of the Agency to ensure that any obligations made in accordance with this Agreement comply with the current threshold limits. Obligations made in excess of the appropriate limits shall be cause for Department non-participation.
  5. In all cases, the Agency shall include a copy of the executed contract or other agreement with the backup documentation of the invoice for reimbursement of costs associated with the contract.
- J. Inspection or verification and approval of deliverables.** Section 215.422(1), F.S., allows 5 working days for the approval and inspection of goods and services unless the bid specifications, purchase orders, or contracts specifies otherwise. The Agreement extends this timeline by specifying that the inspection or verification and approval of deliverables shall take no longer than 20 days from the Department's receipt of an invoice.

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**K. Federal Navigation Projects**

1. Funding reimbursed from any federal agency for this Project shall be remitted to the Department, in an amount proportional to the Department's participating share in the Project. The Agency shall remit such funds to the Department immediately upon receipt.
2. Department funding, as listed in **Exhibit "B", Schedule of Financial Assistance**, may not be used for environmental monitoring costs.

**L. Acquisition of Crane.** Department funding, as listed in **Exhibit "B", Schedule of Financial Assistance** will be cost reimbursed using the following schedule, unless stated otherwise in **Exhibit "A", Project Description and Responsibilities**:

1. Sixty (60) percent after landside delivery and acceptance by the Agency.
2. Forty (40) percent after installation and commissioning has been completed.

*-- End of Exhibit E --*

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**EXHIBIT F**

**Contract Payment Requirements  
Florida Department of Financial Services, Reference Guide for State Expenditures  
Cost Reimbursement Contracts**

Invoices for cost reimbursement contracts must be supported by an itemized listing of expenditures by category (salary, travel, expenses, etc.). Supporting documentation shall be submitted for each amount for which reimbursement is being claimed indicating that the item has been paid. Documentation for each amount for which reimbursement is being claimed must indicate that the item has been paid. Check numbers may be provided in lieu of copies of actual checks. Each piece of documentation should clearly reflect the dates of service. Only expenditures for categories in the approved agreement budget may be reimbursed. These expenditures must be allowable (pursuant to law) and directly related to the services being provided.

Listed below are types and examples of supporting documentation for cost reimbursement agreements:

(1) Salaries: A payroll register or similar documentation should be submitted. The payroll register should show gross salary charges, fringe benefits, other deductions and net pay. If an individual for whom reimbursement is being claimed is paid by the hour, a document reflecting the hours worked times the rate of pay will be acceptable.

(2) Fringe Benefits: Fringe Benefits should be supported by invoices showing the amount paid on behalf of the employee (e.g., insurance premiums paid). If the contract specifically states that fringe benefits will be based on a specified percentage rather than the actual cost of fringe benefits, then the calculation for the fringe benefits amount must be shown.

Exception: Governmental entities are not required to provide check numbers or copies of checks for fringe benefits.

(3) Travel: Reimbursement for travel must be in accordance with Section 112.061, Florida Statutes, which includes submission of the claim on the approved State travel voucher or electronic means.

(4) Other direct costs: Reimbursement will be made based on paid invoices/receipts. If nonexpendable property is purchased using State funds, the contract should include a provision for the transfer of the property to the State when services are terminated. Documentation must be provided to show compliance with Department of Management Services Rule 60A-1.017, Florida Administrative Code, regarding the requirements for contracts which include services and that provide for the contractor to purchase tangible personal property as defined in Section 273.02, Florida Statutes, for subsequent transfer to the State.

(5) In-house charges: Charges which may be of an internal nature (e.g., postage, copies, etc.) may be reimbursed on a usage log which shows the units times the rate being charged. The rates must be reasonable.

(6) Indirect costs: If the contract specifies that indirect costs will be paid based on a specified rate, then the calculation should be shown.

Contracts between state agencies, and/or contracts between universities may submit alternative documentation to substantiate the reimbursement request that may be in the form of FLAIR reports or other detailed reports.

The Florida Department of Financial Services, online Reference Guide for State Expenditures can be found at this web address <https://www.myfloridacfo.com/Division/AA/Manuals/documents/ReferenceGuideforStateExpenditures.pdf>.

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**EXHIBIT G**

**AUDIT REQUIREMENTS FOR AWARDS OF STATE FINANCIAL ASSISTANCE**

**THE STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:**

**SUBJECT TO SECTION 215.97, FLORIDA STATUTES:~**

**Awarding Agency:** Florida Department of Transportation  
**State Project Title:** Seaport Grant Program  
**CSFA Number:** 55.005  
**\*Award Amount:** \$3,750,000

\*The award amount may change with amendments

Specific project information for CSFA Number 55.005 is provided at: <https://apps.fldfs.com/fsaa/searchCatalog.aspx>

**COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT:**

State Project Compliance Requirements for CSFA Number 55.005 are provided at: <https://apps.fldfs.com/fsaa/searchCompliance.aspx>

The State Projects Compliance Supplement is provided at: <https://apps.fldfs.com/fsaa/compliance.aspx>

**BD2022-03-04**



**SUBMISSION  
FOR  
BOARD APPROVAL**

**SUBJECT: Public Transportation Grant Agreement – Berth Improvements  
(Berth 20 T Berth Construction)**

**Amount:** \$4,456,772

**BUDGETED:** N/A

**SOURCE OF FUNDS:** Florida Department of Transportation (FDOT)

**BACKGROUND:** JAXPORT continues to plan for the increase in cargo at the Blount Island Marine Terminal for both containers and Roll-on/Roll-off (RO/RO). With the increase in container vessel traffic expected on the main wharf, limited opportunities for auto vessel berthing will be available on the main wharf to accommodate overflow. In order to address the continued need for auto vessel berthing to maintain and grow the auto processing, the existing RO/RO berths must be expanded. Berth 20 will be extended from the current “L-Shaped” berth to create a “T-Shaped” berth. This extension will allow for two 750’ LOA RO/RO vessels to berth simultaneously, thereby increasing the capacity for RO/RO operations for auto processing at BIMT.

**STATUS:** The Florida Department of Transportation (FDOT) has presented a Public Transportation Grant Agreement (PTGA) for the expansion of Berth 20 in the amount of \$4,456,772 (75% FDOT) to be matched with \$1,485,591 (25% JAXPORT). Additional FDOT funding is programmed in FDOT’s next two fiscal years providing a total participation of \$30,000,000 from FDOT. The current agreement allows JAXPORT to proceed to begin the design/permitting process.

FDOT requires a resolution authorizing the CEO to execute the PTGA and any supplemental changes to the grant.

**RECOMMENDATION:** It is recommended that the Jacksonville Port Authority Board of Directors approve the acceptance of the Public Transportation Grant Agreement and adopt the attached Resolution.

**ATTACHMENTS:**

Resolution

Public Transportation Grant Agreement for BIMT berth improvements.



**BD2022-03-04**



**SUBMISSION  
FOR  
BOARD APPROVAL**

**RECOMMENDED FOR APPROVAL:**

James Bennett, Sr. Director  
Engineering & Construction

**Signature:** James G. Bennett, PE  
James G. Bennett, PE (Mar 23, 2022 09:15 EDT)

**Email:** James.Bennett@jaxport.com

\_\_\_\_\_  
Signature and Date

**SUBMITTED FOR APPROVAL:**

Eric Green  
Chief Executive Officer

**Signature:** Eric B. Green  
Eric B. Green (Mar 23, 2022 10:10 EDT)

**Email:** eric.green@jaxport.com

\_\_\_\_\_  
Signature and Date

**BOARD APPROVAL:**

3/28/2022  
Meeting Date

\_\_\_\_\_  
Rebecca Dicks/Recording Secretary

**ATTEST:**

\_\_\_\_\_  
Bradley S. Talbert, Secretary

\_\_\_\_\_  
Wendy O. Hamilton, Chairwoman

**A RESOLUTION OF THE JACKSONVILLE PORT AUTHORITY AUTHORIZING THE EXECUTION OF A PUBLIC TRANSPORTATION GRANT AGREEMENT BETWEEN THE FLORIDA DEPARTMENT OF TRANSPORTATION AND THE JACKSONVILLE PORT AUTHORITY FOR STATE FUNDING IN FDOT FISCAL YEAR 2022 FOR CONVERSION OF BERTH 20 TO A “T” BERTH AT BLOUNT ISLAND**

**WHEREAS**, the Jacksonville Port Authority (JAXPORT) has been presented a Public Transportation Grant Agreement (PTGA) with the Florida Department of Transportation (FDOT) FM 440264-1-94-03 for conversion of Berth 20 to a “T” Berth at Blount Island; and

**WHEREAS**, FDOT and JAXPORT have agreed that FDOT will provide funds of \$4,456,772.00 under Reimbursement Payment Provisions according to the terms and conditions of the PTGA.

**NOW THERE, BE IT REOLVED** by JAXPORT:

**Section 1:** JAXPORT confirms its desire to enter into the PTGA with FDOT.

**Section 2:** The Chief Executive Officer, or his authorized representative, is herein specifically authorized to enter into and sign such documents as may be necessary, including the PTGA and any Supplemental Public Transportation Grant Agreement(s) for the purpose of scope changes, funding adjustments, contract duration changes, additional financial project numbers as well as execute Assurances, Certification and all other documents as may be required to support this project.

**Section 3:** Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED AND ADPOTED THIS 28<sup>th</sup> DAY OF MARCH 2022.

JACKSONVILLE PORT AUTHORITY

\_\_\_\_\_  
Wendy O. Hamilton, Chairwoman

(Official Seal)

ATTEST

\_\_\_\_\_  
Bradley S. Talbert, Secretary

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION  
**PUBLIC TRANSPORTATION  
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Financial Project Number(s): <small>(item-segment-phase-sequence)</small> 440264-1-94-03	Fund(s):	GMR	FLAIR Category:	088794
	Work Activity Code/Function:	215	Object Code:	751000
	Federal Number/Federal Award Identification Number (FAIN) – Transit only:		Org. Code:	55022020229
Contract Number:	Federal Award Date:		Vendor Number:	F593730270001
CFDA Number: N/A	Agency DUNS/UEI Number:	06-190- 0957		
CFDA Title: N/A				
CSFA Number: 55.005				
CSFA Title: Seaport Grant Program				

THIS PUBLIC TRANSPORTATION GRANT AGREEMENT (“Agreement”) is entered into \_\_\_\_\_, by and between the State of Florida, Department of Transportation, (“Department”), and Jacksonville Port Authority, (“Agency”). The Department and the Agency are sometimes referred to in this Agreement as a “Party” and collectively as the “Parties.”

NOW, THEREFORE, in consideration of the mutual benefits to be derived from joint participation on the Project, the Parties agree to the following:

- 1. Authority.** The Agency, by Resolution or other form of official authorization, a copy of which is attached as **Exhibit “D”, Agency Resolution** and made a part of this Agreement, has authorized its officers to execute this Agreement on its behalf. The Department has the authority pursuant to Section(s) 311, Florida Statutes, to enter into this Agreement.
- 2. Purpose of Agreement.** The purpose of this Agreement is to provide for the Department’s participation in Jaxport’s Blount Island Berth Improvements initiative, as further described in **Exhibit "A", Project Description and Responsibilities**, attached and incorporated into this Agreement (“Project”), to provide Department financial assistance to the Agency, state the terms and conditions upon which Department funds will be provided, and to set forth the manner in which the Project will be undertaken and completed.
- 3. Program Area.** For identification purposes only, this Agreement is implemented as part of the Department program area selected below (select all programs that apply):

- Aviation
- Seaports**
- Transit
- Intermodal
- Rail Crossing Closure
- Match to Direct Federal Funding (Aviation or Transit)
- (Note: Section 15 and Exhibit G do not apply to federally matched funding)
- Other

**4. Exhibits.** The following Exhibits are attached and incorporated into this Agreement:

- Exhibit A: Project Description and Responsibilities
- Exhibit B: Schedule of Financial Assistance
- \*Exhibit B1: Deferred Reimbursement Financial Provisions
- \*Exhibit B2: Advance Payment Financial Provisions
- \*Exhibit C: Terms and Conditions of Construction
- Exhibit D: Agency Resolution
- Exhibit E: Program Specific Terms and Conditions
- Exhibit F: Contract Payment Requirements
- \*Exhibit G: Audit Requirements for Awards of State Financial Assistance

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- \*Exhibit H: Audit Requirements for Awards of Federal Financial Assistance
- \*Additional Exhibit(s):

\*Indicates that the Exhibit is only attached and incorporated if applicable box is selected.

**5. Time.** Unless specified otherwise, all references to “days” within this Agreement refer to calendar days.

**6. Term of Agreement.** This Agreement shall commence upon full execution by both Parties (“Effective Date”) and continue through March 31, 2027. If the Agency does not complete the Project within this time period, this Agreement will expire unless an extension of the time period is requested by the Agency and granted in writing by the Department prior to the expiration of this Agreement. Expiration of this Agreement will be considered termination of the Project. The cost of any work performed prior to the Effective Date or after the expiration date of this Agreement will not be reimbursed by the Department.

a.  If this box is checked the following provision applies:

Unless terminated earlier, work on the Project shall commence no later than the    day of   , or within    days of the issuance of the Notice to Proceed for the construction phase of the Project (if the Project involves construction), whichever date is earlier. The Department shall have the option to immediately terminate this Agreement should the Agency fail to meet the above-required dates.

**7. Amendments, Extensions, and Assignment.** This Agreement may be amended or extended upon mutual written agreement of the Parties. This Agreement shall not be renewed. This Agreement shall not be assigned, transferred, or otherwise encumbered by the Agency under any circumstances without the prior written consent of the Department.

**8. Termination or Suspension of Project.** The Department may, by written notice to the Agency, suspend any or all of the Department’s obligations under this Agreement for the Agency’s failure to comply with applicable law or the terms of this Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected.

- a. Notwithstanding any other provision of this Agreement, if the Department intends to terminate the Agreement, the Department shall notify the Agency of such termination in writing at least thirty (30) days prior to the termination of the Agreement, with instructions to the effective date of termination or specify the stage of work at which the Agreement is to be terminated.
- b. The Parties to this Agreement may terminate this Agreement when its continuation would not produce beneficial results commensurate with the further expenditure of funds. In this event, the Parties shall agree upon the termination conditions.
- c. If the Agreement is terminated before performance is completed, the Agency shall be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed the equivalent percentage of the Department’s maximum financial assistance. If any portion of the Project is located on the Department’s right-of-way, then all work in progress on the Department right-of-way will become the property of the Department and will be turned over promptly by the Agency.
- d. In the event the Agency fails to perform or honor the requirements and provisions of this Agreement, the Agency shall promptly refund in full to the Department within thirty (30) days of the termination of the Agreement any funds that were determined by the Department to have been expended in violation of the Agreement.
- e. The Department reserves the right to unilaterally cancel this Agreement for failure by the Agency to comply with the Public Records provisions of Chapter 119, Florida Statutes.

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**9. Project Cost:**

- a. The estimated total cost of the Project is \$5,942,363. This amount is based upon **Exhibit "B", Schedule of Financial Assistance**. The timeline for deliverables and distribution of estimated amounts between deliverables within a grant phase, as outlined in **Exhibit "B", Schedule of Financial Assistance**, may be modified by mutual written agreement of the Parties and does not require execution of an **Amendment to the Public Transportation Grant Agreement**. The timeline for deliverables and distribution of estimated amounts between grant phases requires an amendment executed by both Parties in the same form as this Agreement.
- b. The Department agrees to participate in the Project cost up to the maximum amount of \$4,456,772 and, the Department’s participation in the Project shall not exceed 75.00% of the total eligible cost of the Project, and as more fully described in **Exhibit "B", Schedule of Financial Assistance**. The Agency agrees to bear all expenses in excess of the amount of the Department’s participation and any cost overruns or deficits involved.

**10. Compensation and Payment:**

- a. **Eligible Cost.** The Department shall reimburse the Agency for allowable costs incurred as described in **Exhibit "A", Project Description and Responsibilities**, and as set forth in **Exhibit "B", Schedule of Financial Assistance**.
- b. **Deliverables.** The Agency shall provide quantifiable, measurable, and verifiable units of deliverables. Each deliverable must specify the required minimum level of service to be performed and the criteria for evaluating successful completion. The Project and the quantifiable, measurable, and verifiable units of deliverables are described more fully in **Exhibit "A", Project Description and Responsibilities**. Modifications to the deliverables in **Exhibit "A", Project Description and Responsibilities** requires a formal written amendment.
- c. **Invoicing.** Invoices shall be submitted no more often than monthly by the Agency in detail sufficient for a proper pre-audit and post-audit, based on the quantifiable, measurable, and verifiable deliverables as established in **Exhibit "A", Project Description and Responsibilities**. Deliverables and costs incurred must be received and approved by the Department prior to reimbursement. Requests for reimbursement by the Agency shall include an invoice, progress report, and supporting documentation for the deliverables being billed that are acceptable to the Department. The Agency shall use the format for the invoice and progress report that is approved by the Department.
- d. **Supporting Documentation.** Supporting documentation must establish that the deliverables were received and accepted in writing by the Agency and must also establish that the required minimum standards or level of service to be performed based on the criteria for evaluating successful completion as specified in **Exhibit "A", Project Description and Responsibilities** has been met. All costs invoiced shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of charges as described in **Exhibit "F", Contract Payment Requirements**.
- e. **Travel Expenses.** The selected provision below is controlling regarding travel expenses:

Travel expenses are NOT eligible for reimbursement under this Agreement.

Travel expenses ARE eligible for reimbursement under this Agreement. Bills for travel expenses specifically authorized in this Agreement shall be submitted on the Department’s Contractor Travel Form No. 300-000-06 and will be paid in accordance with Section 112.061, Florida Statutes, and the most current version of the Department’s Disbursement Handbook for Employees and Managers.

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- f. Financial Consequences.** Payment shall be made only after receipt and approval of deliverables and costs incurred unless advance payments are authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, Florida Statutes, or the Department's Comptroller under Section 334.044(29), Florida Statutes. If the Department determines that the performance of the Agency is unsatisfactory, the Department shall notify the Agency of the deficiency to be corrected, which correction shall be made within a time-frame to be specified by the Department. The Agency shall, within thirty (30) days after notice from the Department, provide the Department with a corrective action plan describing how the Agency will address all issues of contract non-performance, unacceptable performance, failure to meet the minimum performance levels, deliverable deficiencies, or contract non-compliance. If the corrective action plan is unacceptable to the Department, the Agency will not be reimbursed. If the deficiency is subsequently resolved, the Agency may bill the Department for the amount that was previously not reimbursed during the next billing period. If the Agency is unable to resolve the deficiency, the funds shall be forfeited at the end of the Agreement's term.
- g. Invoice Processing.** An Agency receiving financial assistance from the Department should be aware of the following time frames. Inspection or verification and approval of deliverables shall take no longer than 20 days from the Department's receipt of the invoice. The Department has 20 days to deliver a request for payment (voucher) to the Department of Financial Services. The 20 days are measured from the latter of the date the invoice is received or the deliverables are received, inspected or verified, and approved.

If a payment is not available within 40 days, a separate interest penalty at a rate as established pursuant to Section 55.03(1), Florida Statutes, will be due and payable, in addition to the invoice amount, to the Agency. Interest penalties of less than one (1) dollar will not be enforced unless the Agency requests payment. Invoices that have to be returned to an Agency because of Agency preparation errors will result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to the Department.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for Agency who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be contacted at (850) 413-5516.

- h. Records Retention.** The Agency shall maintain an accounting system or separate accounts to ensure funds and projects are tracked separately. Records of costs incurred under the terms of this Agreement shall be maintained and made available upon request to the Department at all times during the period of this Agreement and for five years after final payment is made. Copies of these records shall be furnished to the Department upon request. Records of costs incurred include the Agency's general accounting records and the Project records, together with supporting documents and records, of the Contractor and all subcontractors performing work on the Project, and all other records of the Contractor and subcontractors considered necessary by the Department for a proper audit of costs.
- i. Progress Reports.** Upon request, the Agency agrees to provide progress reports to the Department in the standard format used by the Department and at intervals established by the Department. The Department will be entitled at all times to be advised, at its request, as to the status of the Project and of details thereof.
- j. Submission of Other Documents.** The Agency shall submit to the Department such data, reports, records, contracts, and other documents relating to the Project as the Department may require as listed in **Exhibit "E", Program Specific Terms and Conditions** attached to and incorporated into this Agreement.

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- k. **Offsets for Claims.** If, after Project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to this Agreement, the Department may offset such amount from payments due for work or services done under any agreement that it has with the Agency owing such amount if, upon written demand, payment of the amount is not made within 60 days to the Department. Offsetting any amount pursuant to this paragraph shall not be considered a breach of contract by the Department.
- l. **Final Invoice.** The Agency must submit the final invoice on the Project to the Department within 120 days after the completion of the Project. Invoices submitted after the 120-day time period may not be paid.
- m. **Department’s Performance and Payment Contingent Upon Annual Appropriation by the Legislature.** The Department’s performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. If the Department’s funding for this Project is in multiple fiscal years, a notice of availability of funds from the Department’s project manager must be received prior to costs being incurred by the Agency. See **Exhibit “B”, Schedule of Financial Assistance** for funding levels by fiscal year. Project costs utilizing any fiscal year funds are not eligible for reimbursement if incurred prior to funds approval being received. The Department will notify the Agency, in writing, when funds are available.
- n. **Limits on Contracts Exceeding \$25,000 and Term more than 1 Year.** In the event this Agreement is in excess of \$25,000 and has a term for a period of more than one year, the provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated:
 

"The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of \$25,000 and which have a term for a period of more than 1 year."
- o. **Agency Obligation to Refund Department.** Any Project funds made available by the Department pursuant to this Agreement that are determined by the Department to have been expended by the Agency in violation of this Agreement or any other applicable law or regulation shall be promptly refunded in full to the Department. Acceptance by the Department of any documentation or certifications, mandatory or otherwise permitted, that the Agency files shall not constitute a waiver of the Department's rights as the funding agency to verify all information at a later date by audit or investigation.
- p. **Non-Eligible Costs.** In determining the amount of the payment, the Department will exclude all Project costs incurred by the Agency prior to the execution of this Agreement, costs incurred after the expiration of the Agreement, costs that are not provided for in **Exhibit “A”, Project Description and Responsibilities**, and as set forth in **Exhibit “B”, Schedule of Financial Assistance**, costs agreed to be borne by the Agency or its contractors and subcontractors for not meeting the Project commencement and final invoice time lines, and costs attributable to goods or services received under a contract or other arrangement that has not been approved

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in writing by the Department. Specific unallowable costs may be listed in **Exhibit “A”, Project Description and Responsibilities.**

**11. General Requirements.** The Agency shall complete the Project with all practical dispatch in a sound, economical, and efficient manner, and in accordance with the provisions in this Agreement and all applicable laws.

- a. **Necessary Permits Certification.** The Agency shall certify to the Department that the Agency’s design consultant and/or construction contractor has secured the necessary permits.
- b. **Right-of-Way Certification.** If the Project involves construction, then the Agency shall provide to the Department certification and a copy of appropriate documentation substantiating that all required right-of-way necessary for the Project has been obtained. Certification is required prior to authorization for advertisement for or solicitation of bids for construction of the Project, even if no right-of-way is required.
- c. **Notification Requirements When Performing Construction on Department’s Right-of-Way.** In the event the cost of the Project is greater than \$250,000.00, and the Project involves construction on the Department’s right-of-way, the Agency shall provide the Department with written notification of either its intent to:
  - i. Require the construction work of the Project that is on the Department’s right-of-way to be performed by a Department prequalified contractor, or
  - ii. Construct the Project utilizing existing Agency employees, if the Agency can complete said Project within the time frame set forth in this Agreement.
- d.  If this box is checked, then the Agency is permitted to utilize its own forces and the following provision applies: **Use of Agency Workforce.** In the event the Agency proceeds with any phase of the Project utilizing its own forces, the Agency will only be reimbursed for direct costs (this excludes general overhead).
- e.  If this box is checked, then the Agency is permitted to utilize **Indirect Costs: Reimbursement for Indirect Program Expenses** (select one):
  - i.  Agency has selected to seek reimbursement from the Department for actual indirect expenses (no rate).
  - ii.  Agency has selected to apply a de minimus rate of 10% to modified total direct costs. Note: The de minimus rate is available only to entities that have never had a negotiated indirect cost rate. When selected, the de minimus rate must be used consistently for all federal awards until such time the agency chooses to negotiate a rate. A cost policy statement and de minimis certification form must be submitted to the Department for review and approval.
  - iii.  Agency has selected to apply a state or federally approved indirect cost rate. A federally approved rate agreement or indirect cost allocation plan (ICAP) must be submitted annually.
- f. **Agency Compliance with Laws, Rules, and Regulations, Guidelines, and Standards.** The Agency shall comply and require its contractors and subcontractors to comply with all terms and conditions of this Agreement and all federal, state, and local laws and regulations applicable to this Project.
- g. **Claims and Requests for Additional Work.** The Agency shall have the sole responsibility for resolving claims and requests for additional work for the Project. The Agency will make



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best efforts to obtain the Department’s input in its decisions. The Department is not obligated to reimburse for claims or requests for additional work.

**12. Contracts of the Agency:**

- a. **Approval of Third Party Contracts.** The Department specifically reserves the right to review and approve any and all third party contracts with respect to the Project before the Agency executes or obligates itself in any manner requiring the disbursement of Department funds, including consultant and purchase of commodities contracts, or amendments thereto. If the Department chooses to review and approve third party contracts for this Project and the Agency fails to obtain such approval, that shall be sufficient cause for nonpayment by the Department. The Department specifically reserves unto itself the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of the same. If Federal Transit Administration (FTA) funds are used in the Project, the Department must exercise the right to third party contract review.
- b. **Procurement of Commodities or Contractual Services.** It is understood and agreed by the Parties hereto that participation by the Department in a project with the Agency, where said project involves the purchase of commodities or contractual services where purchases or costs exceed the Threshold Amount for CATEGORY TWO per Section 287.017, Florida Statutes, is contingent on the Agency complying in full with the provisions of Section 287.057, Florida Statutes. The Agency’s Authorized Official shall certify to the Department that the Agency’s purchase of commodities or contractual services has been accomplished in compliance with Section 287.057, Florida Statutes. It shall be the sole responsibility of the Agency to ensure that any obligations made in accordance with this Section comply with the current threshold limits. Contracts, purchase orders, task orders, construction change orders, or any other agreement that would result in exceeding the current budget contained in **Exhibit "B", Schedule of Financial Assistance**, or that is not consistent with the Project description and scope of services contained in **Exhibit "A", Project Description and Responsibilities** must be approved by the Department prior to Agency execution. Failure to obtain such approval, and subsequent execution of an amendment to the Agreement if required, shall be sufficient cause for nonpayment by the Department, in accordance with this Agreement.
- c. **Consultants’ Competitive Negotiation Act.** It is understood and agreed by the Parties to this Agreement that participation by the Department in a project with the Agency, where said project involves a consultant contract for professional services, is contingent on the Agency’s full compliance with provisions of Section 287.055, Florida Statutes, Consultants’ Competitive Negotiation Act. In all cases, the Agency’s Authorized Official shall certify to the Department that selection has been accomplished in compliance with the Consultants’ Competitive Negotiation Act.
- d. **Disadvantaged Business Enterprise (DBE) Policy and Obligation.** It is the policy of the Department that DBEs, as defined in 49 C.F.R. Part 26, as amended, shall have the opportunity to participate in the performance of contracts financed in whole or in part with Department funds under this Agreement. The DBE requirements of applicable federal and state laws and regulations apply to this Agreement. The Agency and its contractors agree to ensure that DBEs have the opportunity to participate in the performance of this Agreement. In this regard, all recipients and contractors shall take all necessary and reasonable steps in accordance with applicable federal and state laws and regulations to ensure that the DBEs have the opportunity to compete for and perform contracts. The Agency and its contractors and subcontractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of contracts, entered pursuant to this Agreement.

**13. Maintenance Obligations.** In the event the Project includes construction or the acquisition of commodities then the following provisions are incorporated into this Agreement:

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- a. The Agency agrees to accept all future maintenance and other attendant costs occurring after completion of the Project for all improvements constructed or commodities acquired as part of the Project. The terms of this provision shall survive the termination of this Agreement.

**14. Sale, Transfer, or Disposal of Department-funded Property:**

- a. The Agency will not sell or otherwise transfer or dispose of any part of its title or other interests in real property, facilities, or equipment funded in any part by the Department under this Agreement without prior written approval by the Department.
- b. If a sale, transfer, or disposal by the Agency of all or a portion of Department-funded real property, facilities, or equipment is approved by the Department, the following provisions will apply:
  - i. The Agency shall reimburse the Department a proportional amount of the proceeds of the sale of any Department-funded property.
  - ii. The proportional amount shall be determined on the basis of the ratio of the Department funding of the development or acquisition of the property multiplied against the sale amount, and shall be remitted to the Department within ninety (90) days of closing of sale.
  - iii. Sale of property developed or acquired with Department funds shall be at market value as determined by appraisal or public bidding process, and the contract and process for sale must be approved in advance by the Department.
  - iv. If any portion of the proceeds from the sale to the Agency are non-cash considerations, reimbursement to the Department shall include a proportional amount based on the value of the non-cash considerations.
- c. The terms of provisions "a" and "b" above shall survive the termination of this Agreement.
  - i. The terms shall remain in full force and effect throughout the useful life of facilities developed, equipment acquired, or Project items installed within a facility, but shall not exceed twenty (20) years from the effective date of this Agreement.
  - ii. There shall be no limit on the duration of the terms with respect to real property acquired with Department funds.

**15. Single Audit.** The administration of Federal or State resources awarded through the Department to the Agency by this Agreement may be subject to audits and/or monitoring by the Department. The following requirements do not limit the authority of the Department to conduct or arrange for the conduct of additional audits or evaluations of Federal awards or State financial assistance or limit the authority of any state agency inspector general, the State of Florida Auditor General, or any other state official. The Agency shall comply with all audit and audit reporting requirements as specified below.

**Federal Funded:**

- a. In addition to reviews of audits conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, monitoring procedures may include but not be limited to on-site visits by Department staff and/or other procedures, including reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to Federal awards provided through the Department by this Agreement. By entering into this Agreement, the Agency agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Agency further agrees to comply and cooperate with any

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inspections, reviews, investigations, or audits deemed necessary by the Department, State of Florida Chief Financial Officer (CFO), or State of Florida Auditor General.

- b. The Agency, a non-Federal entity as defined by 2 CFR Part 200, Subpart F – Audit Requirements, as a subrecipient of a Federal award awarded by the Department through this Agreement, is subject to the following requirements:
- i. In the event the Agency expends a total amount of Federal awards equal to or in excess of the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, the Agency must have a Federal single or program-specific audit conducted for such fiscal year in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements. **Exhibit “H”, Audit Requirements for Awards of Federal Financial Assistance**, to this Agreement provides the required Federal award identification information needed by the Agency to further comply with the requirements of 2 CFR Part 200, Subpart F – Audit Requirements. In determining Federal awards expended in a fiscal year, the Agency must consider all sources of Federal awards based on when the activity related to the Federal award occurs, including the Federal award provided through the Department by this Agreement. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by 2 CFR Part 200, Subpart F – Audit Requirements. An audit conducted by the State of Florida Auditor General in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements, will meet the requirements of this part.
  - ii. In connection with the audit requirements, the Agency shall fulfill the requirements relative to the auditee responsibilities as provided in 2 CFR Part 200, Subpart F – Audit Requirements.
  - iii. In the event the Agency expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards, the Agency is exempt from Federal audit requirements for that fiscal year. However, the Agency must provide a single audit exemption statement to the Department at [FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us) no later than nine months after the end of the Agency’s audit period for each applicable audit year. In the event the Agency expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards in a fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR Part 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 the Agency’s resources obtained from other than Federal entities).
  - iv. The Agency must electronically submit to the Federal Audit Clearinghouse (FAC) at <https://harvester.census.gov/facweb/> the audit reporting package as required by 2 CFR Part 200, Subpart F – Audit Requirements, within the earlier of 30 calendar days after receipt of the auditor’s report(s) or nine months after the end of the audit period. The FAC is the repository of record for audits required by 2 CFR Part 200, Subpart F – Audit Requirements. However, the Department requires a copy of the audit reporting package also be submitted to [FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us) within the earlier of 30 calendar days after receipt of the auditor’s report(s) or nine months after the end of the audit period as required by 2 CFR Part 200, Subpart F – Audit Requirements.
  - v. Within six months of acceptance of the audit report by the FAC, the Department will review the Agency’s audit reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate action on all deficiencies has been taken pertaining to the Federal award provided through the Department by this Agreement. If the Agency fails to have an

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audit conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, the Department may impose additional conditions to remedy noncompliance. If the Department determines that noncompliance cannot be remedied by imposing additional conditions, the Department may take appropriate actions to enforce compliance, which actions may include but not be limited to the following:

1. Temporarily withhold cash payments pending correction of the deficiency by the Agency or more severe enforcement action by the Department;
  2. Disallow (deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
  3. Wholly or partly suspend or terminate the Federal award;
  4. Initiate suspension or debarment proceedings as authorized under 2 C.F.R. Part 180 and Federal awarding agency regulations (or in the case of the Department, recommend such a proceeding be initiated by the Federal awarding agency);
  5. Withhold further Federal awards for the Project or program;
  6. Take other remedies that may be legally available.
- vi. As a condition of receiving this Federal award, the Agency shall permit the Department or its designee, the CFO, or State of Florida Auditor General access to the Agency’s records, including financial statements, the independent auditor’s working papers, and project records as necessary. Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is complete or the dispute is resolved.
- vii. The Department’s contact information for requirements under this part is as follows:

Office of Comptroller, MS 24  
605 Suwannee Street  
Tallahassee, Florida 32399-0450  
[FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us)

**State Funded:**

- a. In addition to reviews of audits conducted in accordance with Section 215.97, Florida Statutes, monitoring procedures to monitor the Agency’s use of state financial assistance may include but not be limited to on-site visits by Department staff and/or other procedures, including reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to state financial assistance awarded through the Department by this Agreement. By entering into this Agreement, the Agency agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Agency further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, the Department of Financial Services (DFS), or State of Florida Auditor General.
- b. The Agency, a “nonstate entity” as defined by Section 215.97, Florida Statutes, as a recipient of state financial assistance awarded by the Department through this Agreement, is subject to the following requirements:
  - i. In the event the Agency meets the audit threshold requirements established by Section 215.97, Florida Statutes, the Agency must have a State single or project-specific audit conducted for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. **Exhibit “G”, Audit Requirements for Awards of State Financial Assistance**, to this Agreement indicates state financial

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assistance awarded through the Department by this Agreement needed by the Agency to further comply with the requirements of Section 215.97, Florida Statutes. In determining the state financial assistance expended in a fiscal year, the Agency shall consider all sources of state financial assistance, including state financial assistance received from the Department by this Agreement, 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.

- ii. In connection with the audit requirements, the Agency shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2)(e), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
- iii. In the event the Agency does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, the Agency is exempt for such fiscal year from the state single audit requirements of Section 215.97, Florida Statutes. However, the Agency must provide a single audit exemption statement to the Department at [FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us) no later than nine months after the end of the Agency's audit period for each applicable audit year. In the event the Agency does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, in a fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the Agency's resources (*i.e.*, the cost of such an audit must be paid from the Agency's resources obtained from other than State entities).
- iv. In accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, copies of financial reporting packages required by this Agreement shall be submitted to:

Florida Department of Transportation  
Office of Comptroller, MS 24  
605 Suwannee Street  
Tallahassee, Florida 32399-0405  
[FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us)

And

State of Florida Auditor General  
Local Government Audits/342  
111 West Madison Street, Room 401  
Tallahassee, FL 32399-1450  
Email: [flaudgen\\_localgovt@aud.state.fl.us](mailto:flaudgen_localgovt@aud.state.fl.us)

- v. Any copies of financial reporting packages, reports, or other information required to be submitted to the Department shall be submitted timely in accordance with Section 215.97, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.
- vi. The Agency, when submitting financial reporting packages to the Department for audits done in accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date the reporting package was delivered to the Agency in correspondence accompanying the reporting package.

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- vii. Upon receipt, and within six months, the Department will review the Agency’s financial reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate corrective action on all deficiencies has been taken pertaining to the state financial assistance provided through the Department by this Agreement. If the Agency fails to have an audit conducted consistent with Section 215.97, Florida Statutes, the Department may take appropriate corrective action to enforce compliance.
- viii. As a condition of receiving state financial assistance, the Agency shall permit the Department or its designee, DFS, or the Auditor General access to the Agency’s records, including financial statements, the independent auditor’s working papers, and project records as necessary. Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is complete or the dispute is resolved.
- c. The Agency shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued and shall allow the Department or its designee, DFS, or State of Florida Auditor General access to such records upon request. The Agency shall ensure that the audit working papers are made available to the Department or its designee, DFS, or State of Florida Auditor General upon request for a period of five years from the date the audit report is issued, unless extended in writing by the Department.

**16. Notices and Approvals.** Notices and approvals referenced in this Agreement must be obtained in writing from the Parties’ respective Administrators or their designees.

**17. Restrictions, Prohibitions, Controls and Labor Provisions:**

- a. **Convicted Vendor List.** 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 on a contract to provide any goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids 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 Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.
- b. **Discriminatory Vendor List.** In accordance with Section 287.134, Florida Statutes, an entity or affiliate who has been placed on the Discriminatory Vendor List, kept by the Florida Department of Management Services, may not submit a bid on a contract to provide goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids 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.
- c. **Non-Responsible Contractors.** An entity or affiliate who has had its Certificate of Qualification suspended, revoked, denied, or have further been determined by the Department to be a non-responsible contractor, may not submit a bid or perform work for the construction or repair of a public building or public work on a contract with the Agency.
- d. **Prohibition on Using Funds for Lobbying.** No funds received pursuant to this Agreement may be expended for lobbying the Florida Legislature, judicial branch, or any state agency, in accordance with Section 216.347, Florida Statutes.

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- e. **Unauthorized Aliens.** The Department shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. If the contractor knowingly employs unauthorized aliens, such violation will be cause for unilateral cancellation of this Agreement.
  
- f. **Procurement of Construction Services.** If the Project is procured pursuant to Chapter 255, Florida Statutes, for construction services and at the time of the competitive solicitation for the Project, 50 percent or more of the cost of the Project is to be paid from state-appropriated funds, then the Agency must comply with the requirements of Section 255.0991, Florida Statutes.
  
- g. **E-Verify.** The Agency shall:
  - i. Utilize the U.S. Department of Homeland Security’s E-Verify system to verify the employment eligibility of all new employees hired by the Agency during the term of the contract; and
  
  - ii. Expressly require any subcontractors performing work or providing services pursuant to the state contract to likewise utilize the U.S. Department of Homeland Security’s E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term.
  
- h. **Executive Order 20-44.** Pursuant to Governor’s Executive Order 20-44, if the Agency is required by the Internal Revenue Code to file IRS Form 990 and is named in statute with which the Department must form a sole-source, public-private agreement; or through contract or other agreement with the State, annually receives 50% or more of its budget from the State or from a combination of State and Federal funds, Recipient shall submit an Annual Report to the Department, including the most recent IRS Form 990, detailing the total compensation for each member of the Agency executive leadership team. Total compensation shall include salary, bonuses, cashed-in leave, cash equivalents, severance pay, retirement benefits, deferred compensation, real-property gifts, and any other payout. The Agency shall inform the Department of any changes in total executive compensation during the period between the filing of Annual Reports within 60 days of any change taking effect. All compensation reports shall detail the percentage of executive leadership compensation received directly from all State and/or Federal allocations to the Agency. Annual Reports shall be in the form approved by the Department and shall be submitted to the Department at [fdotsingleaudit@dot.state.fl.us](mailto:fdotsingleaudit@dot.state.fl.us) within 180 days following the end of each tax year of the Agency receiving Department funding.
  
- i. **Design Services and Construction Engineering and Inspection Services.** If the Project is wholly or partially funded by the Department and administered by a local governmental entity, except for a seaport listed in Section 311.09, Florida Statutes, or an airport as defined in Section 332.004, Florida Statutes, the entity performing design and construction engineering and inspection services may not be the same entity.

**18. Indemnification and Insurance:**

- a. It is specifically agreed between the Parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof, a third party beneficiary under this Agreement, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The Agency guarantees the payment of all just claims for materials, supplies, tools, or labor and other just claims against the Agency or any subcontractor, in connection with this Agreement. Additionally, the Agency shall indemnify, defend, and hold harmless the State of Florida, Department of Transportation, including the Department’s officers and employees, from liabilities, damages, losses, and costs, including,

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but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness, or intentional wrongful misconduct of the Agency and persons employed or utilized by the Agency in the performance of this Agreement. This indemnification shall survive the termination of this Agreement. Additionally, the Agency agrees to include the following indemnification in all contracts with contractors/subcontractors and consultants/subconsultants who perform work in connection with this Agreement:

"To the fullest extent permitted by law, the Agency's contractor/consultant shall indemnify, defend, and hold harmless the Agency and the State of Florida, Department of Transportation, including the Department's officers and employees, from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the contractor/consultant and persons employed or utilized by the contractor/consultant in the performance of this Agreement.

This indemnification shall survive the termination of this Agreement."

- b. The Agency shall provide Workers' Compensation Insurance in accordance with Florida's Workers' Compensation law for all employees. If subletting any of the work, ensure that the subcontractor(s) and subconsultant(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.
  
- c. If the Agency elects to self-perform the Project, then the Agency may self-insure. If the Agency elects to hire a contractor or consultant to perform the Project, then the Agency shall carry, or cause its contractor or consultant to carry, Commercial General Liability insurance providing continuous coverage for all work or operations performed under this 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 Florida. The Agency shall cause, or cause its contractor or consultant to cause, the Department 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 the Department as an Additional Insured shall be primary 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 and such deductibles shall be paid by the Named Insured. No policy/ies or coverage described herein may contain or be subject to a Retention or a Self-Insured Retention unless the Agency is a state agency or subdivision of the State of Florida that elects to self-perform the Project. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, the Department shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The Department 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. The Department'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 the Department may have.



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- d. When the Agreement includes the construction of a railroad grade crossing, railroad overpass or underpass structure, or any other work or operations within the limits of the railroad right-of-way, including any encroachments thereon from work or operations in the vicinity of the railroad right-of-way, the Agency shall, or cause its contractor to, in addition to the insurance coverage required above, procure and maintain Railroad Protective Liability Coverage (ISO Form CG 00 35) where the railroad is the Named Insured and where the limits are not less than \$2,000,000 combined single limit for bodily injury and/or property damage per occurrence, and with an annual aggregate limit of not less than \$6,000,000. The railroad shall also be added along with the Department as an Additional Insured on the policy/ies procured pursuant to the paragraph above. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, both the Department and the railroad shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The insurance described herein shall be maintained through final acceptance of the work. Both the Department and the railroad shall be notified in writing within ten days of any cancellation, notice of cancellation, renewal, or proposed change to any policy or coverage described herein. The Department'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 the Department may have.
- e. When the Agreement involves work on or in the vicinity of utility-owned property or facilities, the utility shall be added along with the Department as an Additional Insured on the Commercial General Liability policy/ies procured above.

**19. Miscellaneous:**

- a. **Environmental Regulations.** The Agency will be solely responsible for compliance with all applicable environmental regulations and for any liability arising from non-compliance with these regulations, and will reimburse the Department for any loss incurred in connection therewith.
- b. **Non-Admission of Liability.** In no event shall the making by the Department of any payment to the Agency constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist on the part of the Agency and the making of such payment by the Department, while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.
- c. **Severability.** If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected. In such an instance, the remainder would then continue to conform to the terms and requirements of applicable law.
- d. **Agency not an agent of Department.** The Agency and the Department agree that the Agency, its employees, contractors, subcontractors, consultants, and subconsultants are not agents of the Department as a result of this Agreement.
- e. **Bonus or Commission.** By execution of the Agreement, the Agency represents that it has not paid and, also agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the financing hereunder.
- f. **Non-Contravention of State Law.** Nothing in the Agreement shall require the Agency to observe or enforce compliance with any provision or perform any act or do any other thing in contravention of any applicable state law. If any of the provisions of the Agreement violate any applicable state law, the Agency will at once notify the Department in writing so that

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appropriate changes and modifications may be made by the Department and the Agency to the end that the Agency may proceed as soon as possible with the Project.

- g. Execution of Agreement.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same Agreement. A facsimile or electronic transmission of this Agreement with a signature on behalf of a party will be legal and binding on such party.
- h. Federal Award Identification Number (FAIN).** If the FAIN is not available prior to execution of the Agreement, the Department may unilaterally add the FAIN to the Agreement without approval of the Agency and without an amendment to the Agreement. If this occurs, an updated Agreement that includes the FAIN will be provided to the Agency and uploaded to the Department of Financial Services' Florida Accountability Contract Tracking System (FACTS).
- i. Inspector General Cooperation.** The Agency agrees to comply with Section 20.055(5), Florida Statutes, and to incorporate in all subcontracts the obligation to comply with Section 20.055(5), Florida Statutes.
- j. Law, Forum, and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. In the event of a conflict between any portion of the contract and Florida law, the laws of Florida shall prevail. The Agency agrees to waive forum and venue and that the Department shall determine the forum and venue in which any dispute under this Agreement is decided.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year written above.

AGENCY Jacksonville Port Authority

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: Authorized Official or James M. Knight, P.E.

Title: \_\_\_\_\_

Title: Urban Planning and Modal Administrator

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION  
Legal Review:

\_\_\_\_\_

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**EXHIBIT A**

**Project Description and Responsibilities**

**A. Project Description** (description of Agency's project to provide context, description of project components funded via this Agreement (if not the entire project)): This Agreement provides for the Department's financial participation in Jaxport's Blount Island Marine Terminal Improvements initiative. In 1998, JAXPORT constructed the L-shaped wharf (Berth 20) along with additional landside improvements to accommodate the Roll-on/Roll-off cargo operations. This project converts the L-shaped wharf at Berth 20 to a T-shaped wharf to accommodate two (2) 750' roll on / roll off (RO/RO) vessels simultaneously.

**B. Project Location** (limits, city, county, map): Jacksonville, Florida

**C. Project Scope** (allowable costs: describe project components, improvement type/service type, approximate timeline, project schedule, project size): This Project includes the environmental work, design work, and construction work required to complete the Berth development activities described in the Project Description, including: aids to navigation; apron improvements; asphalt paving activities; benthic studies; berthing area widening and deepening; bulkhead caps; cap faces repair or installation; cable protection systems; cap soffits repair or installation; cast in place concrete; cathodic protection; compaction; concrete; concrete beams; concrete caps; construction; construction inspection services; construction management services; construction services; consulting services; contractor stand-by; cost estimates; crack repairs; crane rail repair or installation; deck ballast; demobilization; demolition; electrical components and systems; engineering services; environmental assessments; fasteners and connectors; fenders and bollards; form work; geotechnical services; historical resource studies; installation and testing; lighting systems; mitigation assessments; mobilization; painting; panel soffits repair or installation; permitting; pilings; plan development (e.g., 30 / 60 / 90 / 100 % and as-builts); precast concrete; preconstruction engineering and design; procurement costs; rebar repair or installation; reconstruction of underdeck concrete; seagrass studies; sheet piling; shore and slope protection; sidewalk and walkway systems; signage and way finding; steel; stormwater management; striping of roadway or storage areas; structural components; surveying; temporary structures; tie-back systems; turning basin widening and deepening; utilities; and, water quality protection structures.

**D. Deliverable(s):**

The project scope identifies the ultimate project deliverables. Deliverables for requisition, payment and invoice purposes will be the incremental progress made toward completion of project scope elements. Supporting documentation will be quantifiable, measurable, and verifiable, to allow for a determination of the amount of incremental progress that has been made, and provide evidence that the payment requested is commensurate with the accomplished incremental progress and costs incurred by the Agency.

**E. Unallowable Costs** (including but not limited to): Travel costs are not allowed.

**F. Transit Operating Grant Requirements (Transit Only):**

Transit Operating Grants billed as an operational subsidy will require an expenditure detail report from the Agency that matches the invoice period. The expenditure detail, along with the progress report, will be the required deliverables for Transit Operating Grants. Operating grants may be issued for a term not to exceed three years from execution. The original grant agreement will include funding for year one. Funding for years two and three will be added by amendment as long as the grantee has submitted all invoices on schedule and the project deliverables for the year have been met.



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**EXHIBIT B**

**Schedule of Financial Assistance**

FUNDS AWARDED TO THE AGENCY AND REQUIRED MATCHING FUNDS PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

**A. Fund Type and Fiscal Year:**

Financial Management Number	Fund Type	FLAIR Category	State Fiscal Year	Object Code	CSFA/CFDA Number	CSFA/CFDA Title or Funding Source Description	Funding Amount
440264-1-94-03	GMR	088794	2022	751000	55.005	Seaport Grant Program	\$4,456,772.00
440264-1-94-03	LF	088794	2022	-	-	Local Matching Funds	\$1,485,591.00
<b>Total Financial Assistance</b>							<b>\$5,942,363.00</b>

**B. Estimate of Project Costs by Grant Phase:**

Phases*	State	Local	Federal	Totals	State %	Local %	Federal %
Land Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Planning	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Environmental/Design/Construction	\$4,456,772.00	\$1,485,591.00	\$0.00	\$5,942,363.00	75.00	25.00	0.00
Capital Equipment/ Preventative Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Match to Direct Federal Funding	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Mobility Management (Transit Only)	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
<b>Totals</b>	<b>\$4,456,772.00</b>	<b>\$1,485,591.00</b>	<b>\$0.00</b>	<b>\$5,942,363.00</b>			

\*Shifting items between these grant phases requires execution of an Amendment to the Public Transportation Grant Agreement.

**BUDGET/COST ANALYSIS CERTIFICATION AS REQUIRED BY SECTION 216.3475, FLORIDA STATUTES:**

I certify that the cost for each line item budget category (grant phase) has been evaluated and determined to be allowable, reasonable, and necessary as required by Section 216.3475, Florida Statutes. Documentation is on file evidencing the methodology used and the conclusions reached.

Justin Ryan

Department Grant Manager Name

Signature

Date

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**EXHIBIT C**

**TERMS AND CONDITIONS OF CONSTRUCTION**

**1. Design and Construction Standards and Required Approvals.**

- a. The Agency understands that it is responsible for the preparation and certification of all design plans for the Project. The Agency shall hire a qualified consultant for the design phase of the Project or, if applicable, the Agency shall require their design-build contractor or construction management contractor to hire a qualified consultant for the design phase of the Project.
- b. Execution of this Agreement by both Parties shall be deemed a Notice to Proceed to the Agency for the design phase or other non-construction phases of the Project. If the Project involves a construction phase, the Agency shall not begin the construction phase of the Project until the Department issues a Notice to Proceed for the construction phase. Prior to commencing the construction work described in this Agreement, the Agency shall request a Notice to Proceed from the Department’s Project Manager, FDOT District 2 Seaport Coordinator (email: Justin.Ryan@dot.state.fl.us) or from an appointed designee. Any construction phase work performed prior to the execution of this required Notice to Proceed is not subject to reimbursement.
- c. The Agency will provide one (1) copy of the final design plans and specifications and final bid documents to the Department’s Project Manager prior to bidding or commencing construction of the Project.
- d. The Agency shall require the Agency’s contractor to post a payment and performance bond in accordance with applicable law(s).
- e. The Agency shall be responsible to ensure that the construction work under this Agreement is performed in accordance with the approved construction documents, and that the construction work will meet all applicable Agency and Department standards.
- f. Upon completion of the work authorized by this Agreement, the Agency shall notify the Department 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 Engineer’s Certification of Compliance, signed and sealed by a Professional Engineer, the form of which is attached to this Exhibit. The certification shall state that work has been completed in compliance with the Project construction plans and specifications. If any deviations are found from the approved plans or specifications, the certification shall include a list of all deviations along with an explanation that justifies the reason to accept each deviation.

**2. Construction on the Department’s Right of Way.** If the Project involves construction on the Department’s right-of-way, then the following provisions apply to any and all portions of the Project that are constructed on the Department’s right-of-way:

- a. The Agency shall hire a qualified contractor using the Agency’s normal bid procedures to perform the construction work for the Project. The Agency must certify that the installation of the Project is completed by a Contractor prequalified by the Department as required by Section 2 of the Standard Specifications for Road and Bridge Construction (2016), as amended, unless otherwise approved by the Department in writing or the Contractor exhibits past project experience in the last five years that are comparable in scale, composition, and overall quality to the site characterized within the scope of services of this Project.

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- b. Construction Engineering Inspection (CEI) services will be provided by the Agency by hiring a Department prequalified consultant firm including one individual that has completed the Advanced Maintenance of Traffic Level Training, unless otherwise approved by the Department in writing. The CEI staff shall be present on the Project at all times that the contractor is working. Administration of the CEI staff shall be under the responsible charge of a State of Florida Licensed Professional Engineer who shall provide the certification that all design and construction for the Project meets the minimum construction standards established by Department. The Department shall approve all CEI personnel. The CEI firm shall not be the same firm as that of the Engineer of Record for the Project. The Department shall have the right, but not the obligation, to perform independent assurance testing during the course of construction of the Project. Notwithstanding the foregoing, the Department may issue a written waiver of the CEI requirement for portions of Projects involving the construction of bus shelters, stops, or pads.
- c. The Project shall be designed and constructed in accordance with the latest edition of the Department's Standard Specifications for Road and Bridge Construction, the Department Design Standards, and the Manual of Uniform Traffic Control Devices (MUTCD). The following guidelines shall apply as deemed appropriate by the Department: the Department Structures Design Manual, AASHTO Guide Specifications for the Design of Pedestrian Bridges, AASHTO LRFD Bridge Design Specifications, Florida Design Manual, Manual for Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways (the "Florida Green Book"), and the Department Traffic Engineering Manual. The Agency will be required to submit any construction plans required by the Department for review and approval prior to any work being commenced. Should any changes to the plans be required during construction of the Project, the Agency shall be required to notify the Department of the changes and receive approval from the Department prior to the changes being constructed. The Agency shall maintain the area of the Project at all times and coordinate any work needs of the Department during construction of the Project.
- d. The Agency shall notify the Department a minimum of 48 hours before beginning construction within Department right-of-way. The Agency shall notify the Department should construction be suspended for more than 5 working days. The Department contact person for construction is FDOT District 2 Seaport Coordinator.
- e. The Agency shall be responsible for monitoring construction operations and the maintenance of traffic (MOT) throughout the course of the Project in accordance with the latest edition of the Department Standard Specifications, section 102. The Agency is responsible for the development of a MOT plan and making any changes to that plan as necessary. The MOT plan shall be in accordance with the latest version of the Department Design Standards, Index 600 series. Any MOT plan developed by the Agency that deviates from the Department Design Standards must be signed and sealed by a professional engineer. MOT plans will require approval by the Department prior to implementation.
- f. The Agency shall be responsible for locating all existing utilities, both aerial and underground, and for ensuring that all utility locations be accurately documented on the construction plans. All utility conflicts shall be fully resolved directly with the applicable utility.
- g. The Agency will be responsible for obtaining all permits that may be required by other agencies or local governmental entities.
- h. It is hereby agreed by the Parties that this Agreement creates a permissive use only and all improvements located on the Department's right-of-way resulting from this Agreement shall become the property of the Department. Neither the granting of the permission to use the Department right of way nor the placing of facilities upon the Department property shall operate to create or vest any property right to or in the Agency, except as may otherwise be provided in separate agreements. The Agency shall not acquire any right, title, interest or

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estate in Department right of way, of any nature or kind whatsoever, by virtue of the execution, operation, effect, or performance of this Agreement including, but not limited to, the Agency's use, occupancy or possession of Department right of way. The Parties agree that this Agreement does not, and shall not be construed to, grant credit for any future transportation concurrency requirements pursuant to Chapter 163, F.S.

- i. The Agency shall not cause any liens or encumbrances to attach to any portion of the Department's property, including but not limited to, the Department's right-of-way.
- j. The Agency shall perform all required testing associated with the design and construction of the Project. Testing results shall be made available to the Department upon request. The Department shall have the right to perform its own independent testing during the course of the Project.
- k. The Agency shall exercise the rights granted herein and shall otherwise perform this Agreement in a good and workmanlike manner, with reasonable care, in accordance with the terms and provisions of this Agreement and all applicable federal, state, local, administrative, regulatory, safety and environmental laws, codes, rules, regulations, policies, procedures, guidelines, standards and permits, as the same may be constituted and amended from time to time, including, but not limited to, those of the Department, applicable Water Management District, Florida Department of Environmental Protection, the United States Environmental Protection Agency, the United States Army Corps of Engineers, the United States Coast Guard and local governmental entities.
- l. If the Department determines a condition exists which threatens the public's safety, the Department may, at its discretion, cause construction operations to cease and immediately have any potential hazards removed from its right-of-way at the sole cost, expense, and effort of the Agency. The Agency shall bear all construction delay costs incurred by the Department.
- m. The Agency shall be responsible to maintain and restore all features that might require relocation within the Department right-of-way.
- n. The Agency will be solely responsible for clean up or restoration required to correct any environmental or health hazards that may result from construction operations.
- o. The acceptance procedure will include a final "walk-through" by Agency and Department personnel. Upon completion of construction, the Agency will be required to submit to the Department final as-built plans and an engineering certification that construction was completed in accordance to the plans. Submittal of the final as-built plans shall include one complete set of the signed and sealed plans on 11" X 17" plan sheets and an electronic copy prepared in Portable Document Format (PDF). Prior to the termination of this Agreement, the Agency shall remove its presence, including, but not limited to, all of the Agency's property, machinery, and equipment from Department right-of-way and shall restore those portions of Department right of way disturbed or otherwise altered by the Project to substantially the same condition that existed immediately prior to the commencement of the Project.
- p. If the Department determines that the Project is not completed in accordance with the provisions of this Agreement, the Department shall deliver written notification of such to the Agency. The Agency shall have thirty (30) days from the date of receipt of the Department's written notice, or such other time as the Agency and the Department mutually agree to in writing, to complete the Project and provide the Department with written notice of the same (the "Notice of Completion"). If the Agency fails to timely deliver the Notice of Completion, or if it is determined that the Project is not properly completed after receipt of the Notice of Completion, the Department, within its discretion may: 1) provide the Agency with written authorization granting such additional time as the Department deems appropriate to correct the deficiency(ies); or 2) correct the deficiency(ies) at the Agency's sole cost and expense,



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without Department liability to the Agency for any resulting loss or damage to property, including, but not limited to, machinery and equipment. If the Department elects to correct the deficiency(ies), the Department shall provide the Agency with an invoice for the costs incurred by the Department and the Agency shall pay the invoice within thirty (30) days of the date of the invoice.

- q. The Agency shall implement best management practices for erosion and pollution control to prevent violation of state water quality standards. The Agency shall be responsible for the correction of any erosion, shoaling, or water quality problems that result from the construction of the Project.
- r. Portable Traffic Monitoring Site (PTMS) or a Telemetry Traffic Monitoring Site (TTMS) may exist within the vicinity of your proposed work. It is the responsibility of the Agency to locate and avoid damage to these sites. If a PTMS or TTMS is encountered during construction, the Department must be contacted immediately.
- s. During construction, highest priority must be given to pedestrian safety. If permission is granted to temporarily close a sidewalk, it should be done with the express condition that an alternate route will be provided, and shall continuously maintain pedestrian features to meet Americans Disability Act (ADA) standards.
- t. Restricted hours of operation will be as follows, unless otherwise approved by the Department’s District Construction Engineer or designee (insert hours and days of the week for restricted operation): Not Applicable
- u. Lane closures on the state road system must be coordinated with the Public Information Office at least two weeks prior to the closure. The contact information for the Department’s Public Information Office is:

Insert District PIO contact info:  
Phone: (904) 360-5457; FAX: (904) 360-5519

**Note: (Highlighted sections indicate need to confirm information with District Office or appropriate DOT person managing the Agreement)**

- 3. **Engineer’s Certification of Compliance.** The Agency shall complete and submit and if applicable Engineer’s Certification of Compliance to the Department upon completion of the construction phase of the Project.

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**ENGINEER’S CERTIFICATION OF COMPLIANCE**

PUBLIC TRANSPORTATION GRANT AGREEMENT  
BETWEEN  
THE STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION  
and \_\_\_\_\_

PROJECT DESCRIPTION: \_\_\_\_\_

DEPARTMENT CONTRACT NO.: \_\_\_\_\_

FINANCIAL MANAGEMENT NO.: \_\_\_\_\_

In accordance with the Terms and Conditions of the Public Transportation Grant Agreement, the undersigned 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, the Agency shall furnish the Department a set of “as-built” plans for construction on the Department’s Right of Way certified by the Engineer of Record/CEI.

By: \_\_\_\_\_, P.E.

SEAL:

Name: \_\_\_\_\_

Date: \_\_\_\_\_

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**EXHIBIT D**

**AGENCY RESOLUTION**

***PLEASE SEE ATTACHED***

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**EXHIBIT E  
PROGRAM SPECIFIC TERMS AND CONDITIONS – SEAPORTS**

**A. General.**

1. These assurances shall form an integral part of the Agreement between the Department and the Agency.
2. These assurances delineate the obligations of the parties to this Agreement to ensure their commitment and compliance with specific provisions of **Exhibit “A”, Project Description and Responsibilities** and **Exhibit “B”, Schedule of Financial Assistance** as well as serving to protect public investment in seaports and the continued viability of the State Seaport System.
3. The Agency shall comply with the assurances as specified in this Agreement.

**B. Required Documents.** The documents listed below, as applicable, are required to be submitted to the Department by the Agency in accordance with the terms of this Agreement:

1. Quarterly Progress Reports provided within thirty (30) days of the end of each calendar year quarter, if requested by the Department.
2. Electronic invoice summaries and backup information, including a progress report must be submitted to the District Office when requesting payment.
3. All proposals, plans, specifications, and third party contracts covering the Project.
4. The Agency will upload required and final close out documents to the Department's web-based grant management system (e.g., SeaCIP.com).

**C. Duration of Terms and Assurances.**

1. The terms and assurances of this Agreement shall remain in full force and effect throughout the useful life of a facility developed; equipment acquired; or Project items installed within a facility for a seaport development project, but shall not exceed 20 years from the effective date of this Agreement.
2. There shall be no limit on the duration of the terms and assurances of this Agreement with respect to real property acquired with funds provided by the State of Florida.

**D. Compliance with Laws and Rules.** The Agency hereby certifies, with respect to this Project, it will comply, within its authority, with all applicable, current laws and rules of the State of Florida and local governments, which may apply to the Project. Including but not limited to the following (current version of each):

1. Chapter 311, Florida Statutes (F.S.)
2. Local Government Requirements
  - a. Local Zoning/Land Use Ordinance
  - b. Local Comprehensive Plan

**E. Construction Certification.** The Agency hereby certifies, with respect to a construction-related project, that all design plans and specifications will comply with applicable federal, state, local, and professional standards, including but not limited to the following:

1. Federal Requirements
2. Local Government Requirements
  - a. Local Building Codes
  - b. Local Zoning Codes
3. Department Requirements
  - a. Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways (Commonly Referred to as the “Florida Green Book”)
  - b. Manual on Uniform Traffic Control Devices

**F. Consistency with Local Government Plans.**

1. The Agency assures the Project is consistent with the currently existing and planned future land use development plans approved by the local government having jurisdictional responsibility for the area surrounding the seaport.
2. The Agency assures that it has given fair consideration to the interest of local communities and has had reasonable consultation with those parties affected by the Project.

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- 3. The Agency assures that the Comprehensive Master Plan, if applicable, is incorporated as part of the approved local government comprehensive plan as required by Chapter 163, F.S.

**G. Land Acquisition Projects.** For the purchase of real property, the Agency assures that it will:

- 1. Acquire the land in accordance with federal and state laws governing such action.
- 2. Maintain direct control of Project administration, including:
  - a. Maintain responsibility for all related contract letting and administrative procedures.
  - b. Ensure a qualified, State certified general appraiser provides all necessary services and documentation.
  - c. Furnish the Department with a projected schedule of events and a cash flow projection within 20 calendar days after completion of the review appraisal.
  - d. Establish a Project account for the purchase of the land.
  - e. Collect and disburse federal, state, and local Project funds.
- 3. The Agency assures that it shall use the land for seaport purposes in accordance with the terms and assurances of this Agreement within 10 years of acquisition.

**H. Preserving Rights, Powers and Interest.**

- 1. The Agency will not take or permit any action that would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms and assurances of this Agreement without the written approval of the Department. Further, it will act promptly to acquire, extinguish, or modify, in a manner acceptable to the Department, any outstanding rights or claims of right of others which would interfere with such performance by the Agency.
- 2. If an arrangement is made for management and operation of the funded facility or equipment by any entity or person other than the Agency, the Agency shall reserve sufficient rights and authority to ensure that the funded facility or equipment will be operated and maintained in accordance with the terms and assurances of this Agreement.
- 3. The Agency will not sell or otherwise transfer or dispose of any part of its title or other interests in the funded facility or equipment without prior written approval by the Department. This assurance shall not limit the Agency's right to lease seaport property, facilities or equipment for seaport-compatible purposes in the regular course of seaport business.

**I. Third Party Contracts.** The Department reserves the right to approve third party contracts, except that written approval is hereby granted for:

- 1. Execution of contracts for materials from a valid state or intergovernmental contract. Such materials must be included in the Department approved Project scope and/or quantities.
- 2. Other contracts less than \$5,000.00 excluding engineering consultant services and construction contracts. Such services and/or materials must be included in the Department approved Project scope and/or quantities.
- 3. Construction change orders less than \$5,000.00. Change orders must be fully executed prior to performance of work.
- 4. Contracts, purchase orders, and construction change orders (excluding engineering consultant services) up to the threshold limits of Category Three. Such contracts must be for services and/or materials included in the Department approved Project scope and/or quantities. Purchasing Categories and Thresholds are defined in Section 287.017, F.S., and Chapter 60, Florida Administrative Code. The threshold limits are adjusted periodically for inflation, and it shall be the sole responsibility of the Agency to ensure that any obligations made in accordance with this Agreement comply with the current threshold limits. Obligations made in excess of the appropriate limits shall be cause for Department non-participation.
- 5. In all cases, the Agency shall include a copy of the executed contract or other agreement with the backup documentation of the invoice for reimbursement of costs associated with the contract.

**J. Inspection or verification and approval of deliverables.** Section 215.422(1), F.S., allows 5 working days for the approval and inspection of goods and services unless the bid specifications, purchase orders, or contracts specifies otherwise. The Agreement extends this timeline by specifying that the inspection or verification and approval of deliverables shall take no longer than 20 days from the Department's receipt of an invoice.

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**K. Federal Navigation Projects**

1. Funding reimbursed from any federal agency for this Project shall be remitted to the Department, in an amount proportional to the Department's participating share in the Project. The Agency shall remit such funds to the Department immediately upon receipt.
2. Department funding, as listed in **Exhibit "B", Schedule of Financial Assistance**, may not be used for environmental monitoring costs.

**L. Acquisition of Crane.** Department funding, as listed in **Exhibit "B", Schedule of Financial Assistance** will be cost reimbursed using the following schedule, unless stated otherwise in **Exhibit "A", Project Description and Responsibilities**:

1. Sixty (60) percent after landside delivery and acceptance by the Agency.
2. Forty (40) percent after installation and commissioning has been completed.

*-- End of Exhibit E --*

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**EXHIBIT F**

**Contract Payment Requirements  
Florida Department of Financial Services, Reference Guide for State Expenditures  
Cost Reimbursement Contracts**

Invoices for cost reimbursement contracts must be supported by an itemized listing of expenditures by category (salary, travel, expenses, etc.). Supporting documentation shall be submitted for each amount for which reimbursement is being claimed indicating that the item has been paid. Documentation for each amount for which reimbursement is being claimed must indicate that the item has been paid. Check numbers may be provided in lieu of copies of actual checks. Each piece of documentation should clearly reflect the dates of service. Only expenditures for categories in the approved agreement budget may be reimbursed. These expenditures must be allowable (pursuant to law) and directly related to the services being provided.

Listed below are types and examples of supporting documentation for cost reimbursement agreements:

(1) Salaries: A payroll register or similar documentation should be submitted. The payroll register should show gross salary charges, fringe benefits, other deductions and net pay. If an individual for whom reimbursement is being claimed is paid by the hour, a document reflecting the hours worked times the rate of pay will be acceptable.

(2) Fringe Benefits: Fringe Benefits should be supported by invoices showing the amount paid on behalf of the employee (e.g., insurance premiums paid). If the contract specifically states that fringe benefits will be based on a specified percentage rather than the actual cost of fringe benefits, then the calculation for the fringe benefits amount must be shown.

Exception: Governmental entities are not required to provide check numbers or copies of checks for fringe benefits.

(3) Travel: Reimbursement for travel must be in accordance with Section 112.061, Florida Statutes, which includes submission of the claim on the approved State travel voucher or electronic means.

(4) Other direct costs: Reimbursement will be made based on paid invoices/receipts. If nonexpendable property is purchased using State funds, the contract should include a provision for the transfer of the property to the State when services are terminated. Documentation must be provided to show compliance with Department of Management Services Rule 60A-1.017, Florida Administrative Code, regarding the requirements for contracts which include services and that provide for the contractor to purchase tangible personal property as defined in Section 273.02, Florida Statutes, for subsequent transfer to the State.

(5) In-house charges: Charges which may be of an internal nature (e.g., postage, copies, etc.) may be reimbursed on a usage log which shows the units times the rate being charged. The rates must be reasonable.

(6) Indirect costs: If the contract specifies that indirect costs will be paid based on a specified rate, then the calculation should be shown.

Contracts between state agencies, and/or contracts between universities may submit alternative documentation to substantiate the reimbursement request that may be in the form of FLAIR reports or other detailed reports.

The Florida Department of Financial Services, online Reference Guide for State Expenditures can be found at this web address <https://www.myfloridacfo.com/Division/AA/Manuals/documents/ReferenceGuideforStateExpenditures.pdf>.

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**EXHIBIT G**

**AUDIT REQUIREMENTS FOR AWARDS OF STATE FINANCIAL ASSISTANCE**

**THE STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:**

**SUBJECT TO SECTION 215.97, FLORIDA STATUTES:~**

**Awarding Agency:** Florida Department of Transportation

**State Project Title:** Seaport Grant Program

**CSFA Number:** 55.005

**\*Award Amount:** \$4,456,772

\*The award amount may change with amendments

Specific project information for CSFA Number 55.005 is provided at: <https://apps.fldfs.com/fsaa/searchCatalog.aspx>

**COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT:**

State Project Compliance Requirements for CSFA Number 55.005 are provided at: <https://apps.fldfs.com/fsaa/searchCompliance.aspx>

The State Projects Compliance Supplement is provided at: <https://apps.fldfs.com/fsaa/compliance.aspx>



Board of Directors Meeting - R2022-03-01 Engineering and Construction Update

KEY CAPITAL PROJECTS

No.	Contract Number	Project Description	Vendor	Scope	Original Contract Amt. (\$)	Approved Change Orders To Date	Total Contract as Amended	Payments to Date	Work Remaining To Invoice	Proposed Change Orders (PCO's)	Remarks
1	AE-1436D	Rehabilitate Wharfs 33 & 34	HDR Eng., Inc.	Engineering Services During Construction BIMT Wharf Reconstruction Phase II	\$1,813,479	\$828,000	\$2,641,479	\$2,599,811	\$41,668	\$0	HDR awarded contract for Services During Construction. HDR is performing on-site daily observation including reports. Their services are critical in answering RFI's to keep the contractor working expeditiously.
					Last CO #02 02/22/21						
	C-1436C		Manson Construction	BIMT Wharf Rehabilitation Phase II	\$51,021,172	\$510,157	\$51,531,329	\$48,210,743	\$3,320,586	\$0	Manson Construction Co was awarded the construction contract to build Phase 2A and 2B on BIMT wharf. Construction NTP was issued on December 3, 2018. Contract completion date is February 6, 2021. Contractor is behind schedule but making every effort to improve the schedule. Phase 2B Construction: All north deck pours have been completed. 3 south deck pours remain. Bollards and fenders are being installed on east end. Sitework has started with limerock subbase being installed. Rail installation has begun. Asphalt paving is scheduled for the first week in April. The Substantial Completion Date has been scheduled for April 26,
2	AE-1658	Upland Dredge Material Management Design & Construction	HDR Engineering	Engineering Design & Services During Construction for Toe Dike at Buck Island	\$340,055	\$58,967	\$399,022	\$359,406	\$39,616	\$0	HDR completed the design documents and will be performing administrative services during construction which includes reviewing submittals,RFI's, change order requests, and monthly inspections.
					Last CO #04 11/27/20						
	C-1737		Brance Diversified Inc.	Upland DMMA Construction Phase 1 - Buck Island	\$3,987,200	\$1,136,500					
	C-1737A		Brance Diversified Inc.	Remove Dredge Materials DMMA Cell "B" Buck Island	\$5,950,000	\$2,700,000	\$8,650,000	\$2,275,593	\$6,374,407	\$0	NTP issued September 21st 2021. Contractor is pumping material to Reed Island. Change Order #1 authorized additional 200,000 CY to be pumped to Reed Island. Approximately 35% of material has been pumped to Reed Island.
						Last CO #01 12/28/21					
6	C-1671	August Drive Sheet Pile Wall Replacement	Poseidon Dredge & Marine, Inc.	August Drive Sheet Pile Wall Replacement	\$2,276,305	\$0	\$2,276,305	\$1,557,917	#REF!	\$0	Poseidon Dredge & Marine, Inc has been awarded the contract to replace the sheetpile walls at the August Drive Bridge. Project has been successfully completed and closed.
3	AE-1611A	Pile Cap & Beam Rehab - TMT	HDR Engineering, Inc.	Design Services for Pile Jacket Program	\$141,569	\$71,200	\$212,769	\$183,201	\$29,568	\$0	HDR Engineering provided design services and is providing Services During Construction for the pile jacket repair project at Berth 4 at TMT.
					Last CO #01 01/19/21						
	MC-1611		Underwater Mechanix, Inc	Facilities Wide Underwater Pile Cleaning Berth 5	\$867,800	\$486,200					
	C-1611		Underwater Mechanix, Inc	TMT Pile Jacket Repair - Berth 4	\$630,299	\$278,985	\$909,284	\$857,199	\$52,085	\$0	Underwater Mechnix, Inc. was awarded the contract to provide pile jacket repairs at TMT Berth 4. CO #3 added one additional pile jacket required. The last two pile jackets will be poured this week. Project completion is scheduled for April 30.
						CO #3 01/20/22					
	AE-1780		JACOBS Engineering Group	Engineering Inspection & Design Services Pile Jacket Repairs Berth 5	\$143,950	\$0	\$143,950	\$51,365	\$92,585	\$0	JACOBS was directed to design the pile jacket repairs on Berth 5 on May 25, 2021. JACOBS inspection team has made two visits and inspected 381 piles to date.

Board of Directors Meeting - R2022-03-01 Engineering and Construction Update

No.	Contract Number	Project Description	Vendor	Scope	Original Contract Amt. (\$)	Approved Change Orders To Date	Total Contract as Amended	Payments to Date	Work Remaining To Invoice	Proposed Change Orders (PCO's)	Remarks
4	AE-1588B	Rehabilitate Underdeck Concrete Phase 4	C&ES Construction & Engineering Services	Engineering & Inspection Services for Rehabilitate Underdeck Concrete Phase 4	\$52,440	\$0	\$52,440	\$6,604	\$45,836	\$0	C&ES has been awarded the contract to inspect the underdeck repairs for Phase 4 at TMT.
	C-1588A		Southern Road & Bridge LLC	Rehabilitate Underdeck Concrete Phase 4	\$2,143,244	\$61,776 Last CO #01 11/02/21	\$2,205,020	\$563,441	\$1,641,579		Southern Road & Bridge LLC was awarded the contract to make concrete spall repairs on the underside of the deck at TMT Berths 5-8. This is final phase of underdeck repairs for TMT. Southern Road & Bridge had demobilized for the winter months and has just returned to continue working on the repairs.
5	AE-1742	Bartram Island Cell C Expansion Design/Permitting	Taylor Engineering, Inc.	Bartram Island DMMA Cell C Concept Development Design & Permitting	\$854,134	\$85,668 Last CO #04 08/25/21	\$939,802	\$926,919	\$12,883	\$0	Taylor Engineering has completed design documents. FDEP permit has been obtained. Gopher Tortoise relocation agreement has been executed and permit for FWC has been issued. Taylor Engineering supervised the gopher tortoise removal process on March 15.
	C-1795		Brance Diversified Inc.	DMMA Cell C Restoration & Capacity	\$7,775,000		\$7,775,000	\$0	\$7,775,000	\$0	Brance Diversified was awarded the contract to expand Cell C at Bartram Island. The Notice to Proceed was issued on February 24, 2022. Brance Diversified has assisted in relocating the gopher tortoises and started installation of silt fence.
6	AE-1772	Container Terminal Upgrades - SSA	AECOM Technical Services	Program Management & Inspection Svcs for C-1772 SSA Container Yard Improvements	\$3,215,597		\$3,215,597	\$375,801	\$2,839,796	\$0	Program management services are being performed as the contractor is preparing for mobilization. Initial mobilization started at the end of November.
	C-1772		Superior Construction Company Southeast, LLC	SSA JCT Container Yard Improvements	\$48,876,120		\$48,876,120	\$3,336,306	\$45,539,814	\$160,539	Contractor has mobilized to jobsite. Limerock material is being stockpiled on BIMT. NTP for Construction was issued on 1/10/22. Contractor has milled Phase 1 and has started excavation of subgrade and placement of limerock. Phase 1 is scheduled for completion on July 18, 2022.
<b>Grand Totals</b>					\$130,088,364		\$136,305,817	\$66,602,291	#REF!	\$160,539	

## **Financial Highlights**

### **February 2022**

February showed stable results. Container activity again is the high spot at \$2.3 million, slightly behind budget (\$170 thousand) but exceeding February of prior year. Container Revenue is 8% over prior period while TEU's are down 4%, the result of some container activity shifting from the TraPac terminal to the SSA terminal producing more revenue per container. Auto revenue at \$1.189 million is also slightly behind plan, but just ahead of prior period. Auto units are 34% below plan and just 3% below prior year. Much of the auto revenue is generated from fixed lease rates which lessen the impact of the current weak auto import levels. Breakbulk is also a positive contributor to Revenue; for the month we recorded \$561 thousand, \$216 thousand ahead of plan and nearly double the revenue produced same period prior year. This is attributable to increased wood pulp imports at SSA at Blount Island and activity at Enstructure on the Talleyrand terminal. Enstructure took over the Seaonus operation and has attracted significant new business, including the export of poultry and the import of coffee. Cruise showed revenue of \$81 thousand, resulting from 2 ship calls from our new, smaller cruise ship, American Queen Ocean Voyager. TWIC Escort fees at \$81 thousand represented the largest contributor to Other Income which totaled \$228 thousand.

### **EXPENSES**

Total Expenses for the month remain under budget. Salaries and Benefits remain under budget as does Security Services. We are experiencing increases in Services and Supplies. Fuel prices are up 49% over same period last year leading to this line item's unfavorable variance of \$16 thousand for the month. We budgeted for a 15% increase. Other line items in this category, including legal, accounting and grant writing services, are currently showing a favorable variance to budget which helps to offset the fuel variance.

Berth Maintenance dredging was underbudget by \$229 thousand. For the third consecutive month, cubic yards removed from our berths were less than expected. We are encouraged that this lower rate of siltation may be returning to historical levels after three years of post-hurricane heavy dredging.

### **YEAR-TO-DATE**

Through five months of the year we report revenues of \$23.049 million. This is behind plan by \$516 thousand, and \$1.7 million behind same period prior year. One million of this shortfall from prior year is the lack of tipping fees paid by private operators in the harbor. Due to capacity issues at our sites, we are accepting spoils to our sites on a very limited basis. Looking ahead, Carnival Cruise's restart on March 7<sup>th</sup> with passenger counts exceeding our expectations, continued strength in break bulk and the two recent announcements of new container services (Sea-Lead and MSC Gulf) give us confidence we will overcome the negative revenue budget variance and exceed it by year end.

Expenses for the year are under budget by \$357 thousand with savings in most categories. Berth Maintenance Dredging is over budget by \$805 thousand due to significant dredging events early in the year. If recent dredge events are an indication of abating volumes, we could see a slight favorable variance in this area by year end.

**BALANCE SHEET**

On February 28, 2022, we closed the TraPac transaction. We paid out \$4.2 million to terminate the Hedge Transaction associated with the Special Purpose Bonds which were redeemed by MOL. We received \$3.3 million from MOL, representing payoff of the remaining ETR rents. Cash remained strong at \$16 million. All other areas of the Balance Sheet remained stable.

**CONCERNS**

We are watching the cruise activity and hopeful that the consumer demand we have seen in the early restart phase will continue.

# VITAL STATISTICS

## FEBRUARY FY2022 - Cargo Performance

### CARGO INDICATORS

	VARIANCE					YEAR-TO- DATE			VARIANCE	
	Actual	Budget	Prior	Budget	Prior	Actual	Budget	Prior	Budget	Prior
Vessel Calls	114	119	103	-4%	11%	604	594	618	2%	-2%
Total Tons	<b>746,406</b>	<b>868,612</b>	<b>733,137</b>	-14%	2%	<b>3,813,082</b>	<b>4,343,059</b>	<b>4,185,865</b>	-12%	-9%
Total Revenue	\$4,698,164	\$4,713,056	\$4,377,251	0%	7%	\$23,049,228	\$23,565,280	\$24,766,151	-2%	-7%

### OPERATING REVENUE / STATISTICS

	VARIANCE					YEAR-TO- DATE			VARIANCE	
	Actual	Budget	Prior	Budget	Prior	Actual	Budget	Prior	Budget	Prior
Container Revenue	\$2,317,309	\$2,488,061	\$2,136,068	-7%	8%	\$11,903,875	\$12,440,305	\$11,230,920	-4%	6%
Container TEU's	<b>97,867</b>	<b>113,239</b>	<b>101,710</b>	-14%	-4%	<b>522,632</b>	<b>566,194</b>	<b>577,846</b>	-8%	-10%
ICTF Rail Lifts	<b>2,067</b>	<b>1,500</b>	<b>1,380</b>	38%	50%	<b>12,415</b>	<b>7,500</b>	<b>6,476</b>	66%	92%
Auto Revenue	\$1,188,714	\$1,268,377	\$1,102,345	-6%	8%	\$6,041,383	\$6,341,885	\$6,423,761	-5%	-6%
Auto Units	<b>39,609</b>	<b>60,306</b>	<b>40,829</b>	-34%	-3%	<b>218,222</b>	<b>301,531</b>	<b>276,733</b>	-28%	-21%
Military Revenue	\$14,801	\$83,177	\$39,435	-82%	-62%	\$147,912	\$415,885	\$354,214	-64%	-58%
Breakbulk Revenue	\$560,639	\$344,452	\$293,668	63%	91%	\$2,183,149	\$1,722,260	\$2,360,815	27%	-8%
Breakbulk Tons	<b>75,646</b>	<b>63,966</b>	<b>49,374</b>	18%	53%	<b>362,665</b>	<b>319,830</b>	<b>283,796</b>	13%	28%
Liquid Bulk Revenue	\$126,717	\$124,243	\$134,005	2%	-5%	\$662,216	\$621,215	\$601,422	7%	10%
Liquid Bulk Tons	<b>37,500</b>	<b>35,845</b>	<b>37,052</b>	5%	1%	<b>183,194</b>	<b>179,227</b>	<b>179,227</b>	2%	2%
Dry Bulk Revenue	\$180,990	\$173,184	\$191,795	5%	-6%	\$824,595	\$865,920	\$829,629	-5%	-1%
Dry Bulk Tons	<b>64,831</b>	<b>67,500</b>	<b>58,051</b>	-4%	12%	<b>218,944</b>	<b>337,500</b>	<b>285,442</b>	-35%	-23%
Cruise Revenue	\$80,865	\$0	\$0	0%	0%	\$88,548	\$0	\$0	0%	0%
Cruise Passengers	<b>122</b>	-	-	0%	0%	<b>176</b>	-	-	0%	0%
Total Cargo Revenue	\$4,470,035	\$4,481,494	\$3,897,315	0%	15%	\$21,851,678	\$22,407,470	\$21,800,761	-2%	0%
Other Revenue	\$228,129	\$231,562	\$479,936	-1%	-52%	\$1,197,550	\$1,157,810	\$2,965,389	3%	-60%

**Jacksonville Port Authority**  
**Comparative Income Statement (Unaudited)**  
**For the 5 months ending 02/28/2022**

	Current Month Actual	Current Month Budget	Budget Variance	Prior Year Month Actual	Current YTD Actual	Current YTD Budget	Budget Variance	Prior Year YTD Actual
<b>OPERATING REVENUES</b>								
CONTAINERS	2,317,309	2,488,061	(170,752)	2,136,068	11,903,875	12,440,305	(536,430)	11,230,920
AUTOS	1,188,714	1,268,377	(79,663)	1,102,345	6,041,383	6,341,885	(300,502)	6,423,762
MILITARY	14,801	83,177	(68,376)	39,435	147,912	415,885	(267,973)	354,214
BREAK BULK	560,639	344,452	216,187	293,668	2,183,149	1,722,260	460,889	2,360,815
LIQUID BULK	126,717	124,243	2,474	134,005	662,216	621,215	41,001	601,422
DRY BULK	180,990	173,184	7,806	191,795	824,595	865,920	(41,325)	829,629
CRUISE	80,865	-	80,865	-	88,548	-	88,548	-
OTHER OPERATING REVENUE	228,129	231,562	(3,433)	479,936	1,197,550	1,157,810	39,740	2,965,389
<b>TOTAL OPERATING REVENUES</b>	<b>4,698,164</b>	<b>4,713,056</b>	<b>(14,892)</b>	<b>4,377,251</b>	<b>23,049,228</b>	<b>23,565,280</b>	<b>(516,052)</b>	<b>24,766,151</b>
<b>OPERATING EXPENSES</b>								
SALARIES & BENEFITS	1,460,840	1,484,216	(23,376)	1,339,850	7,606,071	7,835,468	(229,397)	7,105,992
SERVICES & SUPPLIES	372,717	412,401	(39,684)	305,107	1,877,145	2,062,005	(184,860)	1,532,042
SECURITY SERVICES	354,794	450,181	(95,387)	378,187	1,812,890	2,250,905	(438,015)	1,910,339
BUSINESS TRAVEL AND TRAINING	12,515	48,065	(35,550)	7,286	68,056	240,325	(172,269)	56,895
PROMO,ADV,DUES & MEMBERSHIPS	66,267	61,193	5,074	81,377	297,732	305,965	(8,233)	209,559
UTILITY SERVICES	56,927	65,162	(8,235)	52,735	266,754	325,810	(59,056)	271,294
REPAIRS & MAINTENANCE	145,945	173,122	(27,177)	217,713	798,171	865,610	(67,439)	688,840
CRANE MAINTENANCE PASS THRU	(24,582)	(37,500)	12,918	(33,104)	(170,462)	(187,500)	17,038	(153,472)
BERTH MAINTENANCE DREDGING	215,724	444,596	(228,872)	781,085	3,028,020	2,222,980	805,040	2,457,726
MISCELLANEOUS	9,069	13,595	(4,526)	11,803	48,075	67,975	(19,900)	65,359
<b>TOTAL OPERATING EXPENSES</b>	<b>2,670,215</b>	<b>3,115,031</b>	<b>(444,815)</b>	<b>3,142,039</b>	<b>15,632,452</b>	<b>15,989,543</b>	<b>(357,091)</b>	<b>14,144,574</b>
<b>OPERATING INC BEFORE DS AND DEPR</b>	<b>2,027,949</b>	<b>1,598,025</b>	<b>429,923</b>	<b>1,235,212</b>	<b>7,416,776</b>	<b>7,575,737</b>	<b>(158,961)</b>	<b>10,621,576</b>
<b>NON OPERATING INCOME</b>								
INVESTMENT INCOME	1,653	725	928	850	6,156	3,625	2,531	4,173
SHARED REVENUE FROM CITY	791,553	803,516	(11,963)	797,369	4,076,725	4,017,580	59,145	4,158,597
<b>TOTAL NON OPERATING ITEMS</b>	<b>793,206</b>	<b>804,241</b>	<b>(11,035)</b>	<b>798,219</b>	<b>4,082,881</b>	<b>4,021,205</b>	<b>61,676</b>	<b>4,162,770</b>
<b>NON OPERATING EXPENSE</b>								
DEBT SERVICE	1,349,120	1,402,310	(53,190)	1,337,616	6,721,147	7,011,552	(290,405)	6,764,626
CRANE RELOCATION	-	-	-	19,029	-	-	-	706,429
OTHER NON OP EXPENSE	783	428	355	(1,881)	5,230	2,140	3,090	2,972
<b>TOTAL NON OPERATING EXPENSE</b>	<b>1,349,903</b>	<b>1,402,738</b>	<b>(52,835)</b>	<b>1,354,763</b>	<b>6,726,377</b>	<b>7,013,692</b>	<b>(287,315)</b>	<b>7,474,027</b>
<b>INCOME BEFORE DEPRECIATION</b>	<b>1,471,252</b>	<b>999,528</b>	<b>471,724</b>	<b>678,668</b>	<b>4,773,279</b>	<b>4,583,250</b>	<b>190,029</b>	<b>7,310,319</b>

**Jacksonville Port Authority**  
**Balance Sheet (in thousands)**  
**At February 28, 2022**

	<b>February 28, 2022</b>	<b>January 31, 2022</b>	<b>September 30, 2021</b>
<b>Current Assets</b>			
Cash & cash equivalents	15,909	16,623	17,004
Restricted cash & cash equivalents	3,665	2,443	8,149
Accounts receivable, net	5,404	6,042	7,309
Notes and other receivables	535	498	494
Grants receivable	20,187	21,793	26,491
Inventories and other assets	2,026	1,934	1,773
<b>Total Current Assets</b>	<b>47,726</b>	<b>49,333</b>	<b>61,220</b>
<b>Noncurrent Assets</b>			
Restricted cash & cash equivalents	16,009	16,018	15,917
Restricted Cash for Cap Projects	25,196	27,465	345
Deferred outflow of resources	9,113	9,144	9,266
Capital Assets, net	850,525	844,886	849,826
<b>Total Noncurrent Assets</b>	<b>900,843</b>	<b>897,513</b>	<b>875,354</b>
<b>Total Assets</b>	<b>948,569</b>	<b>946,846</b>	<b>936,574</b>
<b>Current liabilities</b>			
Accounts payable	1,662	1,917	2,744
Construction accounts payable	3,207	1,359	1,784
Accrued expenses	844	856	1,066
Accrued interest payable	2,174	1,630	2,928
Retainage payable	1,382	1,382	1,382
Unearned Revenue	6,987	6,987	6,987
Bonds and Notes Payable	7,672	7,672	7,672
<b>Total Current Liabilities</b>	<b>23,928</b>	<b>21,803</b>	<b>24,563</b>
<b>Noncurrent liabilities</b>			
Unearned Revenue	133,117	134,120	120,952
Accrued Expenses	3,232	3,204	3,291
Line of credit	8,379	11,929	15,479
Bonds and notes payable	207,078	207,094	214,291
Short Term Borrowings - COJ	15,200	19,500	25,000
Other Obligations	8,537	8,537	8,537
Net Pension Liability	6,690	6,690	6,690
Deferred inflows - Pension	9,869	9,869	9,869
<b>Total Non Current Liabilities</b>	<b>392,102</b>	<b>400,943</b>	<b>404,109</b>
<b>Total Liabilities</b>	<b>416,030</b>	<b>422,746</b>	<b>428,672</b>
<b>Net Position</b>	<b>532,539</b>	<b>524,100</b>	<b>507,902</b>



# COMMERCIAL

# REPORT

**JAXPORT BOARD MEETING**

March 2022



# COMMERCIAL OVERVIEW

## NEW VESSEL SERVICES:

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### Sea-Lead “Asia East Coast” (AEC)

- Fortnightly service at SSA: Nansha, Ningbo, Qingdao (CH); Busan (SK); Norfolk; NY; CHS; **Jacksonville**; Nansha
  - Helps to fill major JAXPORT need; deepening essential
  - First vessel May 2022
- 



*Sea-Lead: MV Hakuna Matata, May 2022*

### One (possibly two) more vessel services likely in 2022

- Weekly calls; global ocean carriers
- New container opportunities, including refrigerated cargoes
- Service(s) could begin 60-90 days from announcement

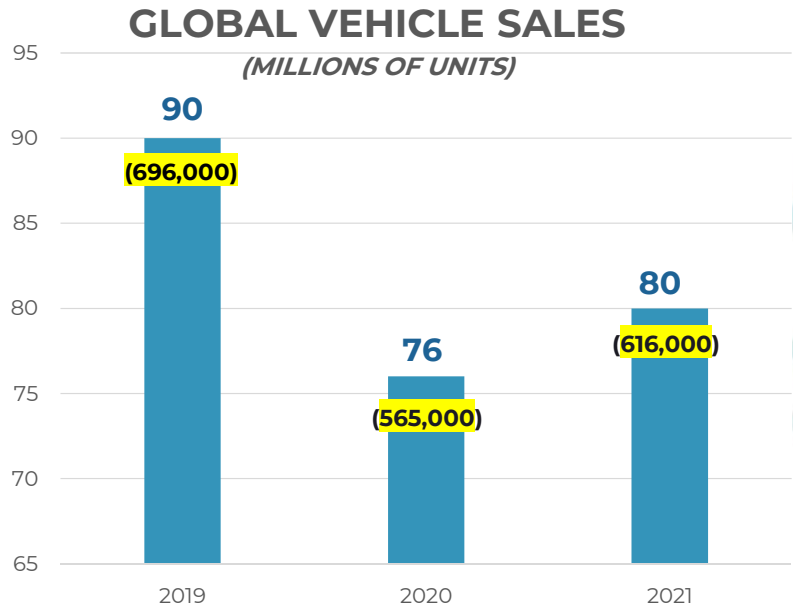
# COMMERCIAL OVERVIEW

## OPPORTUNITIES AND CHALLENGES:

- **Opportunities:**
  - Additional permanent vessel service**
  - Chartered vessels**
  - Container cargo shifting to breakbulk**
- **Challenge:**
  - Lingering impacts of COVID**

# COMMERCIAL OVERVIEW

## VEHICLES



*\*Estimated.  
Data Source: WW Analyst Erik Solum*

**CENNTRO AUTOMOTIVE**  
**Chooses JAXPORT:**  
**parts imports and finished**  
**vehicle exports.**



# NEW BUSINESS EXAMPLES

NEW BUSINESS	CARGO TYPE	NOTES
<b>NEW VESSEL SERVICES</b> <i>Containerized Clay</i>	Containers	Projected 30,000+ TEUs/year <i>Projected 4,800 TEUs/annual exports for Sea Lead</i>
<b>CHARTER + LOADER</b>	Containers	India charter; Global carrier loader = Combined 500 TEUs
<b>FOREIGN PARTS DIST.</b>	Containers	600 TEUs/annual imports
<b>CENNTRO</b> <i>(Project Tierra from Jan. 2021)</i>	Vehicles	Imports of parts and supplies, plus exports of finished vehicles.



# COMMERCIAL

# REPORT

**JAXPORT BOARD MEETING**

March 2022