

TO: The Honorable Kathleen Passidomo, President of the Florida Senate
The Honorable Paul Renner, Speaker of the Florida House of Representatives
Melanie Griffin, Secretary, Dept. of Business & Professional Regulation
Dylan Albergo, P.E., Chair, FBPE
Pankaj (PJ) Shah, P.E., Vice Chair, FBPE
Sam Mousa, P.E., FBPE
Jeb Mulock, P.E., FBPE
Yassi Myers, P.E., FBPE
John Pistorino, P.E., S.I., FBPE
Denise Ramsey, P.E., FBPE
Babu Varghese, P.E., S.I., FBPE
Christopher Dawson, Public Member, FBPE
James Dawson, Public Member, FBPE

FROM: Zana Raybon, President
Florida Engineers Management Corporation

DATE: September 15, 2023

RE: Transmittal of Annual Report

In accordance with Section 471.038(3)(m), Florida Statutes, enclosed is the 2022-2023 Annual Report of the Florida Engineers Management Corporation.

cc: w/attachment

Satya Lory, P.E., Chair, FEMC
Safiya Brea, P.E., Vice Chair, FEMC
Barney Bishop, FEMC
Stephen Kowkabany, P.E., FEMC
Art Nordlinger, P.E., FEMC
Mark Tumeo, P.E., Ph.D, FEMC

Florida Engineers Management Corporation Board Members

SATYA LORY, P.E.
CHAIR
11/1/18-10/31/26

BARNEY T. BISHOP III
5/1/17-4/30/25

ART NORDLINGER, P.E.
11/1/18-10/31/26

VACANCY
Public Seat

SAFIYA BREA, P.E.
VICE CHAIR
11/1/18-10/31/26

STEPHEN KOWKABANY, P.E.
10/7/15-10/31/23

DR. MARK A. TUMEO, P.E.
2/17/21-2/16/25

ZANA RAYBON
FEMC President

FLORIDA ENGINEERS
MANAGEMENT CORPORATION

2023 ANNUAL REPORT



2400 Mahan Dr.
Tallahassee, FL 32308
(850) 521-0500 | fbpe.org

2022-2023 Annual Report
Florida Engineers Management Corporation

Introduction

Section 471.038, Florida Statutes, adopted by the legislature in 1997 as H433, created the Florida Engineers Management Corporation (FEMC) for the purpose of providing administrative, investigative, and prosecutorial services to the Florida Board of Professional Engineers (FBPE) by contract with the Department of Business and Professional Regulation (DBPR). Section 471.038(3)(m), Florida Statutes, requires the Corporation to submit to the Secretary of the Department of Business & Professional Regulation, the Florida Board of Professional Engineers, and the Florida Legislature, on or before October 1 of each year, a report on the status of the corporation, including but not limited to, information concerning the programs and funds that have been transferred to the Corporation. That same section also requires certain specific information regarding licenses and complaints handled by the Corporation. The following is the text of that report.

Between July 1, 2022 and June 30, 2023, FEMC has performed the following:

- Administered 30 meetings of the FBPE and FBPE committees;
- Published 4 newsletters that were distributed to an average of 44,665 engineering licensees and others;
- Hit a record 658,976 users on the FBPE.org website during FY22-24 (a renewal period), compared to 227,525 in FY21-22 (a non-renewal year) and 256,898 in FY20-21 (the previous renewal period);
- Conducted 15 in-person and five virtual outreach presentations, reaching over 1,600 engineering students, interns, and professionals to discuss engineering exams, professional licensure, and professional ethics during 14 engineering classes or groups, as well as the Florida Engineering Society Annual Conference and the Florida Association of County Engineers & Road Superintendents (FACERS) Annual Meeting; and staffed a table at the Building Officials Association of Florida's 2023 annual conference to answer questions regarding engineering regulations, unlicensed activity, and the proper signing and sealing of engineering documents.

Florida Engineers Management Corporation Board Members

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2/17/21-2/16/25

ZANA RAYBON
FEMC President

- Volunteered at the 2023 ASCE Southeast Student Conference/AISC Steel Bridge Competition at the University of North Florida and at the 2023 Florida MathCounts State Competition;
- Published regular posts to social media (Facebook and LinkedIn), with topics ranging from PE licensure and licensure renewal in Florida to promoting STEM.
- Renewed 40,724 licenses for professional engineers;
- Issued 25 Certifications of Special Inspectors of threshold-type buildings;
- Received 4,354 applications for licensure;
- Approved 3,506 applications for licensure;
- Denied 186 applications for licensure;
- 50 days average time to issue a license;
- For NCEES CBT Principles and Practice examinations July 1, 2022, thru June 30, 2023, 849 passed the examination, 808 failed the examination. **
- For the CBT Fundamentals of Engineering examinations from July 1, 2022, thru June 30, 2023, 1,354 passed the examination, 1,279 failed the examination. ***

*** FEMC allows for direct exam registration with NCEES, so applicants do not need to register with FEMC. Due to an October 2019 statute change allowing for early examination, an applicant may register with NCEES without prior Board-approval. FEMC has no way of knowing when the applicant schedules to take the exam. The applicant has 12 months to take the exam anywhere in the US. The applicant still must meet our licensure requirements in order for a license to be issued. NCEES has transitioned all Principles and Practice (PE) Examinations to Computer-Based Testing (CBT). NCEES has contracted with a third-party vendor to administer the exam. Some exams will be offered year-round in the same manner as the Fundamentals Examination. Some exams will be offered only one day a year.*

**** In January 2014, NCEES moved to Computer-Based Testing for the Fundamentals Examination. NCEES has contracted with a third-party vendor to administer the exam. FEMC allows for direct exam registration with NCEES, so applicants do not need to register with FEMC. The applicant has 12 months to take the exam anywhere in the U.S. FEMC is only notified of who passes and who fails the examination.*

In support of the FBPE's effort to enforce the engineer licensing law, FEMC accomplished the following:

- Processed 208 complaints regarding engineering practice, of which 137 were found to be legally sufficient;
- Filed 105 Administrative Complaints in cases where the Probable Cause Panel found probable cause to believe a violation of the Engineering Practice Act had occurred;
- Filed 85 Final Orders with DBPR;
- Tried 0 cases at DOAH;
- Dismissed 5 cases after re-consideration by Probable Cause Panel;
- Issued 5 Reprimands;

- Issued 2 Suspensions;
- Issued 3 Probations;
- Issued 2 Project Reviews;
- Issued 0 License Restrictions;
- Required 77 engineers to successfully complete a course in Engineering Professionalism and Ethics;
- Required 77 engineers to successfully complete the Board's Study Guide on Laws and Rules;
- Imposed \$26,769.95 in Administrative Costs;
- Imposed \$57,000.00 in Administrative Fines;
- Received 2 Voluntarily Relinquishment;
- Received 0 Voluntarily Inactivation;
- Licenses Revoked 1;
- Dismissed 0 case at Board Meetings;
- Dismissed 25 cases with a finding of no probable cause;
- Dismissed 16 with letter of guidance to engineers;
- FBPE issued 91 Final Orders against Professional Engineers

Statutory Requirements:

In response to various requirements of Section 471.038, Florida Statutes, the following attachments are provided:

- Section 471.038, Florida Statutes
This is the enacting legislation for the Florida Engineers Management Corporation and sets forth the requirements of FEMC.
- Board Members and Organizations of the Corporation
Attached is a copy of the Board's website home page, created by FEMC at fbpe.org, to provide important news and information to the public and licensees. In addition to the names of the members of the Florida Board of Professional Engineers, the FEMC corporate directors, and its staff, the website also provides the most recent engineering rules and laws, links by search function to DBPR's current listing of registrants and qualified engineering businesses, information on how to file a complaint, most frequently asked questions, current applications for licensure, newsletters published by the Board, Board meeting agendas and minutes, Board calendar for the year, and information on continuing education.
- Contract
Section 471.038(3)(j), Florida Statutes, requires that FEMC operate on an annual contract between DBPR and FEMC. Attached is a copy of the contract which is entitled

“Agreement Between Florida Engineers Management Corporation and Department of Business and Professional Regulation.”

- Charter and By-Laws
Section 471.038(3), F.S., requires approval of the Corporation’s articles of incorporation and bylaws by the Department and FBPE.
- Annual Budget
Section 471.038(3)(j)1., F.S., requires submission of an annual budget that has been approved by the FBPE and the DBPR. Attached please find a copy of the approved budget for the fiscal year 2022-2023.
- Annual Certification
Section 471.038(3)(j)2., F.S., requires that FEMC be certified by the FBPE and the DBPR that it is complying with the terms of the contract and in a manner consistent with the goals and purposes of the Board and the best interest of the State. A copy of that Certification is attached.
- Annual Financial and Compliance Audit
Section 471.038(3)(k), F.S., requires an annual finance and compliance audit of financial accounts and records by the independent certified public accountant. The audit for the period of July 1, 2022 through June 30, 2023 is attached.

For additional information concerning the Florida Engineers Management Corporation please contact Zana Raybon, President, by telephone at 850-521-0500, or by email at

zraybon@fbpe.org.

SECTION 471.038
FLORIDA STATUTES

2023 ANNUAL REPORT

FEMC 
Florida Engineers Management Corporation

Select Year:

The 2023 Florida Statutes

[Title XXXII](#)

REGULATION OF PROFESSIONS AND OCCUPATIONS

[Chapter 471](#)

ENGINEERING

[View Entire Chapter](#)

471.038 Florida Engineers Management Corporation. –

- (1) This section may be cited as the “Florida Engineers Management Corporation Act.”
- (2) The purpose of this section is to create a public-private partnership by providing that a single nonprofit corporation be established to provide administrative, investigative, and prosecutorial services to the board and that no additional nonprofit corporation be created for these purposes.
- (3) The Florida Engineers Management Corporation is created to provide administrative, investigative, and prosecutorial services to the board in accordance with the provisions of chapter 455 and this chapter. The management corporation may hire staff as necessary to carry out its functions. Such staff are not public employees for the purposes of chapter 110 or chapter 112, except that the board of directors and the staff are subject to the provisions of s. [112.061](#). The provisions of s. [768.28](#) apply to the management corporation, which is deemed to be a corporation primarily acting as an instrumentality of the state, but which is not an agency within the meaning of s. [20.03\(1\)](#). The management corporation shall:
- (a) Be a Florida corporation not for profit, incorporated under the provisions of chapter 617.
 - (b) Provide administrative, investigative, and prosecutorial services to the board in accordance with the provisions of chapter 455, this chapter, and the contract required by this section.
 - (c) Receive, hold, and administer property and make only prudent expenditures directly related to the responsibilities of the board, and in accordance with the contract required by this section.
 - (d) Be approved by the board, and the department, to operate for the benefit of the board and in the best interest of the state.
 - (e) Operate under a fiscal year that begins on July 1 of each year and ends on June 30 of the following year.
 - (f) Have a seven-member board of directors, five of whom are to be appointed by the board and must be registrants regulated by the board and two of whom are to be appointed by the secretary and must be laypersons not regulated by the board. All appointments shall be for 4-year terms. No member shall serve more than two consecutive terms. Failure to attend three consecutive meetings shall be deemed a resignation from the board, and the vacancy shall be filled by a new appointment.
 - (g) Select its officers in accordance with its bylaws. The members of the board of directors who were appointed by the board may be removed by the board.
 - (h) Select the president of the management corporation, who shall also serve as executive director to the board, subject to approval of the board.
 - (i) Use a portion of the interest derived from the management corporation account to offset the costs associated with the use of credit cards for payment of fees by applicants or licensees.
 - (j) Operate under a written contract with the department which is approved by the board. The contract must provide for, but is not limited to:
 1. Submission by the management corporation of an annual budget that complies with board rules for approval by the board and the department.
 2. Annual certification by the board and the department that the management corporation is complying with the terms of the contract in a manner consistent with the goals and purposes of the board and in the best interest

of the state. This certification must be reported in the board's minutes. The contract must also provide for methods and mechanisms to resolve any situation in which the certification process determines noncompliance.

3. Funding of the management corporation through appropriations allocated to the regulation of professional engineers from the Professional Regulation Trust Fund.

4. The reversion to the board, or the state if the board ceases to exist, of moneys, records, data, and property held in trust by the management corporation for the benefit of the board, if the management corporation is no longer approved to operate for the board or the board ceases to exist. All records and data in a computerized database shall be returned to the department in a form that is compatible with the computerized database of the department.

5. The securing and maintaining by the management corporation, during the term of the contract and for all acts performed during the term of the contract, of all liability insurance coverages in an amount to be approved by the board to defend, indemnify, and hold harmless the management corporation and its officers and employees, the department and its employees, and the state against all claims arising from state and federal laws. Such insurance coverage must be with insurers qualified and doing business in the state. The management corporation must provide proof of insurance to the department. The department and its employees and the state are exempt from and are not liable for any sum of money which represents a deductible, which sums shall be the sole responsibility of the management corporation. Violation of this subparagraph shall be grounds for terminating the contract.

6. Payment by the management corporation, out of its allocated budget, to the department of all costs of representation by the board counsel, including salary and benefits, travel, and any other compensation traditionally paid by the department to other board counsel.

7. Payment by the management corporation, out of its allocated budget, to the department of all costs incurred by the management corporation or the board for the Division of Administrative Hearings of the Department of Management Services and any other cost for utilization of these state services.

8. Payment by the management corporation, out of its allocated budget, to the department of reasonable costs associated with the contract monitor.

(k) Provide for an annual financial audit of its financial accounts and records by an independent certified public accountant. The annual audit report shall include a management letter in accordance with s. [11.45](#) and a detailed supplemental schedule of expenditures for each expenditure category. The annual audit report must be submitted to the board, the department, and the Auditor General for review.

(l) Provide for persons not employed by the corporation who are charged with the responsibility of receiving and depositing fee and fine revenues to have a faithful performance bond in such an amount and according to such terms as shall be determined in the contract.

(m) Submit to the secretary, the board, and the Legislature, on or before October 1 of each year, a report on the status of the corporation which includes, but is not limited to, information concerning the programs and funds that have been transferred to the corporation. The report must include: the number of license applications received; the number approved and denied and the number of licenses issued; the number of examinations administered and the number of applicants who passed or failed the examination; the number of complaints received; the number determined to be legally sufficient; the number dismissed; the number determined to have probable cause; the number of administrative complaints issued and the status of the complaints; and the number and nature of disciplinary actions taken by the board.

(n) Develop and submit to the department, performance standards and measurable outcomes for the board to adopt by rule in order to facilitate efficient and cost-effective regulation.

(4) The management corporation may not exercise any authority specifically assigned to the board under chapter 455 or this chapter, including determining probable cause to pursue disciplinary action against a licensee, taking final action on license applications or in disciplinary cases, or adopting administrative rules under chapter 120.

(5) Notwithstanding ss. [455.228](#) and [455.2281](#), the duties and authority of the department to receive complaints and to investigate and deter the unlicensed practice of engineering are delegated to the board. The

board may use funds of the Board of Professional Engineers in the unlicensed activity account established under s. [455.2281](#) to perform the duties relating to unlicensed activity.

(6) The department shall retain the independent authority to open or investigate any cases or complaints, as necessary to protect the public health, safety, or welfare. In addition, the department may request that the management corporation prosecute such cases and shall retain sole authority to issue emergency suspension or restriction orders pursuant to s. [120.60](#).

(7) Management corporation records are public records subject to the provisions of s. [119.07\(1\)](#) and s. 24(a), Art. I of the State Constitution; however, public records exemptions set forth in ss. [455.217](#) and [455.229](#) for records created or maintained by the department shall apply to records created or maintained by the management corporation. In addition, all meetings of the board of directors are open to the public in accordance with s. [286.011](#) and s. 24(b), Art. I of the State Constitution. The exemptions set forth in s. [455.225](#), relating to complaints and information obtained pursuant to an investigation by the department, shall apply to such records created or obtained by the management corporation only until an investigation ceases to be active. For the purposes of this subsection, an investigation is considered active so long as the management corporation or any law enforcement or administrative agency is proceeding with reasonable dispatch and has a reasonable, good faith belief that it may lead to the filing of administrative, civil, or criminal proceedings. An investigation ceases to be active when the case is dismissed prior to a finding of probable cause and the board has not exercised its option to pursue the case or 10 days after the board makes a determination regarding probable cause. All information, records, and transcriptions regarding a complaint that has been determined to be legally sufficient to state a claim within the jurisdiction of the board become available to the public when the investigation ceases to be active, except information that is otherwise confidential or exempt from s. [119.07\(1\)](#). However, in response to an inquiry about the licensure status of an individual, the management corporation shall disclose the existence of an active investigation if the nature of the violation under investigation involves the potential for substantial physical or financial harm to the public. The board shall designate by rule those violations that involve the potential for substantial physical or financial harm. The department and the board shall have access to all records of the management corporation, as necessary to exercise their authority to approve and supervise the contract.

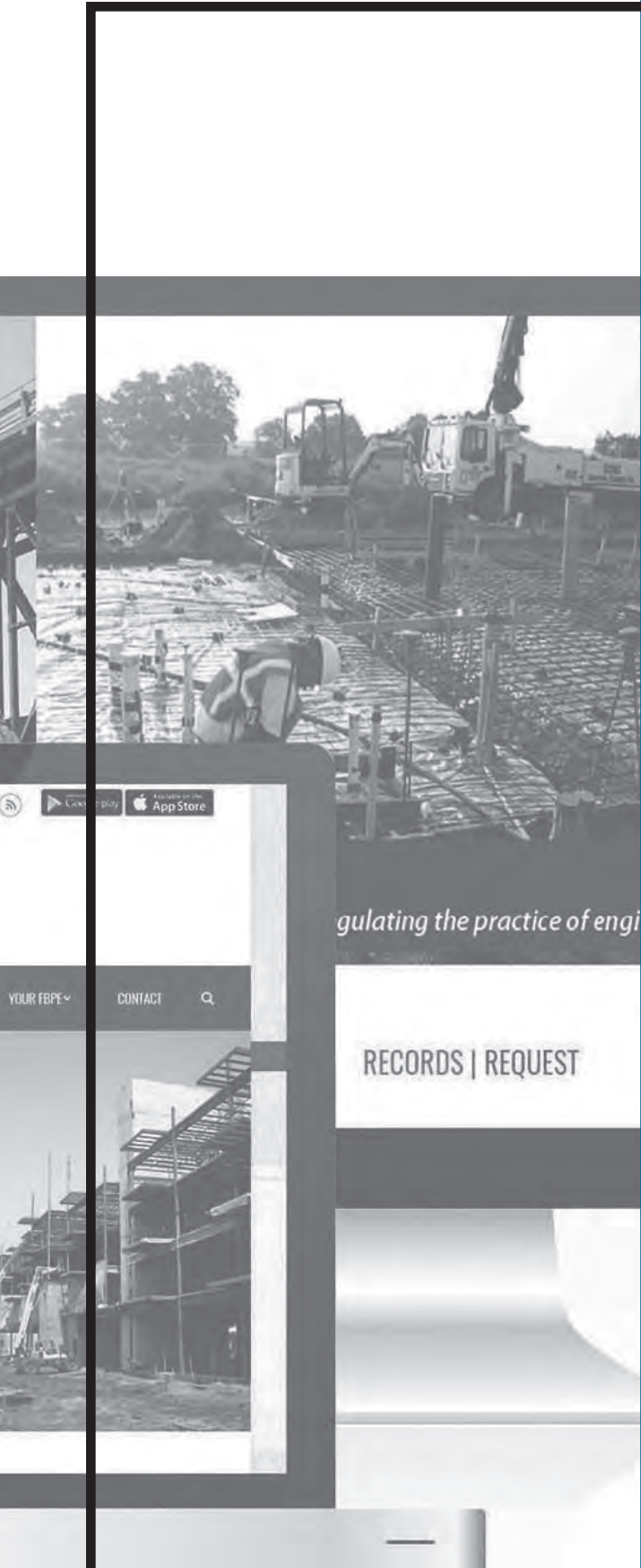
(8) The management corporation is the sole source and depository for the records of the board, including all historical information and records. The management corporation shall maintain those records in accordance with the guidelines of the Department of State and shall not destroy any records prior to the limits imposed by the Department of State.

(9) The board shall provide by rule for the procedures the management corporation must follow to ensure that all licensure examinations are secure while under the responsibility of the management corporation and that there is an appropriate level of monitoring during the licensure examinations.

History.—ss. 2, 5, ch. 97-312; s. 112, ch. 98-166; s. 173, ch. 2000-160; ss. 1, 2, ch. 2000-372; s. 121, ch. 2001-266; s. 5, ch. 2003-293; s. 104, ch. 2023-8.

TOOLS &
RESOURCES

2023 ANNUAL REPORT





Recently Licensed in Florida? Here's
**HELPFUL
INFORMATION**
FOR NEW PROFESSIONAL ENGINEERS

<p>RENEW LICENSE</p> <p>License renewal ended Feb. 28, 2023. Visit our License Renewal page for more information.</p> <p>RENEW LICENSE</p>	<p>SEARCH FOR LICENSEE</p> <p>DBPR's My Florida License website provides information about applicants and licensed individuals.</p> <p>SEARCH FOR LICENSEE</p>	<p>RECORDS REQUEST</p> <p>Anyone may request information about disciplinary or enforcement actions.</p> <p>RECORDS REQUEST</p>	<p>FILE A COMPLAINT</p> <p>Complaints are filed with FBPE from many sources, including any member of the public.</p> <p>FILE A COMPLAINT</p>
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EXAMS: FUNDAMENTALS (FE) / PRINCIPLES & PRACTICE (PE)

There are two exams on the path to licensure as a Professional Engineer in Florida: the Fundamentals of Engineering and the Principles & Practice of Engineering. The FE exam covers subjects taken while earning a degree, while the PE exam goes beyond testing academic knowledge and includes expertise gained in the practice of engineering.

[FE EXAM DETAILS](#)

[PE EXAM DETAILS](#)

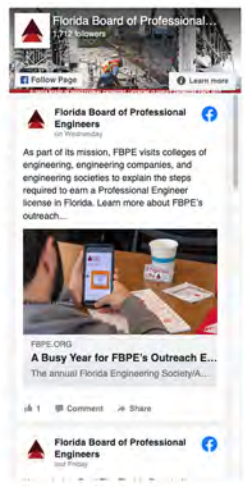
LATEST EVENTS

- SEP 8:30 am - 11:30 am
13 FBPE Probable Cause Panel Meeting (via zoom)
- SEP 1:00 pm - 3:00 pm
13 FBPE Board Meeting (via zoom)
- SEP 1:00 pm - 3:00 pm
15 FBPE Roofing Tile Committee Meeting - via zoom
- OCT 9:00 am - 10:30 am
10 FEMC Board Meeting (via zoom)
- OCT 10:00 am - 12:00 pm
11 FBPE Rules Committee Meeting
- OCT 1:00 pm - 3:00 pm
11 FBPE Board Meeting

[View Calendar](#)

[VIEW FULL EVENTS CALENDAR](#)

LIKE US ON FACEBOOK



Florida Board of Professional Engineers
on Wednesday

As part of its mission, FBPE visits colleges of engineering, engineering companies, and engineering societies to explain the steps required to earn a Professional Engineer license in Florida. Learn more about FBPE's outreach...

[A Busy Year for FBPE's Outreach E...](#)
The annual Florida Engineering Society(A...



[LEARN MORE ABOUT OBTAINING YOUR PE LICENSE IN FLORIDA](#)

LATEST FBPE NEWSLETTER






FBPE Connection
Leading Florida's Professional Engineers

2022-2023 Florida Engineers Management Corporation
4TH QUARTER REPORT

LATEST FEMC QUARTERLY REPORT



LATEST NEWS

 <p>Recent Updates to Florida Engineering Rules</p> <p>Read More</p>	 <p>After the Storm: A Florida PE License Is Required</p> <p>Read More</p>	 <p>FBPE Handouts for Building Officials</p> <p>Read More</p>
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CONTACT FBPE

FLORIDA BOARD OF PROFESSIONAL ENGINEERS
2400 Mahan Dr.
Tallahassee, FL 32308
Phone: (850) 521-0500

FBPE HOURS & CONTACTS

HOURS: 7:30 A.M. - 4:30 P.M. MONDAY-FRIDAY
CONTACT THE BOARD: BOARD@FBPE.ORG

FEMC/DBPR
ANNUAL AGREEMENT

2023 ANNUAL REPORT

FEMC 
Florida Engineers Management Corporation

FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION CORE CONTRACT

THIS CONTRACT is entered into between the Florida Department of Business and Professional Regulation, hereinafter referred to as the "Department" and Florida Engineers Management Corporation (FEMC), hereinafter referred to as the "Contractor". The Department and Contractor agree as follows:

1. **Purpose.** The Department is engaging the Contractor for the purpose of provision of administrative, investigative, and prosecutorial services to the Florida Board of Professional Engineers (FBPE) in accordance with the provisions of Chapters 455 and 471, Florida Statutes, as further described in Attachment I hereto. The Contractor shall perform all tasks and provide units of deliverables, including reports, findings, and drafts, as specified in this contract. These deliverables must be received and accepted by the Department's contract manager in writing prior to payment, subject to subsequent audit and review and to the satisfaction of the Department.
2. **Effective and Ending Dates.** This contract shall begin on July 1, 2021, or on the date on which the contract has been signed by the last party required to sign it, whichever is later. It shall end at midnight, Eastern Standard Time, on June 30, 2025.
3. **Extension.** Subsection 287.057(12), F.S., provides that contracts for commodities or contractual services may be extended in writing for a period not to exceed six (6) months from the contract end date and is subject to the same terms and conditions set forth in the initial contract and any written amendments signed by both parties. There may be only one extension of the contract unless the failure to meet the criteria set forth in the contract for completion of the contract is due to events beyond the control of the Contractor.
4. **Renewal.** Subsection 287.057(13)(c), F.S., provides that contracts for commodities or contractual services may be renewed on a yearly basis for a period of up to three (3) years after the initial contract, or for a period no longer than the term of the original contract, whichever period is longer, subject to the availability of funds, satisfactory performance evaluations by the Department, and at the discretion of the Department. This contract [SELECT ONE]: may not be renewed.; may be renewed for a period not to exceed one (1) year.; may be renewed for a period not to exceed two (2) years.; may be renewed for a period not to exceed three (3) years.; may be renewed for a period not to exceed the original term of this contract. Contract renewals are subject to the same terms and conditions of the original contract and any subsequent written amendments that have been signed by both parties.
5. **Payment for Services.** The Department shall pay for contracted services according to the terms and conditions of this contract of an amount not to exceed \$8,683,500.00 or the rate schedule, subject to the availability of funds and satisfactory performance of all terms by the Contractor. The State of Florida's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature. Any costs or services paid for under any other contract or from any other source are not eligible for payment under this contract.
6. **Contract Document.** The Contractor shall provide services in accordance with the terms and conditions specified in this contract including its attachments, 1 through 11 and any exhibits referenced in said attachments, together with any documents incorporated by reference, which contain all the terms and conditions agreed upon by the parties. The PUR 1000 Form (10/06 version) is hereby incorporated into and made a part of this contract by reference. Sections 1.d., 2-4, 6, 8-13, 27, 31, and 35 of the PUR 1000 Form are not applicable to this contract. In the event of any conflict between the PUR 1000 Form and any other terms or conditions of this contract, such other terms or conditions shall take precedence over the PUR 1000 Form.
7. **Compliance with Statutes, Rules and Regulations.** In performing its obligations under this contract, the Contractor shall without exception be aware of any compliance with State and Federal laws, rules and regulations relating to its performance under this contract, including but not limited to those described in Section 37 of this contract.
8. **Inspections and Corrective Action.** The Contractor shall permit all persons who are duly authorized by the Department to inspect and copy any records, papers, documents, facilities, goods and services of the Contractor which are relevant to this contract, and to interview any clients, employees and subcontractor employees of the Contractor to assure the Department of the satisfactory performance of the terms and conditions of this contract. Following such review, the Department will deliver to the Contractor a written report of its findings, and may direct the development, by the Contractor, of a corrective action plan where appropriate. The Contractor hereby agrees to timely correct all deficiencies identified in the corrective action plan. This provision will not limit the Department's termination rights under Section 33.
9. **Independent Contractor, Subcontracting and Assignments.**
 - a. In performing its obligations under this contract, the Contractor shall at all times act in the capacity of an independent contractor and not as an officer, employee, or agent of the State of Florida, except where the Contractor is a state agency. Neither the Contractor nor any of its agents, employees, subcontractors or assignees shall represent to others that it is an agent of or has the authority to bind the Department by virtue of this contract, unless specifically authorized in writing to do so. This contract does not create any right in any individual to state retirement, leave benefits or any other benefits of state employees as a result of performing the duties or obligations of this contract.
 - b. The Contractor shall take such actions as may be necessary to ensure that it and each subcontractor of the Contractor will be deemed to be an independent contractor and will not be considered or permitted to be an officer, employee, or agent of the State of Florida. The Department will not furnish services of support (e.g., office space, office supplies, telephone service, secretarial or clerical support) to the Contractor, or its subcontractor or assignee, unless specifically agreed to by the Department in this contract. All deductions for social security, withholding taxes, income taxes, contributions to unemployment compensation funds and all necessary insurance for the Contractor, the Contractor's officers, employees, agents, subcontractors, or assignees shall be the sole responsibility of the Contractor.
 - c. The Contractor shall not assign the responsibility for this contract to another party without prior written approval of the Department, upon the Department's sole determination that such assignment will not adversely affect the public interest; however, in no event may the Contractor assign or enter into any transaction having the effect of assigning or transferring any right to receive payment under this contract which right is not conditioned on full and faithful performance of the Contractor's duties hereunder. Any

sublicense, assignment, or transfer otherwise occurring without prior approval of the Department shall be null and void. The Contractor shall not subcontract for any of the work contemplated under this contract without prior written approval of the Department, which shall not be unreasonably withheld.

d. The State of Florida shall at all times be entitled to assign or transfer, in whole or part, its rights, duties, or obligations under this contract to another governmental agency in the State of Florida or to a contractor of the Department's selection, upon giving prior written notice to the Contractor. In the event the State of Florida approves transfer of the Contractor's obligations, the Contractor remains responsible for all work performed and all expenses incurred in connection with this contract. This contract shall remain binding upon the lawful successors in interest of the Contractor and the Department.

e. To the extent permitted by Florida Law, and in compliance with Section 9.c., the Contractor is responsible for all work performed and for all commodities produced pursuant to this contract whether actually furnished by the Contractor or by its subcontractors. Any subcontracts shall be evidenced by a written document. The Contractor further agrees that the Department shall not be liable to the subcontractor in any way or for any reason relating to this contract.

f. The Contractor shall include, in all subcontracts (at any tier) the substance of all clauses contained in this Core Contract that mention or describe subcontract compliance.

g. To the extent that a subcontract provides for payment after Contractor's receipt of payment from the Department, the Contractor shall make payments to any subcontractor within seven (7) working days after receipt of full or partial payments from the Department in accordance with section 287.0585, F.S., unless otherwise stated in the contract between the Contractor and subcontractor. Failure to pay within seven (7) working days will result in a penalty that shall be charged against the Contractor and paid by the Contractor to the subcontractor in the amount of one-half of one percent (.005) of the amount due per day from the expiration of the period allowed for payment. Such penalty shall be in addition to actual payments owed and shall not exceed fifteen (15%) percent of the outstanding balance due.

10. Provider Liability and Indemnity. The Contractor shall be fully liable for the actions of its agents, employees, partners, or subcontractors and shall fully indemnify, defend, and hold harmless the State and the Department, and their officers, agents, and employees, from suits, actions, damages, claims and costs of every name and description, including attorneys' fees:

a. Arising out of or by reason of the execution of this contract or arising from or relating to any alleged act or omission by the Contractor, its agents, employees, partners, or subcontractors in relation to this contract provided; however, that this indemnity shall not include that portion of any loss or damages proximately caused by the negligent act or omission of the Department. This indemnity specifically precludes compensation of the Contractor for any obligations of any kind to any person, paid or unpaid, incurred as a result of a culpable act or omission of the Contractor, its agents, employees or subcontractors.

b. Arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right associated with a service or product of the Contractor; provided, however, that the foregoing obligation shall not apply to Department's misuse or modification of Contractor's products or a Department's operation or use of Contractor's products in a manner not contemplated by this contract. If any product is the subject of an infringement suit or claim or in the Contractor's opinion is likely to become the subject of such a suit or claim, the Contractor may at its sole expense procure for the Department the right to continue using the product or to modify it to become non-infringing. If the Contractor is not reasonably able to modify or otherwise secure the Department the right to continue using the product, the Contractor shall, without limiting the Department's remedies at law for breach or nonperformance, remove the product and provide a fully-licensed replacement to the Department's satisfaction. The Department shall not be liable for any royalties. The Contractor's indemnification for violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right shall encompass all such items used or accessed by the Contractor, its officers, agents or subcontractors in the performance of this contract or delivered to the Department for the use of the Department, its employees, agents or contractors.

c. Arising from or relating to Contractor's claim that a record contains trade secret information that is exempt from disclosure or the scope of the Contractor's redaction of the record, as provided for under Section 30.c., including litigation initiated by the Department.

The Contractor's inability to evaluate liability or its evaluation of liability shall not excuse its duty to defend and indemnify after receipt of notice. Only an adjudication or judgment after the highest appeal is exhausted finding the Department negligent shall excuse the Contractor of performance under this provision, in which case the Department shall have no obligation to reimburse the Contractor for the cost of its defense. If the Contractor is an agency or subdivision of the State, its obligation to indemnify, defend and hold harmless the Department shall be to the extent permitted by section 768.28, F.S. or other applicable law, and without waiving the limits of sovereign immunity.

11. Insurance. The Contractor shall maintain continuous adequate liability insurance coverage during the existence of this contract and any renewal(s) and extension(s) thereof. With the exception of a state agency or subdivision as defined by subsection 768.28(2), F.S., by execution of this contract, the Contractor accepts full responsibility for identifying and determining the type(s) and extent of liability insurance necessary to provide reasonable financial protections for the Contractor and the clients to be served under this contract. The limits of coverage under each policy maintained by the Contractor do not limit the Contractor's liability and obligations under this contract. Upon the execution of this contract, the Contractor shall furnish the Department written verification supporting both the determination and existence of such insurance coverage. Such coverage may be provided by a self-insurance program established and operating under the laws of the State of Florida. The Department reserves the right to require additional insurance as specified in this contract.

12. Notice of Legal Actions. The Contractor shall notify the Department of legal actions taken against them or potential actions such as lawsuits, related to services provided through this contract or that may impact the Contractor's ability to deliver the contractual services, or adversely impact the Department. The Department's contract manager will be notified within 10 days of the Contractor becoming aware of such actions or from the day of the legal filing, whichever comes first.

13. Force Majeure. Neither Party shall be liable to the other for any delay or failure to perform under this contract if such delay or failure is neither the fault nor the negligence of the Party or its employees or agents and the delay is due directly to acts of God, wars, acts of public enemies, strikes, fires, floods, or other similar cause wholly beyond the Party's control, or for any of the foregoing that affects subcontractors or suppliers if no alternate source of supply is available. The Department, in its sole discretion, will determine if the delay is excusable under this paragraph and will notify the Contractor of its decision in writing. No claim for damages, other than for an extension of time, shall be asserted against the Department. The Contractor shall not be entitled to an increase in the contract price or

payment of any kind from the Department for direct, indirect, consequential, impact, or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist, the Contractor shall perform at no increased cost, unless the Department determines, in its sole discretion, that the delay will significantly impair the value of this contract to the Department or the State, in which case, the Department may do any or all of the following: (1) accept allocated performance or deliveries from the Contractor, provided that the Contractor grants preferential treatment to the Department with respect to products or services subjected to allocation; (2) purchase from other sources (without recourse to and by the Contractor for the related costs and expenses) to replace all or part of the products or services that are the subject of the delay, which purchases may be deducted from this contract quantity; or (3) terminate this contract in whole or in part.

14. Intellectual Property. It is agreed that all intellectual property, inventions, written or electronically created materials, including manuals, presentations, films, or other copyrightable materials, arising in relation to Contractor's performance under this contract, and the performance of all of its officers, agents and subcontractors in relation to this contract, are works for hire for the benefit of the Department, fully compensated for by the contract amount, and that neither the Contractor nor any of its officers, agents nor subcontractors may claim any interest in any intellectual property rights accruing under or in connection with the performance of this contract. It is specifically agreed that the Department shall have exclusive rights to all data processing software falling within the terms of section 119.084, F.S., which arises or is developed in the course of or as a result of work or services performed under this contract, or in any way connected herewith. Notwithstanding the foregoing provision, if the Contractor is a university and a member of the State University System of Florida, then section 1004.23, F.S., shall apply.

a. If the Contractor uses or delivers to the Department for its use or the use of its employees, agents or contractors, any design, device, or materials covered by letters, patent, or copyright, it is mutually agreed and understood that, except as to those items specifically listed in the Special Provisions of Attachment I as having specific limitations, the compensation paid pursuant to this contract includes all royalties or costs arising from the use of such design, device, or materials in any way involved in the work contemplated by this contract. For purposes of this provision, the term "use" shall include use by the Contractor during the term of this contract and use by the Department its employees, agents or contractors during the term of this contract and perpetually thereafter.

b. All applicable subcontracts shall include a provision that the Federal awarding agency reserves all patent rights with respect to any discovery or invention that arises or is developed in the course of or under the subcontract. Notwithstanding the foregoing provision, if the Contractor or one of its subcontractors is a university and a member of the State University System of Florida, then section 1004.23, F.S., shall apply, but the Department shall retain a perpetual, fully-paid, nonexclusive license for its use and the use of its contractors of any resulting patented, copyrighted or trademarked work products.

15. Real Property. Any state funds provided for the purchase of or improvements to real property are contingent upon the Provider granting to the State a security interest in the property at least to the amount of the state funds provided for at least five (5) years from the date of purchase or the completion of the improvements or as further required by law. As a condition of receipt of state funding for this purpose, the Provider agrees that, if it disposes of the property before the Department's interest is vacated, the Provider will refund the proportionate share of the State's initial investment, as adjusted by depreciation.

16. Publicity. Without limitation, the Contractor and its employees, agents, and representatives will not, without prior Departmental written consent in each instance, use in advertising, publicity or any other promotional endeavor any State mark, the name of the State's mark, the name of the State or any State affiliate or any officer or employee of the State, or represent, directly or indirectly, that any product or service provided by the Contractor has been approved or endorsed by the State, or refer to the existence of this contract in press releases, advertising or materials distributed to the Contractor's prospective customers.

17. Sponsorship. As required by section 286.25, F.S., if the Contractor is a non-governmental organization which sponsors a program financed wholly or in part by state funds, including any funds obtained through this contract, it shall, in publicizing, advertising, or describing the sponsorship of the program state: "Sponsored by (Contractor's name) and the State of Florida, Department of Business and Professional Regulation". If the sponsorship reference is in written material, the words "State of Florida, Department of Business and Professional Regulation" shall appear in at least the same size letters or type as the name of the organization.

18. Employee Gifts. The Contractor agrees that it will not offer to give or give any gift to any Department employee. As part of the consideration for this contract, the parties intend that this provision will survive this contract for a period of two (2) years. In addition to any other remedies available to the Department, any violation of this provision will result in referral of the Contractor's name and description of the violation of this term to the Department of Management Services for the potential inclusion of the Contractor's name on the suspended vendors list for an appropriate period. The Contractor will ensure that its subcontractors, if any, comply with these provisions.

19. Official Payee and Party Representatives

a. The Contractor name, as shown on page 1 of this contract, and mailing address of the official payee to whom the payment shall be made is:

Name: FEMC

Address: 2639 North Monroe Street, Ste. B-112

City: Tallahassee State: FL Zip Code:32303

Phone: 850-521-0500

ext.: 122

e-mail: zraybon@fbpe.org

b. The name of the contact person and address, telephone, and e-mail address where financial and administrative records are maintained is:

Name: Zana Raybon

Address: 2639 N. Monroe Street, Ste. B-112

c. The name, address, telephone number and e-mail address of the contract manager for the Department for this contract is:

Name: Aimee Odom

Address: 2601 Blair Stone Road

City: Tallahassee State: FL Zip Code: 32399

Phone: 850.717.1394

ext.:

e-mail: aimee.odom@myfloridalicense.com

d. The name, address, telephone number and e-mail of the representative of the Contractor responsible for administration of the program under this contract is:

Name: Zana Raybon

Address: 2639 N. Monroe Street, Ste. B-112

City: Tallahassee State:FL Zip Code:32303
Phone: 850-521-0500
ext.: 122
e-mail: zraybon@fbpe.org

City: Tallahassee State: FL Zip Code:32303
Phone: 850-521-0500
ext.: 122
e-mail:zraybon@fbpe.org

Upon change of representatives (names, addresses, telephone numbers or e-mail addresses) by either party, notice shall be provided in writing to the other party and the notification attached to the originals of this contract.

20. **Invoices.** The Contractor shall submit bills for fees or other compensation for services or expenses in sufficient detail for proper pre-audit and post-audit. Where itemized payment for travel expenses is permitted in this contract, the Contractor shall submit bills for any travel expenses in accordance with section 112.061, F.S., or at such lower rates as may be provided in this contract.

21. **Final Invoice.** The final invoice for payment shall be submitted to the Department no more than 30 days after the contract ends or is terminated. If the Contractor fails to do so, all rights to payment are forfeited and the Department will not honor any requests submitted after the aforesaid time period. Any payment due under the terms of this contract may be withheld until all reports due from the Contractor and necessary adjustments thereto, have been approved by the Department.

22. **Electronic Funds Transfer.** The Contractor agrees to enroll in Electronic Funds Transfer (EFT) offered by the State's Chief Financial Officer within thirty (30) days of the date of execution of this contract. Copies of the State of Florida Direct Deposit Payment Authorization Form (DFS-A1-26E) can be found on the vendor instruction page at: http://www.fids.com/aadir/direct_deposit_web/Vendors.htm.

Questions should be directed to the EFT Section at (850) 413-5517. Once enrolled, invoice payments will be made via EFT.

23. **Financial Consequences.** If the Contractor fails to meet the minimum level of service or performance identified in this contract, or that is customary for the industry, the Department will apply financial consequences commensurate with the deficiency. Financial consequences may include but are not limited to refusing payment, withholding payments until deficiency is cured, tendering only partial payments, applying liquidated damages to the extent that this contract so provides, imposition of penalties per Section 32, termination of contract per Section 33 and requisition of services from an alternate source. Any payment made in reliance on the Contractor's evidence of performance, which evidence is subsequently determined to be erroneous, will be immediately due as an overpayment in accordance with Section 25, to the extent of such error.

24. **Vendors on Scrutinized Companies Lists.** If this contract is in the amount of \$1 million or more, in executing this contract, the Contractor certifies that it is not listed on the Scrutinized Companies with Activities in Sudan List, the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or is engaged in business operations in Cuba or Syria. In executing this contract in any amount, the Contractor certifies that it is not listed on the Scrutinized Companies that Boycott Israel List created pursuant to section 215.473(2)(a), F.S., and certifies it is not engaged in a boycott of Israel pursuant to Section 287.135(5), F.S.

a. Pursuant to subsection 287.135(3)(a)4., F.S., if this contract is in the amount of \$1 million or more, entered on or after July 1, 2018, the Department may immediately terminate this contract for cause if the Contractor is found to have submitted a false certification with respect to boycotting Israel, or if the Contractor is placed on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, the Scrutinized Companies that Boycott Israel List, or has business operations in Cuba or Syria during the term of this contract.

b. Pursuant to subsections 287.135(3)(a)4., F.S., if this contract is in the amount of \$1 million or more, entered on or after July 1, 2018, the Department may immediately terminate this contract for cause if the Contractor is found to have been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies as provided under subsection 287.135(5), F.S., or if the Contractor is placed on the Scrutinized Companies with Activities in Sudan List, the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or engaging in business operations in Cuba or Syria during the term of this contract.

c. Pursuant to subsection 287.135(3)(b), F.S., in executing this contract in any amount with agencies or local governmental entities for goods and services entered into on or after July 1, 2018, the Department may immediately terminate this contract for cause if the Contractor is found to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel.

d. Pursuant to subsection 287.135(5)(a and b), F.S., if the Department determines that the Contractor has submitted a false certification, the Department will provide written notice to the Contractor. Unless the Contractor demonstrates in writing, within 90 days of receipt of the notice, that the Department's determination of false certification was made in error, the Department shall bring a civil action against the Contractor. If the Department's determination is upheld, a civil penalty equal to the greater of \$2 million or twice the amount of this contract shall be imposed on the Contractor, and the Contractor shall be ineligible to bid on any contract with an agency or local governmental entity for three (3) years after the date of the Department's determination of false certification by the Contractor.

e. Pursuant to subsection 287.135(7)(a and b) F.S., the preemption of any ordinance or rule of any agency or local governmental entity involving public contracts for goods and services applies to contracts of \$1 million dollars or more with a company engaged in scrutinized business operations; and contracts of any amount with a company that has been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel.

f. In the event that federal law ceases to authorize the states to adopt and enforce the contracting prohibition identified herein, this provision shall be null and void.

25. **Overpayments.** The Contractor shall return to the Department any overpayments due to unearned funds or funds disallowed that were disbursed to the Contractor by the Department and any interest attributable to such funds pursuant to the terms and conditions of this contract. In the event that the Contractor or its independent auditor discovers that an overpayment has been made, the Contractor shall repay said overpayment immediately without prior notification from the Department. In the event that the Department first discovers an overpayment has been made, the Department's contract manager, on behalf of the Department, will notify the Contractor by letter of

such findings. Should repayment not be made forthwith, the Contractor will be charged interest at the lawful rate of interest on the outstanding balance after Department notification or Contractor discovery. Payments made for services subsequently determined by the Department to not be in full compliance with contract requirements shall be deemed overpayments. The Department shall have the right to offset or deduct from any amount due under this contract at any time any amount due to the Department from the Contractor under any other contract or agreement.

26. **Payment on Invoices.** Pursuant to section 215.422, F.S., the Department has five (5) working days to inspect and approve goods and services, unless the bid specifications, purchase order, or this contract specify otherwise. With the exception of payments to health care providers for hospital, medical, or other health care services, if payment is not available within forty (40) days, measured from the latter of the date a properly completed invoice is received by the Department or the goods or services are received, inspected, and approved, a separate interest penalty set by the Chief Financial Officer pursuant to section 55.03, F.S., will be due and payable in addition to the invoice amount. Financial penalties will be calculated at the daily interest rate of .03333%. Invoices returned to a Contractor due to preparation errors will result in a non-interest bearing payment delay. Interest penalties less than one (1) dollar will not be paid unless the Contractor requests payment. Payment shall be made only upon written acceptance by the Department and shall remain subject to subsequent audit or review to confirm contract compliance.

27. **MyFloridaMarketPlace Transaction Fee.**

a. The State of Florida has instituted MyFloridaMarketPlace, a statewide eProcurement System (System). Pursuant to subsection 287.057(22), F.S., all payments shall be assessed a Transaction Fee of one percent (1.0%), which the Provider shall pay to the State, unless exempt pursuant to Rule 60A-1.032, F.A.C.

b. For payments within the State accounting system (FLAIR or its successor), the Transaction Fee shall, when possible, be automatically deducted from payments to the Contractor. If automatic deduction is not possible, the Contractor shall pay the Transaction Fee pursuant to Rule 60A-1.031(2), F.A.C. By submission of these reports and corresponding payments, the Contractor certifies their correctness. All such reports and payments shall be subject to audit by the State or its designee.

c. The Contractor shall receive a credit for any Transaction Fee paid by the Contractor for the purchase of any item(s) if such item(s) are returned to the Contractor through no fault, act, or omission of the Contractor. Notwithstanding the foregoing, a Transaction Fee is non-refundable when an item is rejected or returned, or declined, due to the Contractor's failure to perform or comply with specifications or requirements of this contract.

d. Failure to comply with these requirements shall constitute grounds for declaring the Contractor in default and recovering procurement costs from the Contractor in addition to all outstanding fees. **CONTRACTORS DELINQUENT IN PAYING TRANSACTION FEES SHALL BE EXCLUDED FROM CONDUCTING FUTURE BUSINESS WITH THE STATE.**

28. **Vendor Ombudsman.** A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this office are found in section 215.422, F.S., which include disseminating information relative to prompt payment and assisting vendors in receiving their payments in a timely manner from a state agency. The Vendor Ombudsman may be contacted at (850) 413-5516.

29. **Records, Retention, Audits, Inspections and Investigations.**

a. Pursuant to s. 20.055(5), F.S., every state officer, employee, agency, special district, board, commission, contractor, and subcontractor shall cooperate with the Inspector General's office in any investigation, audit, inspection, review, or hearing pursuant to this section.

b. The Contractor shall establish and maintain books, records and documents (including electronic storage media) sufficient to reflect all income and expenditures of funds provided by the Department under this contract.

c. Retention of all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this contract shall be maintained by the Contractor during the term of this contract and retained for a period of five (5) years after completion of the contract or longer when required by law. In the event an audit is required under this contract, records shall be retained for a minimum period of five (5) years after the audit report is issued or until resolution of any audit findings or litigation based on the terms of this contract, at no additional cost to the Department.

d. Upon demand, at no additional cost to the Department, the Contractor shall facilitate the duplication and transfer of any records or documents during the required retention period in Section 29.c.

e. These records shall be made available at all reasonable times for inspection, review, copying, or audit by Federal, State, or other personnel duly authorized by the Department.

f. At all reasonable times for as long as records are maintained, persons duly authorized by the Department and State auditors shall be allowed full access to and the right to examine any of the Contractor's contracts and related records and documents, regardless of the form in which kept.

g. No record may be withheld nor may the Contractor attempt to limit the scope of any of the foregoing inspections, reviews, copying, transfers or audits based on any claim that any record is exempt from public inspection or is confidential, proprietary or trade secret in nature.

h. **Contracts Funded with Federal or State Assistance, Contractor Requirements:**

1. The Contractor shall provide a financial and compliance audit to the Department as specified in Attachment 4 (Financial and

Compliance Audit Form) and ensure that all related party transactions are disclosed to the auditor.

2. Include the aforementioned audit and record keeping requirements, as well as the requirements of s. 215.97, F.S., in all approved subcontracts and assignments.

3. If this contract indicates that the Contractor is a recipient or subrecipient, the Contractor shall comply with the requirements of s. 215.97,

F.S., and perform the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, and/or §215.97 F.S., as applicable and conform to the following requirements:

- i. Documentation. To maintain separate accounting of revenues and expenditures of funds under this contract and each CSFA or CFDA number identified on Exhibit 1 attached hereto in accordance with generally accepted accounting practices and procedures.

Contractor must maintain sufficient documentation of all expenditures incurred (e.g. invoices, canceled checks, payroll detail, bank statements, etc.) under this contract which evidences that expenditures are:

- 1) In compliance with laws, rules and regulations applicable to expenditures of State funds including, but not limited to, the Reference Guide for State Expenditures;
- 2) Reasonable; and
- 3) Necessary in order for the recipient or subrecipient to fulfill its obligations under this contract.

[The aforementioned documentation is subject to review by the Department and/or the State Chief Financial Officer and the provider will timely comply with any requests for documentation.]

- ii. Financial Report. The Contractor shall submit an annual financial report stating, by line item, all expenditures made as a direct result of services provided through the funding of this contract to the Department within 45 days of the end of the contract. If this is a multi-year contract, the provider is required to submit a report within 45 days of the end of each year of the contract. Each report must be accompanied by a statement signed by an individual with legal authority to bind recipient or subrecipient by certifying that these expenditures are true, accurate and directly related to this contract.

- iii. Pursuant to s. 215.971, F.S., the Contractor shall administer state financial assistance received as follows:
 - 1) Expend funds only for allowable costs resulting from obligations incurred during the specified agreement period;
 - 2) Any balance of unobligated funds which has been advanced or paid to the Contractor shall be refunded to the Department; and
 - 3) Funds paid by the Department in excess of the amount to which the Contractor is entitled under the terms and conditions of this contract shall be refunded to the Department within 45 days of the earlier of the expiration of, or termination of, this contract.

30. **Public Records.** The Contractor shall allow Department access to all documents, papers, letters, or other public records as defined in subsection 119.011(12), F.S. as prescribed by subsection 119.07(1) and subsection 119.0701(3), F.S., made or received by the Contractor in conjunction with this contract except that public records which are made confidential by law must be protected from disclosure. It is expressly understood that the Contractor's failure to comply with this provision shall constitute an immediate breach of contract for which the Department may unilaterally terminate this contract, and may result in a civil action being filed against the Contractor pursuant to subsection 119.0701(4), F.S..

a. Unless exempted by law, all public records are subject to public inspection and copying under Florida's Public Records Law, Chapter 119, F.S. Any claim by the Contractor of trade secret (proprietary) confidentiality for any information contained in the Contractor's documents (reports, deliverables or workpapers, etc., in paper or electronic form) submitted in connection with this contract will be waived, unless the claimed confidential information is submitted in accordance with Section 30.b.

b. The Contractor must clearly label any portion of the documents, data, or records submitted that it considers exempt from public inspection or disclosure pursuant to Florida's Public Records Law as trade secret. The labeling will include a justification citing specific statutes and facts that authorize exemption of the information from public disclosure. If different exemptions are claimed to be applicable to different portions of the protected information, the Contractor shall include information correlating the nature of the claims to the particular protected information.

c. The Department, when required to comply with a public records request including documents submitted by the Contractor, may require the Contractor to expeditiously submit redacted copies of documents marked as trade secret in accordance with Section 30.b. Accompanying the submission shall be an updated version of the justification under Section 30.b, correlated specifically to redacted information, either confirming that the statutory and factual basis originally asserted remain unchanged or indicating any changes affecting the basis for the asserted exemption from public inspection or disclosure. The redacted copy must exclude or obliterate only those exact portions that are claimed to be trade secret. If the Contractor fails to promptly submit a redacted copy, the Department is authorized to produce the records sought without any redaction of proprietary or trade secret information.

d. The Contractor shall be responsible for defending its claim that each and every portion of the redactions of trade secret information are exempt from inspection and copying under Florida's Public Records Law.

e. Subsection 215.985(16), F.S., requires the State's Chief Financial Officer to provide public access to a State contract management system. As a result the Department of Financial Services (DFS) developed a web-based system called the "Florida Accountability Contract Tracking System" (FACTS) that provides information and documentation about State government contracts to the public. A copy of this contract and any amendments, renewals, and extensions thereof will be posted in FACTS. The Contractor shall notify the Department in writing if it intends to defend the confidentiality of such public records through the completion of Attachment 3, "Affidavit – Notice of Trade Secret", to be submitted to the Department at the time of signature of this contract by the Contractor. If not filed within such time, the Contractor is deemed to have released the Department from liability for disclosure of the applicable public records.

f. The Contractor shall comply with the following requirements of section 119.0701, F.S.:

1. Keep and maintain public records required by the Department to perform the service.
2. Upon request from the Department's custodian of public record, provide the Department with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law.
3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the Contractor does not transfer the records to the Department.
4. Upon completion of the contract, transfer, at no cost, to the Department all public records in possession of the Contractor or keep and maintain public records required by the Department to perform the service. If the Contractor transfers all public records to the Department upon completion of the contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and

maintains public records upon completion of the contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Department, upon request from the Department's custodian of public records, in a format that is compatible with the information technology systems of the Department.

- g. If the Contractor has questions regarding the application of Chapter 119, Florida Statutes, to the Contractor's duty to provide public records relating to this contract, contact the custodian of public records at:

DBPR Public Records Coordinator
2601 Blair Stone Road
Tallahassee, FL. 32399-1040
Telephone: 850-717-1185
Email: legalpublicrecords@myfloridalicense.com

31. **Data Security.** For contracts requiring Contractor access to or use of Department information technology systems or software, the Contractor shall comply with the information technology and data security provisions specified in Attachment 10.
32. **Financial Penalties for Failure to Take Corrective Action.**
- a. In accordance with the provisions of subsection 402.73(1), F.S., and Rule 65-29.001, F.A.C., corrective action plans may be required for noncompliance, nonperformance, or unacceptable performance under this contract. Penalties may be imposed for failures to implement or to make acceptable progress on such corrective action plans.
- b. The increments of penalty imposition that shall apply, unless the Department determines that extenuating circumstances exist, shall be based upon the severity of the noncompliance, nonperformance, or unacceptable performance that generated the need for corrective action plan. The penalty, if imposed, shall not exceed ten percent (10%) of the total contract payments during the period in which the corrective action plan has not been implemented or in which acceptable progress toward implementation has not been made.
- c. Noncompliance involving the provision of service shall result in the imposition of a five percent (5%) penalty. Noncompliance as a result of unacceptable performance of administrative tasks shall result in the imposition of a two percent (2%) penalty.
- d. The deadline for payment shall be as stated in the Order imposing the financial penalties. In the event of nonpayment the Department may deduct the amount of the penalty from invoices submitted by the Contractor.
33. **The following termination provisions apply to this Contract:**
- a. This contract may be terminated by the Department without cause upon notice in writing to the Contractor. Said notice shall be delivered by U.S. Postal Service or any expedited delivery service that provides verification of delivery or by hand delivery to the Department's contract manager or the representative of the Contractor responsible for administration of the program.
- b. In the event funds for payment pursuant to this contract become unavailable, the Department may terminate this contract upon no less than twenty-four (24) hours' notice in writing to the Contractor. Said notice shall be sent by U.S. Postal Service or any expedited delivery service that provides verification of delivery. The Department shall be the final authority as to the availability and adequacy of funds. In the event of termination of this contract, the Contractor will be compensated for any work satisfactorily completed.
- c. In the event the Contractor fails to fully comply with the terms and conditions of this contract, the Department may terminate this contract upon no less than twenty-four (24) hours (excluding Saturday, Sunday, and Holidays) notice in writing to the Contractor after Contractor's failure to fully cure such noncompliance within the time specified in a written notice of noncompliance issued by the Department specifying the nature of the noncompliance and the actions required to cure such noncompliance. In addition, the Department may employ the default provisions in Rule 60A-1.006(3), F.A.C., but is not required to do so in order to terminate this contract. The Department's failure to demand performance of any provision of this contract shall not be deemed a waiver of such performance. The Department's waiver of any one breach of any provision of this contract shall not be deemed to be a waiver of any other breach and neither event shall be construed to be a modification of the terms and conditions of this contract. The provisions herein do not limit the Department's right to remedies at law or in equity.
- d. Failure to have performed any contractual obligations under any other contract with the Department in a manner satisfactory to the Department will be a sufficient cause for termination. To be terminated as a Contractor under this provision, the Contractor must have: (1) previously failed to satisfactorily perform in a contract with the Department, been notified by the Department of the unsatisfactory performance, and failed to correct the unsatisfactory performance to the satisfaction of the Department; or (2) had a contract terminated by the Department for cause. Termination shall be upon no less than twenty-four (24) hours' notice in writing to the Contractor.
34. **Dispute Resolution.** Any dispute concerning performance of this contract or payment hereunder shall be decided by the Department's contract manager, who shall reduce the decision to writing and provide a copy to the Contractor. The decision shall be final and conclusive unless within twenty-one (21) calendar days from the date of receipt of the contract manager's decision, the Contractor delivers to the contract manager a petition for alternative dispute resolution. After receipt of a petition for alternative dispute resolution the Department and the Contractor shall attempt to amicably resolve the dispute through negotiations. Timely delivery of a petition for alternative dispute resolution and completion of the negotiation process shall be a condition precedent to any legal action by the Contractor concerning this contract. After timely delivery of a petition for alternative dispute resolution, the parties may employ any dispute resolution procedures described in the Attachment I or other attachment, or mutually agree to an alternative binding or nonbinding dispute resolution process, the terms of which shall be reduced to writing and executed by both parties.

Completion of such agreed process shall be deemed to satisfy the requirement for completion of the negotiation process. This provision shall not limit the parties' rights of termination under Section 33.

35. **Other Terms**

a. Any notice that is required under this contract shall be in writing, and sent by U.S. Postal Service or any expedited delivery service that provides verification of delivery or by hand delivery. Said notice shall be sent to the representative of the Contractor responsible for administration of the program, to the designated address contained in this contract.

b. This contract is executed and entered into in the State of Florida, and shall be construed, performed and enforced in all respects in accordance with Florida law, without regard to Florida provisions for conflict of laws. Courts of competent jurisdiction in Florida shall have exclusive jurisdiction in any action regarding this contract and venue shall be in Leon County, Florida.

c. **PRIDE.** In accordance with Section 946.515(6), F.S., if a product or service required for the performance of this contract is certified by or is available from Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE) and has been approved in accordance with Section 946.515(2), F.S., the following statement applies:

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ANY ARTICLES WHICH ARE THE SUBJECT OF, OR REQUIRED TO CARRY OUT, THIS CONTRACT SHALL BE PURCHASED FROM THE CORPORATION IDENTIFIED UNDER CHAPTER 946, F.S., IN THE SAME MANNER AND UNDER THE SAME PROCEDURES SET FORTH IN SECTION 946.515(2) AND (4), F.S., AND FOR PURPOSES OF THIS CONTRACT THE PERSON, FIRM, OR OTHER BUSINESS ENTITY CARRYING OUT THE PROVISIONS OF THIS CONTRACT SHALL BE DEEMED TO BE SUBSTITUTED FOR THIS AGENCY INsofar AS DEALINGS WITH SUCH CORPORATION ARE CONCERNED.

Additional information about PRIDE and the products it offers is available at <http://www.pride-enterprises.org>.

d. **RESPECT.** In accordance with Section 413.036(3), F.S., if a product or service required for the performance of this contract is on the procurement list established pursuant to Section 413.035(2), F.S., the following statement applies:

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ANY ARTICLES THAT ARE THE SUBJECT OF, OR REQUIRED TO CARRY OUT, THIS CONTRACT SHALL BE PURCHASED FROM A NONPROFIT AGENCY FOR THE BLIND OR FOR THE SEVERELY HANDICAPPED THAT IS QUALIFIED PURSUANT TO CHAPTER 413, F.S., IN THE SAME MANNER AND UNDER THE SAME PROCEDURES SET FORTH IN SECTION 413.036(1) AND (2), F.S., AND FOR PURPOSES OF THIS CONTRACT THE PERSON, FIRM, OR OTHER BUSINESS ENTITY CARRYING OUT THE PROVISIONS OF THIS CONTRACT SHALL BE DEEMED TO BE SUBSTITUTED FOR THIS STATE AGENCY INsofar AS DEALINGS WITH SUCH QUALIFIED NONPROFIT AGENCY ARE CONCERNED.

Additional information about the designated nonprofit agency and the products it offers is available at <http://www.respectofflorida.org>.

e. The Contractor shall procure any recycled products or materials, which are the subject of or are required to carry out this contract, in accordance with the provisions of section 403.7065, F.S.

f. The Contractor shall provide a monthly Minority Business Enterprise and Service-Disabled Veteran Business Enterprise report summarizing the participation of certified and non-certified minority and service-disabled veteran subcontractors/materials suppliers for the current month and project to date. The report shall include the names, addresses, and dollar amount of each certified and non-certified Minority Business Enterprise and Service-Disabled Veteran Business Enterprise participant and must be sent to the Department's contract manager. The Office of Supplier Diversity at (850) 487-0915 can assist in furnishing names of qualified minority businesses. The Department Minority Business Coordinator can be reached at (850) 717-1370 and will assist with any questions.

g. The Department is committed to ensuring provision of the highest quality services to the persons we serve. Accordingly, the Department has expectations that where accreditation is generally accepted nationwide as a clear indicator of quality service, the majority of the Department's providers will either be accredited, have a plan to meet national accreditation standards, or will initiate a plan within a reasonable period of time.

h. There are no provisions, terms, conditions, or obligations other than those contained herein, and this contract shall supersede all previous communications, representations, or agreements, either verbal or written between the parties.

i. If any term or provision of this contract is legally determined unlawful or unenforceable, the remainder of this contract shall remain in full force and effect and such term or provision shall be stricken.

j. **Survival of terms.** The parties agree that, unless a provision of this Core Contract, its attachments or incorporated documents expressly states otherwise as to itself or a named provision, all provisions of this contract concerning obligations of the Contractor and remedies available to the Department are intended to survive the "ending date" or an earlier termination of this contract. The Contractor's performance pursuant to such surviving provisions shall be without further payment, as the contract payments received during the term of this contract are consideration for such performance.

k. In the event of a conflict between the provisions of the documents, the documents shall be interpreted in the following order of precedence:

1. Attachment I and other attachments, if any;
2. Any documents incorporated into any attachment by reference;
3. This Core Contract;
4. Any documents incorporated into this Core Contract by reference.

36. **Modifications.** Modifications of provisions of this contract shall be valid only when they have been reduced to a written amendment and duly signed by both parties. The rate of payment and the total dollar amount may be adjusted retroactively to reflect price level increases and changes in the rate of payment when these have been established through the appropriations process and subsequently identified in the Department's operating budget.

37. **Additional Requirements of Law, Regulation and Funding Source.** As provided in Section 7 of this contract, the Contractor is required to comply with the following requirements, as applicable to its performance under this contract. The Contractor

acknowledges that it is independently responsible for investigating and complying with all State and Federal laws, rules and regulations relating to its performance under this contract and that the below is only a sample of the State and Federal laws, rules and regulations that may govern its performance under this contract.

a. Federal Law

Unauthorized aliens shall not be employed. The Department shall consider the employment of unauthorized aliens a violation of section 274A(e) of the Immigration and Nationality Act (8 U.S.C. 1324 a) and section 101 of the Immigration Reform and Control Act of 1986. Such violation shall be cause for unilateral cancellation of this contract by the Department.

Pursuant to Executive Order 11-116, signed on January 4, 2011, the Department shall require the Contractor to:

- Utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Contractor during the contract term; and
- Include in all subcontracts under this contract, the requirement that subcontractors performing work or providing services pursuant to this contract utilize the E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the term of the subcontract.

E-Verify is an Internet-based system that allows an employer, using information reported on an employee's Form I-9, Employment Eligibility Verification, to determine the eligibility of all new employees hired to work in the United States. There is no charge to employers to use E-Verify. The Department of Homeland Security's E-Verify system can be found at http://www.dhs.gov/files/programs/gc_1185221678150.shtm.

b. Civil Rights Requirements. In accordance with Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, or the Florida Civil Rights Act of 1992, as applicable the Contractor shall not discriminate against any employee (or applicant for employment) in the performance of this contract because of race, color, religion, sex, national origin, disability, age, pregnancy, or marital status. Further, the Contractor agrees not to discriminate against any applicant, client, or employee in service delivery or benefits in connection with any of its programs and activities in accordance with 45 CFR 80, 83, 84, 90, and 91, Title VI of the Civil Rights Act of 1964, or the Florida Civil Rights Act of 1992, as applicable and DBPR Policy # 1002-0022, Unlawful Discrimination and Harassment. These requirements shall apply to all contractors, subcontractors, subgrantees or others with whom it arranges to provide services or benefits to clients or employees in connection with its programs and activities. The Contractor shall complete the Civil Rights Compliance Checklist in accordance with DBPR Policy # 1002-0022, Unlawful Discrimination and Harassment, and 45 CFR 80. This is required of all Contractors that have fifteen (15) or more employees.

c. Use of Funds for Lobbying Prohibited. The Contractor shall comply with the provisions of sections 11.062 and 216.347, F.S., which prohibit the expenditure of contract funds for the purpose of lobbying the Legislature, judicial branch, or a state agency.

d. Public Entity Crime and Discriminatory Contractors. Pursuant to sections 287.133 and 287.134, F.S., the following restrictions are placed on the ability of persons placed on the convicted vendor list or the discriminatory vendor list. When a person or affiliate has been placed on the convicted vendor list following a conviction for a public entity crime, or an entity or affiliate has been placed on the discriminatory vendor list, such person, entity or affiliate may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or the repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity; provided, however, that the prohibition on persons or affiliates placed on the convicted vendor shall be limited to business in excess of the threshold amount provided in section 287.017, F.S., for CATEGORY TWO (\$35,000) for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.

e. Whistleblower's Act Requirements. In accordance with subsection 112.3187(2), F.S., the Contractor and its subcontractors shall not retaliate against an employee for reporting violations of law, rule, or regulation that creates substantial and specific danger to the public's health, safety, or welfare to an appropriate agency. Furthermore, agencies or independent contractors shall not retaliate against any person who discloses information to an appropriate agency alleging improper use of governmental office, gross waste of funds, or any other abuse or gross neglect of duty on the part of an agency, public officer, or employee. The Contractor and any subcontractor shall inform its employees that they and other persons may file a complaint with the Office of Chief Inspector General, Agency Inspector General, the Florida Commission on Human Relations, or the Whistle-blower's Hotline number at 1-800-543-5353.

By signing this contract, the parties agree that they have read and agree to the entire contract, as described in Section 6.

IN WITNESS THEREOF, the parties hereto have caused this 51 page contract to be executed by their undersigned officials as duly authorized.

CONTRACTOR: FLORIDA ENGINEERS MANAGEMENT CORPORATION (FEMC)

FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

Signature: _____

Print/Type

Name: _____

Art Nordlinger, PE

Title: _____

Board Chairman

Date: _____

6/9/21

Signature: _____

Print/Type

Name: _____

Julie I. Brown

Title: _____

Secretary

Date: _____

06/14/21

STATE AGENCY 29 DIGIT FLAIR CODE: 79-50-2-547001-79050100-00-108020-00 79-50-2-547001-79050100-00-100399-00
Federal Tax ID # (or SSN): F593464045002 Provider Fiscal Year Ending Date: 06/30.

Attachment 1

SCOPE OF WORK

Contract # 21-00001

This Agreement is made and entered into between Florida Engineers Management Corporation, a not for profit Florida Corporation hereinafter referred to as "FEMC", and the Department of Business and Professional Regulation, herein after referred to as "Department", to set forth their mutual duties and responsibilities pursuant to Section 471.038, Florida Statutes.

I. Renewal

Subsection 287.057(13), F.S., provides that contracts for commodities or contractual services may be renewed on a yearly basis for a period of up to three (3) years after the initial contract, or for a period no longer than the term of the original contract, whichever period is longer, subject to the availability of funds, satisfactory performance evaluations by the Department, and at the discretion of the Department. This contract may be renewed for a period not to exceed the original term of this contract, subject to annual funding appropriation by the Florida legislature.

II. Purpose

FEMC was created pursuant to Section 471.038, Florida Statutes, to provide administrative, investigative and prosecutorial services to the Florida Board of Professional Engineers ("FBPE") in accordance with the provisions of Chapters 455 and 471, Florida Statutes. Section 471.038, Florida Statutes, requires that FEMC operate under a written contract with the Department, which is to be approved by the FBPR, to provide the above outlined services.

III. Contract Manager

The Department shall assign a Contract Manager who shall ensure compliance with this Agreement and the provisions of Chapters 455 and 471, Florida Statutes. The Contract Manager shall act as a liaison between the Department and FEMC.

Upon request, FEMC shall allow the Contract Manager complete and immediate access to all data and records maintained by FEMC, including by not limited to the following:

- All documents to be presented to the Probable Cause Panel, including an Agenda, at the same time the materials are provided to the Panel members.
- All documents to be presented to the FBPE for final action, at the same time the materials are provided to the board members.

FEMC shall notify the Contract Manager of the following:

- Significant changes in management personnel;
- Significant communications with the Office of the Governor;
- Appellate action taken by a party in any disciplinary matter. FEMC is responsible for defending such appeals, but FEMC shall provide the initial brief and an outline of the proposed response and the supporting case law, to the Department's appellate

attorney and the Contract Monitor, 48 hours prior to its submission of any responsive brief.

- Information that may be the basis for an emergency suspension or restriction of license or be of such a nature that FEMC believes it warrants referral for criminal prosecution. The Department is solely responsible for the issuance of any emergency suspension orders.

FEMC shall respond to requests from the Contract Manager within seven (7) days or sooner if requested.

IV. Appointment of the Board Executive Director

FEMC shall select the President of the management corporation, who shall also serve as the Executive Director of the Board ("ED") subject to approval of the FBPE in accordance with Section 455.203(2), Florida Statutes. The Department shall be notified of the progress of any selection process for a *President* and be given an opportunity to comment on FEMC's potential selection.

V. Scope of Services

FEMC's services shall apply to all licenses under the jurisdiction of the FBPE, including special inspectors of threshold buildings. It is FEMC's responsibility to render services in compliance with the requirements of Chapter 119 (public records), Chapter 286 (open meetings), and 120 (administrative procedures), Florida Statutes, as limited by Chapters 455 and 471, Florida Statutes.

FEMC shall operate under a fiscal year that begins on July 1 and ends at midnight EDST on June 30 of each fiscal year.

A. Administrative Services

Administrative services to be provided to the FBPE are the following:

- Performing agency clerk functions;
- Preparing required reports;
- Responding to requests for public records pursuant to Florida law;
- Processing applications for licensure;
- Issuing initial license and notices of renewal;
- Renewing licenses;
- Collecting fees;
- Training new board members;
- Maintaining files;
- Maintaining inventory of FEMC property;
- Providing telecommunications systems;
- Providing a computer and licensing system pursuant to Section XIV, Technology;
- Providing examination services;
- Maintaining licensure records;
- Providing official certificates;
- Providing staff support services to the FBPE;
- Assisting as needed in rule promulgation;
- Scheduling, noticing, and planning FBPE meetings;

- Preparing FBPE agenda content including rulemaking, disciplinary licensing and other official action of the FBPE relative to the police powers of the State of Florida exercised through the FBPE;
- Supporting the conduct of FBPE meetings;
- Recording and preparing minutes of the FBPE meetings;
- Providing support to the probable cause panel; and
- Maintaining confidentiality of records as required by law.

B. Licensure Services

Licensure services to be provided to the FBPE are the following:

- Maintain licensure records, including historical licensure data and records of address changes, name changes and other licensure status changes;
- Issue initial licenses subsequent to the FBPE's determination of eligibility for licensure, and provide official certification of licensure records in its custody;
- Issue renewal licenses to active and inactive engineers, and special inspectors of threshold buildings, based on information given to FEMC by the FBPE;
- Ensure compliance with continuing education requirements, in accordance with Sections 471.017, 471.0195, and 553.841, Florida Statutes.
- Provide renewal notices and pending cancellations of a license as required in Section 455.273, Florida Statutes; and
- Maintain and provide licensing information to licensees, prospective licensees and the public consistent with Florida and applicable federal law.

FEMC shall use the Department's licensure management system (Versa: Regulation) until such time as FEMC is authorized to develop and implement its own licensure management system. Both parties agree that information entered into Versa: Regulation may require the Department's assistance to retrieve. The Department will make all efforts to provide the information to FEMC in a timely manner. Both parties acknowledge that the use of the Versa: Regulation system allows for shared information. Both parties agree that certain information is required to remain confidential under Chapter 455 and Chapter 119, Florida Statutes, including but not limited to social security numbers, unless otherwise provided by law, and complaint and investigations information as provided under Section 455.225(10) and 471.038(7), Florida Statutes.

All applications, licensure, disciplinary, and renewal services shall utilize the Versa: Regulation system. The Department shall take full responsibility and liability for the security of records and data submitted by FEMC to the Versa: Regulation system. The Department shall make the Versa: Regulation system available to FEMC staff at all times that it is available to Department staff. All maintenance and support of the Versa: Regulation system will be performed by the Department.

C. Test-related Services

Test-related services to be provided to the FBPE are the following:

- Provide to FBPE complete files of all applications of candidates seeking licensure;

- Administer the examination provided by the National Council of Examinations for Engineers and Surveyors (NCEES), in accordance with Rule 61G15-21.001, Florida Administrative Code;
- Ensure examination security during the transportation of examinations and overnight storage examinations;
- Ensure that sites are available to hold the examination, and ensure that there is an appropriate level of monitoring during the examination;
- Ensure that examination results are reported to the candidates;
- Ensure the preparation and administration of the examinations in an applicant's native language if necessary pursuant to Section 455.218, Florida Statutes, and collect the necessary costs in the event it is determined by a court of competent jurisdiction that the FBPE is required to have the examinations translated;
- Provide for examination of foreign-trained professionals pursuant to Section 455.218, Florida Statutes, if required by a court of competent jurisdiction;
- Ensure necessary special accommodations including, but not limited to, compliance with Chapter 553, Part II, Florida Statutes, and Federal ADA requirements and religious considerations;
- Maintain and monitor a contract with a national testing vendor for the engineering examinations as required by Chapter 471, Florida Statutes, and as approved by the FBPE; and
- Ensure the adequacy of the examinations, the maintenance of examination records, and the compliance with all testing requirements of Section 455.217, Florida Statutes.

D. Prosecutorial Services

Prosecutorial services to be provided for both licensed and unlicensed activity are the following:

- Coordinate with investigators;
- Review and take appropriate action on complaints;
- Prepare cases for presentation to probable cause panel;
- Prepare administrative complaints, notices of noncompliance and citations;
- Prosecute complaints at disciplinary hearings;
- Prosecute appeals;
- Maintain complaint database in Versa: Regulation system;
- Report alleged criminal violations to the Department and appropriate authorities;
- Receive requests from the Department for the prosecution of cases opened and investigated by the Department;
- Report any action that may be considered for emergency suspension or restriction of practice to the Department for review and possible action;
- Review disciplinary guidelines; and
- Provide prosecutorial services at mediations.

FEMC must file a copy of all administrative complaints, final orders and notices of appeal (filed by any party) with the Department's Agency Clerk as soon as is practicable.

E. Investigative Services

Investigative services to be provided for both licensed and unlicensed activity are the following:

- Receive complaints;
- Interview complainants;
- Interview witnesses;
- Issue subpoenas;
- Interview subjects of complaints;
- Take sworn statements;
- Compile documentary evidence;
- Prepare investigative reports;
- Coordinate with prosecutors;
- Hire experts when necessary;
- Testify at hearings;
- Coordinate investigative activities with appropriate regulatory and law enforcement agencies; and
- Report any action that may be considered for emergency suspension or emergency restriction of practice to the Department for review and possible action.

F. Services not to be provided by FEMC

1. Except when providing those prosecutorial and investigative services set forth in this Agreement, FEMC shall not exercise the police powers inherent in the Department and the FBPE under Chapters 455 and 471, Florida Statutes, including determining probable cause to pursue disciplinary action against a licensee, taking final action on license applications or in disciplinary cases, or adopting administrative rules under Chapter 120, Florida Statutes. Prosecutorial servicing shall only be executed in the name of FBPE.
2. The responsibility for the supervision of this Agreement remains solely with the FBPE.
3. FEMC shall not perform any activities related to rulemaking, disciplinary, licensing and other official actions of the FBPE, except that FEMC staff may process the necessary paperwork for these activities at the direction of the FBPE.
4. Lobbying activities, in accordance with Section 216.347, Florida Statutes
5. FEMC shall not issue emergency suspension or restriction orders.

G. Corrective Plans

FEMC shall develop corrective plans to respond to deficiencies that result in noncompliance with performance standard provisions of Rule 61G15-37.001, Florida Administrative Code, or that result in noncompliance with this Agreement as determined by the Contract Monitor.

A corrective plan must include:

- A description of the deficiency;
- The impact of the deficiency;

- An action plan to correct the deficiency;
- The responsible individuals to implement the action plan;
- A time line for implementing the action plan that is consistent with the severity of the deficiency; and
- The estimated cost of implementing the corrective plan

The corrective plan must be submitted electronically to the Contract Manager within seven (7) business days of a request by the Contract Manager and with the Quarterly report, unless more time has been requested by the FEMC and approved by the Contract Manager. The Department reserves the right to determine the efficacy of corrective action plans submitted by the FEMC.

VI. Required Documentation

FEMC shall maintain documentation evidencing performance of its duties under this Agreement. Documentation showing the following must be maintained:

- A. Compliance with performance standards specified in Rule 61G15-37.001, Florida Administrative Code;
- B. Action taken on requests from the Contract Monitor, per Section IV, Contract Monitor, of this Agreement.
- C. Information related to disciplinary actions;
- D. Action taken regarding the failure of FEMC to comply with any provision of the Agreement;
- E. Legal cases in which FEMC has not been the prevailing party, to include copies of final orders and specify cases where attorney fees have been awarded;
- F. Establishment and implementation of corrective plans as required by Section VI (G.) of this Agreement;
- G. Expenditures and cash balances;
- H. Actual and projected monthly expenditures;
- I. Long-range estimates of the revenue required to carry out all provisions of law relating to the regulation of the profession, for a five year period as required in Sections 455.204 and 455.219 of the Florida Statutes; and
- J. Information related to licensure.

VII. Deliverables

The following must be received timely and accepted by the Contract Manager:

A. Monthly Report of Actual and Projected Expenditures

FEMC shall provide to the Contract Monitor, by the 15th day of each month or the closest business day after the 15th if the 15th falls on a weekend or a holiday, a spreadsheet report of all actual and projected expenditures for the contract period. The spreadsheet will be in a format approved by the Department.

B. Quarterly Reports

FEMC shall provide an electronic quarterly report, thirty (30) days after the close of each quarter, to the Contract Monitor and the FEMC Board of Directors, including the following:

1. The status of the performance standards adopted by Rule 61G15-37.001, Florida Administrative Code.
2. Compliance with priority referrals from the Contract Monitor, per Section IV, Contract Monitor, of this agreement.
3. Information regarding disciplinary actions as follows:
 - a. A list and status of all complaints made during this Agreement (open and closed, licensed and unlicensed). Status information should include:
 - The name of the complainant;
 - The name and license number of subject;
 - The date of the complaint;
 - The alleged violation;
 - The last action taken; and
 - The next appropriate action recommended
 - b. A list of all cases FEMC closed as legally insufficient since the last report;
 - c. A list showing the status of compliance with all final orders with pending provisions; and
 - d. A list of all cases where the alleged violation is for unlicensed activity and the subject also holds a license with another profession within the Department.
4. Information regarding the failure of FEMC to comply with any provision of the Agreement.
5. A list of all legal cases where FEMC has not been the prevailing party. The list must include copies of final orders and specify cases where attorney fees have been awarded.
6. Corrective plans as required by Section VI (G.) of this Agreement.
7. A detailed report of expenditures and cash balance, including information required by Section VII (G.) of this Agreement.
8. Long-range estimates of revenue, as required by this Agreement (to be provided in the first quarterly report).
9. A report which details the following information for the last completed quarter, with disciplinary information reported distinctly for licensed and unlicensed activity:
 - Number of license renewals;
 - Number of license applications received;
 - Number of licenses approved and denied;
 - Number of licenses issued;
 - Average time required to issue a license;
 - Number of complaints received;
 - Number of complaints determined to be legally sufficient;
 - Number of complaints dismissed;

- Number of complaints determined to have probable cause;
- Number of administrative complaints issued and the status of the complaints; and
- Number and nature of disciplinary actions taken by the FBPE.

C. Annual Report

On or before October 1, of each year (2021-2025), in accordance with Section 471.038(3)(m), Florida Statutes, FEMC shall submit to the Secretary of the Department, the FBPE and the Legislature, a report on the status of FEMC. The report must include the following information, reported for the fiscal year ending June 30th of each year:

- Programs and funds that have been transferred to FEMC;
- Number of license renewals;
- Number of license applications received;
- Number approved, denied and issued licenses;
- Average time required to issue a license;
- Number of examinations administered and the number of applicants who passed or failed the examination.
- Number of complaints received, together with the number of complaints determined to be legally sufficient, how many were dismissed, how many were determined to have probable cause;
- Number of administrative complaints issued and the status of the administrative complaints;
- Number and nature of the disciplinary actions taken by the FBPE. These disciplinary numbers shall be distinct for licensed and unlicensed activity.

Receipt of reports by the Department shall not be construed to mean or imply acceptance of those reports. It is specifically intended by the parties that acceptance of required reports shall constitute a separate act. The Department reserves the right to reject reports as incomplete, inadequate, or unacceptable according to the parameters set forth in this contract. The Department, at its option, may allow additional time where the Contractor may remedy the objections noted by the Department.

D. Annual Certification

On or before October 1st of each year in accordance with Section 471.038(3)(j)2., F.S., FBPE and the Department shall review the performance of FEMC under the contract for each year ending June 30th (2021-2025). If it is determined that FEMC performed under that Agreement in a manner that is consistent with the goals and purposes of FBPE and in the best interest of the State, FBPE and the Department shall certify such. This certification shall be recorded in the FBPE minutes. Should the Department fail to certify FEMC by the aforementioned deadlines, FEMC shall be deemed certified. Upon a determination made by the FBPE and the Department at any time during the term of the Agreement that FEMC no longer operates for benefit of the FBPE and in the best interest of the State, all monies and property held in trust by FEMC shall revert to the FBPE, or the State if the FBPE ceases to exist.

Evidence of FEMC's engagement of an independent certified public accountant to conduct an audit as required by this Agreement shall be provided to the Department no later than October 1st of each year.

F. Insurance & Bond

Proof of liability insurance and a performance bond, as required by Section 471.038(3)(j)5, Florida Statutes, and this Agreement.

G. Litigation Inventory Schedule

On or before September 15th of each year (2021-2025), FEMC shall submit an Agency Litigation Inventory Schedule, using the format shown in Attachment 6.

H. Budget

On or before June 1st of each year, EMC shall submit a proposed budget for Grants and Aid and Proposed Budget for Unlicensed Activity for Fiscal Year 2021-2022, 2022-2023, 2023-2024, and 2024-2025, which shall be attached hereto collectively as Attachment 7, Proposed Budget.

A change in a budget line item above the approved budgeted amount of \$15,000 or 15%, whichever is lesser, shall be allowed without any prior approval by the Department. The Department shall be notified in writing at the time of any such budget change.

I. Budget Amendment

If FEMC determines that a required change in the budget line item is estimated to be greater than \$15,000 or 15%, or if the new budget line item needs to be added or an existing item needs to be deleted from the approved Proposed Budget, FEMC shall submit a request for a budget amendment to the Department fourteen (14) business days prior to incurring the expense. In addition to the foregoing, on or before June 1st of each year (2021-2025), FEMC shall submit a proposed budget amendment of unexpended funds for the fiscal year ending June 30th (2021-2025). The proposed budget amendment shall be submitted to the Department's Director of Administration and Financial Services, with a copy to the Contract Manager and FBPE. The Department shall either approve or deny the proposed budget amendment within ten (10) business days of receipt of the request. Failure by the Department to respond within ten (10) business days of receipt of the proposed budget amendment shall constitute approval by the Department of the budget amendment. Such modification cannot be made retroactive. Approved request shall be signed by both parties, incorporated into the contract as an appendix to Attachment 7, and maintained in both parties' contract files for audit purposes.

J. Legislative Budget Requests

FEMC shall submit to the Department a legislative budget request justifying any additional funding needs each Fiscal Year (2021-2025) as directed by the Department's Director of Administration and Financial Services.

VIII. Financial Consequences

If FEMC fails to meet the minimum level of service or performance as identified in this contract, the Department will apply financial consequences commensurate with the deficiency. Financial consequences may include but are not limited to refusing payment, withholding payments until deficiency is cured, tendering only partial payments, applying liquidated damages to the extent that this contract so provides, imposition of penalties per Section X.

IX. Financial Penalties for Failure to Take Corrective Action

- A. Corrective action plans may be required for noncompliance, nonperformance, or unacceptable performance under this contract. Penalties may be imposed for failures to implement or to make acceptable progress on such corrective action plans.
- B. The increments of penalty imposition that shall apply, unless the Department determines that extenuating circumstances exist, shall be based upon the severity of the noncompliance, nonperformance, or unacceptable performance that generated the need for corrective action plan. The penalty, if imposed, shall not exceed ten percent (10%) of the total contract payments during this period in which the corrective action plan has not been implemented or in which acceptable progress toward implementation has not been made.
- C. Noncompliance involving the provision of service shall result in the imposition of a five percent (5%) penalty. Noncompliance as a result of unacceptable performance of administrative tasks shall result in the imposition of a two percent (2%) penalty.
- D. The deadline for payment shall be as stated in the Order imposing the financial penalties. In the event of nonpayment the Department may deduct the amount of the penalty from invoices submitted by the Contractor.

X. Funding

- A. The total funding of this Agreement is **\$2,170,875.00 annually** and **\$8,683,500.00 for the contract period**, subject to appropriation and release by the Legislature. The Legislature has appropriated Two Million Seventy Thousand Dollars (**\$2,070,000.00**) allocated to the regulation of professional engineers and special inspectors of threshold buildings from the Professional Regulation Trust Fund to the first fiscal year of this agreement.

The Department has approved the use of One Hundred Thousand Eight Hundred Seventy-Five Dollars (**\$100,875.00**) from the unlicensed activity funds allocation for the first fiscal year of this contract. The unlicensed activity funds are to be utilized by the FBPE to perform the duties related to unlicensed activity pursuant to Chapter 455, Florida Statutes.

The Department's performance and obligation to pay under this Agreement is contingent upon the annual appropriation and release by the Legislature in a "grant and aids category."

B. Method of Payment

1. Payment Clause

(Fixed Price- Professional Regulation Trust Fund) The Department shall pay the contractor for delivery of service units provided in accordance with the terms of this contract for a dollar amount of \$517,500.00 per quarter, not to exceed a total of \$2,070,000.00 annually or \$8,280,000.00 for the entire contract period, subject to the availability of funds.

An advance payment not to exceed 25 percent of the contract amount may be made as soon after July 1st of each fiscal year (2021-2025), as feasible. The remaining funding will be provided in equal payments on a quarterly basis beginning on or after October 1, January 1, and April 1 of each year (2021-2025).

In the event FEMC's expenses exceed its draw in any given quarter, and the cash balance available is insufficient to cover those expenses, FEMC may request an advance of funds, not to exceed Two Hundred Thousand Dollars (\$200,000.00). Advancement of funds is subject to the approval of budget release pursuant to sections 216.192(1) and 216.177(2)(a), Florida Statutes.

(Cost Reimbursement- Unlicensed Activity Funds) The Department shall reimburse FEMC for allowable expenditures incurred pursuant to the terms of this contract for a dollar amount not to exceed \$100,875.00 annually, and \$403,500.00 for the contract period, subject to the availability of funds.

2. Invoice Requirements

(Fixed Price) FEMC shall request payment quarterly or as often as activity has been performed on behalf of the program through submission of a properly completed invoice within fifteen (15) days following the end of the quarter for which payment is being requested.

(Cost Reimbursement) FEMC shall request reimbursement on a monthly basis or as often as activity has been performed on behalf of the program through submission of a properly completed cost reimbursement invoice within fifteen (15) days following the end of the month for which reimbursement is being requested.

Payment may be authorized only for allowable expenditures on the invoice which are in accord with the limits specified in the line item budget (Attachment 7). The approved line item budget may be modified only through amendment to the contract initiated by a written request that includes justification supporting the need for modification. Such modifications cannot be made retroactive to a date prior to the execution date of the formal amendment.

3. Supporting Documentation

(Fixed Price) Invoices shall include Deliverables as stated in Section VII above. FEMC shall retain sufficient records documenting services provided so that an audit trail can be maintained.

(Cost Reimbursement) Reimbursement requests from FEMC for Unlicensed Activity expenditures will include supporting documentation for all requests. Examples include but are not limited to; for Professional Service Fees an actual invoice showing the service and amount due and copy of cleared check; for hardware or software an actual invoice and copy of paid check; for travel [e.g. bills for travel submitted in accordance with s.122.061,F.S.] actual invoices and copy of paid check; for office

supplies, telephone bills, number of copies at per copy rate and number of mailings at postage rate; and for Administrative Services or Staff time, timesheets showing actual or estimated percentage of time spent, rate of pay and related payroll expenses applied. FEMC must maintain records documenting the expenditures so that an audit trail documenting the service provisions is available.

XI. Revenue

- A. FEMC shall be responsible for the collection and processing of application fees, initial licensure fees, active renewal fees, inactive renewal fees, delinquency and reactivation fees, reimbursement of administrative costs, fines, and other miscellaneous revenue. In accordance with Section 116.01, Florida Statutes, FEMC shall deposit all receipts to the State concentration account to the credit of the Professional Regulation Trust Fund no later than seven (7) working days from the close of the week in which FEMC received the funds. The Department will provide FEMC with sequentially numbered deposit slips. Each deposit slip must be accounted for. FEMC will stamp the back of all checks deposited with the endorsement contained in Attachment 1, Endorsement Stamp.
- B. All revenue collected by FEMC shall be entered in Versa: Regulation system using the appropriate "object code" listed in **Attachment 5, Fee Codes**.
- C. FEMC is responsible for collecting or earmarking out of current licensure fees the \$5.00 fee for unlicensed activity is provided for in Section 455.2281, Florida Statutes. Fees collected under Section 455.2281, Florida Statutes, may be used by the FBPE to perform duties relating to unlicensed activity as contemplated in Section 471.038(5), Florida Statutes, subject to appropriation by the Legislature and allocations made by the Department. This information shall be tracked by FEMC in Versa: Regulation.
- D. FEMC shall have in place a method (subject to approval by the Department) to collect checks written on insufficient funds ("bad checks").
- E. FEMC shall maintain licensing fees that are not excessive but that are adequate to cover projected costs and maintain a 5% cash balance. If fees are excessive, the board may implement a waiver of license renewal fees for a period not to exceed two (2) years pursuant to Section 455.219, Florida Statutes.
- F. FEMC shall record and report accounts receivable (if any) pursuant to the Department's policy as provided in **Attachment 8**.
- G. Funds advanced to FEMC shall be deposited in a separate interest bearing account until the balance, not including the interest, is totally expended for the purposes allowed by the Agreement. All interest income attributable to or derived from funds advanced to FEMC shall be returned on a quarterly basis to the Department and will remain as cash to the credit of the FBPE within the Professional Regulation Trust Fund.

- G. FEMC shall comply with s. 112.061, Florida Statutes, and the guidelines found in the Reference Guide for state travel expenses to its travel expenditures.

XIII. Insurance

A. Liability Insurance

FEMC shall secure and maintain during the term of this contract and for all acts performed during the term of this contract, the insurance coverage required by Section 471.038 (3) (j) 5, Florida Statutes. FEMC shall ensure that all of the insurers indicated on the insurance policies are qualified and do business with the State of Florida.

FEMC shall secure and maintain all commercially available insurance to meet the requirements of Section 471.038(3)(j) 5, Florida Statutes. Both parties acknowledge that Section 471.038(3)(j)5, Florida Statutes, does not require FEMC to obtain coverage for itself and the Department which is not obtainable for public policy reasons. However, if at any time it is determined that insurance becomes available which would otherwise be required under statute, FEMC will immediately acquire such insurance. Failure by FEMC to secure and maintain the insurance coverage provided for in this paragraph or in violation of Section 471.038(3)(j)5, Florida Statutes, shall be grounds for terminating this Agreement.

B. Performance Bond

FEMC shall provide for non-employees charged with the responsibility of receiving and depositing fee and fine revenues to have a faithful performance bond in the amount of Five Hundred Thousand Dollars (\$500,000.00), as required by Section 471.038(3)(j)5., Florida Statutes, and this Agreement.

XIV. General Provisions

A. Dispute Resolution

This Agreement shall be governed by and construed in accordance with the laws of Florida, and venue and jurisdiction for any disputes arising out of this Agreement shall be in the state courts of Leon County, Florida.

The parties agree that any disputes between the parties regarding their responsibilities under this Agreement or any provision of Florida Law should be resolved as soon as possible at the lowest level possible in the most informal manner possible in order to conserve the resources of the parties. The parties agree to use their best efforts to assure speedy and non-confrontational resolution of any and all disputes. FEMC recognizes that the Department is mandated by Florida Statutes with the monitoring of FEMC's activities, and after consultation with the FBPE, has the authority to resolve disputes.

The parties agree to be responsible for their own attorney's fees and costs incurred in connection with disputes arising under the terms of this agreement.

B. Liability

Each party hereby assumes any and all risks of personal injury and property damage attributable to the acts or omissions of that party or its officers, employees, or agents. Furthermore, any claim of liability asserted against the Department is subject to the limitations of Section 768.28, Florida Statutes.

FEMC shall provide all necessary services to manage its own corporation, including but not limited to finance and accounting and personnel administration. FEMC shall make only prudent expenditures directly related to the responsibilities of the FBPE, and in accordance with this Agreement. FEMC shall maintain all records in accordance with the guidelines of the Department of State and shall not destroy any records prior to the limits imposed by the Department of State. FEMC shall maintain an approved Procurement Policy and Code of Ethics that governs its directors and employees.

FEMC employees and its Board of Directors are not public employees for the purpose of Chapters 110 or 112, Florida Statutes, except that the Board of Directors and the President of FEMC are subject to the provisions of Section 112.061, 112.313(1)-(8) and 112.3135, Florida Statutes. The Department's Office of Inspector General is authorized to perform duties related to members of the Board of Directors of FEMC and its President as set forth in Section 20.055, Florida Statutes, related to violations of Sections 112.061, 112.313(1)-(8) and 112.3135, Florida Statutes. Nothing herein shall prohibit FEMC from disciplining its directors and President or FBPR from taking appropriate action. The Executive Office of the Governor is authorized to impose the penalties cited in Section 112.317, Florida Statutes, for violations of sections 112.313(1)-(8) and 112.3135, Florida Statutes, by members of FEMC's Board of Directors or its President.

C. Other Employment

FEMC shall not engage the services of any person or persons now employed by the State of Florida, including any department or subdivision thereof, to provide services relating to this Agreement without written consent of the employer of such persons and of this Department. Also, if FEMC is otherwise employed by the State of Florida during the term of this agreement, FEMC represents that FEMC has complied with all applicable provisions of Sections 216.262(1)(d) and 112.3185, Florida Statutes, and all applicable regulations regarding outside or dual employment and compensation.

D. Costs Incurred

FEMC shall be responsible for the acquisition of property, equipment, and supplies necessary to fulfill the requirements of this Agreement. Any leasing or reservation of space to perform this Agreement will be the sole responsibility of FEMC

E. Termination

Upon termination of this Agreement or revision thereof whereby FEMC no longer is approved to provide services as contemplated by this Agreement, all monies, records, data and property held in trust by FEMC for the benefit of FBPE shall revert to the FBPE or to the State of Florida if the FBPE ceases to exist. In the event of contract termination, FEMC shall be responsible for ensuring that all data relating to licensure and discipline can be converted to use on Department systems and FEMC is solely responsible for the cost of such conversion.

Failure to comply with any part of this Agreement shall be grounds for the Department to terminate this Agreement for default without prior notice or opportunity to cure.

F. Entire Contract

This Agreement and the following attachments constitute the entire Agreement of the parties:

- Attachment 1- Scope of Work
- Attachment 2-Certifications and Assurances
- Attachment 3- Affidavit- Notice of Trade Secret
- Attachment 4- Financial and Compliance Audit Form
- Attachment 5- Fee Codes
- Attachment 6- Schedule VII: Agency Litigation Inventory
- Attachment 7- Proposed Budget for Year Ending June 30, 2021 (Grants and Aid/ Unlicensed Activity)
- Attachment 8- Accounts Receivable and Write-Off Policies and Procedures
- Attachment 9- Year- End Incurred Obligations Procedure
- Attachment 10- Department Information Technology Resources and Data Access Security
- Attachment 11- Endorsement Stamp

No other agreement or modification to this Agreement, expressed or implied, shall be binding on either party unless same shall be in writing and signed by both parties. This Agreement may not be orally modified. Any modification must be in writing, expressly titled an amendment to this Agreement, attached to this Agreement, and signed by both parties.

XV. Special Provisions

A. Provider Liability and Indemnity

The FEMC's obligation to indemnify, defend and hold harmless the Department shall be to the extent permitted by section 768.28, Florida Statutes, or other applicable law, and without waiving the limits of sovereign immunity. This section shall supersede Section 9 of the Core Contract.

B. Insurance

The FEMC shall maintain continuous adequate liability insurance coverage during the existence of this contract and any renewal(s) and extension(s) thereof. With the exception of a state agency or subdivision as defined by subsection 768.28(2), F.S., by execution of this contract, the FBPE accepts full responsibility for identifying and determining the type(s) and extent of liability insurance necessary to provide reasonable financial protections for the FEMC and the clients to be served under this contract. The limits of coverage under each policy maintained by the FEMC do not limit the FEMC's liability and obligations under this contract. Upon execution of this contract, FEMC shall furnish the Department written verification supporting both determination and existence of such insurance coverage. Such coverage may be provided by a self-insurance program established and operating under the laws of the State of Florida. The Department reserves the right to require additional insurance if specified in this contract. This section supersedes Section 10 of the Core Contract.

verification supporting both determination and existence of such insurance coverage. Such coverage may be provided by a self-insurance program established and operating under the laws of the State of Florida. The Department reserves the right to require additional insurance if specified in this contract. This section supersedes Section 10 of the Core Contract.

C. Payment on invoices

Payment on invoices shall be in accordance with Section XI of this Scope of Work. This section supersedes Section 19, 20 and 24 of the Core Contract.

D. Publicity

For the purpose of this agreement, the FBPE and the FEMC logo is not a state seal and does not fall within the ambit of Section 15 of the Core Contract.

E. Sponsorship

Sections 15 and 16 of the Core Contract do not apply to FEMC and the FBPE but these sections do apply to any subcontractor of the FEMC or FBPE.

F. Executive Order 20-44

In accordance with Executive Order 20-44, the contractor shall:

1. Provide an annual report detailing total compensation for FEMC's executive leadership teams, and what percentage of compensation comes from State or Federal allocations. Total compensation shall include salary, bonuses, cashed-in leave, cash equivalents, severance pay, retirement benefits, deferred compensation, real-property gifts, and any other payout.
2. Contractor agrees to inform the Department of any changes in total executive compensation between annual reports.

End of Attachment 1 (Scope of Work)

**Attachment 2
CERTIFICATIONS AND ASSURANCES**

The Department will not award this contract unless the Contractor completes the CERTIFICATIONS AND ASSURANCES contained in this Attachment. In performance of this contract, the Contractor provides the following certifications and assurances:

- A. Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transaction (29 CFR Part 95 and 45 CFR Part 74)
- B. Nondiscrimination & Equal Opportunity Assurance (29 CFR Part 37 and 45 CFR Part 80)
- C. Certification Regarding Public Entity Crimes, Section 287.133, F.S.
- D. Association of Community Organizations for Reform Now (ACORN) Funding Restrictions Assurance (Pub. L. 111-117)
- E. Certification Regarding Scrutinized Companies Lists and Business Operations in Cuba or Syria, Section 287.135, F.S.

A. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS – PRIMARY COVERED TRANSACTION (29 CFR Part 95 and 45 CFR Part 74).

The undersigned Contractor certifies to the best of its knowledge and belief, that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a Federal department or agency;
2. Have not within a three-year period preceding this contract been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph A.2. of this certification; and/or
4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause of default.

If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall attach an explanation to this contract.

B. NONDISCRIMINATION & EQUAL OPPORTUNITY ASSURANCE (29 CFR PART 37 AND 45 CFR PART 80).

As a condition of this contract, the Contractor assures that it will comply fully with the nondiscrimination and equal opportunity provisions of the following laws:

1. Section 188 of the Workforce Investment Act of 1998 (WIA), (Pub. L. 105-220), which prohibits discrimination against all individuals in the United States on the basis of race, color, religion, sex national origin, age, disability, political affiliation, or belief, and against beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title I-financially assisted program or activity;
2. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 CFR Part 80), to

the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.

3. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112) as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 CFR Part 84), to the end that, in accordance with Section 504 of that Act, and the Regulation, no otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.
4. The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 CFR Part 91), to the end that, in accordance with the Act and the Regulation, no person in the United States shall, on the basis of age, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.
5. Title IX of the Educational Amendments of 1972 (Pub. L. 92-318), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 CFR Part 86), to the end that, in accordance with Title IX and the Regulation, no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any education program or activity for which the Applicant receives Federal financial assistance from the Department.
6. The American with Disabilities Act of 1990 (Pub. L. 101-336), prohibits discrimination in all employment practices, including, job application procedures, hiring, firing, advancement, compensation, training, and other terms, conditions, and privileges of employment. It applies to recruitment, advertising, tenure, layoff, leave, fringe benefits, and all other employment-related activities, and;

The Contractor also assures that it will comply with 29 CFR Part 37 and all other regulations implementing the laws listed above. This assurance applies to the Contractor's operation of the WIA Title I – financially assisted program or activity, and to all agreements the Contractor makes to carry out the WIA Title I – financially assisted program or activity. The Contractor understands that the department and the United States have the right to seek judicial enforcement of the assurance.

C. CERTIFICATION REGARDING PUBLIC ENTITY CRIMES, SECTION 287.133, F.S.

The Contractor hereby certifies that neither it, nor any person or affiliate of the Contractor, has been convicted of a Public Entity Crime as defined in section 287.133, F.S., nor placed on the convicted vendor list.

The Contractor understands and agrees that it is required to inform the Department immediately upon any change of circumstances regarding this status.

D. ASSOCIATION OF COMMUNITY ORGANIZATIONS FOR REFORM NOW (ACORN) FUNDING RESTRICTIONS ASSURANCE (PUB. L. 111-117).

As a condition of this contract, the Contractor assures that it will comply fully with the federal funding restrictions pertaining to ACORN and its subsidiaries per the Consolidated Appropriations Act, 2010, Division E, Section 511 (Pub. L. 111-117). The Continuing Appropriations Act, 2011, Sections 101 and 103 (Pub. L. 111-242), provides that appropriations made under Pub. L. 111-117 are available under the conditions provided by Pub. L. 111-117. Note: As of June 20, 2011, this matter is in litigation in the District Court for the Eastern District of New York.

The Contractor shall require that language of this assurance be included in the documents for all subcontracts at all tiers (including subcontracts, sub-grants and contracts under grants, loans and cooperative agreements) and that all sub-recipients and contractors shall provide this assurance accordingly.

Attachment 3
AFFIDAVIT - NOTICE OF TRADE SECRET

I, _____ (Name of Affiant), the undersigned, being first duly sworn, do hereby state under oath and under penalty of perjury, the following:

1. I am an authorized representative of _____ (Contractor Name), and I am duly empowered and authorized to certify under oath to the truth of the statements contained in this affidavit.
2. Based upon our review/determination of all contract documents for any trade secret information meeting the statutory definition provided in subsection 812.081(1)(c), F.S., there are documents or information claimed to be trade secrets under Florida law pertaining to our entities response to the formal solicitation and related materials in _____ (DBPR Contract Number). YES ___ or NO___ (Check one)

Executed this _____ day of _____, 20____, in _____.

[Name of Affiant]

[Title of Affiant]

Notary Public
My commission expires: _____

AFTER CONTRACT EXECUTION

3. Upon receipt of the fully executed contract _____ (DBPR Contract Number) and if in the initial submission of this affidavit to the Department the Contractor indicated a YES response to Section 2 above, the Contractor shall complete this Section 3 and resubmit this affidavit accompanied by a redacted copy of this contract to the Department within three (3) business days of receipt of the fully executed contract. The Contractor states that:

All documents or information claimed to be trade secrets under Florida law have been redacted in the electronic copy of the response to the formal solicitation and related materials in _____ (DBPR Contract Number) provided to the Department of Business and Professional regulation under cover letter dated _____, 20____. Further, _____ (Contractor Name):

- a. Considers the redacted information to be trade secret that has value and provides an advantage or opportunity to obtain an advantage over those who do not know or use it.
- b. Has taken measures to prevent the disclosure of the redacted trade secret information to anyone other than those who have been selected to have access for limited purposes, and such measures continue to be taken.
- c. States that the redacted trade secret information is not, and has not been, reasonably obtainable, without consent, by other persons by use of legitimate means.
- d. States that the redacted trade secret information is not publicly available elsewhere.

Executed this _____ day of _____, 20____, in _____.

[Name of Affiant]

[Title of Affiant]

Notary Public
My commission expires: _____

- End of Attachment 3 -

**Attachment 4
Financial and Compliance Audit Form**

The administration of resources awarded by the Department of Business and Professional Regulation (Department) to the recipient may be subject to audits and/or monitoring as described in this attachment.

MONITORING

In addition to reviews of audits conducted in accordance with OMB Circular A-133 and Section 215.97, F.S., as revised (see "AUDITS" below), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by OMB Circular A-133, as revised, or other procedures. By entering into this agreement, the recipient agrees to comply and cooperate with any monitoring procedures deemed appropriate by the Department. In the event the Department determines that a limited scope audit of the recipient is appropriate, the recipient agrees to comply with any additional instructions provided by the Department staff to the recipient regarding such audit. The recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the State's Chief Financial Officer or the Auditor General.

AUDITS

PART I: FEDERALLY FUNDED

This part is applicable if the recipient is a State or local government or a non-profit organization as defined in OMB Circular A-133, as revised.

In the event the recipient expends \$750,000 or more in Federal awards in its fiscal year, the recipient must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. EXHIBIT 1 to this agreement indicates Federal resources awarded through the Department by this agreement. In determining the Federal awards expended in its fiscal year, the recipient shall consider all sources of Federal awards, including Federal resources received from the Department. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the recipient conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this part.

In connection with the audit requirements addressed in Part 1, paragraph 1, the recipient shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

If the recipient expends less than \$750,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. In the event that the recipient expends less than \$750,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources.

(NOTE: If applicable, Department program office should address other miscellaneous matters affecting Part I audits, such as Web sites where information that would help facilitate the recipient's compliance can be obtained.)

PART II: STATE REQUIREMENTS

This part is applicable if the recipient is a non-state entity as defined by Section 215.97(2), Florida Statutes.

In the event that the recipient expends a total amount of state financial assistance equal to or in excess of \$750,000 in any fiscal year of such recipient, the recipient must have a State single or project-specific audit 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 1 to this agreement indicates state financial assistance awarded through the Department by this agreement. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from the Department, other state agencies, and other non-state entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a non-state entity for Federal program matching requirements.

In connection with the audit requirements addressed in Part II, paragraph 1, the recipient shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.

If the recipient expends less than \$750,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. In the event that the recipient expends less than \$750,000 in state financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-state entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).

(NOTE: The Department program office should address other miscellaneous matters affecting Part II audits, *such as* Web sites where information that would help facilitate the recipient's compliance can be obtained.)

In connection with the audit requirements addressed in paragraph 2 of Part II: State Requirements, the schedule of expenditures should disclose the expenditures by contract number for each contract with the department in effect during the audit period. The financial statements should disclose whether or not the matching requirement was met for each applicable contract. All questioned costs and liabilities due the department shall be fully disclosed in the audit report package with reference to the specific contract number.

PART III: REPORT SUBMISSION

Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by PART I of this agreement shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the recipient directly to each of the following:

- A. Department Contract manager for this agreement (1 copy): [Name and Address]
- B. Department of Business and Professional Regulation (1 electronic copy and management letter, if issued)

Office of the Inspector General

2601 Blair Stone Road
Tallahassee, FL. 32399-0791

- C. The Federal Clearinghouse designated in OMB Circular A-133, as revised (the number of copies required by Sections .320 (d) (1) and (2), OMB Circular A-133, as revised, should be submitted to the Federal Audit Clearinghouse), at the following address:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jefferson, IN 47132

- D. Other Federal agencies and pass-through entities in accordance with Sections .320 (e) and (f), OMB Circular A-133, as revised.

Pursuant to Section .320 (f), OMB Circular A-133, as revised, the recipient shall submit a copy of the reporting package described in Section .320 (c), OMB Circular A-133, as revised, and any management letter issued by the auditor, to the Department at each of the following addresses:

- A. Department Contract manager for this agreement (1 copy):

Aimee Odom, FCCM
2601 Blair Stone Road
Tallahassee, FL 32399

- B. Department of Business and Professional Regulation (1 electronic copy and management letter, if issued)

Office of the Inspector General
2601 Blair Stone Road
Tallahassee, FL. 32399-0791

Copies of financial reporting packages required by PART II of this agreement shall be submitted by or on behalf of the recipient directly to each of the following:

- A. The Department at each of the following addresses:

Department Contract manager for this agreement (1 copy):

Aimee Odom, FCCM
2601 Blair Stone Road
Tallahassee, FL 32399

Department of Business and Professional Regulation (1 electronic copy and management letter, if issued)

Office of the Inspector General
2601 Blair Stone Road
Tallahassee, FL. 32399-0791

- B. The Auditor General's Office at the following address:

Auditor General's Office
Room 401, Pepper Building

111 West Madison Street
Tallahassee, Florida 32399-1450

Any reports, management letter, or other information required to be submitted to the Department pursuant to this agreement shall be submitted timely in accordance with OMB Circular A-133, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

Recipients, when submitting financial reporting packages to the Department for audits done in accordance with OMB Circular A-133 or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the recipient in correspondence accompanying the reporting package.

PART IV: RECORD RETENTION

The recipient shall retain sufficient records demonstrating its compliance with the terms of this agreement for a period of six years from the date the audit report is issued and shall allow the Department or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The recipient shall ensure that audit working papers are made available to the Department or its designee, Chief Financial Officer, or Auditor General upon request for a period of three years from the date the audit report is issued, unless extended in writing by the Department. *NOTE: Records need to be retained for at least five years to comply with record retention requirements related to original vouchers prescribed by the Department of State, Division of Library and Information Services, Bureau of Archives and Records Management.*

(a) EXHIBIT – 1

FEDERAL RESOURCES AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

NOTE: If the resources awarded to the recipient represent more than one Federal program, provide the same information shown below for each Federal program and show total Federal resources awarded.

Federal Program (list Federal agency, Catalog of Federal Domestic Assistance title and number) -
\$ (amount) *N/A*

COMPLIANCE REQUIREMENTS APPLICABLE TO THE FEDERAL RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:

NOTE: If the resources awarded to the recipient represent more than one Federal program, list applicable compliance requirements for each Federal program in the same manner as shown below.

Federal Program:

List applicable compliance requirements as follows: *N/A*

1. First applicable compliance requirement (e.g., what services/purposes resources must be used for).
2. Second applicable compliance requirement (e.g., eligibility requirements for recipients of the resources).
3. Etc.

NOTE: Instead of listing the specific compliance requirements as shown above, the State awarding agency may elect to use language that requires the recipient to comply with the requirements of applicable provisions of specific laws, rules, regulations, etc. For example, for Federal Program 1, the language may state that the recipient must comply with a specific law(s), rule(s), or regulation(s) that pertains to how the awarded resources must be used or how eligibility determinations are to be made. The State awarding agency, if practical, may want to attach a copy of the specific law, rule, or regulation referred to.

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

MATCHING RESOURCES FOR FEDERAL PROGRAMS:

NOTE: If the resources awarded to the recipient for matching represent more than one Federal program, provide the same information shown below for each Federal program and show total State resources awarded for matching.

Federal Program (list Federal agency, Catalog of Federal Domestic Assistance title and number) -
\$ (amount)

SUBJECT TO SECTION 215.97, FLORIDA STATUTES:

NOTE: If the resources awarded to the recipient represent more than one State project, provide the same information shown below for each State project and show total state financial assistance awarded that is subject to Section 215.97, Florida Statutes.

State Project: Department of Business and Professional Regulation, Florida Engineers Management Corporation (FEMC) #79.001, \$2,170,875.00 annually.

COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:

The department has allotted \$100,875 from the unlicensed activity account established under s. 455.2281 to be used by the Board of professional Engineers (FBPE) to perform the duties relating to unlicensed activity. FEMC shall provide administrative, investigative and prosecutorial services to FBPE in accordance with S. 471.038, F.S., and make only prudent expenditures directly related to the responsibilities of the board, and in accordance with the contract required by section 471.038, Florida Statutes.

FEMC shall not perform the following services:

(1) Except when providing those prosecutorial and investigative services set forth in Section IV (D) and (E) of this Agreement, FEMC shall not exercise the police powers inherent in the Department and the FBPE under Chapters 455 or 471, Florida Statutes, including determining probable cause to pursue disciplinary action against a licensee other than failure to comply with final orders of the Board as set forth in Rule 61G15-18.005

(2) Florida Administrative Code, taking final action on license applications or in disciplinary cases, or adopting administrative rules under Chapter 120, Florida Statutes. Prosecutorial servicing shall only be executed in the name of the Florida Board of Professional Engineers.

(3) Any and all activities with relation to rulemaking, disciplinary, licensing and other official actions of the FBPE; except that FEMC staff may process the necessary paperwork for these activities at the direction of the FBPE.

(4) Lobbying activities on behalf of the FBPE.

(5) FEMC shall not have the authority to issue emergency suspension or restriction orders.

NOTE: Section .400(d) of OMB Circular A-133, as revised, and Section 215.97(5), Florida Statutes, require that the information about Federal Programs and State Projects included in Exhibit 1 be provided to the recipient.

End of Attachment 4

ATTACHMENT 5 FEE CODES

BOARD OF PROFESSIONAL ENGINEERS (FEMC)
79-50-2-547001
79-50-00-00-009

FEES- CATEGORY-000100

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
001101	22	APPLICATIONS
001102	22	PRTF LICENSE VERIFICATION
001108	22	DUPLICATES / NAME AND STATUS CHANGE
001159	22	APPLI FOR ENDORSEMENT- ENG INTERN CERTIFICATION

LICENSES- CATEGORY-000200

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
002101	22	APPLICATIONS / LICENSES
002102	22	RENEWAL
002103	22	PRTF INACTIVE
002104	22	REACTIVATION/REINSTATEMENT
002105	22	DELINQUENT CHARGES
002106	22	PRTF UNLICENSED ACTIVITY

MISC. RECEIPTS- CATEGORY-000400

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
004021	22	UNCLAIMED REFUNDS
004022	22	REVENUE REFUNDS
004027	22	UNASSIGNED
004029	22	UNLICENSED ACTIVITY REFUNDS

INTEREST- CATEGORY-000500

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
005005	22	INTEREST FROM REVOLVING FUND

FINES, FORFEITURES, JUDGMENTS AND PENALTIES- CATEGORY-001200

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
012000	22	FINES/FORFEIT./JUDGMENTS/ASSESSMENTS
012002	22	CITATIONS

PENALTIES- CATEGORY-001202

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
012094	22	SERVICE CHARGE COLLECTED ON RETURNED CHECKS

REFUNDS- CATEGORY-001800

<u>OBJECT</u>	<u>EO</u>	<u>TITLE</u>
018000	11	REFUNDS
	22	REFUNDS
018050	22	REIMBURSEMENT OF COSTS

ATTACHMENT 6

SCHEDULE VII: AGENCY LITIGATION INVENTORY

Schedule VII: Agency Litigation Inventory	
<i>For directions on completing this schedule, please see the "Legislative budget request (LBR) Instructions" located on the Governor's website.</i>	
Agency:	
Contact Person:	Phone Number:
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	
Court with Jurisdiction:	
Case Number:	
Summary of the Complaint:	
Amount of the Claim:	\$
Specific Statutes or Laws (including GAA) Challenged:	
Status of Case:	
Who is representing (of record) the state in this lawsuit? Check all that apply.	Agency Counsel
	Office of the Attorney General or Division of Risk Management
	Outside Contract Counsel
If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	

**End of
Attachment 6**

ATTACHMENT 7

**FLORIDA ENGINEERS MANAGEMENT CORP
PROPOSED UNLICENSED ACTIVITY BUDGET
FISCAL YEAR 2020 - 21**

**Approved by FEMC Board of Directors 04/09/2020*

	PROPOSED BUDGET	APPROVED BUDGET	Difference	Percentage Change
III. Income				
500 · State Contract				
UNLICENSED ACTIVITY	(\$100,875)	(\$100,875)	\$ -	0%
IV. Total Income	\$ (100,875)	\$ (100,875)	\$ -	0%
Expenses				
600 · Salaries & Benefits				
600.10 · Salaries - Full Time Wages	\$ 64,560	\$ 63,551	\$ 1,009	2%
600.20 · Retirement	\$ 4,842	\$ 4,766	\$ 76	2%
600.30 · Payroll Taxes	\$ 4,939	\$ 4,862	\$ 77	2%
600.40 · Personnel Insurance				
600.40.10 - Health	\$ 6,053	\$ 6,053	\$ -	0%
600.40.20 - Dental	\$ 252	\$ 252	\$ -	0%
600.40.30 - Life & Disability	\$ 757	\$ 757	\$ -	0%
610.50 · Worker's Comp (The Zenith)	\$ 101	\$ 101	\$ -	0%
Total 600 · Salaries & Benefits	\$ 81,503	\$ 80,341	\$ 1,162	1%
630 · Consultant Expense				
636 · Court Reporters	\$ -	\$ -	\$ -	
638 · Prosecution/Enforcement	\$ 13,671	\$ 13,671	\$ -	0%
639 · Contract Monitor	\$ -	\$ -	\$ -	
Total 630 · Consultant Expense	\$ 13,671	\$ 13,671	\$ -	0%
670 · Public Information & Outreach	\$ 3,379	\$ 4,539	\$ (1,162)	-26%
626 · 25 Copying & Printing - Legal	\$ -	\$ -	\$ -	0%
620 · Office Supplies	\$ -	\$ -	\$ -	0%
625 · Postage	\$ -	\$ -	\$ -	0%
650 · Office Space				
651 · Lease Payment				
652 · Utilities	\$ -	\$ -	\$ -	
653 · Janitorial				
656 · Pest Control				
657 · Security Monitoring				
Total 650 · Office Space	\$ -	\$ -	\$ -	
680 · Travel				
680.60 · Public Information Travel	\$ 2,323	\$ 2,323	\$ -	0%
Total 680 · Travel	\$ 2,323	\$ 2,323	\$ -	
740 · Renewal Expenses				
740.10 · Printing Renewal Notice	\$ -	\$ -	\$ -	
740.20 · Mailing Renewal Notice	\$ -	\$ -	\$ -	
740.30 · Printing Licenses/ID Cards	\$ -	\$ -	\$ -	
740.40 · Mailing Licenses/ID Cards	\$ -	\$ -	\$ -	
740.60 · Renewal Supplies	\$ -	\$ -	\$ -	
Total 740 · Total Renewal Expenses	\$ -	\$ -	\$ -	
V. Total Expenses	\$ 100,876	\$ 100,875	\$ (0)	
Net Ordinary Income (Loss)	\$ (0)	\$ 0	\$ 0	

FLORIDA ENGINEERS MANAGEMENT CORP

APPROVED OPERATING BUDGET 2020 - 2021

*Approved by FEMC Board of Directors 04/09/2020

	PROPOSED BUDGET 2020 - 2021	APPROVED BUDGET 2019 - 2020	Difference	Percent Change
Income				
500 · State Contract				
DBPR	\$ (2,070,000)	\$ (2,070,000)	\$ -	
UNLICENSED ACTIVITY	\$ (100,875)	\$ (100,875)	\$ -	
Total 500 · Income	\$ (2,170,875)	\$ (2,170,875)	\$ -	0%
Expenses				
600 · Salaries & Benefits				
600.10 · Salaries - Full Time Wages	\$ 980,341	\$ 944,758	\$ 35,585	4%
600.20 · Retirement	\$ 98,034	\$ 94,476	\$ 3,558	4%
600.30 · Payroll Taxes	\$ 75,108	\$ 73,618	\$ 1,490	2%
600.40 · Personnel Insurance				
600.40.10 - Health	\$ 141,802	\$ 123,635	\$ 17,966	15%
600.40.20 - Dental	\$ 3,696	\$ 3,937	\$ (240)	-6%
600.40.30 - Life & Disability	\$ 11,676	\$ 12,420	\$ (745)	-6%
600.40.40 - FSA & COBRA Mngm	\$ 1,362	\$ -	\$ 1,362	100%
Total 600 · Salaries & Benefits	\$ 1,311,819	\$ 1,252,842	\$ 58,977	5%
601 · Other Personnel Services (OPS)	\$ -	\$ -	\$ -	0%
610 · Insurance				
610.10 · Directors & Officers	\$ 3,334	\$ 3,451	\$ (117)	-3%
610.15 · Business Travel Accident	\$ 750	\$ 750	\$ -	
610.20 · Commercial Liability	\$ 7,143	\$ 7,092	\$ 50	1%
610.30 · Professional Liability	\$ 6,005	\$ 6,093	\$ (88)	-1%
610.25 · CyberRisk Liability	\$ 2,856	\$ 2,739	\$ 117	4%
610.50 · Worker's Comp (The Zenith)	\$ 1,494	\$ 1,614	\$ (120)	-7%
Total 610 · Insurance	\$ 21,381	\$ 21,739	\$ (358)	-1%
630 · Consultant Expense				
632 · Legal - FEMC General Counsel	\$ 10,000	\$ 10,000	\$ -	0%
633 · Accounting Services	\$ 39,000	\$ 42,174	\$ (3,174)	-8%
634 · Computer Consultants/Services	\$ 94,272	\$ 94,170	\$ 102	0%
635 · Human Resource Consultant	\$ 500	\$ 500	\$ -	0%
636 · Court Reporters	\$ 5,300	\$ 5,300	\$ 0	0%
638 · Prosecution/Enforcement	\$ 176,482	\$ 247,397	\$ (70,915)	-29%
639 · Contract Monitor	\$ 19,200	\$ 19,200	\$ -	0%
Total 630 · Consultant Expense	\$ 344,755	\$ 418,741	\$ (73,986)	-18%
616 · Publications (includes Study Guide)	\$ 19,279	\$ 16,589	\$ 2,690	16%
655 · Leased Equipment & Repair	\$ 22,330	\$ 22,805	\$ (475)	-2%
670 · Public Information & Outreach	\$ 15,250	\$ 17,000	\$ (1,750)	-10%
672 · Training/Board Members	\$ 1,500	\$ 1,500	\$ -	0%
673 · Board Member Honorarium	\$ 10,000	\$ 9,500	\$ 500	5%
626 · Copying & Printing				
626.20 · General Office	\$ 10,980	\$ 13,180	\$ (2,200)	-17%
626.25 · Legal	\$ 700	\$ 1,672	\$ (972)	-58%
Total 626 · Copying & Printing	\$ 11,680	\$ 14,852	\$ (3,172)	-21%
620 · Office Supplies	\$ 10,000	\$ 14,091	\$ (4,091)	-29%
620.10 · Bank Service Fees	\$ 1,320	\$ 1,380	\$ (60)	
620.50 · Computer Software and Supplies	\$ 19,929	\$ 25,985	\$ (6,056)	
Total 620 · Office Supplies	\$ 31,249	\$ 41,456	\$ (10,207)	-25%
625 · Postage				
625.40 · General Office	\$ 9,000	\$ 16,000	\$ (7,000)	-44%
Total 625 · Postage	\$ 9,000	\$ 16,000	\$ (7,000)	-44%
650 · Office Space				
651 · Lease Payment	\$ 139,889	\$ 135,814	\$ 4,074	3%
652 · Utilities	\$ -	\$ -	\$ -	
653 · Janitorial	\$ 1,615	\$ 1,400	\$ 215	15%
656 · Pest Control	\$ 300	\$ 300	\$ -	0%
657 · Security Monitoring	\$ 2,482	\$ 2,122	\$ 359	17%
658 · Moving Expenses	\$ -	\$ -	\$ -	
Total 650 · Office Space	\$ 144,285	\$ 139,637	\$ 4,649	3%
640 · Telephone				
640.10 · VoIP & Local Line Charges	\$ 13,320	\$ 13,200	\$ 120	1%
640.30 · Internet Access Charges	\$ 10,798	\$ 6,790	\$ 4,008	59%
640.40 · Conference Calls	\$ 1,200	\$ 1,320	\$ (120)	-9%
Total 640 · Telephone	\$ 25,318	\$ 21,310	\$ 4,008	19%
680 · Travel				
680.10 · Board/Committee Meetings	\$ 104,987	\$ 95,487	\$ 9,500	10%
680.20 · Investigative/Prosecutorial	\$ 2,700	\$ 2,603	\$ 97	4%
680.30 · NCEES Travel	\$ 10,000	\$ 13,000	\$ (3,000)	-23%
680.40 · General Travel	\$ -	\$ -	\$ -	0%
680.50 · Employee Training	\$ 13,330	\$ 12,500	\$ 830	7%
680.60 · Public Information Travel	\$ 8,000	\$ 10,495	\$ (2,495)	-24%
Total 680 · Travel	\$ 139,017	\$ 134,085	\$ 4,932	4%

FLORIDA ENGINEERS MANAGEMENT CORP

APPROVED OPERATING BUDGET 2020 - 2021

*Approved by FEMC Board of Directors 04/09/2020

702 · NCEES Fees for Dues/Tests

770 · Memberships/Registrations

775 · Employment/Training

740 · Renewal Expenses

740.10 · Printing Renewal Notice

740.20 · Mailing Renewal Notice

740.30 · Printing Licenses

740.40 · Mailing Licenses

740.50 · Renewal OPS

740.60 · Renewal Supplies

740 · Total Renewal Expenses

ASSETS

110 · Furniture & Equipment

110 · Computers & Software

115 · Leasehold Improvements



LIABILITIES

600.50 · Accrued Leave Liability

	PROPOSED BUDGET 2020 - 2021	APPROVED BUDGET 2019 - 2020	Difference	Percent Change
702 · NCEES Fees for Dues/Tests	\$ 6,500	\$ 6,500	\$ -	0%
770 · Memberships/Registrations	\$ 4,289	\$ 3,725	\$ 564	15%
775 · Employment/Training	\$ 14,423	\$ 12,595	\$ 1,828	15%
740 · Renewal Expenses				
740.10 · Printing Renewal Notice	\$ 6,000	\$ -	\$ (6,000)	
740.20 · Mailing Renewal Notice	\$ 12,600	\$ -	\$ (12,600)	
740.30 · Printing Licenses	\$ -	\$ -	\$ -	
740.40 · Mailing Licenses	\$ -	\$ -	\$ -	
740.50 · Renewal OPS	\$ -	\$ -	\$ -	
740.60 · Renewal Supplies	\$ -	\$ -	\$ -	
740 · Total Renewal Expenses	\$ 18,600	\$ -	\$ 18,600	
ASSETS				
110 · Furniture & Equipment	\$ -	\$ -	\$ -	0%
110 · Computers & Software	\$ 10,000	\$ 10,000	\$ -	0%
115 · Leasehold Improvements	\$ -	\$ -	\$ -	
LIABILITIES				
600.50 · Accrued Leave Liability	\$ 10,000	\$ 10,000	\$ -	
	\$ 2,170,875	\$ 2,170,875	\$ 0	0%
	\$ (0)	\$ (0)	\$ (0)	

End of Attachment 7

ATTACHMENT 8

	DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION DEPARTMENT POLICY
TITLE: Accounts Receivable and Write-off	POLICY NUMBER: 1.6 (Replaces Policy No. 1005-0003)
EFFECTIVE DATE: June 1, 2008 REVISED DATE: May 20, 2011; December 9, 2013; March <u>JQ</u> , 2017	APPROVED BY:  SECRETARY: Matilde Miller

1.6.01 PURPOSE

To establish a policy for the processing of account receivable , including when accounts are submitted to collection agencies.

1.6.02 SCOPE

The Bureau of Finance and Accounting facilitates the submission of account receivable to collection agencies after due diligence has been taken in collecting the account. Approval is received from the board or division, except when the board or division has the statutory authority to fulfill the role of the collection agency.

1.6.03 REFERENCES

Sections 17.04, 17.20, 95.11, 215.34(2), Florida Statutes
Chapter 691-21.003 , Florida Administrative Code (F.A.C.)
Chief Financial Officer Memoranda No. 15 (1988-89)
Generally Accepted Accounting Principles

1.6.04 DEFINITIONS

- A. Account Receivable: An amount due the Department from applicants, licensees, vendors, contractors, employees or other liable parties for goods and/or services furnished by the Department, including licenses, testing, non-refundable application

fees, as well as, amounts assessed and due for final orders, consent orders, judgments or settlements, fines, citations, penalties and returned items.

- B. Account Receivable Number: A number assigned in the debit memo system to represent a claim against a customer for services rendered.
- C. Bureau of Finance & Accounting (BFA): The Bureau of Finance and Accounting within Department of Business and Professional Regulation (DBPR).
- D. Chargeback: A debit to the state treasurer's account from a merchant services company as a result of a cardholder's successfully disputed claim. The transaction includes the unique merchant number linking the transaction to the merchant service company and DBPR.
- E. Collection Agency: A private entity approved by the Department of Financial Services (DFS), whose responsibility is the collection of past due account receivable.
- F. Debit Memo: A sequentially numbered, bank debit memorandum generated by the Division of Treasury and charged to DBPR denoting a chargeback has occurred. It contains the amount of the chargeback and identifies the merchant services company that debited the treasury account.
- G. Debit Memo System: A data base system maintained by the Bureau of Finance and Accounting to record debit memos and information related to each debit memo.
- H. Department: The Department of Business & Professional Regulation (DBPR).
- I. Dishonored Check/ Non-sufficient Funds (NSF): Accounting transactions denied (denoting a chargeback) or otherwise not honored by the financial institution or company because of insufficient funds or inaccurate account information. These include online payments.
- J. Division of Treasury: The Division of Treasury within the Department of Financial Services responsible for state treasury functions as it relates to debit memos, charge backs and liaison functions that fall under the purview of the state's Chief Financial Officer.
- K. Electronic Funds Transfer (EFT): Refers to a computer-based system used to perform financial transactions electronically. The common types of transactions include cardholder-initiated transactions whereby a cardholder makes use of a payment card, electronic payments by businesses including salary payments or electronic check clearing
- L. Generally Accepted Accounting Principles (GAAP): A collection of commonly followed accounting rules and standards for financial reporting.
- M. Versa Regulation: The proprietary software, used by the Department to process applications, issue licenses, account for financial transactions and execute applicable business-related transactions used by DBPR as required for licensing and regulatory activity.

- N. Municipal Services Bureau (MSB): The first choice collection agency, selected by the Department. Past due account receivable that is 120 days to 2 years old is submitted to MSB.
- O. Recognized Account Receivable: An Account Receivable is recognized by the Department when the Bureau of Finance and Accounting is notified of a non-sufficient Funds (NSF), that a chargeback has occurred, or a fine is past due.
- P. Service Fee: The state service fee charged for returned checks through the Division of Treasury pursuant to section 215.34(2), Florida Statutes.
- Q. Status 92: The status code in the Versa Regulation Compliance Module, used by boards and divisions, to mark past due fines as "Ready for Collections." The Status 92 report is a Crystal report query used to place past due accounts at MSB or UCB for collections.
- R. United Collections Bureau (UCB): The second choice collection agency, selected by the Department. Past due account receivable that is 2 to 5 years old is submitted to UCB.
- S. Write off: An accounting adjustment reflecting the portion of an account receivable determined to be uncollectible. Expectations for these accounts will remain in the Single Licensing System and will still be collected if debtor makes payment.

1.6.05 POLICY STATEMENT

This policy provides a general description of the structure of the Department's account receivable function. The Bureau of Finance and Accounting is responsible for monitoring account receivable. This policy covers the process of sending to collection agencies dishonored and NSF payments that are 120 days or older, and fines or penalties that have been designated ready for collections by the division or board.

1.6.06 RESPONSIBILITIES

- A. The BFA, Revenue Section, prepares account receivable for submission to the approved collection agencies.
- B. The dishonored checks, EFT, credit card charge backs, and stale dated or non-payment money orders are processed by the BFA. When the Division of Treasury notifies the BFA of a returned item, a service fee will be assessed (s. 215.34, F.S.) and added to the amount due (\$15 or 5 percent of the face amount of the check, draft, or order, whichever is greater, not to exceed \$150).
- C. BFA will send an initial NSF letter to the customer. Account receivable that is 90 days old but less than 120 days old and will be sent to MSB. This process is to be completed monthly for the NSF accounts that are 90 days old.
- D. The BFA will prepare fines, penalties, and other account receivable is to be submitted to collection agencies. Each month the Status 92 report for all boards and divisions will be retrieved from the Business Intelligence Launch Pad or other designated software in

Excel format. The BFA will use the Status 92 report (Excel) to gather fine and penalty accounts ready for placement at collection agencies.

- E. The BFA will use the Excel submission form provided by Department of Financial Services to submit fines, penalties, and other account receivable to MSB and/or UCB for collection. Account updates received from the boards, divisions and collection agencies will be recorded in the monthly account inventory.
- F. Accounts submitted to MSB will remain with that collection agency until the end of the contract period with MSB.
- G. The BFA will send accounts to the Department of Financial Services for write off pursuant to Generally Accepted Accounting Principles.

1.6.07 FORMS

None

End of Attachment 8

ATTACHMENT 9
Year-End Incurred Obligations Procedure
Year End Incurred Obligations Procedures
Florida Engineers Management Corporation

Reference:

Section 216.301 (a) and (b), Florida statutes, requires each state agency and the judicial branch to identify any incurred obligation which has not been disbursed as of June 30th. The amounts identified as Incurred obligations must not exceed available appropriation balances by budget entity.

Any incurred amounts not disbursed by September 30th must be charged to the current fiscal year appropriation. If it is determined that there is not sufficient budget for any incurred items, payment will be made from the current fiscal year appropriation.

Incurred Obligations

Incurred obligations are items purchased and received by close of business on June 30th

Incurred Obligation Process:

At the end of each fiscal year operational accounting entries for that year cease and a new fiscal year begins. Although the old fiscal year has ended, agencies may have legal obligations for which the prior fiscal year appropriation may be used.

Complete the incurred obligation spreadsheet entering the vendor name, contract (order) date, received date, original amount, amount paid as of June 30, certified forward amount (amount left to be paid), the paid date once the obligation has been paid and a brief description of the obligation. The invoice number can be entered in the description field if available. The "Date Goods/Services Received" will be the date goods or services are actually received and the "Original Contract Date" will be the date the purchase order or contract is issued. The contract date and received date must be prior to July 1st

On or about October 1st the spreadsheet must be resubmitted to the Contract Manager with the date paid for each obligation

Timelines:

- On or about July 16th Incurred obligations to be processed as current fiscal year disbursements must be reported to the Contract Manager using a spreadsheet provided by the Department.
- Incurred Obligations expire September 30th each fiscal year.
- On or about October 1 a final spreadsheet will be submitted to the Contract Manager with all paid obligations noted in the "Date Paid" column.

Credit Card Payables:

Credit card payables must be accompanied by documentation demonstrating the payable was incurred (charged) and received prior to July 1st.

End of Attachment 9

ATTACHMENT 10

DEPARTMENT INFORMATION TECHNOLOGY RESOURCES AND DATA ACCESS SECURITY

The Contractor shall comply with Rule 74-2, Florida Administrative Code (F.A.C.), and comply with the following data security requirements in the event the Contractor has access to any Department data systems or software:

- a. Data Security Officer: The Contractor shall designate an appropriately skilled individual to function as its Data Security Officer. The Data Security Officer shall act as the liaison to the Department's Division of Technology and shall maintain an appropriate level of data security for the information the Contractor is collecting or using in the performance of this contract. An appropriate level of security includes submitting required access request documents for Department approval, and tracking all contractor employees that have access to any Departmental data system or information. The Data Security Officer shall ensure that user access to the data system or information is timely removed for all separated Contractor employees. The Contractor agrees to notify the Department's assigned contract manager in writing within twenty-four (24) hours of employee resignations or layoffs, and immediately for involuntary terminations for staff that have access to the Department's information systems. As applicable, the Contractor shall execute a network connection agreement that shall ensure compliance with Department security policies prior to connection to the Department's internal network as required by Rule 74-2, F.A.C.
- b. Security Policies and Attestation: All Contractor employees who have access to Departmental information technology systems and/or Department data shall be required to read and comply with all appropriate Department information technology security policies and shall sign and submit to the Department's assigned contract manager an attestation that they have read, understood and agree to comply with each policy. Upon execution of this contract, the Department's assigned contract manager shall provide a copy of all appropriate Department information technology security policies to the Contractor.
- c. Technology Access: The Department reserves the right, at its sole discretion, to grant permissions for access to Department network, systems, and data. Any staff employed by an entity under contract to the Department must be granted specific permission by the Department for access to the Department's network, systems, and data. The Department reserves the right to unilaterally suspend access for security reasons. Contractor employees shall be granted access to Department information technology resources based on the principles of "least privilege" and "need to know." The Department's assigned contract manager, in conjunction with the Department's Division of Technology, shall conduct quarterly access reviews of the Contractor's employees to ensure that access for separated employees was timely reported and removed.
- d. Employee Background Screening: Background screening is required for all Contractor employees hired as Information Technology workers with access to information processing facilities, or who have system, database, developer, network, or other administrative capabilities for systems, applications, or servers with risk categorization of moderate or high. The Contractor agrees to conduct Level 2 background screening for such employees as described in s. 435.05, F.S., and Rule 74-2, F.A.C., at the Contractor's expense. For other Contractor employees who request access to Department data or

information technology systems but do not fall into the above category, the Contractor agrees to conduct a Level 1 background screening as described in s. 110.1127 and s. 435.05, F.S., at the Contractor's expense. For each Contractor employee, the Contractor shall sign and submit to the Department's assigned contract manager an attestation, provided by the Department, that verifies the appropriate Level 1 or Level 2 background screening was completed and reviewed by the Contractor; that the screening has not revealed disqualifying information pursuant to ss. 435.03 (2) and (3), F.S. (for level 1) or ss. 435.04 (2) and (3), F.S. (for Level 2), or computer-related crimes pursuant to Chapter 815, F.S.; and that the Contractor assumes responsibility for the employee's use of the Department's data and information resources.

- e. Employee Security Training: The Contractor shall provide information security awareness training to employees with access to Department information technology resources and data in accordance with Rule 74-2, F.A.C. Initial training shall be provided within 30 days of contract execution or employment start date, and annually thereafter. Employees with access to records that are exempt or confidential and exempt from public records disclosure requirements shall be given specialized training regarding access and use of this information. All information security awareness training materials used by the Contractor shall be submitted to the Department's assigned contract manager upon request. The Contractor shall maintain records of individuals who have completed initial and annual security awareness training and shall make these records available to the Department upon request.
- f. Data Protection: Vendors, contractors, and providers employed by the Department or acting on behalf of the Department shall comply with the Department's information technology security policies, and employ adequate security measures to protect agency information, applications, data, resources, and services. These measures include protecting technology resources through physical controls such as building security and strategic placement of computer monitors. If Department data will reside on the Contractor's system, the Department may conduct, or request the Contractor conduct at the Contractor's expense, an annual network penetration test or security audit of the Contractor's system on which Department data resides. No Department data or information shall be stored in, processed in, or shipped to offshore locations or out of the United States of America, regardless of method, except as required by law or expressly agreed to by the Department.
- g. Data Encryption: The Contractor shall make every effort to protect and avoid unauthorized release of any sensitive, exempt or confidential information by ensuring both data and storage devices are encrypted. If encryption of these devices is not possible, then the Contractor shall assure that unencrypted personal and confidential Departmental data will not be stored on unencrypted storage devices. Remote data access shall be provided via a trusted method such as SSL, TLS, SSH, VPN, IPsec or a comparable protocol approved by the Department.
- h. Sensitive, Exempt and Confidential Information: Vendors, contractors, and providers employed by the Department or acting on behalf of the Department shall protect sensitive, exempt and confidential information from unauthorized access and use as required by the Department's information technology security policies. Such information includes, but is not limited to, personal information as described in ss. 501.171(g), F.S. Access to sensitive, exempt and confidential data shall be granted to the Contractor and subcontractors by the Department on a need to know basis. Except as required by law or

legal process and after notice to the Department, the Contractor shall not divulge to third parties any sensitive, exempt or confidential information obtained by the Contractor or its agents, distributors, resellers, subcontractors, officers or employees in the course of performing contractual services.

- i. Investigation of Breaches: The Department shall have the right to investigate any error attributable to the Contractor relating to access or dissemination of exempt or confidential and exempt records, as well as any instance of lost or missing data. The Department may take appropriate legal action as a result of such investigation.
- j. Security Breach Notification: The Contractor agrees to notify the Department's assigned contract manager as soon as possible, but no later than 3 business days following the determination of any breach or potential breach of personal information and/or confidential departmental data. The Contractor shall provide notice to affected parties of a security breach in accordance with s. 501.171, F.S.
- k. Equipment Sanitization: The Contractor shall enforce a procedure for sanitizing surplus or transferred equipment to protect any sensitive or confidential Department data that may reside on that equipment. At a minimum, the Contractor shall ensure that sanitization is completed according to acceptable methods described in Rule 74-2, F.A.C., and provide documentation to the Department's Division of Technology, evidencing completion of the equipment sanitization.
- l. Contract Termination: Upon contract termination or expiration, the Contractor will:
 - i. Copies: Submit to the Department's assigned contract manager copies of all finished or unfinished documents, data studies, correspondence, reports and other products prepared by or for the Contractor under this contract; submit copies of all Department data to the Department in a format to be designated by the Department in accordance with s. 119.0701, F.S.; shred or erase parts of any retained duplicates containing personal information (as defined by s. 501.171, F.S.); all copies containing personal information must be made unreadable;
 - ii. Originals: Retain its original records such as data required by this contract and maintain (in confidence to the extent required by law) the Contractor's original records in un-redacted form, until the records retention schedule expires according to State of Florida General Records Schedule GS1-SL, and to reasonably protect such documents and data during any pending legal hold, investigation or audit;
 - iii. Both copies and originals: Upon expiration of all retention schedules and legal holds, audits or investigations, with notice to the Department, destroy all Department data from the Contractor's systems, including but not limited to, electronic data and documents containing personal information or other data that is confidential and exempt under Florida public records law.
- m. Subcontractors: The Contractor shall require that any entities subcontracting with the Contractor who are granted access to Department data or information technology systems comply with the data security requirements stated above.

End of Attachment 10

ATTACHMENT 11
ENDORSEMENT STAMP

**PAY TO THE ORDER OF
WELLS FARGO
FOR DEPOSIT ONLY
CHIEF FINANCIAL OFFICER OF
FLORIDA BPR
FL BOARD OF PROF
ENGINEERS LOCATION 7900009
ACCOUNT

001009073301**

End of Attachment 11

ARTICLES OF INCORPORATION
& BY-LAWS

2023 ANNUAL REPORT



State of Florida



Department of State

I certify the attached is a true and correct copy of the Amended and Restated Articles of Incorporation, filed on February 5, 1999, for FLORIDA ENGINEERS MANAGEMENT CORPORATION, a Florida corporation, as shown by the records of this office.

The document number of this corporation is N97000005608.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Fifth day of February, 1999



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

ARTICLES OF AMENDMENT AND RESTATEMENT
TO THE
ARTICLES OF INCORPORATION
OF
FLORIDA ENGINEERS MANAGEMENT CORPORATION

FILED
99 FEB -5 PM 3:46
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of §617.1006 F.S., the Florida Engineers Management Corporation, a Florida non-profit corporation, adopts the following Articles of Amendment and Restatement to its Articles of Incorporation:

1. The amended and restated Articles of Incorporation as set forth in Attachment "A".
2. The amended and restated Articles of Incorporation were adopted by unanimous written consent on January 29, 1999.
3. The amended and restated Articles of Incorporation were adopted by the members and directors of the Florida Engineers Management Corporation by sufficient vote for approval.



Dennis Barton, President

2/5/99

Date

"A"

AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

FLORIDA ENGINEERS MANAGEMENT CORPORATION

(A Florida Nonprofit Corporation)

ARTICLE I. NAME

The name of this corporation shall be Florida Engineers Management Corporation.

ARTICLE II. COMMENCEMENT & DURATION

This corporation's duration shall be perpetual, unless it is hereafter dissolved according to law.

ARTICLE III. PURPOSE

This corporation is being formed for the benefit of the Department of Business and Professional Regulation and the Board of Professional Engineers for the purpose of providing administrative, investigative, and prosecutorial services as provided in §471.038 F.S. and any amendments thereto, and engaging in the transaction of any and all activities permitted under the laws of Florida and the United States of America. This corporation is irrevocably dedicated to and operated exclusively for non-profit purposes; and no part of the income or assets of the corporation shall be distributed to, nor inure to the benefit of any individual.

The purposes for which this organization is organized are exclusively religious, charitable, scientific, literary and educational within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law.

ARTICLE IV. POWERS

This corporation may do and perform all such acts and things, including those generally allowed by the laws of Florida relative to nonprofit corporations, as now existing, or as the law may henceforth provide, as from time to time may be necessary or expedient to the exercise of any and all of its corporate functions, powers, and rights.

Notwithstanding any other provisions of these articles, this organization shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law.

ARTICLE V. MEMBERSHIP

Membership in the corporation shall, at all times, be limited to individuals appointed to the Board of Directors as provided in §471.038 F.S. The power of appointment and the power to withdraw that appointment shall be as set forth in §471.038 F.S.

ARTICLE VI. BOARD OF DIRECTORS

This corporation's initial Board of Directors shall have seven directors as set forth in §471.038 F.S. The directors of this corporation must, at all times, be members of this corporation and shall be the only members of this corporation. The directors named herein, comprising the initial Board of Directors, shall hold office until their successors are duly qualified. The name and address of each individual who shall serve as a member of the Initial Board of Directors are:

Eugene Bechamps, P.E.
E.N. Bechamps and Associates, Inc.
5200 Blue Lagoon Drive, Suite 150
Miami, FL 33126

Charles E. Langbein, Jr., P.E.
120 Parkside Drive, S.E.
Winter Haven, FL 33884

William H. Palm, P.E.
Glace & Radcliffe, Inc.
630 Wymore Rd.
Maitland, FL 32751

Charles L. Proctor, II, Ph.D., P.E.
69 Turkey Creek
1174D N. W. 71st Terrace
Alachua, FL 32615

Michael A. Shorstein
Shorstein & Kelly, P.A.
1660 Prudential Drive, Suite 402
Jacksonville, FL 32207

Ben G. Watts, P.E.
Carter & Burgess
1000 Legion Place, Suite 1400
Orlando, FL 32801

Lamar Winegeart
Winegeart & Graessle, P.A.
219 Newnam Street
Jacksonville, FL 32202

ARTICLE VII. OFFICERS

The officers shall consist of a president, a secretary, and a treasurer. This corporation may have such other officers as may be provided in the corporate Bylaws. The officers shall be elected annually by the Board of Directors. The manner of the election of the officers shall be specified in the corporate Bylaws.

ARTICLE VIII. INDEMNIFICATION

This corporation shall indemnify any officer, director, employee, or agent, and any former officer, director, employee, or agent, to the full extent permitted by law.

ARTICLE IX. PRINCIPAL OFFICE & INITIAL REGISTERED OFFICE & AGENT

The initial address of this corporation's principal office shall be:

1208 Hays Street
Tallahassee, FL 32301

The name of the individual who shall serve as this corporation's initial registered agent and the address is:

Dennis Barton
1208 Hays Street
Tallahassee, FL 32301

ARTICLE X. INCORPORATORS

The name and address of the subscriber to these Articles of Incorporation is:

Dennis Barton
1208 Hays Street
Tallahassee, FL 32301

ARTICLE XI. BYLAWS

Corporate Bylaws will be hereinafter adopted by the Board of Directors. The corporate Bylaws may be amended or repealed, in whole or in part, by the Board of Directors in the manner provided therein, provided that they are not inconsistent with the provisions of these Articles of Incorporation. The Bylaws and any amendments thereto shall also be approved as provided in §471.038 F.S.

ARTICLE XII. AMENDMENTS

Amendments to these Articles of Incorporation shall be adopted by a resolution of the Board of Directors subject to the approval as provided in §471.038 F.S.

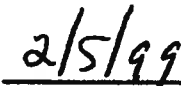
ARTICLE XIII. ASSETS UPON DISSOLUTION

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future Federal tax code, or shall be distributed to the Federal, state, or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the organization is then located, exclusively for such purposes.

This corporation's subscriber, for the purpose of forming this nonprofit corporation under the laws of Florida, has executed these Articles of Incorporation, on the date indicated next to his signature.



Dennis Barton



Date

ACCEPTANCE OF REGISTERED AGENT

I hereby accept my designation as resident agent and agree to serve as the resident agent of Florida Engineers Management Corporation. I hereby state that I am familiar with and accept the duties and responsibilities as registered agent for The Florida Engineers Management Corporation.


Dennis Barton - Registered Agent

CAUSERSDLVEMCEENGINEERLAGI

BYLAWS

OF

FLORIDA ENGINEERS MANAGEMENT CORPORATION

ARTICLE I. NAME & LOCATION OF CORPORATION

The name of this corporation is Florida Engineers Management Corporation.

The corporation may have such corporate offices, anywhere within and without the state of its incorporation as the Board of Directors from time to time may appoint, or the business of the corporation may require. The “principal place of business” or “principal business” or “executive” office or offices of the corporation may be fixed and so designated from time to time by the Board of Directors.

ARTICLE II. PURPOSE

The purpose of this corporation is to transact any lawful business under the laws of the State of Florida as contemplated in Section 471.038, Florida Statutes, and the Articles of Incorporation.

ARTICLE III. MEMBERSHIP

Membership in the corporation shall, at all times, be limited to individuals appointed to membership as provided in Section 471.038, Florida Statutes, and who shall also serve as the Board of Directors. The power of appointment to membership, and the power to withdraw that appointment and rescind the membership, shall be set forth in Section 471.038, Florida Statutes.

Any member may resign by submitting a written resignation to the Board of Directors and to the Secretary of the Department of Business and Professional Regulation (the “Department”) and the Board of Professional Engineers; and thereupon such resignation shall become effective forthwith without need of any acceptance, unless otherwise specified therein.

Any member may be removed from membership as provided in Section 471.038, Florida Statutes.

ARTICLE IV. MEETING

Section A. Place Of Meetings

Meeting shall be held at the principal office or place of business of the corporation or at such other suitable place as may be designated by the Board of Directors.

Section B. Annual Meetings

An annual meeting shall be held on such day and date and at such time as may be expressly determined by a majority of directors. Notice of the annual meetings shall be given in writing to each director. The members may transact such business of the corporation as may properly come before them including the election of a Chairperson and a Vice-Chairperson, and election of officers. Notice of annual meetings shall also be provided to members of the public as required by Section 286.011, Florida Statutes.

Section C. Regular Meetings

Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings of the Board of Directors shall be given in writing to each director. Notice of all regular meetings shall also be provided to members of the public as required by Section 286.011, Florida Statutes.

Section D. Special Meetings

Special meetings of the Board of Directors may be called by the Chairperson by giving written notice to each director, which notice shall state the time, place, and purpose of the meetings. Special meetings of the Board of Directors shall be called by the president or secretary, in like manner and on like notice, on the written request of at least three directors.

Notice of all special meetings shall also be provided to members of the public as required by Section 286.011, Florida Statutes

Section E. Waiver Of Notice

Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. However, notice of meetings to members of the public that is required by Section 286.011 may not be waived. Attendance by a director at any meeting of the board shall be a waiver of notice by him or her of the time and place thereof. If all the directors are present at any meeting of the board, no notice to directors shall be required and any business may be transacted at such meeting. To the extent permitted by law, any lawful action of the Board of Directors may be taken without a meeting if written consent to such action is signed by all the directors and filed with the minutes of the board.

Section F. Quorum

At all meetings of the Board of Directors, a majority of the directors then serving shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors, except where a larger number is required by law, Articles of Incorporation, or these Bylaws. If, at any meeting of the Board of Directors there is less than a quorum present, the majority of these present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted provided notice is given to members of the public as required by Section 286.011, Florida Statutes.

ARTICLE V. BOARD OF DIRECTORS

Section A. Number & Term Of Office

The affairs of the corporation shall be governed by a Board of Directors composed of seven (7) persons appointed as provided in Section 471.038, Florida Statutes. Appointments shall be for 4-year terms, and no member shall serve more than two consecutive terms. The term of the directors named in the Articles of Incorporation shall expire when their successors have been appointed and have been duly qualified. Directors shall hold office until their term expires.

Section B. Governing Powers

The Board of Directors shall have all powers and duties necessary or appropriate for the administration of the affairs of this corporation and may do all such acts and things as are by law or by the Articles of Incorporation or by these Bylaws directed to be exercised and done by the members.

Section C. Vacancies

Vacancies in the Board of Directors shall be filled by appointment as provided in Section 471.038, Florida Statutes.

Section D. Compensation

Compensation shall be paid to directors for their services in accordance with Section 112.061, Florida Statutes. Directors, officers, and employees shall be reimbursed for expenses incurred by them in the performance of their duties in accordance with Section 112.061, Florida Statutes.

ARTICLE VI. OFFICERS

Section A. Authorized Officers

The principal officers of the corporation shall be a president, a secretary and a treasurer, and there may be one or more vice presidents, all of whom shall be elected by the Board of Directors. No two offices, except those of secretary and treasurer, may be held by the same person. The directors may appoint an assistant secretary and assistant treasurer, and such other officers as in their judgment may be necessary.

Section B. Election of Officers and Chairpersons.

The officers of the corporation and the Chairperson and Vice-Chairperson of the Board of Directors shall be elected annually by the Board of Directors at its annual meeting. Unless sooner removed by the Board, the officers and chairs shall serve for a term of one year and until their successors are elected and shall qualify. Any vacancies occurring in offices or chairs shall be filled by the Board of Directors, from time to time. The Board of Directors shall appoint such temporary or acting officers or chairs as may be necessary during the temporary absence or disability of the regular officers or chairs.

Prior to each annual meeting of the Board of Directors, the Chair and Vice-Chair shall meet for purposes of developing recommendations for the election, or re-election, of officers and chairs. Notice of the meeting shall be provided to members of the public as required by Section 286.011, Florida Statutes.

Section C. Removal

Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his or her successor elected at any regular meeting of the Board of Directors or at any special meeting called for such purpose.

Section D. President

The president shall be the chief executive officer of the corporation. He or she shall have all the general powers and duties which are usually vested in the office of president of a corporation.

Section E. Vice President

There may be one or more vice presidents, as the Board of Directors shall from time to time determine. In the absence or disability of the president, the first vice president, shall perform the duties and exercise the powers of the president. The vice president shall also perform such other duties as shall be prescribed by the Board of Directors.

Section F. Secretary

The secretary or his or her designee shall keep the minutes of all meetings of the Board of Directors, of the membership, and of the Executive Committee. He or she shall have custody of the seal of the corporation, and of such other books and records of the corporation as the Board of Directors may provide. He or she shall perform the duties and functions customarily performed by the secretary of a corporation together with such other duties as the Board of Directors may prescribe.

Section G. Treasurer and Comptroller

The treasurer shall have custody of the corporate funds and securities, and shall keep full and accurate account of all receipts and disbursements in books belonging to the corporation and

shall deposit all moneys and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render an account of all his or her transactions as treasurer and of the financial condition of the corporation whenever called upon to do so.

ARTICLE VII. AMENDMENTS

Except as otherwise required by law, these Bylaws may be amended at any regular meeting of the Board of Directors or at any special meeting called for that purpose, provided that written notice of the proposed amendment shall have been given at least ten (10) days prior to such meeting.

ARTICLE XIII. CORPORATE SEAL

The Board of Directors shall provide a suitable corporate seal containing the name of the corporation, which seal shall be in the charge of the secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the treasurer or any assistant secretary or assistant treasurer.

ARTICLE IX. FISCAL MANAGAMENT

Section A. Fiscal Year

The fiscal year of the corporation shall begin on the first day of July of every year, except that the first fiscal year of the corporation shall begin at the date of incorporation.

Section B. Auditing & Reports

At the close of each fiscal year, the books and records of the corporation shall be audited. The president of the corporation shall cause to be prepared annually a full and correct statement of the affairs of the corporation, including a balance sheet and financial statement of operations

for the preceding fiscal year. Such audit shall comply with the requirements of Section 471.038(3)(k), Florida Statutes, and be submitted to the Board of Directors, the Department, and the Auditor General for review.

Section C. Execution Of Corporate Documents

With the prior authorization of the Board of Directors, all contracts shall be executed on behalf of the corporation by either the president or any other officer that has been delegated such authority in writing. All notes or checks shall be executed on behalf of the corporation by at least two of the following officers of the corporation: president, vice president, secretary, or treasurer.

Section D. Fidelity Bonds

The Board of Directors may require that all officers and employees of the corporation having custody or control funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the corporation.

Section E. Indemnity

Each officer, director, employee or agent of the corporation shall be indemnified by the corporation in the manner and to the extent provided in Sections 617.0831 and 607.0850, Florida Statutes.

Approved and adopted as the Bylaws of the Corporation this 4 day of April
2018.


Secretary

ANNUAL BUDGET
FISCAL YEAR 2023

2023 ANNUAL REPORT

PROPOSED OPERATING BUDGET 2022 - 2023

As Approved by FEMC BOD 04/12/2022

	PROPOSED BUDGET 2022 - 2023	APPROVED BUDGET 2021 - 2022 (Amended)	Difference	Percent Change	Comments
Income					
500 - State Contract					
DBPR	\$ (2,070,000)	\$ (2,070,000)	\$ -		
UNLICENSED ACTIVITY	\$ (100,875)	\$ (100,875)	\$ -		
Total 500 - Income	\$ (2,170,875)	\$ (2,170,875)	\$ -	0%	No Change in contract or grant revenue amounts
Expenses					
600 - Salaries & Benefits					
600.10 - Salaries - Full Time Wages	\$ 947,036	\$ 933,671	\$ 13,365	1%	5.38% COLA for 11.19 staff; (3% for ED); (less 1.81 FTE from last FY); +\$54k reserve (1.5 FTE)
600.20 - Retirement	\$ 89,296	\$ 93,807	\$ (4,512)	-5%	All staff - 12.19 FTE
600.30 - Payroll Taxes	\$ 73,000	\$ 78,521	\$ (5,521)	-7%	Reduction due to Unemployment Ins calculation decrease
600.40 - Personnel Insurance					
600.40.10 - Health	\$ 124,458	\$ 137,150	\$ (12,692)	-9%	Est. 6% increase less 1.81 FTE
600.40.20 - Dental	\$ 2,993	\$ 3,445	\$ (452)	-13%	Est. 3% increase less 1.81 FTE
600.40.30 - Life & Disability	\$ 10,332	\$ 11,516	\$ (1,183)	-10%	Est. 5% increase less 1.81 FTE
600.40.40 - FSA & COBRA Mngmt	\$ 1,362	\$ 1,362	\$ (0)	0%	
Total 600 - Salaries & Benefits	\$ 1,248,476	\$ 1,259,472	\$ (10,996)	-1%	
601 - Other Personnel Services (OPS)	\$ -	\$ -	\$ -		
610 - Insurance					
610.10 - Directors & Officers	\$ 4,773	\$ 4,916	\$ (143)	-3%	All Premiums Based on Actual 2021-22
610.15 - Business Travel Accident	\$ 750	\$ 750	\$ -	0%	
610.20 - Commercial Liability	\$ 8,436	\$ 7,805	\$ 631	8%	Higher fire rating for new building
610.30 - Professional Liability	\$ 5,883	\$ 6,005	\$ (122)	-2%	
610.25 - CyberRisk Liability	\$ 3,840	\$ 4,251	\$ (411)	-10%	
610.50 - Workers Comp (The Zenith)	\$ 1,578	\$ 1,522	\$ 56	4%	
Total 610 - Insurance	\$ 25,260	\$ 25,249	\$ 11	0%	
630 - Consultant Expense					
632 - Legal - FEMC General Counsel	\$ 10,000	\$ 10,000	\$ -	0%	Reserve
633 - Accounting Services	\$ 31,000	\$ 40,100	\$ (9,100)	-23%	New Audit Firm
634 - Computer Consultants/Services	\$ 113,188	\$ 100,935	\$ 12,253	12%	Upgrade Laserfiche Workflow to Cloud
635 - Human Resource Consultant	\$ 500	\$ 500	\$ -	0%	Reserve
636 - Court Reporters	\$ 4,295	\$ 4,187	\$ 108	3%	
638 - Prosecution/Enforcement	\$ 225,413	\$ 221,602	\$ 3,811	2%	Average btwn '20-'21 & '21-'22 plus \$10k reserve
639 - Contract Monitor	\$ 19,200	\$ 19,200	\$ -	0%	Per contract with DBPR
Total 630 - Consultant Expense	\$ 403,596	\$ 396,525	\$ 7,071	2%	
616 - Publications (includes Study Guide)	\$ 17,139	\$ 16,687	\$ 452	3%	
655 - Leased Equipment & Repair	\$ 18,471	\$ 14,874	\$ 3,597	24%	Qtrly A/C Maintenance required in new lease
670 - Public Information & Outreach	\$ 16,830	\$ 15,250	\$ 1,580	10%	
672 - Training/Board Members	\$ 3,000	\$ 3,000	\$ 0	100%	Long Range Planning Meeting
673 - Board Member Honorarium	\$ 12,500	\$ 8,600	\$ 3,900	45%	
626 - Copying & Printing					
626.20 - General Office	\$ 11,623	\$ 9,960	\$ 1,663	17%	
626.25 - Legal	\$ 480	\$ 700	\$ (220)	-31%	
Total 626 - Copying & Printing	\$ 12,103	\$ 10,660	\$ 1,443	14%	
620 - Office Supplies					
620.10 - Bank Service Fees	\$ 17,490	\$ 12,683	\$ 4,807	38%	Cleaning supplies required for new building
620.50 - Computer Software and Supplies	\$ 1,380	\$ 1,320	\$ 60	5%	
620.50 - Computer Software and Supplies	\$ 28,191	\$ 27,798	\$ 393	1%	
Total 620 - Office Supplies	\$ 47,061	\$ 41,801	\$ 5,260	13%	
625 - Postage					
625.40 - General Office	\$ 12,180	\$ 12,000	\$ 180	2%	Includes new PB SendPro Account
Total 625 - Postage	\$ 12,180	\$ 12,000	\$ 180	2%	
650 - Office Space					
651 - Lease Payment	\$ 98,000	\$ 117,225	\$ (19,225)	-16%	New building/6-year lease
652 - Utilities	\$ 17,400	\$ -	\$ 17,400	100%	Utilities not included in new lease
653 - Janitorial	\$ 7,830	\$ 1,280	\$ 6,550	512%	Janitorial services not included in new lease
656 - Pest Control	\$ 300	\$ 300	\$ -	0%	
657 - Security Monitoring	\$ 1,500	\$ 2,482	\$ (982)	-40%	Changed from Vector to SafeTouch Security
658 - Moving Expenses	\$ -	\$ 8,500	\$ (8,500)	-100%	
659 - Leasehold Improvements (Non-Capital)	\$ 4,500	\$ 20,000	\$ (15,500)	-78%	Refurb Cabinets + Misc Improvements
Total 650 - Office Space	\$ 129,530	\$ 149,787	\$ (20,257)	-14%	
640 - Telephone					
640.10 - VoIP Charges	\$ 13,510	\$ 14,520	\$ (1,010)	-7%	Eliminated fax line with Centurylink
640.30 - Internet Access Charges	\$ 10,814	\$ 10,798	\$ 16	0.1%	
640.40 - Conference/Video Calls	\$ 150	\$ 120	\$ 30	25%	
Total 640 - Telephone	\$ 24,473	\$ 25,438	\$ (965)	-4%	
680 - Travel					
680.10 - Board/Committee Meetings	\$ 79,403	\$ 59,028	\$ 20,375	35%	6 FBPE/3 FEMC Board Meetings (In person)
680.20 - Investigative/Prosecutorial	\$ 2,000	\$ 1,800	\$ 200	11%	Annual BOAF Conference - 2 Staff
680.30 - NCEES Travel	\$ 8,000	\$ -	\$ 8,000	100%	3 BOD Members & 1 Staff
680.40 - General Travel	\$ 120	\$ -	\$ 120	100%	
680.50 - Employee Training Travel	\$ 15,550	\$ 9,250	\$ 6,300	68%	Training back to pre-COVID levels
680.60 - Public Information Travel	\$ 8,400	\$ 6,540	\$ 1,860	28%	Outreach back to pre-COVID levels
Total 680 - Travel	\$ 113,473	\$ 76,618	\$ 36,855	48%	
702 - NCEES Fees for Dues/Tests	\$ 6,500	\$ 6,500	\$ -	0%	
770 - Memberships/Registrations	\$ 3,984	\$ 4,364	\$ (380)	-9%	Closer to actual
775 - Employment/Training	\$ 23,312	\$ 12,050	\$ 11,262	93%	Training & certification in Laserfiche - 2 Staff
ASSETS					
110 - Furniture & Equipment	\$ 1,500	\$ 25,000	\$ (23,500)	-94%	New Refrigerator plus install
110 - Computers & Software	\$ 35,000	\$ 37,000	\$ (2,000)	-5%	New server/Reserve
115 - Leasehold Improvements	\$ 1,487	\$ 10,000	\$ (8,513)	-85%	New countertop & cabinet in bathroom
LIABILITIES					
600.50 - Accrued Leave Liability	\$ 15,000	\$ 23,000	\$ (8,000)	-35%	Employees taking more PTO
Total	\$ 2,170,875	\$ 2,170,875	\$ (0)	0%	
Total	\$ 0	\$ 0	\$ (0)		

FLORIDA ENGINEERS MANAGEMENT CORP
PROPOSED UNLICENSED ACTIVITY BUDGET
 As Approved by FEMC BOD 04/12/2022

	PROPOSED BUDGET 2022 - 23	APPROVED BUDGET 2021 22	Difference	Percentage Change	
Income					
500 · State Contract					
UNLICENSED ACTIVITY	\$ (100,875)	\$ (100,875)	\$ -	0%	
Total Income	\$ (100,875)	\$ (100,875)	\$ -	0%	
Expenses					
600 · Salaries & Benefits					
600.10 · Salaries - Full Time Wages	\$ 68,595	\$ 66,578	\$ 2,018	3%	
600.20 · Retirement	\$ 5,145	\$ 4,993	\$ 151	3%	
600.30 · Payroll Taxes	\$ 5,248	\$ 5,093	\$ 154	3%	
600.40 · Personnel Insurance					
600.40.10 - Health	\$ 6,355	\$ 6,355	\$ -	0%	
600.40.20 - Dental	\$ 252	\$ 252	\$ -	0%	
600.40.30 - Life & Disability	\$ 797	\$ 797	\$ -	0%	
610.50 · Worker's Comp (The Zenith)	\$ 121	\$ 121	\$ -	0%	
Total 600 · Salaries & Benefits	\$ 86,512	\$ 84,189	\$ 2,323	3%	86%
630 · Consultant Expense					
636 · Court Reporters	\$ -	\$ -	\$ -		
638 · Prosecution/Enforcement	\$ 10,000	\$ 12,248	\$ (2,248)	-18%	10%
639 · Contract Monitor	\$ -	\$ -	\$ -		
Total 630 · Consultant Expense	\$ 10,000	\$ 12,248	\$ (2,248)	-18%	
670 · Public Information & Outreach	\$ 3,355	\$ 3,430	\$ (77)	-2%	3%
626 · 25 Copying & Printing - Legal	\$ -	\$ -	\$ -	0%	
620 · Office Supplies	\$ -	\$ -	\$ -	0%	
625 · Postage	\$ -	\$ -	\$ -	0%	
650 · Office Space					
651 · Lease Payment					
652 · Utilities	\$ -	\$ -	\$ -		
653 · Janitorial					
656 · Pest Control					
657 · Security Monitoring					
Total 650 · Office Space	\$ -	\$ -	\$ -		
680 · Travel					
680.60 · Public Information Travel	\$ 1,009	\$ 1,009	\$ -	0%	
Total 680 · Travel	\$ 1,009	\$ 1,009	\$ -		1%
740 · Renewal Expenses					
740.10 · Printing Renewal Notice	\$ -	\$ -	\$ -		
740.20 · Mailing Renewal Notice	\$ -	\$ -	\$ -		
740.30 · Printing Licenses/ID Cards	\$ -	\$ -	\$ -		
740.40 · Mailing Licenses/ID Cards	\$ -	\$ -	\$ -		
740.60 · Renewal Supplies	\$ -	\$ -	\$ -		
740 · Total Renewal Expenses	\$ -	\$ -	\$ -		
Total Expenses	\$ 100,875	\$ 100,875	\$ 0		
Net Ordinary Income (Loss)	\$ 0	\$ 0	\$ -		

FEMC ANNUAL
CERTIFICATION

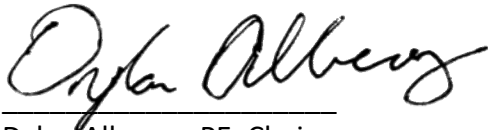
2023 ANNUAL REPORT



FEMC 
Florida Engineers Management Corporation

**Certification of the
Florida Engineers Management Corporation
2022-2023**

Pursuant to Section 471.038(3)(j)2., Florida Statutes, and the terms of Contract Number 21-00001 between FEMC and the Department of Business and Professional Regulation, the Board of Professional Engineers certifies that based on the information available and reviewed for FEMC's 2022-2023 fiscal year performance under the contract, FEMC is complying with the terms of the contract in a manner consistent with the goals and purposes of the Board and in the best interest of the State.



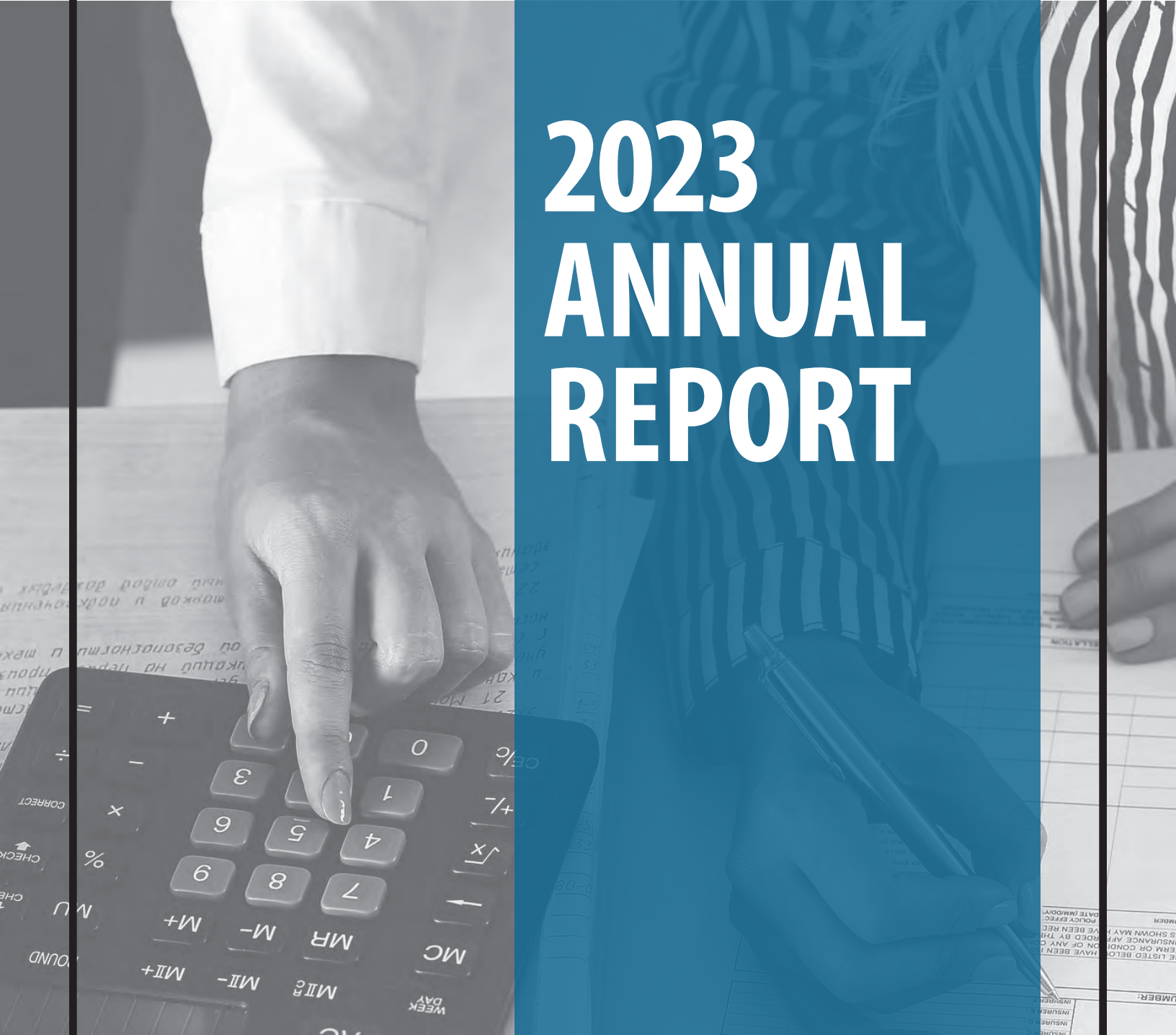
Dylan Albergo, PE, Chair
Board of Professional Engineers

Date: August 2, 2023

FINANCIAL
COMPLIANCE

2023 ANNUAL REPORT

FEMC 
Florida Engineers Management Corporation



Financial Statements
and Supplementary Information

Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Years ended June 30, 2023 and 2022
with Report of Independent Auditors



Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Financial Statements
and Supplementary Information

Years ended June 30, 2023 and 2022

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Report of Independent Auditors

Board of Directors
Florida Engineers Management Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Florida Engineers Management Corporation (the Corporation) which comprise the statements of net position as of June 30, 2023 and 2022, the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of June 30, 2023 and 2022, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 8 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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 Corporation's basic financial statements. The schedule of expenditures of state financial assistance, as required by Chapter 10.650, *Rules of the Auditor General*, and the schedule of findings and questioned costs - state financial assistance projects are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of state financial assistance and the schedule of findings and questioned costs - state financial assistance projects are fairly stated, in all material respects, in relation to the financial statements as a whole.

Page Four

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2023 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Corporation's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
August 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report of the Florida Engineers Management Corporation (the Corporation) presents management's discussion and analysis of the Corporation's financial performance during the fiscal years ended June 30, 2023, and 2022. It should be read in conjunction with the Corporation's financial statements immediately following this section.

Background and Funding Information

The Corporation is a nonprofit corporation created by the passage of Chapter 97-312, Laws of Florida, Section 471.038, *Florida Statutes*, during the 1997 Florida Legislature. Its purpose is to provide administrative, investigative, and prosecutorial services to the Florida Board of Professional Engineers (the Board). Florida Engineers Management Corporation receives funding from legislative appropriations to the Florida Department of Business and Professional Regulation (the Department). The fiscal year is July 1 through June 30.

The Corporation's Board comprises seven members: five members appointed by the Florida Board of Professional Engineers who must be registrants in Florida and two appointed by the Secretary of the Department and who must be laypersons not regulated by the Board.

Overview of the Financial Statements

This annual report consists of management's discussion, analysis, and financial statements. The Corporation's reporting entity consists of one enterprise fund. Therefore, the financial statements provide information about the Corporation's overall financial status. The notes provide additional information essential to an understanding of the data provided in the financial statements.

The Corporation's financial statements include the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows.

- The Statements of Net Position present information on all assets and liabilities of the Corporation with the difference between the assets and liabilities reported as net position.
- The Statements of Revenues, Expenses, and Changes in Net Position present information on all revenues and expenses of the Corporation and the changes in net position.
- The Statements of Cash Flows present information regarding changes in cash resulting from cash receipts and cash disbursements during the reporting period.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Highlights

The Corporation is committed to providing outstanding service to applicants, licensees, and the public while keeping a strong focus on the fiduciary responsibility of excellent budget management. Management and staff continue to streamline workflow processes through technological upgrades, allowing for improved application processing and reductions in personnel and related expenses. To promote professional licensure and help alleviate unlicensed activity, the Corporation has continued increasing public outreach and education regarding its services. This has been accomplished through presentations at universities and various professional organizations in Florida, along with professional publications and maintaining an active presence on social media platforms.

Financial Analysis

Statements of Net Position

The following schedule provides a summary of the assets, liabilities, and net position of the Corporation as of June 30, 2023, and 2022:

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets	\$ 356,433	\$ 423,273
Capital Assets, net	130,693	108,403
Other non-current assets	422,424	544,495
Total Assets	<u>\$ 909,550</u>	<u>\$ 1,076,171</u>
Liabilities		
Current Liabilities	\$ 278,222	\$ 483,311
Non-current Liabilities	339,203	441,154
Total Liabilities	<u>\$ 617,425</u>	<u>\$ 924,465</u>
Net Position		
Net Investment in Capital Assets	119,521	108,403
Restricted	172,604	43,303
Total Net Position	<u>\$ 292,125</u>	<u>\$ 151,706</u>

Total assets decreased due to a reduction in cash and accounts receivable. Total liabilities declined due to a decrease in the reversion amount to be paid to the Department and a reduction in the long-term lease liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Statements of Revenues, Expenses, and Changes in Net Position

The following schedule provides a summary of the revenues, expenses, and changes in net position for the years ended June 30, 2023, and 2022:

	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 2,170,875	\$ 2,168,815
Operating expenses	2,024,796	1,978,763
Other Income	<u>–</u>	<u>29,952</u>
Excess of revenues over expenses	146,079	220,004
Reversion to the state of Florida	<u>(5,660)</u>	<u>(200,718)</u>
Change in net position	140,419	19,286
Total net position, beginning of year	<u>151,706</u>	<u>132,420</u>
Total net position, end of year	<u>\$ 292,125</u>	<u>\$ 151,706</u>

Operating Revenues

The Corporation is funded by a line-item legislative appropriation set out in the Department of Business and Professional Regulation's annual budget.

Operating Expenses

The excess revenue over expenses of \$146,079 is due to continued diligence by management to minimize operating expenses. Operating expenses of \$2,024,796 were 6.73% under budget and \$46,033 more than the fiscal year ending June 30, 2022, primarily due to a \$36,201 increase in accrued leave expense.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The Corporation's operating revenue and expenses for the fiscal year ended June 30, 2023, focused on the following major areas:

- The bi-annual Licensure Renewal process began November 1, 2022. Staff assisted in the renewal process for 40,724 Professional Engineers as of June 30, 2023. The Corporation's staff collected and deposited over \$813,484 in fees into the State of Florida Board of Engineering Trust Fund for all engineering disciplines.
- In August, a part-time employee retired, and their duties were absorbed by a current employee, for a reduction in personnel expenses of over \$35,862 for the remaining ten months of the fiscal year.
- During the past year, staff have been building and testing our extensive Laserfiche workflows for licensure, accounting, and legal in the cloud. Laserfiche Cloud will benefit the Corporation by providing browser-based access, which alleviates the need to regularly update client software, maintain and secure an on-premises server, and will provide access to additional features unavailable with a self-hosted server. The Corporation should complete the transition to Laserfiche Cloud within the next couple of months.

Economic Factors and Next Year's Budget

A new four-year contract for the period beginning July 1, 2021, and ending June 30, 2025, was signed in June 2021. Grants and aid funds for \$2,070,000 and unlicensed activity funds for \$100,875 for the four fiscal years comprised the total annual budget of \$2,170,875 for a total four-year contract of \$8,683,500. A fee of \$19,200 per fiscal year for a four-year total of \$76,800 for services provided by the contract monitor at the Department is included in the four-year contract.

Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Statements of Net Position

	June 30,	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 273,299	\$ 366,298
Accounts receivable	4,921	9,642
Prepaid expenses and deposits	78,213	47,333
Total current assets	356,433	423,273
Noncurrent assets:		
Deposits	11,172	10,136
Capital assets, net	119,521	108,403
Leases, right-of-use assets	422,424	534,359
Total noncurrent assets	553,117	652,898
Total assets	\$ 909,550	\$ 1,076,171
Liabilities and net position		
Current liabilities:		
Accounts payable and accrued expenses	\$ 151,410	\$ 156,022
Due to Florida Department of Business and Professional Regulation	24,860	219,918
Lease liabilities, current	101,952	107,371
Total current liabilities	278,222	483,311
Noncurrent liabilities:		
Lease liabilities, noncurrent	339,203	441,154
Total noncurrent liabilities	339,203	441,154
Total liabilities	617,425	924,465
Net position:		
Net investment in capital assets	119,521	108,403
Restricted	172,604	43,303
Total net position	292,125	151,706
Total liabilities and net position	\$ 909,550	\$ 1,076,171

See accompanying notes.

Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Statements of Revenues, Expenses and Changes in Net Position

	Years ended June 30,	
	2023	2022
Operating revenues:		
Transfer in- Florida Department of Business and Professional Regulation	\$ <u>2,170,875</u>	\$ <u>2,168,815</u>
Total operating revenues	<u>2,170,875</u>	<u>2,168,815</u>
Operating expenses:		
Salaries and benefits	1,222,379	1,187,157
Professional and consulting fees	346,869	320,360
Occupancy costs	26,744	76,597
Meeting and travel expenses	118,748	81,661
Depreciation and amortization	144,745	130,538
Postage	-	11,964
Repairs and maintenance	4,376	4,233
Printing and copying	9,490	10,872
Telephone	18,826	24,760
Office supplies and expenses	52,475	50,839
Insurance	24,099	24,185
Contract monitoring	19,200	19,200
Dues and subscriptions	15,095	15,160
Testing services and fees	6,500	6,500
Employee training	10,756	10,287
Interest expense	<u>4,494</u>	<u>4,450</u>
Total operating expenses	<u>2,024,796</u>	<u>1,978,763</u>
Excess of revenues over expenses	146,079	190,052
Reversion to Florida Department of Business and Professional Regulation	(5,660)	(200,718)
Other income	<u>-</u>	<u>29,952</u>
Change in net position	140,419	19,286
Net position at beginning of year	<u>151,706</u>	<u>132,420</u>
Net position at end of year	<u>\$ 292,125</u>	<u>\$ 151,706</u>

See accompanying notes.

Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Statements of Cash Flows

	Years ended June 30,	
	2023	2022
Cash flows from operating activities		
Receipts from Florida Department of Business and Professional Regulation	\$ 2,175,596	\$ 2,189,125
Payments to vendors	(894,918)	(752,422)
Payments to employees	<u>(1,222,379)</u>	<u>(1,187,157)</u>
Net cash provided by operating activities	<u>58,299</u>	<u>249,546</u>
Cash flows from financing activities		
Purchase of capital assets	(43,928)	(70,431)
Lease payments	<u>(107,370)</u>	<u>(81,414)</u>
Net cash used in financing activities	<u>(151,298)</u>	<u>(151,845)</u>
Net (decrease) increase in cash and cash equivalents	(92,999)	97,701
Cash and cash equivalents at beginning of year	<u>366,298</u>	<u>268,597</u>
Cash and cash equivalents at end of year	<u>\$ 273,299</u>	<u>\$ 366,298</u>
Reconciliation of change in net position to the net cash provided by operating activities		
Change in net position	\$ 140,419	\$ 19,286
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation and amortization	144,745	130,538
Loss on disposal of capital assets	-	4,906
Changes in operating assets and liabilities:		
Accounts receivable	4,721	(9,642)
Prepaid expenses	(30,880)	(750)
Deposits	(1,036)	(2,136)
Accounts payable and accrued expenses	(4,612)	(14,221)
Due to Florida Department of Business and Professional Regulation	<u>(195,058)</u>	<u>121,565</u>
Net cash provided by operating activities	<u>\$ 58,299</u>	<u>\$ 249,546</u>

See accompanying notes.

Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Notes to Financial Statements

Years ended June 30, 2023 and 2022

1. Nature of Operations and Significant Accounting Policies

The Florida Engineers Management Corporation (the Corporation) is a nonprofit corporation created by passage of Chapter 97-312, Laws of Florida, Section 471.038, Florida Statutes, during the 1997 Florida Legislature. Its purpose is to provide administrative, investigative and prosecutorial services to the Florida Board of Professional Engineers (FBPE) (the Board). Florida Engineers Management Corporation receives funding from legislative appropriations to the Florida Department of Business and Professional Regulation (the Department). The fiscal year is July 1 through June 30.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The significant accounting practices and policies are summarized as follows:

Basis of Accounting

The Corporation's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Corporation operates as a special purpose government engaged in business-type activities. The proprietary fund type is applicable to the Corporation, under the governmental reporting model, and its activities are accounted for as an enterprise fund.

The focus of proprietary fund measurement is on the flow of economic resources including the determination of operating income, changes in net position, financial position, and cash flows, similar to business enterprises. The Corporation's books are maintained on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

Reporting Entity

The Corporation is a component unit of the State of Florida. The Corporation has no component units for the years ended June 30, 2023 or 2022.

Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

New Accounting Pronouncement

In June 2016, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The new guidance was effective for fiscal years beginning after December 15, 2019; however, early adoption is permitted. In response to the coronavirus pandemic, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which extended this effective date by 18 months. The Corporation adopted GASB No. 87 as of July 1, 2021.

Basis of Presentation

The financial statements and notes are representations of the Corporation's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Capital Assets

Capital assets are stated at cost, net of accumulated depreciation. Contributed assets are reported at fair market value as of the date received. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. The Corporation capitalizes all capital assets with a purchase price over \$500.

Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents consists of amounts on hand and amounts in demand deposits with financial institutions. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per FDIC-insured financial institution. Bank deposits at times may exceed federally insured limits. The Corporation has not experienced any losses in such accounts.

Accrued Leave

The Corporation's employees are entitled to personal time off (PTO) which combines time off for personal, vacation, and sick leave. PTO is based on length of employment and other factors. PTO is accrued when earned. At June 30, 2023 and 2022, a PTO accrual of \$126,536 and \$113,049, respectively, is included as a component of accounts payable and accrued expenses in the statement of net position.

Income Taxes

The Corporation qualifies for exemption from federal income taxes as a governmental entity and is not required to file a Return of Organization Exempt from Income Tax, Form 990. Therefore, no provision for income taxes has been recorded.

Operating Revenues - Transfers In

As a component unit of the State of Florida, the fixed portion of the base, annual contract from the Department is recognized as a transfer-in. Transfers-in also include amounts the Corporation invoices to the Department for unlicensed activity up to a maximum amount, based on actual expenses of the activity. Unexpended funds are reverted back to the Department on an annual basis.

Use of Estimates

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

Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

Restricted Funding

The Corporation receives funding through appropriations allocated to the regulation of professional engineers from the State of Florida Professional Regulation Trust Fund. It is restricted for the purposes described in Florida Statutes, Section 471.038.

Subsequent Events

The Corporation has evaluated subsequent events through August 21, 2023, the date the financial statements were available to be issued. During the period from June 30, 2023 to August 21, 2023, the Corporation did not have any material recognizable subsequent events.

2. Accounts Receivable

Accounts receivable represent amounts due from the Department for unlicensed activity. No valuation allowance has been recorded, as management deems the balances to be collectable.

3. Concentration and Contingency

The Corporation receives all of its revenue from a contract with the Department. In performing the administrative services under this contract, the Corporation collected and processed approximately \$814,000 and \$811,000 of fees and revenues on the Board's behalf during the years ended June 30, 2023 and 2022, respectively. These amounts were deposited directly into the Department's trust fund account and are not recognized as revenues of the Corporation. Therefore, they have not been recorded in the accompanying financial statements.

In June 2021, the Corporation entered into a four year contract beginning July 1, 2021 through June 30, 2025. Total funding for the contract is \$2,170,875 annually and \$8,683,500 for the contract period. The Department's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Florida Legislature. In addition, upon determination by the Department and the Board, at any time during the term of the contract that the Corporation no longer operates for the benefit of the Board and in the best interest of the State, all monies and property held shall revert to the Board or the Department.

Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Notes to Financial Statements

4. Capital Assets

Capital assets consist of the following:

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>
Furniture and equipment	\$ 69,975	\$ -	\$ (252)	\$ 69,723
Leasehold improvements	58,970	-	-	58,970
Computers and software	325,532	43,928	(168,405)	201,055
Leases, right-of-use assets, office space	596,920	-	-	596,920
Leases, right-of-use assets, equipment	<u>33,020</u>	<u>-</u>	<u>-</u>	<u>33,020</u>
	1,084,417	43,928	(168,657)	959,688
Less: Accumulated depreciation and amortization	<u>(441,655)</u>	<u>(144,745)</u>	<u>(168,657)</u>	<u>(417,743)</u>
	<u>\$ 642,762</u>	<u>\$ (100,817)</u>	<u>\$ (337,314)</u>	<u>\$ 541,945</u>

Depreciation and amortization expense was \$144,745 and \$130,538 for the years ended June 30, 2023 and 2022, respectively.

5. Retirement Benefits

The Corporation maintains a defined contribution retirement plan established a SEP-IRA for all eligible employees. The Corporation contributes an amount equal to ten percent (10%) of each eligible employee's gross quarterly earnings to the Plan on a quarterly basis. Contributions to the plan for the years ended June 30, 2023 and 2022, were \$90,898 and \$90,620, respectively.

Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Notes to Financial Statements

6. Lease Commitments

The Corporation leases office space and equipment under lease agreements expiring at various dates through September 2027. The leases for office space are cancellable in the event the Corporation's program is cancelled or funding is not available. Beginning September 1, 2021 the Corporation is required to give six months written notice, pay the sum of six months rent upon notice, and forfeit the security deposit of \$8,000 in the event of cancellation. The right-to-use lease asset for office space and equipment was originally valued at \$596,920 and \$33,020, respectively. Accumulated amortization for the right-to-use lease asset for office space and equipment as of June 30, 2023 is \$179,894 and \$27,622, respectively. Accumulated amortization for the right-to-use lease asset for office space and equipment as of June 30, 2022 is \$81,770 and \$13,811, respectively. Future minimum lease payable and the net present value of the minimum lease payments for office space and equipment leases are as follows:

For the year ended				
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	
2024	\$ 105,526	\$ 3,575	\$ 109,101	
2025	103,318	2,646	105,964	
2026	105,535	1,696	107,231	
2027	108,174	713	108,887	
2028	<u>27,253</u>	<u>21</u>	<u>27,274</u>	
	<u>\$ 449,806</u>	<u>\$ 8,651</u>	<u>\$ 458,457</u>	

7. Risk Management

The Corporation is exposed to various risks of loss including general liability, property and casualty, group health and life, auto and physical damage, cyber-security, and workers' compensation. Conventional commercial insurance coverage has been purchased from various independent carriers to insure against such risk and minimize financial exposure to such risks. The Corporation is not involved in any risk pools with other governmental entities.

Other Reports and Supplementary Information

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

Board of Directors
Florida Engineers Management Corporation

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 (*Government Auditing Standards*), the financial statements of Florida Engineers Management Corporation (the Corporation), which comprise the statement of financial position as of June 30, 2023, and the related statement of revenues, expenses and changes in net position and cash flows for the year ended, and the related notes to the financial statements and have issued our report thereon dated August 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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

Page Two

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
August 21, 2023

Report of Independent Auditors on Compliance for the Major State Project
and on Internal Control Over Compliance Required by Chapter 10.650,
Rules of the Auditor General

Board of Directors
Florida Engineers Management Corporation

Report on Compliance for the State Project

Opinion on the State Project

We have audited Florida Engineers Management Corporation's (the Corporation) compliance with the types of compliance requirements identified as subject to audit in the *Florida Department of Financial Service's State Projects Compliance Supplement* that could have a direct and material effect on the Corporation's state project for the year ended June 30, 2023. The Corporation's state project is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its state project for the year ended June 30, 2023.

Basis for Opinion on the State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the audit requirements of Chapter 10.650, *Rules of the Auditor General*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the audit requirements of Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

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

Page Three

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
August 21, 2023

Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2023

<u>State Agency and Program Title</u>	<u>CSFA No.</u>	<u>Contract Number</u>	<u>Expenditures</u>
State of Florida			
Department of Business and Professional Regulation			
Direct Program			
Florida Engineers Management Corporation (FEMC)	79.001	n/a	<u>\$ 2,024,796</u>

Note 1 - This Schedule of State Financial Assistance (the Schedule) includes the State grant activity of Florida Engineers Management Corporation for the year ended June 30, 2023, and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*.

Note 2 - Amounts included on this Schedule include only the expenditure of State Financial Assistance received directly from an awarding agency. The amounts on the accompanying statements of activities and changes in net assets include additional expenditures associated with other resources committed by the Corporation for purposes of fulfilling the grant program.

Note 3 - There were no state awards expended in non-cash assistance.

Note 4 - There were no transfers to subrecipients during the fiscal year.

See report of independent auditors.

Florida Engineers Management Corporation
(A Component Unit of the State of Florida)

Schedule of Findings and Questioned Costs - State Financial Assistance Projects

Year ended June 30, 2023

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

State Project

Type of auditor's report issued on compliance for major state projects?	Unmodified
Internal control over state projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, <i>Rules of the Auditor General</i> ?	No

Identification of state projects:

<u>CFDA Number</u>	<u>Name of state project</u>
79.001	Florida Engineers Management Corporation

Dollar threshold used to distinguish between Type A and Type B programs:	\$606,069
Auditee qualified as low risk auditee?	Yes

Section II -- Financial Statement Findings

We noted no matters involving internal control over financial reporting and its operation that we considered to be material weaknesses, significant deficiencies and/or control deficiencies required to be reported in accordance with *Government Auditing Standards*.

Section III -- State Financial Assistance Findings and Questioned Costs

We noted no matters involving noncompliance that are required to be reported in accordance with *Rules of the Auditor General* of the State of Florida, Chapter 10.650.

See report of independent auditors.

To the Board of Directors
Florida Engineers Management Corporation

We are pleased to present this report related to our audit of the financial statements of Florida Engineers Management Corporation (the Corporation) as of and for the year ended June 30, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Corporation's financial reporting process.

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

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit and Compliance	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States have been described to you in our arrangement letter dated September 16, 2021. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We discussed with members of the Board of Directors and the Corporation's management various matters about which generally accepted auditing standards require communication. These include matters concerning two-way communication, our independence, the audit planning process, the concept of materiality in planning and executing the audit, identified significant risks, our approach to internal control relevant to the audit, and the timing of the audit.

Area	Comments
Accounting Policies and Practices	<p data-bbox="771 394 1421 430">Adoption of, or Change in, Accounting Policies</p> <p data-bbox="771 451 1453 850">Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Corporation. The Corporation did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. We evaluated the applicability of GASB Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i> and management chose to waive the adjustment resulting from the implementation due to it being immaterial to the financial statements.</p> <p data-bbox="771 871 1193 907">Significant Accounting Policies</p> <p data-bbox="771 928 1453 1033">We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p data-bbox="771 1054 1226 1089">Significant Unusual Transactions</p> <p data-bbox="771 1110 1453 1165">We did not identify any significant unusual transactions.</p>
Management's Judgments and Accounting Estimates	<p data-bbox="771 1207 1453 1753">Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. Management has informed us that they used all the relevant facts available to them at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit. Significant accounting estimates reflected in the Corporation's June 30, 2023 financial statements include depreciation related to fixed assets and net present value of leases using interest rates under GASB 87.</p> <p data-bbox="771 1774 1453 1869">The Board of Directors may wish to monitor throughout the year the process used to determine and record these accounting estimates.</p>

Area	Comments
Audit Adjustments	There were no audit adjustments that were brought to the attention of management as a result of audit procedures.
Uncorrected Misstatements	During the course of our audit, we identified an uncorrected misstatement that management has concluded is not material to the financial statements and the related financial statement disclosures. We agree with management's conclusion in that regard. Uncorrected misstatements or matters underlying these uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit. See Exhibit A for a copy of the representation letter provided to us by Corporation's management that includes a description of the uncorrected misstatement.
Observations About the Audit Process	Disagreements With Management We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements. Consultations With Other Accountants We are not aware of any consultations management had with other accountants about accounting or auditing matters. Significant Issues Discussed With Management No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Area	Comments
<p>Observations About the Audit Process (continued)</p>	<p>Significant Difficulties Encountered in Performing the Audit</p> <p>We did not encounter any significant difficulties in dealing with management during the audit. We received full cooperation and appreciate the assistance provided by the Corporation's financial and accounting personnel.</p> <p>Difficult or Contentious Matters That Required Consultation</p> <p>We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.</p>
<p>Shared Responsibilities for Independence</p>	<p>Independence is a joint responsibility and is managed most effectively when management, board of directors, and audit firms work together in considering compliance with AICPA and <i>Government Accountability Office (GAO)</i> independence rules. For Thomas Howell Ferguson (THF) to fulfill its professional responsibility to maintain and monitor independence, management, the board of directors, and THF each play an important role.</p> <p>Our Responsibilities</p> <ul style="list-style-type: none"> • AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. THF is to ensure that the AICPA and GAO's General Requirements for performing non-attest/nonaudit services are adhered to and included in all letters of engagement. • Maintain a system of quality control over compliance with independence rules and firm policies.

Area	Comments
<p>Shared Responsibilities for Independence (continued)</p>	<p>The Corporation's Responsibilities</p> <ul style="list-style-type: none"> • Timely inform THF, before the effective date of transactions or other business changes, of the following: <ul style="list-style-type: none"> - New affiliates, directors, officers, or person in financial reporting and compliance oversight roles. - Changes in the reporting entity impacting affiliates such as subsidiaries, partnerships, related entities, investments, joint ventures, component units, jointly governed organizations. • Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations. • Understand and conclude on the permissibility, prior to the Corporation and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with THF. • Not entering into arrangements of nonaudit services resulting in THF being involved in making management decisions on behalf of the Corporation. • Not entering into relationships resulting in THF, THF covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the Corporation.

<u>Area</u>	<u>Comments</u>
Internal Control and Compliance Matters	We have separately communicated significant deficiencies and material weaknesses in internal control and compliance findings over financial reporting identified during our audit of the financial statements and major awards, as required by <i>Government Auditing Standards</i> . This communication is included in the Other Reports section of the financial statements.
Significant Written Communications Between Management and Our Firm	See Exhibit A for a copy of the representation letter provided to us by the Corporation's management. Additionally, see Exhibit B regarding procedures we performed over information technology risks associated with financial reporting.

This report is intended solely for the information and use of the Board of Directors and management of the Corporation and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to Florida Engineers Management Corporation.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
August 21, 2023

August 21, 2023

Exhibit A

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

This representation letter is provided in connection with your audits of the financial statements of Florida Engineers Management Corporation, (the Corporation) as of and for the years ended June 30, 2023 and 2022 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated September 16, 2021, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

Florida Engineers Management Corporation Board Members

SATYA LORY, P.E.
CHAIR
11/1/18-10/31/26

BARNEY T. BISHOP III
5/1/17-4/30/25

ART NORDLINGER, P.E.
11/1/18-10/31/26

VACANCY
Public Seat

SAFIYA BREA, P.E.
VICE CHAIR
11/1/18-10/31/26

STEPHEN KOWKABANY, P.E.
10/7/15-10/31/23

DR. MARK A. TUMEO, P.E.
2/17/21-2/16/25

ZANA RAYBON
FEMC President

6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
9. With respect to maintaining depreciation schedules, drafting the financial statements, and assessing the impact of new accounting standards services performed in the course of the audit:
 - a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
10. The selection and application of accounting policies are appropriate.
11. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Guarantees, whether written or oral, under which the Corporation is contingently liable.
 - b. Agreements to repurchase assets previously sold.
 - c. Amounts of contractual obligations for construction and purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
 - d. All other liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - e. All liabilities that are subordinated to any other actual or possible liabilities of the Corporation.
 - f. All leases and material amounts of rental obligations under long-term leases.
 - g. Authorized but unissued bonds and/or notes.

- h. Risk financing activities.
 - i. The fair value of investments.
 - j. Deposits and investment securities categories of risk.
 - k. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed.
 - l. Impairment of capital assets.
 - m. Net positions and fund balance classifications.
 - n. All material concentrations known to management that are required to be disclosed. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year.
12. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
13. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance.
14. We have reviewed the GASB Statements effective for the fiscal year ending June 30, 2023, and concluded the implementation of the following Statements did not have a material impact on the basic financial statements:
- a. GASB Statement No. 96, Subscription-based Information Technology Arrangements
15. We have informed you of all uncorrected misstatements.

As of and for the year ended June 30, 2023, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate, to the financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

	<u>Assets</u>	<u>Liabilities</u>	<u>Net Position</u>	<u>Income</u>	<u>Expenses</u>
To record the asset and liability associated with SBITA	\$4,460	\$(4,467)	-	-	\$7

Information Provided

16. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audits.
 - c. Unrestricted access to persons within the Corporation from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
17. All transactions have been recorded in the accounting records and are reflected in the financial statements.
18. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
19. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an entity's system of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
20. We have no knowledge of allegations of fraud or suspected fraud affecting the Corporation's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.

21. We have no knowledge of any allegations of fraud or suspected fraud affecting the Corporation's financial statements received in communications from employees, former employees, analysts, regulators, or others.
22. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
23. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
24. We have disclosed to you the identity of all of the Corporation's related parties and all the related-party relationships and transactions of which we are aware.
25. We are aware of no deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect the Corporation's ability to record, process, summarize and report financial data.
26. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
27. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
 - a. The Corporation has no significant amounts of idle property and equipment or property or equipment.
 - b. The Corporation has no plans or intentions to discontinue the operations of any activities or programs or to discontinue any significant operations.
 - c. Provision has been made to reduce applicable assets that have permanently declined in value to their realizable values.
 - d. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.
28. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:

- a. To reduce receivables to their estimated net collectible amounts.
29. There are no:
- a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Agency in connection with any environmental contamination.
 - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
30. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

31. With respect to supplementary information presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP, regulatory or contractual requirements, management's criteria, or other requirements.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

Compliance Considerations

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

32. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
33. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
34. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.
35. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
36. Acknowledges its responsibility for the design, implementation, and maintenance of controls to prevent and detect fraud.
37. Has taken timely and appropriate steps to remedy identified or suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that the auditor reports.
38. Has a process to track the status of audit findings and recommendations.
39. Has identified for the auditor previous audits, attestation engagements and other studies related to the objectives of the audit and whether related recommendations have been implemented.
40. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.
41. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.
42. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

In connection with your audit of federal awards conducted in accordance with Chapter 10.650, Rules of the Auditor General and the Department of Financial Services' *State Projects Compliance Supplement*, we confirm:

43. Management is responsible for complying, and has complied, with the requirements of Chapter 10.650, Rules of the Auditor General and the Department of Financial Services' *State Projects Compliance Supplement*
44. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its state programs.
45. Management is responsible for the design, implementation, and maintenance, and has designed, implemented and maintained, effective internal control over compliance for state programs that provides reasonable assurance that the auditee is managing federal awards in compliance with state statutes, regulations, and the terms and conditions of the state financial assistance that could have a material effect on its state programs.
46. Management is responsible for the preparation of the schedule of expenditures of state financial assistance, acknowledges and understands its responsibility for the presentation of the schedule of expenditures of state financial assistance in accordance with the Rules of the Auditor General ; believes the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Rules of the Auditor General; asserts that methods of measurement or presentation have not changed from those used in the prior period, or if the methods of measurement or presentation have changed, the reasons for such changes have been communicated; and is responsible for any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of state financial assistance.
47. Management will make the audited financial statements readily available to the intended users of the schedule no later than the issuance date by the entity of the schedule of expenditures of state financial assistance and the auditor's report thereon.
48. Management has identified and disclosed all of its government programs and related activities subject to the State of Florida Single Audit Act compliance audit.
49. Management has identified and disclosed to the auditor the requirements of state statutes, regulations, and the terms and conditions of state financial assistance that are considered to have a direct and material effect on each major program.
50. Management has made available all state financial assistance (including amendments, if any) and any other correspondence relevant to state programs and related activities that have taken place with state agencies or pass-through entities.

51. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of state financial assistance or stated that there was no such noncompliance.
52. Management believes that the auditee has complied with the direct and material compliance requirements.
53. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to state program financial reports and claims for advances and reimbursements.
54. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.
55. Management is aware of no communications from state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
56. There are no findings and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
57. Management is responsible for taking corrective action on audit findings of the compliance audit that meets the requirements of the State of Florida Single Audit Act.
58. Management has provided the auditor with all information on the status of the follow-up on prior audit findings by state financial awarding agencies and pass-through entities, including all management decisions.
59. There are no subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect non-compliance during the reporting period.
60. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or stated that there were no such known instances.
61. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect the entity's system of internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
62. The copies of state program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.

63. Management has charged costs to state financial assistance in accordance with applicable cost principles.
64. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by the State of Florida Single Audit Act.
65. The reporting package does not contain protected personally identifiable information.
66. Management has accurately completed the appropriate sections of the data collection form.
67. Management has disclosed all contracts or other agreements with service organizations.
68. Management has disclosed to the auditor all communications from service organizations relating to noncompliance at those organizations.

Florida Engineers Management Corporation



Zana Raybon,
President



Michele Morris
Treasurer

Board of Directors
Florida Engineers Management Corporation

In November 2022, as part of the June 30, 2023 financial statement audit process, our team analyzed various aspects of the Corporation's IT system, including network infrastructure, data, information security measures, software applications, and internal policies as they relate to risks associated with financial reporting for the Corporation. The assessment aimed to gain an understanding of the Corporation's IT environment and its impact on financial data.

Scope of analysis:

The analysis was carried out with a focus on the following key areas:

Network Infrastructure: Evaluating the overall architecture, configuration, and security controls of your organization's network to identify any weaknesses or potential entry points for unauthorized access.

Data Security: Analyzing the measures in place to protect financial data for the size of your entity to ensure it meets with industry best practices.

Software Applications: Assessing the security and login requirements of financial reporting software applications used within your organization to identify any vulnerabilities that may be exploited by malicious actors.

Information Security Policies: Reviewing existing policies and procedures related to IT security for financial reporting applications to gauge their effectiveness and alignment with industry standards.

Conclusion:

Based on the analysis performed, we noted no recommendations in the scope areas as outlined above.

If you require any further assistance or have any questions, please do not hesitate to reach out to us.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
August 21, 2023