



UES Response to
RFP # 25-020

RE-BID: WATER QUALITY MONITORING PROGRAM

Submitted To:
The City of Key West

9/17/25 | 3:00 PM



TABLE OF CONTENTS

TAB 1 COVER LETTER AND EXECUTIVE SUMMARY	2
TAB 2 QUALIFICATIONS AND RELEVANT EXPERIENCE	3
TAB 3 REFERENCES AND QUALITY OF PAST PERFORMANCE OF SIMILAR PROJECTS	6
TAB 4 PROJECT APPROACH	10
TAB 5 OTHER INFORMATION	12
TAB 6 COST EFFECTIVENESS	15
TAB 7 PROJECT SCHEDULE AND DELIVERABLES	17
TAB 8 LITIGATION	18
TAB 9 CITY FORMS	N/A
TAB 10 PROJECT LOCATION AND LOCAL PREFERENCE	103

TAB 1

COVER LETTER AND EXECUTIVE SUMMARY

Date: September 17, 2025

Attention: City of Key West
1300 White Street
Key West, FL 33040

Reference: RFP 25-020 - Re-Bid: Water Quality Monitoring Program

UES Professional Solutions, LLC (UES)

8050 NW 77th Ct.
Medley, FL 33166

Dear Selection Committee Members:

On behalf of UES Professional Solutions, LLC (UES), we are pleased to express our interest in serving as a trusted partner to the City of Key West in delivering comprehensive water quality monitoring for the City of Key West waterways. We understand the City's high priority on protecting and enhancing its water quality, recognizing that a healthy marine ecosystem supports the local economy while contributing to environmental integrity and quality of life, and we are confident in our ability to meet and exceed the expectations as your qualified water quality monitoring experts.

UES is a privately held, rapidly growing engineering and consulting firm with six decades of experience. Standing at the forefront of environmental services, our dedicated environmental team emphasizes technical excellence, timely project completion, accurate cost estimation, permit compliance, and regulatory adherence, while ensuring our client's satisfaction. With a nationwide network of over 4,200 employees across 105 branches and 80 accredited laboratories, UES possesses ample resources and proficient professionals capable of safeguarding your assets and promoting sustainability in your community.

UES is committed to providing weekly water quality monitoring services for various waterways in the City of Key West in accordance with FDOH, as well as creating educational messages for public notification.

Our approach to Water Quality Monitoring Services begins with a meeting with the City's Water Quality Improvement Plan members and other relevant technical experts to discuss the subject waterways and the current water quality assessment program. Build on this foundation, we will enhance this improvement plan, increase the frequency of testing, and create or strengthening educational messages for public notification.

With these resources in place, UES is well-equipped to support your goals and maintain the integrity of this important contract. UES is ready to put our specialized expertise to work and help bring your projects from concept to completion. Should you have any questions please reach out to Jonathan Bulley, PMP, CSP, LAC, our Regional Manager Environmental Services.

Respectfully Submitted,
UES Professional Solutions, LLC.



Jonathan Bulley, PMP, CSP, LAC
Regional Manager Environmental Services
p: 561-347-0070 | e: jbulley@teamues.com



Travis Merrick - President, South Florida
8050 NW 77th Ct, Medley, FL 33166
p: 239-489-2443 | e: tmerrick@teamues.com

CORPORATE HEADQUARTERS

UES Professional Solutions, LLC (UES)
4205 Vineland Road Ste. L1 Orlando, FL 32811
www.teamues.com

POINT OF CONTACT

Jonathan Bulley, PMP, CSP, LAC
Regional Manager Environmental Services
8050 NW 77th Ct., Medley, FL 33166
p: 561-347-0070 | e: jbulley@teamues.com

ESTABLISHED/AUTHORIZED

Corporation, 1964, Florida

OFFICERS

President, North Florida: Rick G. Kushner, PE
President, South Florida: Travis Merrick
CEO: David Witsken
CFO: Colin Lindahl
Secretary: Benjamin Butterfield

FEIN/ UEI

FEIN: 59-1117804 | UEI: 06-481-7562

TAB 2

QUALIFICATIONS AND RELEVANT EXPERIENCE

CORPORATE STRUCTURE

UES is a privately held corporation with offices throughout Florida and across the United States. UES has grown into one of the nation's largest engineering and environmental consulting firms, providing integrated services that support infrastructure, environmental, and building projects from planning through completion. Our firm's leadership team and shareholders remain actively engaged in day-to-day operations, ensuring a stable, client-focused organization.

QUALIFICATIONS AND EXPERIENCE OF OUR PROJECT MANAGER, KEY STAFF AND SUBCONTRACTORS

UES has assembled a dedicated team of scientists, engineers, and field technicians with extensive experience in water quality monitoring, environmental compliance, and data management. The proposed Project Manager, Jonathan Bulley, is a seasoned environmental engineer with over 21 years of experience managing large-scale surface water monitoring and biological sampling programs throughout Florida. Supporting staff include specialists in hydrology, ecology, and field data collection, each trained and certified in Florida Department of Environmental Protection (FDEP) Standard Operating Procedures.

Our team will be supported by specialized subconsultants as needed to provide certified laboratory analysis. All subcontractor laboratories are NELAC-accredited and maintain strict quality assurance programs, including detection limits that meet or exceed regulatory requirements

Our Project Team: Jonathan Bulley, Project Manager; Roger Ramirez, Staff Scientist; Mónica Salazar, Scientist; Kevin Oakley, Scientist and Jordan King, Staff Scientist.

Subcontractor: EuroFins Scientific is a group of international life sciences companies which provide a unique range of analytical testing services to clients across multiple industries

An organization chart is provided that outlines the roles and responsibilities of each team member, including field scientists, quality assurance managers, and laboratory analysts. Concise resumes for key personnel are included in this section, highlighting areas of specialization.

Our dedicated team of environmental scientists are highly qualified specialists in water quality assessment. They employ targeted testing strategies, proven methodologies, and rigorous data analysis to ensure compliance with local, state, and federal regulations. This includes monitoring and addressing violations identified in Chapter 80-2.

Together, our team delivers actionable data that informs the development of effective policies, programs, and practices aimed at improving and preserving water quality. Our collaborative approach ensures that every project is guided by scientific integrity, regulatory alignment, and a commitment to long-term environmental sustainability.

Our Commitment: UES is committed to maintaining this team throughout the life of the project. All staff assigned to this program will remain dedicated until project completion. From initiation through final delivery, our team will remain engaged, responsive, and dedicated to achieving all project goals and milestones. We stand by our work and will ensure continuity, accountability, and excellence throughout the entire project lifecycle.

EXPERIENCE MANAGING WATER QUALITY

UES has successfully completed numerous water quality and monitoring contracts for municipalities, counties, and state agencies across Florida. Our project history demonstrates the ability to manage large datasets, conduct rigorous field sampling, and ensure compliance with state and federal standards.

Our team is trained in collecting environmental samples in accordance with FDEP Standard Operating Procedures. We are skilled at deploying equipment and collecting data in various environments, specifically conducting surface water sampling with precision. Our expertise also includes maintaining and calibrating field meters that measure key parameters such as dissolved oxygen, pH, turbidity, temperature, specific conductance, and salinity. Additionally, we perform laboratory analyses through trusted subcontractors, and who hold the necessary laboratory certifications to guarantee the reliability and accuracy of our results.

Our specific experience includes:

- Water Quality and Biological Sampling and Monitoring
- Managing Water Quality Data
- Collecting Environmental Samples in accordance with FDEP Standard Operation Procedures
- Deploying and Collecting Data
- Conducting Surface Water Sampling
- Maintaining and Calibrating Field Meters
- Performing Laboratory Analysis and Reporting

SAFETY/HAZARDOUS WASTE PLAN

UES maintains a comprehensive Health, Safety, and Hazardous Waste Plan that governs all field operations. Our personnel are trained in OSHA 40-Hour HAZWOPER, confined space entry, and other relevant certifications to ensure safe and compliant work practices. Our subcontractor laboratory **Quality Assurance Program** aligns with FDEP, EPA, and NELAC requirements, and our internal QA/QC procedures are regularly reviewed through independent audits. Recent **NELAC audit results** confirm full compliance with state and national accreditation standards. On an annual basis, UES subcontract partners complete tens of thousands of analyses for water quality and environmental samples, with detection limits and precision consistently meeting regulatory thresholds.

QUALITY ASSURANCE PROGRAM

Our team continually seeks excellence and improvement in our procedures to provide quality services, including geotechnical, environmental, and ecological scopes. We have an in-house QA/QC program that will utilize a strict, comprehensive QA/QC plan for this contract.

The plan addresses all aspects of our services, including field and laboratory testing, yearly equipment calibration, and engineering reporting.

The QA/ QC plan addresses, at a minimum:

- 1. Technician Certifications:** Appropriate testing certifications are current on file
- 2. Field Testing Audits:** UES' QA/QC Manager performs random audits of field testing equipment and procedures
- 3. Document Preparation:** All reports are reviewed by a minimum of two individuals, including a senior engineer who reviews the document for accuracy and thoroughness
- 4. Document Storage:** Copies of calibrations and personnel training and certifications are maintained in our "Quality Systems Manual" binder stored in our laboratory

NUMBER OF SIMILAR WATER QUALITY ANALYSES PREVIOUSLY PERFORMED

UES has successfully completed numerous water quality and monitoring contracts for municipalities, counties, and state agencies across Florida. Our project history demonstrates the ability to manage large datasets, conduct rigorous field sampling, and ensure compliance with state and federal standards. Notable examples include:

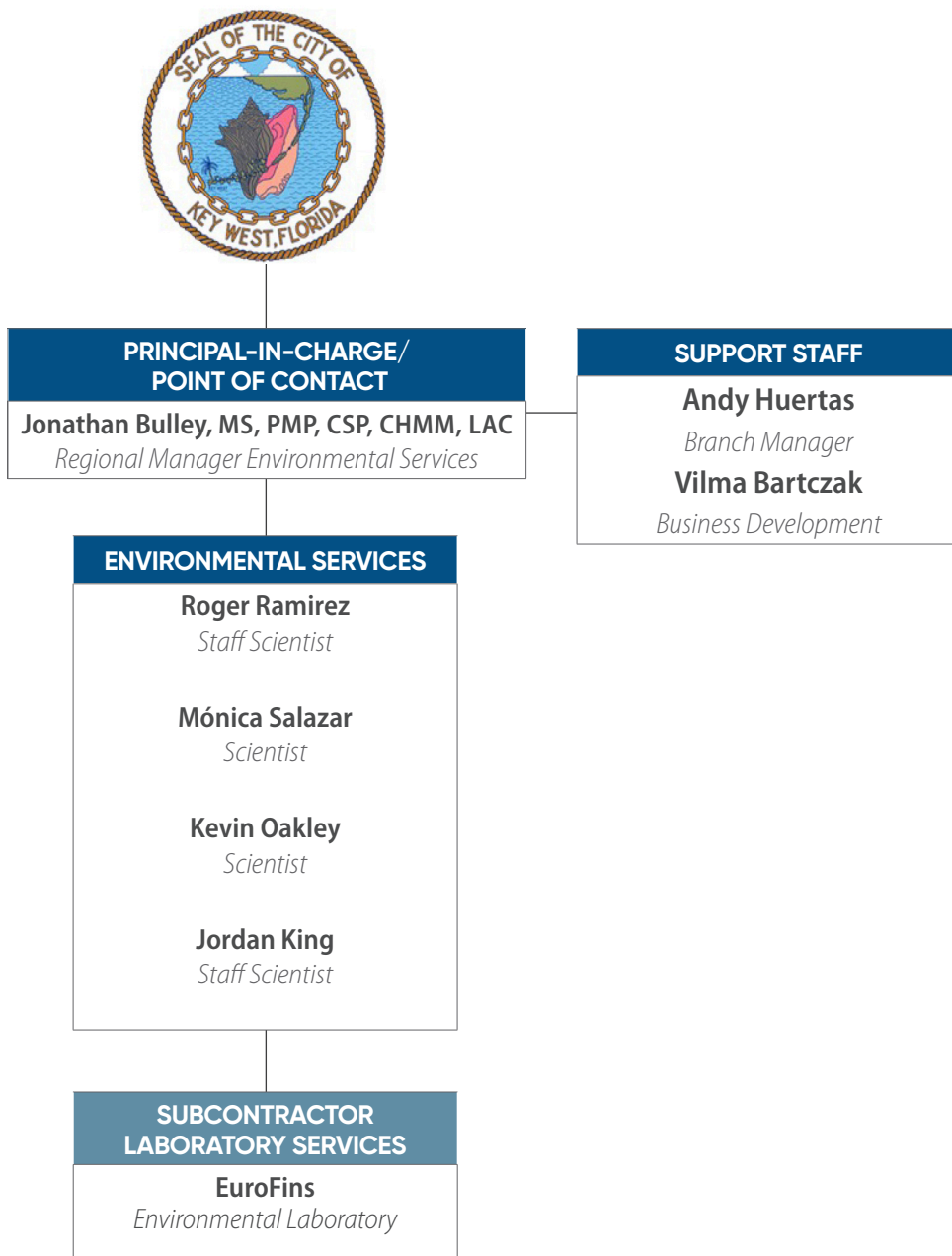
Sunny Isles Beach Restoration Turbidity Monitoring – Comprehensive surface water quality monitoring program for City of Sunny Isles as a subcontractor to Eastman Aggregates. The project included daily monitoring of the surface water every three to four hours during placement of approximately 280,000 cubic yards of beach sand along 2.5 miles of beach and consisted of collecting samples from the surface and mid depth using a discrete water sampler from a boat at up current and down current locations from the work location. The turbidity of the samples were measured in nephelometric units to ensure compliance. The daily monitoring reports were submitted to the Florida Department of Environmental Protection.

Bal Harbour Beach Restoration Turbidity Monitoring – Comprehensive surface water quality monitoring program for City of Bal Harbour as a subcontractor to Eastman Aggregates. The project included daily monitoring of the surface water every two hours during placement of compatible beach sand at the beach and consisted of collecting samples from the surface and mid depth using a discrete water sampler from a boat at up current and down current locations from the work location. The turbidity of the samples were measured in nephelometric units to ensure compliance. The daily monitoring reports were submitted to the Florida Department of Environmental Protection.

Port of Miami Bulkhead Repairs – Comprehensive surface water quality monitoring program for Port of Miami as a subcontractor to Ebsary. The project included daily monitoring of the surface water every four hours during construction activities for repairs to the bulkhead and consisted of collecting samples from the mid depth using a discrete water sampler at up current and down current locations from the work location. The turbidity of the samples were measured in nephelometric units to ensure compliance. The daily monitoring reports were submitted to the Florida Department of Environmental Protection. These projects demonstrate UES's ability to manage programs similar in both size and scope to this solicitation, with proven expertise in water quality monitoring, data management, and environmental compliance.

STAFF QUALIFICATIONS

The proposed environmental team shown in this organizational chart is committed to performing professional services for this contract until the project is completed.





EDUCATION

MS, Environmental Engineering, Florida International University

BS, Agricultural Science, Kwame Nkrumah University of Science and Technology

YEARS OF EXPERIENCE

20

LICENSES & CERTIFICATIONS

- Professional Engineer - MI #58528
- Florida Licensed Asbestos Consultant - #AX133
- Project Management Professional - #2171146
- OSHA HAZWOPER 40 HR and HAZWOPER 8 HR Refresher
- Qualified Stormwater Management Inspector - FL #27542
- Asbestos Contractor Supervisor - Provider #FL-49-0003810, Cert#05262201
- Asbestos Survey & Mechanical Inspector - Provider #FL-49-0003810, Cert #08022201AM
- Asbestos Management Planner - Provider #FL-49-0003810, Cert #03222301
- Certified Safety Professional #CSP-42813
- Certified Hazardous Materials Mgr. #35129

JONATHAN BULLEY, MS, PMP, CSP, CHMM, LAC

SENIOR ENVIRONMENTAL MANAGER

Mr. Bulley is an Environmental Professional with 20 years of experience in the Environmental Consulting industry. He has extensive experience with many complex environmental projects ranging from local, privately owned sites to large international sites owned by large corporations, such as Chevron. He specializes in Phase I and Phase II Environmental Site Assessments, Storage Tank Closures, Contamination Assessment and Reporting, Site Remediation and Closure, Natural Attenuation Monitoring, and Field Sampling Procedures, as well as Asbestos Surveys and Asbestos Consulting. As the Senior Environmental Manager for UES, Mr. Bulley oversees all environmental projects, coordinates the Environmental Department staff to complete field work, as well as develops scopes and budgets for projects.

PROJECT EXPERIENCE

BRADFORD MARINE - PHASE I ACM, 19-1638

FORT LAUDERDALE, FL

A Phase I Environmental Site Assessment (ESA) was prepared for the subject property in December 2018. The Phase I ESA identified the site's historic use as a marine maintenance facility as onsite recognized environmental conditions (RECs). Furthermore, adjoining properties including a railroad yard, lumber yard, and historic gasoline service stations were listed as offsite recognized environmental conditions. UES performed a Limited Soil and Groundwater Assessment for potential site developers and investors in December 2018. The results of this limited assessment suggested widespread impacts to soils, sediment, and groundwater at the subject property. Subsequently, in April 2019, UES performed a Site Assessment to delineate horizontal and vertical impacts of contaminants of concern onsite. UES conducted source removal activities through the excavation and disposal of impacted soils. An Interim Source Removal Report was submitted to the Broward County Environmental

Engineering and Permitting Division with recommendations of No Further Action. A No Further Action Approval Letter was issued by the Division in January 2020.

PORT MIAMI SOUTH BULKHEAD BAYS

PORT MIAMI, FL

UES will provide turbidity monitoring during the proposed construction activities for South Bulkhead Repairs at Bays 165-177 at the above referenced project location. UES will mobilize an Environmental Scientist / Technician at the subject site at least every four hours (or in the event of a plume) during daylight, to perform turbidity monitoring during construction activities starting approximately 30 minutes following commencement of work. Compliance samples and corresponding background samples shall be collected at approximately the same time, i.e., one immediately following the other. Compliance samples and corresponding background samples will be collected in accordance with specifications provided in Permit No: 0181285-022-BM. UES will use a HACH 2100Q, to perform the field analysis for turbidity.

BAL HARBOR BEACH RENOURISHMENT

MIAMI, FL

The Bal Harbour beach renourishment project aimed to place approximately 200,000 cubic yards of sand to combat erosion and enhance coastal resilience. Provided turbidity monitoring during sand placement/beach re-nourishment activities.

BROWARD SEGMENT 2 BEACH RENOURISHMENT PROJECT

BROWARD COUNTY, FL

The contractor will place approximately 390,000 cubic yards of beach-quality sand from an upland mine along 8.9 miles of eroded Atlantic Ocean shoreline in central Broward County, between the Hillsboro Inlet and the Port Everglades Inlet, including the municipalities of Pompano Beach, Sea Ranch Lakes, Lauderdale-by-the-Sea and the northern portion of Fort Lauderdale. UES is providing comprehensive quality assurance and monitoring services in support of a beach renourishment project with the overall project being managed by the U.S. Army Corps of Engineers. The primary focus of our scope is the implementation of turbidity testing and quality control to ensure compliance with state and federal environmental requirements, protecting adjacent marine ecosystems during construction.

SUNNY ISLES BEACH RESTORATION

SUNNY ISLES, FL

UES is supporting The Army Corp of Engineers, in coordination with the State and County, plans to complete beach re-nourishment activities within Sunny Isles Beach on a periodic or as needed basis. UES is providing comprehensive quality assurance and monitoring services in support of a beach renourishment project with the overall project being managed by the U.S. Army Corps of Engineers. The primary focus of our scope is the implementation of turbidity testing and quality control to ensure compliance with state and federal environmental requirements, protecting adjacent marine ecosystems during construction.

PALM BEACH COUNTY SCHOOL DISTRICT

PALM BEACH COUNTY, FL

Performed drinking water sampling and reporting for PBSC.

BOCA RESORT

BOCA RATON, FL

The Boca Resort facility combines hotel and residential space, recreational facilities, a marina, conference center and support buildings and operations. UES has conducted NESHAP asbestos surveys for suspect asbestos-containing building materials and Lead Based Paint Surveys in multiple onsite buildings prior to renovations or demolitions for new construction. Interior and exterior portions of the 18 apartment buildings. Field inspection, bulk sample collection activities and report preparation were completed by Certified AHERA (Asbestos Hazard Emergency Response Act) Inspectors in accordance with applicable US Environmental Protection Agency (EPA) rules and the Florida Administrative Codes. The appropriate number of bulk samples were collected based on the category of homogeneous materials and the quantity of the materials present. Building materials samples were analyzed for asbestos according to the EPA Polarized Light Microscopy (PLM) Method. The findings of the asbestos surveys were summarized in pre-demolition asbestos survey reports. Additionally, UES has performed asbestos abatement oversight, monitoring and clearance activities for rooms where asbestos was present and required abatement.

THE MIZNER ON THE GREEN/ALINA

BOCA RATON, FL

The site is approximately 8.77+/- acre commercial tract and was developed with a 22-year-old apartment complex comprised of 18 apartment buildings and one clubhouse/leasing office building. Before the construction of the apartment complex, the subject property was used as a golf course. Currently, the northern portion of the site has undergone reconstruction into a multi-story condominium building and the southern portion is undergoing reconstruction for same.

KAPLAN UNIVERSITY

FORT LAUDERDALE, FL

Performed Phase I & Phase II ESAs.



EDUCATION

BA, Loyola University, New Orleans

YEARS OF EXPERIENCE

25

ANDY HUERTAS

BRANCH MANAGER

Mr. Huertas serves as the branch manager at our Medley office, brings over 25 years of diverse experience in the construction industry. His experience includes safety consulting, engineering services, rental equipment operations, and contract management. He has a proven track record of driving branch performance, optimizing operations, and building high-performing teams, adeptly overseeing large-scale projects while implementing safety and training programs such as Competent Person training. His expertise spans multi-disciplinary service lines across construction and engineering environments, with strong skills in client relations, budget oversight, and P&L management, ensuring compliance with industry standards and regulations.

PROJECT EXPERIENCE

MIAMI WORLD CENTER

MIAMI-DADE, FL

Mr. Huertas provided safety consulting, labor, design, and equipment for worker access for the exterior of the buildings.

JW MARRIOTT

TAMPA, FL

Mr. Huertas provided design and engineering for leading-edge safety products to protect workers on site.

PORT OF MIAMI TUNNEL PROJECT

MIAMI-DADE, FL

Mr. Huertas provided equipment and safety training for over 500 workers. He conducted weekly meetings with safety personnel to insure the safe use of equipment on site.

830 BRICKELL PLAZA

MIAMI, FL

Mr. Huertas provided and designed all exterior worker access for the 55 floor plaza building, height: 724'.

ASTON MARTIN RESIDENCES

MIAMI, FL

Mr. Huertas provided and designed all worker access for a 66-story sail-shaped building with 391 residences of 1 to 4 bedrooms, a yacht marina, and panoramic views.

ACQUALINA RESORT & RESIDENCES

SUNNY ISLES BEACH, FL

Mr. Huertas provided and designed all exterior worker access for the construction of 51-story resort.



EDUCATION

BS, Meteorology &
Atmospheric Science,
University of Havana, Cuba

Graduate Certificate,
Sustainability, University of
Sonora, Mexico

YEARS OF EXPERIENCE

6

LICENSES & CERTIFICATIONS

- Florida Stormwater, Erosion, and Sedimentation Control Inspector, 2025
- Radon Measurement Specialist, Accreditation under Radalink Inc., 2025
- EPA Method 9 Visual Opacity, Accreditation under Eastern Technical Associates Inc., 2025
- Asbestos Building Inspector: Accreditation under TSCA Title II/AHERA, 2024
- Asbestos Abatement Supervisor: Accreditation under TSCA Title II/AHERA, 2024
- Asbestos Air Sampling and Analysis: Accreditation under NOISH 582, 2024
- 30-Hour Construction Industry Safety and Health, Occupational Safety and Health Administration (OSHA), 2023

PUBLICATIONS

- 2022: Ramírez-Plasencia R. D., Hernández-Garcés A., & Ferrer-Hernández A. L. Air Quality Evaluation in Mariel Bay with CALPUFF model. Cuban Journal of Meteorology, 28 (1)

ROGER RAMIREZ

STAFF SCIENTIST

Mr. Ramirez is an environmental scientist and meteorologist with a strong foundation in atmospheric science, air quality management, and environmental consulting. Extensive experience in conducting environmental assessments, site inspections, and regulatory compliance. Skilled in air quality modeling, meteorological forecasting, GIS, and sustainability practices. Adept at data analysis, field sampling, and technical reporting to support informed decision-making in environmental policy and safety. Committed to advancing sustainable solutions and ensuring environmental compliance across diverse industries.

PROJECT EXPERIENCE

BAL HARBOR BEACH RENOURISHMENT

MIAMI, FL

The Bal Harbour beach renourishment project aimed to place approximately 200,000 cubic yards of sand to combat erosion and enhance coastal resilience. Provided turbidity monitoring during sand placement/beach re-nourishment activities.

WATER QUALITY MONITORING PROGRAM INDIAN TRAIL IMPROVEMENT DISTRICT

PALM BEACH COUNTY, FL

Roger is performing water quality monitoring, serving as a field technician.

ALTON ROAD VACANT LOT

MIAMI BEACH, FL

Plans have been filed for a mixed-use project at 1790 Alton Road in South Beach, Miami Beach. The scope of work includes a new construction building of 5-stories set to occupy an irregularly shaped 0.237-acre land parcel. UES provided environmental stormwater planning, permitting & inspection services.

AHERA THREE YEAR REINSPECTION & INDOOR AIR QUALITY PROJECTS OR MIAMI DADE, BROWARD AND PALM BEACH COUNTY DEPARTMENT OF PUBLIC SCHOOLS

MIAMI-DADE, BROWARD AND PALM
BEACH COUNTY, FL

Roger is performing environmental Asbestos consulting and testing services for multiple facilities, serving as the project manager and field technician.

PRE-DEMOLITION NESHAP SURVEYS & AIR QUALITY MONITORING SERVICES FOR THE UNITED STATES DEPARTMENT OF DEFENSE

NATIONAL

Roger is performing NESHAP surveys and air monitoring services, serving as the project manager and field technician.

ASBESTOS AND LEAD-BASED PAINT MANAGEMENT PROGRAM FOR THE UNITED STATES COAST GUARD

NATIONAL

Roger is performing Asbestos and lead-based painting management, serving as the field technician.



EDUCATION

MS, Environmental Policy and Management, University of Denver

BS, Environmental Engineering
Pontifical Bolivarian University

YEARS OF EXPERIENCE

5

CERTIFICATIONS

- HAZWOPER 40-Hour

MÓNICA SALAZAR

ENVIRONMENTAL SCIENTIST

As an Environmental Scientist, Mónica serves UES' South Florida locations. She has five years in environmental consulting and project management. Mónica's experience includes the interpretation of environmental laboratory data from numerous assessment projects which involve impacts from petroleum hydrocarbons, chlorinated solvents, metals and pesticides. Additionally, Mónica specializes in the preparation of Phase I & II Environmental Site Assessments as well as Natural Attenuation Monitoring activities and contamination assessments. Mónica also has performed field sampling and project coordination. She is also familiar with preparing proposal responses, supervising drilling operations, hiring/supervising subcontractors, and compiling cost estimates.

PROJECT EXPERIENCE

PHASE I AND II ENVIRONMENTAL SITE ASSESSMENTS

FLORIDA

Mónica has conducted many Phase I ESA's throughout Florida. Phase I investigations have consisted of commercial, industrial, and agricultural. Phase I investigations included records review, site reconnaissance, interviews and preparation of the Phase I ESA report. Based on the Phase I investigation, Mónica recommended some of the sites continue to a Phase II ESA. Common commercial and industrial properties warranted Phase II studies due to historic underground storage tanks, auto repair operations, metal fabrication operations or dry cleaning activities on or near the site. Agricultural sites often warranted Phase II studies due to historic citrus groves or landscaping/nursery operations.

LAKE POINT RESTORATION MINE

CANAL POINT, FL

Performs exploratory soil and groundwater assessment, monthly mine pit monitoring, quarterly and annual groundwater monitoring, data analysis, and reporting. The activities are conducted in accordance with Lake Point's Environmental Resource Permit (ERP) for the operation of a limestone aggregate mine. An Acquisition and Development Agreement for Public Works Project between the landowners and the South Florida Water Management District (SFWMD) will result in the creation and donation of 1,800 acres of water management, water quality treatment and transfer areas, and the donation of approximately 172 acres of conservation lands for public recreational uses. The mining activities and environmental monitoring are regulated by the FDEP's Bureau of Mining and Minerals Regulations.



EDUCATION

MS, Biology, Florida
International University

BS, Marine Environmental
Sciences, SUNY Maritime
University

YEARS OF EXPERIENCE

1

JORDON KING

STAFF SCIENTIST

Jordon serves as a staff scientist at our Medley office. With a strong background in construction quality assurance, he ensures that development sites comply with state regulations by identifying and mitigating environmental risks before, during, and after construction. His expertise includes conducting Phase I and II Environmental Site Assessments (ESAs), overseeing well installations, performing groundwater and soil sampling, and developing soil management plans. He prepares detailed inspection reports based on site conditions and findings, calibrates and operates various field equipment, completes chain of custody forms, and manages groundwater and soil chemistry data. Additionally, he is experienced in preparing comprehensive project documents and reports that support regulatory compliance and project success.

PROJECT EXPERIENCE

BAL HARBOR BEACH RENOURISHMENT

MIAMI, FL

The Bal Harbour beach renourishment project aimed to place approximately 200,000 cubic yards of sand to combat erosion and enhance coastal resilience. Provided turbidity monitoring during sand placement/beach re-nourishment activities.

MATCON TERMINAL

DANIA BEACH, FL

Phase I site visit and completion of Phase I report.

HYUNDAI, KENDALL

MIAMI, FL

Soil management inspection for excavated areas.

3.10 ACRE VACANT INDUSTRIAL PROPERTY

HOMESTEAD, FL

Well installation and groundwater and soil sampling.

WN LLC

MIAMI, FL

Well installation, groundwater and soil sampling.

MCDONALDS

COCONUT CREEK, FL

Phase I site visit and Phase I report.

EVVO HOUSE (E 8001 NE BAYSHORE COURT)

MIAMI, FL

Evvo House Miami Hotel, a 12-story mixed-use building. UES is providing environmental due diligence & site characterization services.

ALTON RD.

MIAMI BEACH, FL

Plans have been filed for a mixed-use project at 1790 Alton Road in South Beach, Miami Beach. The scope of work includes a new construction building of 5-stories set to occupy an irregularly shaped 0.237-acre land parcel. UES provided source removal, soil management and well installation.

PREVIOUS EXPERIENCE

Prior to working with UES, Jordan performed similar services in Homestead, Hialeah and Miami.



EDUCATION

BS, Ecosystem Science and Policy, University of Miami

YEARS OF EXPERIENCE

2

CERTIFICATIONS

- FDEP Stormwater, Erosion, and Sedimentation Control Inspector - ID: 55171
- FDOT Illicit Discharge Detection and Elimination
- FDOT National Pollutant Discharge Elimination System Spill Prevention, Containment and Response

KEVIN OAKLEY

ENVIRONMENTAL SCIENTIST

Kevin has two years of experience supporting environmental compliance efforts on major transportation infrastructure projects in South Florida. His work includes spearheading and monitoring environmental compliance efforts for the Miami Signature Bridge, 836 Reconstruction, and Golden Glades Interchange. This includes SWPPP development and implementation, NPDES compliance oversight, agency coordination, environmental permitting management. Other work includes turbidity sampling, wetland delineations, MS4 drainage surveys, and more.

PROJECT EXPERIENCE

BAL HARBOR BEACH RENOURISHMENT

MIAMI, FL

The Bal Harbour beach renourishment project aimed to place approximately 200,000 cubic yards of sand to combat erosion and enhance coastal resilience. Provided turbidity monitoring during sand placement/beach re-nourishment activities.

ALTON ROAD VACANT LOT

MIAMI BEACH, FL

Plans have been filed for a mixed-use project at 1790 Alton Road in South Beach, Miami Beach. The scope of work includes a new construction building of 5-stories set to occupy an irregularly shaped 0.237-acre land parcel. UES provided environmental stormwater planning, permitting & inspection services.

ATLANTIC CROSSING

DELRAY BEACH, FL

A \$300 million project spanning two city blocks in the heart of downtown Delray Beach is underway. The plans include 82 luxury condos, 261 apartments, 83,000-square-feet of office space and 76,000-square-feet of shops and restaurants in six three or four-story buildings, with an underground parking garage. UES provided environmental services for the development of the stormwater pollution prevention plan(SWPPP).

EVVO HOUSE (E 8001 NE BAYSHORE COURT)

MIAMI, FL

Evvo House Miami Hotel, a 12-story mixed-use building. UES is providing environmental due diligence & site characterization services.

TAB 3

REFERENCES AND QUALITY OF PAST PERFORMANCE
ON SIMILAR PROJECTS

PORT MIAMI SOUTH BULKHEAD BAYS 165-177

MIAMI, FL

UES is providing turbidity monitoring during the proposed construction activities for South Bulkhead Repairs at Bays 165-177. UES mobilizes an Environmental Scientist / Technician at the subject site at least every four hours (or in the event of a plume) during daylight, to perform turbidity monitoring during construction activities starting approximately 30 minutes following commencement of work. Compliance samples and corresponding background samples are collected at approximately the same time, i.e., one immediately following the other. Compliance samples and corresponding background samples are collected in accordance with specifications provided in Permit No: 0181285-022-BM.

UES' Environmental Scientist / Technician uses a HACH 2100Q, to perform the field analysis for turbidity. The HACH 2100Q is calibrated prior to use for field measurements. All turbidity monitoring activities are conducted in accordance with the Florida Department of Environmental Protection (FDEP)'s Standard Operating Procedures for Sampling (DEP-SOP 001/01): FT 1600 Field Measurement of Turbidity. The results of the Compliance Station and Background Station sampling readings are recorded daily and submitted on a weekly basis. UES personnel certify that the data collected and reported are authentic, precise and accurate to 0.5 or $\pm 2\%$ for turbidity readings less than 1000 NTUs. The HACH 2100Q, portable turbidity meter reports data within a range of 0 to 1000 NTU. Coordinates of each sample location are collected with a GPS unit and presented on a map.

SCOPE OF SERVICES

Environmental Services

OWNER/CLIENT

Port Miami
1015 North American Way,
Miami FL 33132

REFERENCE

Juan Barbosa, Project Manager
(305) 325-0530
jbarbosa@ebsaryfoundationco.com

DATE OF INITIATION AND COMPLETION OF CONTRACT

04/2025 - Present

EASTMAN AGGREGATES/BEACH RENOURISHMENT PROJECTS

SOUTH FLORIDA

UES is providing comprehensive quality assurance and monitoring services in support of a beach renourishment project with the overall project being managed by the U.S. Army Corps of Engineers. The primary focus of our scope is the implementation of turbidity testing and quality control to ensure compliance with state and federal environmental requirements, protecting adjacent marine ecosystems during construction.

1. **Bal Harbour Beach Renourishment**
2. **Broward Segment 2 Beach Renourishment Project**
3. **Sunny Isles Beach Restoration**

In addition to turbidity monitoring, UES delivers a full suite of pre-construction, construction, and post-construction services to safeguard existing infrastructure and verify quality throughout the project. These services include: Pre-Construction Structural Survey; Post Construction Structural Survey; Vibration Quality Control Plan; Vibration Monitoring; Quality Control Plan; Contractor Quality Control and Turbidity Monitoring.

Through these services, UES ensures the beach renourishment project proceeds safely, sustainably, and in full compliance with applicable environmental and construction quality standards as aligned with the Army Corp of Engineers Team.

SCOPE OF SERVICES

Environmental Services

OWNER/CLIENT

Eastman Aggregate Enterprises
3705 Bellevue Avenue
Lake Worth, FL 33461

REFERENCE

Bernie Eastman, Project Manager
(561) 969-7147
Bernie@eastmanagg.com

DATE OF INITIATION AND COMPLETION OF CONTRACT

- Bal Harbour Beach
(03/04/2025- On-going)
- Broward Segment 2 Beach
(12/17/2020 - 02/28/2022)
- Sunny Isles Beach
(05/2021-09/2021)

CITY OF MARATHON

MARATHON, FL

UES conducted a Phase I Environmental Site Assessment (ESA) for the Quay and Seven Mile Properties in accordance with the ASTM E1527-13 Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. The purpose of the assessment was to identify Recognized Environmental Conditions (RECs), Historical RECs (HRECs), and Controlled RECs (CRECs) that may be present on or adjacent to the subject properties and that could potentially impact the environmental condition of the sites.

Scope of work included:

- A comprehensive review of federal, state, tribal, and local regulatory databases for reported environmental incidents in the vicinity.
- A historical records review (aerial photographs, fire insurance maps, city directories, and topographic maps) to evaluate past uses of the sites and adjoining properties.
- A site reconnaissance to observe current conditions, potential sources of contamination, and the presence of hazardous substances or petroleum products.
- Interviews with current and past owners, operators, and/or occupants, as available, to obtain information regarding the use and environmental history of the properties.
- Preparation of findings, conclusions, and recommendations consistent with ASTM E1527-13 and the All Appropriate Inquiry (AAI) rule.
- The Phase I ESA provided a thorough evaluation of the Quay and Seven Mile Properties, documenting historical and current site conditions, regulatory status, and any potential environmental concerns relevant to future development, financing, or transfer. The assessment supported the client in meeting due diligence obligations and provided recommendations for next steps based on the findings.

SCOPE OF SERVICES

Environmental Services

OWNER/CLIENT

City of Marathon
9805 Overseas Highway
Marathon, Florida 33050

REFERENCE

Carlos Solis, PE, Project Manager
(305) 289-5008
Solisc@ci.marathon.fl.us

**DATE OF INITIATION AND
COMPLETION OF CONTRACT**

08/2022 - 12/2022

PALM BEACH PUBLIC SCHOOLS

PALM BEACH COUNTY, FL

UES is providing drinking water sampling at various Palm Beach Schools and Phase I and II Environmental Site Assessments.

A toxin was detected in the raw water samples collected from the East Lobe of Clear Lake and the finished water at the treatment plant that supplies water to West Palm Beach, Palm Beach, and South Palm Beach, as a result the School District of Palm Beach County issued drinking water advisory. The following schools are under the advisory:

Alexander W Dreyfoos Jr SOA
Bak Middle School Of The Arts
Bear Lakes Middle
Belvedere Elementary
Conniston Community Middle
Egret Lake Elementary
Forest Hill Community High
Grassy Waters Elementary
Jeaga Middle
Northboro Elementary

Northmore Elementary
Palm Beach Lakes Community High
Palm Beach Public School
Palmetto Elementary
Pleasant City Elementary
Roosevelt Community Middle
Roosevelt Elementary
South Olive Elementary
U B Kinsey/Palmview Elementary
Westward Elementary

SCOPE OF SERVICES

Environmental Services

OWNER/CLIENT

School District Palm Beach County
1400 N FL Mango Rd.,
West Palm Beach, FL 33409

REFERENCE

Anne P. Meador, Sr. Environmental
Specialist
(561) 584-5142
anne.meador@palmbeachschools.org

**DATE OF INITIATION AND
COMPLETION OF CONTRACT**

02/01/2022 - On-going

REFERENCE LETTER (1)

Beach & Dune Nourishment
Marine Construction
Wetland Restoration

September 11, 2025

To Whom It May Concern,

It is my pleasure to provide this reference for UES.

Their team is responsive and does a great job keeping projects on schedule and within budget. Communication is clear and timely, and their staff is friendly and helpful throughout every phase of the work.

Based on our experience, we are very satisfied with UES's performance and would recommend them for similar projects. Their technical expertise and collaborative approach make them an asset to any project team.

Our organization worked with UES on the following projects:

- Project Name & Title: City of Marathon
- Project Location: Coco Plum Beach /Sombrero Beach Renourishment
- Client Contact: Donna (305) 289-4104
- Project Value: \$378,189.00
- Project Duration: December 17, 2010 to March 10, 2011
- Services Provided : Supply, deliver, place beach sand
- Project Owner: City of Marathon
- Owner's Representative: - Client Contact: Donna, Project Manager (305) 289-4104:

Based on our experience, we are very satisfied with UES's performance and would recommend them for similar projects. Their technical expertise and collaborative approach make them an asset to any project team.

Sincerely,

Bernard Eastman, Managing Member

Eastman Aggregate Enterprises, LLC

(561) 719-9146/ bernie@eastmanagg.com

Signature



REFERENCE LETTER (2)

Beach & Dune Nourishment
Marine Construction
Wetland Restoration

September 11, 2025

To Whom It May Concern,

It is my pleasure to provide this reference for UES.

Their team is responsive and does a great job keeping projects on schedule and within budget. Communication is clear and timely, and their staff is friendly and helpful throughout every phase of the work.

Based on our experience, we are very satisfied with UES's performance and would recommend them for similar projects. Their technical expertise and collaborative approach make them an asset to any project team.

Our organization worked with UES on the following projects:

- Project Name & Title: City of Marathon
- Project Location: Sombrero Beach Renourishment
- Client Contact: Donna (305) 289-4104
- Project Value: \$71,285.32
- Project Duration: March 2014
- Services Provided : Supply, deliver, place beach sand
- Project Owner: City of Marathon
- Owner's Representative: - Client Contact: Donna, Project Manager (305) 289-4104:

Based on our experience, we are very satisfied with UES's performance and would recommend them for similar projects. Their technical expertise and collaborative approach make them an asset to any project team.

Sincerely,

Bernard Eastman, Managing Member

Eastman Aggregate Enterprises, LLC

(561) 719-9146/ bernie@eastmanagg.com

Signature

A handwritten signature in blue ink, appearing to read "Bernard Eastman", written over a horizontal line.

3705 BELLEVUE AVENUE, LAKE WORTH, FL 33461
OFFICE: 561-969-7147 FAX: 561-434-3477

TAB 4
PROJECT APPROACH

PROJECT APPROACH

Specific Project Approach

FIRM'S UNDERSTANDING, APPROACH AND BEST PRACTICES

Our team has supported thousands of projects throughout South Florida and brings a deep **understanding** of the local context, allowing us to help clients achieve their goals while prioritizing quality and environmental responsibility. We frequently support our government clients in public meetings, responding to citizen questions and concerns. Our teams arrive well-prepared, equipped with a thorough understanding of the project and a focus on clear, effective communication. Ultimately, UES' goal is to build a strong public image for both the City of Key West and our firm, while helping to protect the City's environment, support its citizens, and contribute to a vibrant future.

At UES, our **approach** to contract performance is grounded in proactive planning, technical excellence, and client-centered service delivery. Our vision for serving the City of Key West is to implement an environmental program that not only achieves regulatory compliance but also mitigates risks before they escalate into liabilities. We bring a depth of resources, experienced management, and a proven methodology that ensures all services are delivered efficiently, cost-effectively, and with the highest degree of quality.

Experienced and proven, UES is considered a pioneer of the industry and stands at the forefront of emerging technology, **best practices**, and influential legislature. For all water quality monitoring program services, including managing water quality data, collecting samples, deploying and collecting data, conducting surface water sampling, maintaining and calibrating field meters and performing laboratory analysis, UES will apply industry best practices, ensure regulatory alignment, and maintain flexibility to adjust methods based on site-specific conditions.

The UES technical team thinks outside of the box during field activities, we make on-site adjustments to our approach to provide the most cost-effective, solution-based information to our clients as they navigate through project decision-making. UES' approach to environmental assessment is to tailor the sampling program to the specific project.

PROPOSED ACTIVITY SCHEDULE / INNOVATIVE METHODS OR CONCEPTS

For 60 years, UES has successfully built our state-wide reputation for superior service, trustworthy business management, and strict attention to health, safety

and innovative engineering. We are always looking at innovative solutions and cutting-edge technologies to provide our clients with cost effective and realistic approaches. A typical monthly cycle will include:

- **Planning and Coordination** – Confirmation of site scope of work and schedule with City staff, verification of equipment, and preparation of sampling kits.
- **Field Sampling** – Execution of all site sampling in accordance with the scope of work and grouping requirements, with field data logged electronically.
- **Laboratory Analysis** – Samples shipped with proper preservation requirements such in a cooler with ice under chain-of-custody for analysis within required holding times.
- **QA/QC Review** – Data verification, error checks, and corrective actions if necessary.
- **Reporting** – Submission of complete monitoring results and summary findings to the City within the agreed reporting timeframe.

STATEMENT OF ACKNOWLEDGEMENT

UES acknowledges receipt and review of the project documentation and affirms its full understanding of the project scope, objectives, and required services. UES is committed to delivering comprehensive support in alignment with the outlined goals, including conducting water quality and biological sampling and monitoring for the City of Key West.

We recognize the importance of this project to all stakeholders and are prepared to apply our technical expertise, resources, and collaborative approach to ensure successful execution. UES will maintain clear communication, adhere to established timelines, and uphold the highest standards of quality and safety throughout the duration of the project.

UES is fully committed to the success of this program. Our team will remain dedicated to providing consistent, high-quality monitoring services throughout the life of the contract. By leveraging our local resources, experienced staff, robust QA/QC systems, and reliable laboratory partners, UES will deliver accurate, defensible, and timely water quality data to support the City's environmental stewardship goals.

MONITORING SERVICES

Our team of professional Engineers, Geologists, Environmental Professionals, Certified Industrial Hygienists, Abatement project designers, project monitors, AHERA Accredited Asbestos inspectors, management planners and technical staff have the experience, education and equipment necessary to provide all of the assessment and monitoring services required for clients.

UES has similar experience providing environmental assessment and compliance monitoring in accordance with Environmental Resource Permits and Florida Department of Environmental Protection (FDEP) Permits.

OPERATIONS PLAN

UES AND COORDINATION OF FIELD AND SUPPORT STAFF

UES has assigned a dedicated Project Manager (PM), Johnathan Bulley, to oversee all coordination, reporting, and communication with the City of Key West. Mr. Bulley will allocate and manage a field sampling team consisting of two trained environmental technicians and one QA/QC supervisor. Technicians will perform water sampling, equipment calibration, and field data collection, while the supervisor ensures adherence to QA/QC procedures and oversees sample chain of custody.

Field data will primarily be collected by two-person teams for safety and efficiency, with single staff assigned only for non-hazardous, light sampling tasks.

In the event of staff illness or injury, UES maintains cross-trained personnel at our South Florida branches who can be deployed within 24 hours. A roster of qualified backup staff will be included with this proposal. If subcontractors are needed, UES may utilize certified marine vessel operators for boat support, with all roles clearly defined under Mr. Bulley's direction.

SCHEDULING ACTIVITIES

UES will submit detailed sampling schedules in compliance with the RFP's requirement for Monday through Thursday sampling (excluding federal holidays) in accordance with the Scope of Work. Sampling at each designated station will be grouped and completed within a single day to maintain data consistency. In the event of high water, inclement weather, or equipment malfunction, UES will immediately notify the City and reschedule within the required timeframe. Our field teams are accustomed to adaptive scheduling and have procedures in place for rapid response.

FIELD DATA ENTRY, QA, AND CORRECTION PROCEDURES. QA/QC METHODS.

Field staff will enter sample information into digital data forms during collection, which will then be reviewed and verified by a QA Manager prior to laboratory submission. UES follows strict chain-of-custody protocols and internal QA/QC procedures to minimize errors. Data corrections, when necessary, are logged, documented, and verified to preserve the integrity of the dataset. Our Quality Assurance Plan, consistent with Chapter 62-160, F.A.C., governs all field and laboratory work and includes staff training, certifications, and standard corrective actions.

PROJECT MANAGEMENT AND COMMUNICATION METHODS

EQUIPMENT LIST

UES maintains an extensive inventory of owned and calibrated field equipment to support this program, including vehicles, boats, multiparameter sondes, dissolved oxygen/pH/conductivity/salinity meters, filtration devices, coolers, and portable generators. All equipment undergoes routine calibration and maintenance. Backup meters and vessels are kept in reserve to ensure uninterrupted sampling should primary equipment fail.

QA/QC METHODS AND QUALITY ASSURANCE MANUAL

All staff proposed for this project are trained under the most recent FDEP water sampling SOPs (post-March 2014 revision) and maintain current certifications. UES' Quality Assurance Manual, submitted with this proposal, outlines procedures for sample collection, data review, corrective actions, and continuous improvement.

LABORATORY ANALYSES

Our Laboratories are capable of performing AASHTO (American Association of State Highway and Transportation Officials), ASTM (American Society for Testing and Materials), FM (Florida Methods), and USACE (United States Army Corps of Engineers) accredited testing on soils, rock cores, and water samples. UES partners with NELAP-accredited laboratories that meet or exceed required detection limits for evaluating water quality targets in the Florida Keys. Our subcontractor documentation and certifications are included in this proposal package.

SUBCONTRACTOR DOCUMENTATION

UES has provided resume documentation for our subcontractor, immediately following this page.



State of Florida
Department of Health, Bureau of Public Health Laboratories
This is to certify that



E83018

EUROFINS ORLANDO
481 NEWBURYPORT AVENUE
ALTAMONTE SPRINGS, FL 32701

has complied with Florida Administrative Code 64E-1,
for the examination of environmental samples in the following categories

DRINKING WATER - GROUP I UNREGULATED CONTAMINANTS, DRINKING WATER - GROUP II UNREGULATED CONTAMINANTS, DRINKING WATER - MICROBIOLOGY, DRINKING WATER - OTHER REGULATED CONTAMINANTS, DRINKING WATER - PRIMARY INORGANIC CONTAMINANTS, DRINKING WATER - SECONDARY INORGANIC CONTAMINANTS, DRINKING WATER - SYNTHETIC ORGANIC CONTAMINANTS, NON-POTABLE WATER - EXTRACTABLE ORGANICS, NON-POTABLE WATER - GENERAL CHEMISTRY, NON-POTABLE WATER - METALS, NON-POTABLE WATER - MICROBIOLOGY, NON-POTABLE WATER - PESTICIDES-HERBICIDES-PCB'S, NON-POTABLE WATER - VOLATILE ORGANICS, SOLID AND CHEMICAL MATERIALS - EXTRACTABLE ORGANICS, SOLID AND CHEMICAL MATERIALS - GENERAL CHEMISTRY, SOLID AND CHEMICAL MATERIALS - METALS, SOLID AND CHEMICAL MATERIALS - MICROBIOLOGY, SOLID AND CHEMICAL MATERIALS - PESTICIDES-HERBICIDES-PCB'S, SOLID AND CHEMICAL MATERIALS - VOLATILE ORGANICS

Continued certification is contingent upon successful on-going compliance with the NELAC Standards and FAC Rule 64E-1 regulations. Specific methods and analytes certified are cited on the Laboratory Scope of Accreditation for this laboratory and are on file at the Bureau of Public Health Laboratories, P. O. Box 210, Jacksonville, Florida 32231. Clients and customers are urged to verify with this agency the laboratory's certification status in Florida for particular methods and analytes.

Date Issued: July 01, 2025 Expiration Date: June 30, 2026




Marie-Claire Rowlinson, PhD, D(ABMM)
Bureau of Public Health Laboratories

DH Form 1697, 7/04
NON-TRANSFERABLE E83018-104-07/01/2025
Supersedes all previously issued certificates



Environment Testing

**Cynthia
LAROSA**

Quality Assurance Manager

PERSONNEL RESUME

QUALIFICATIONS SUMMARY

Ms. LaRosa began working in analytical laboratories in 1990. She has extensive experience both on the bench and in management. She has widespread experience developing new analytical procedures, preparing SOPs, documenting demonstration of capability and training lab staff. Ms. LaRosa has broad experience in the analyses of trace metals, all of the routine wet chemistry tests as well as microbiology analyses. This experience includes compliance to EPA methodologies and NELAC / TNI standards.

PROFESSIONAL EXPERIENCE

QA MANAGER | *Eurofins Environment Testing, Orlando – 2005 to 2018, 2022 to present*

Responsible for planning, implementation, and results of the quality management system. Leads internal audits and interviews staff to identify procedural and process non-conformances. Performs investigations to determine root causes and corrective actions for identified deficiencies. Performs quality control data review for trend analysis and improvement opportunities. Measures test equipment, performs calibrations and verifications on support equipment. Corrects and revises procedures to improve quality and maintain compliance with the environmental laboratory quality standards.

LABORATORY MANAGER | *2018 to 2022*

CHEMISTRY SUPERVISOR/ CHEMIST/MICROBIOLOGIST | *2001 to 2005*

CHEMISTRY SUPERVISOR/CHEMIST | *Tri-Tech Analytical, 1999 to 2001*

OWNER/OPERATOR | *Top Banana, 1995 to 1999*

CHEMISTRY SUPERVISOR/CHEMIST | *GEOS Laboratory, 1992 to 1995*

CHEMIST | *Thornton Laboratories, 1990 to 1992*

CHEMIST | *Vermont Dept of Agriculture, 1986 to 1990*

EDUCATION

- BS Biology, Norwich University, Northfield, VT (1986)

PROFESSIONAL AFFILIATIONS

- Florida Society of Environmental Analysts



Environment Testing

Elena
Vinokurov

◆ Metals Department
Manager

PERSONNEL RESUME

QUALIFICATIONS SUMMARY

Master degree in Chemistry from Kharkiv State University, Ukraine.

30 years experience in the environmental laboratory industry.

PROFESSIONAL EXPERIENCE

METALS DEPARTMENT MANAGER | *Eurofins Environmental testing, Southeast- Jul 2022 to Present*

- ◆ Responsible for the overall operations of the Metals lab
- ◆ Supervise all metals lab personal and provide leadership and direction as needed
- ◆ Serves as a technical resource to department employees.

METALS DEPARTMENT MANAGER | *Flowers chemical labs, Inc 1999- to 2022*

Responsible for production, reporting, quality, technical support in the metals lab

ANALYST | *Flowers chemical labs, Inc 1993- to 1999*

Analysis of samples, review of analytical data to ensure quality control in Wet chemistry department , Volatiles department

EDUCATION

- M.S. Organic Chemistry , Kharkiv State University, Ukraine.-1992



Environment Testing

**Eric
Smith**Volatiles Department
Manager

PERSONNEL RESUME

QUALIFICATIONS SUMMARY

Eric Smith has a B.S. in Chemistry from Trevecca Nazarene University in Nashville, TN. He has over 28 years of operational and quality assurance experience in the environmental laboratory industry.

PROFESSIONAL EXPERIENCE

VOLATILES DEPARTMENT MANAGER | *Eurofins Environment Testing Orlando, FL— 2023 to Present*

Responsible for managing Volatiles Department, including staff, equipment, and sample throughput / analysis.

CLIENT SERVICES MANAGER | *Pace Analytical Services, Inc. Ormond Beach, FL—2021 to 2022*

Responsible for Project Management group, Bottle Kit preparation group, Field Sampling group, and Courier group.

QUALITY ASSURANCE / HSE MANAGER | *ALS Group USA, Corp. dba ALS Environmental, Jacksonville, FL – 2012 to 2021*

Performed all activities associated with the Quality Assurance program. Developed and maintained the laboratory's health and safety program.

QUALITY ASSURANCE MANAGER | *TestAmerica Laboratories, Inc. Nashville, TN – 2004 to 2012*

Coordinated all activities associated with the Quality Assurance program.

ASSISTANT TECHNICAL DIRECTOR | *TestAmerica Laboratories, Inc. Nashville, TN – 1998 to 2004*

Performed secondary data review, approved of final reports, provided technical assistance to clients, performed method development and instrument maintenance

LABORATORY ANALYST | *TestAmerica Laboratories, Inc. Nashville, TN – 1994 to 1998*

Operated and maintained volatile organic instrumentation: GC/MS, GC (PID/ELCD, PID/FID, FID)

EDUCATION

- B.S. Chemistry – Trevecca Nazarene University, Nashville, TN – 1994

Environment Testing
America**JOSE F.
LONDONO**

Quality Assurance Manager

PERSONNEL RESUME

QUALIFICATIONS SUMMARY

Mr. Londono has more than 30 years of multifaceted experience with solid background in both manufacturing and services environments, and complete administrative responsibility for directing both professional and technical staff. His environmental laboratory experience started in 2001. Mr. Londono has a B.S. /M.S. in Mechanical Engineering from Belarusian National Technical University, and an MBA from Universidad de Los Andes Bogota, Colombia.

PROFESSIONAL EXPERIENCE

QA/QC MANAGER | 2019 - Present

Responsible for: directing and maintaining the quality control program within a laboratory unit; ensure that all laboratory supervisors, chemists, analysts, and technicians have reviewed Eurofins ET QA protocols and policies; assure that all analytical methodologies employed by the laboratory conform to the guidelines established by the EPA or applicable regulatory agency and that all TNI standards are met; assure that all quality control procedures are correctly followed and documented by inspecting and auditing the operations of the laboratory; and maintaining a non-conformance/corrective action program ensuring that all the quality control requirements are met.

ANALYST | 2001 – 2015 and 2016 – 2019

Conducted procedures according to laboratory Standard Operating Procedures. Responsible for accuracy and logic of analytical data, maintain scrupulous documentation, exercise good analytical and ethical judgment, and protect the integrity of the samples.

SAMPLE CONTROL MANAGER | Eurofins Xenco - 2001 to 2006

Responsible for directing and maintaining all sample receiving, sampling kit preparation, and sample storage and transportation, as well as maintaining appropriate levels of sample container inventory; personnel training and evaluation; maintaining the highest level of Ethics, data and sample integrity within the sample control team.

EDUCATION

- MBA – Universidad de Los Andes, Bogota, Colombia – 1999
- B.S./M.S.in Mechanical Engineering – Belarusian National Technical University – Minsk, Belarus – 1986

Environment Testing
AmericaVICTORIA
CUARTAS

SVOC Manager

PERSONNEL RESUME

QUALIFICATIONS SUMMARY

Ms. Cuartas serves as SVOC Manager. She has Certificate in Production Planning and Scheduling from EAFIT University, Medellin, Colombia- Graduate Studies and Chemical Engineer in Undergraduate Studies from Pontificia Bolivariana University, Medellin, Colombia. Ms. Cuartas has worked in the environmental industry since 2001. Capable of managing, organizing and directing laboratory personnel and/or projects. Capable of managing multiple tasks under high pressure with minimal supervision. Teamwork oriented, proficient in understanding, troubleshooting, and resolving complex analytical problems. Experience in equipment validation, qualification, method transfers and in the use of laboratory equipment. Knowledgeable in laboratory testing using standardized SM and EPA methods; NELAP, and DOD regulations.

PROFESSIONAL EXPERIENCE

SVOC MANAGER | *Eurofins Orlando – January 2023 to present*

Ms. Cuartas is responsible for daily operation of the department. Her responsibilities also include, but are not limited to, reviewing reports for technical accuracy and completeness, interpreting results, developing methods, maintaining productivity, and facilitating process improvement within the department. Data validation of GC-MS, and FID related analytical methods: Pesticides, PCBs, Semi-volatiles, SIM, PAHs, TPHs, DRO, FLPRO; Supervision and training of analysts and technicians, management of QNFs and associated corrective actions; approval and report of PT studies; method development and SOP writing

ORGANICS TECHNICAL MANAGER/SVOC SUPERVISOR | *Eurofins Houston – 2019 to 2023*

Responsible for daily operation of the department. Her responsibilities also included, but not limited to, reviewing reports for technical accuracy and completeness, interpreting results, developing methods, maintaining productivity, and facilitating process improvement within the department. Data validation of GC-ECD, GC-MS, and FID related analytical methods: EDBs, Pesticides, PCBs, Herbicides, Semi-volatiles, SIM, PAHs, TPHs, DRO, FLPRO, EPHs ; Supervision and training of analysts and technicians, management of QNFs and associated corrective actions; approval and report of PT studies; method development and SOP writing.

SEMI-VOLATILE SUPERVISOR | *Xenco Laboratories Houston, Tampa, Atlanta, Boca Raton, Miramar, and Miami Lakes Facilities –2002 to 2019*

Data validation of GC-MS, GC-ECD, GC-FID, GC-NPD, HPLC, and ICP-MS related analytical methods. Scheduling and technical direction of extractions department for all analyses above; supervision and training of analysts and technicians, management of QNFs and associated corrective actions; approval and report of PT studies; method development and SOP revision

SEMI-VOLATILE ANALYST | *Eurofins Xenco Houston - 2001 to 2002*

PAHs, TPH, Pesticides, Herbicides, PCBs, and Semi-volatiles solid phase and liquid-liquid extractions; quality control and calibration of instruments; writing laboratory SOPs; handling and disposal of hazardous material, and performing instrument maintenance; data analysis of GC-MS, ECD, FID, and HPLC related analytical methods - TPH, PAHs, Pesticides, PCBs, etc.



Environment Testing

Matthew
FOTI, Ph.D.
Business Unit Manager

PERSONNEL RESUME

QUALIFICATIONS SUMMARY

Dr. Foti has a Ph.D. and B.S. in Chemistry from University of South Florida, Tampa. He has extensive experience, including more than 20 years in various management roles in the environmental laboratory industry.

PROFESSIONAL EXPERIENCE

BUSINESS UNIT MANAGER | Eurofins Environment Testing, Southeast – Oct. 2022 to Present

Supervises all laboratory personnel and provides leadership and direction as needed. Responsible for ensuring compliance and integration of facility operation with corporate and regulatory policies and procedures. The Business Unit Manager will serve as a liaison with corporate business partners and will champion Company policies, vision, and mission.

REGIONAL OPERATIONS DIRECTOR/HEALTH AND SAFETY DIRECTOR | Environmental Conservation Labs, Inc., 2009 to 2022

Managed three laboratories (Orlando, Jacksonville, Cary-NC) performing analysis of soil, air, and water in accordance with EPA standardized methodologies utilizing technologies including but not limited to ICP, ICPMS, GC, GCMS, LC, & IC. Responsible for financial performance, production, reporting, staffing, quality, technical support, and health & safety across three facilities with 60 employees producing over \$7M in annual revenue.

LABORATORY MANAGER | 1999 to 2008

Responsible for production, reporting, staffing, quality, technical support, and health & safety of 28 employees producing over \$3M in annual revenue.

OPERATIONS MANAGER | 1998 to 2000

Managed a group of 20 personnel with various technical backgrounds conducting analytical testing of environmental samples. Responsibilities included but not limited to all aspects of staffing, quality, and production.

CHEMISTRY TEACHER | Kaplan Educational Centers, Inc., Orlando, FL 1993 to 2004

Instructed courses in General and Organic Chemistry for pre-med students.

DOCTORAL CANDIDATE RESEARCH ASSISTANT | Walt Disney Memorial Cancer Institute at Florida Hospital, Orlando, FL 1994 to 1998

Conducted research targeted at defining mechanistic actions of experimental drug candidates utilizing computer modelling driven by High Field NMR data. Additional information and publications provided upon request.

EDUCATION

- Ph.D., Organic Chemistry, University of South Florida, Tampa, FL (1998)
- B.S. Chemistry, University of Central Florida, Tampa, FL (1994)

PUBLICATIONS

- Multiple publications both authored and co-authored.



Environment Testing

Veronica
Wertzbaugher
Wet Chemistry Manager

PERSONNEL RESUME

QUALIFICATIONS SUMMARY

Veronica is a dedicated scientist experienced with a variety of laboratory techniques. She attended The University of Central Florida and has years of environmental laboratory experience. She is committed to providing consistent and dependable results, and prioritizes client satisfaction.

PROFESSIONAL EXPERIENCE

WET CHEMISTRY MANAGER | *Eurofins Environment Testing, Orlando – April 2025 to Present*

Provides supervision of staff and is responsible for ensuring compliance of laboratory functions; reviews data for accuracy and compliance; updates Standard Operating Procedures as needed; delegates responsibilities to Wet Chemistry team members.

WET CHEMISTRY GROUP LEADER | *Eurofins Environment Testing, Orlando - June 2024 to April 2025*

Supports Wet Chemistry Manager by delegating responsibilities to department team members, reviewing data for accuracy, and ensuring the team adheres to company policies, industry regulations, and safety protocols.

ANALYST | *Eurofins Environment Testing, Orlando - December 2022 to June 2024*

Performed microbiological analyses including heterotrophic plate count, multiple tube fermentation, identification and enumeration of Coliforms, Legionella, and Enterococci via approved methodologies; lead analyst conducting nitrate-nitrite and ammonia analyses using Discrete Analyzers; supported Wet Chemistry Manager by monitoring short hold backlog; member of the Eurofins Environment Testing Safety Committee and Event Committee

LABORATORY TECHNICIAN | *Eurofins Environment Testing, Orlando - September 2022 to December 2022*

Logged samples under the corresponding methods for analyses, properly directed unsolved matters to designated departments for further investigation, collect payment for Cash in Advance clientele

EXECUTIVE ASSISTANT | *Brian Wertzbaugher Drywall Contractor, Inc - 2015 to 2022*

Conduct interviews, background checks, and analyze production capabilities of applicants; communicate with clients by facilitating payment and sending invoices; execute on daily data-entry responsibilities; act as a liaison between the company president and clientele

EDUCATION

- B.S. in Biology - University of Central Florida (2019)

TAB 5
OTHER INFORMATION

OTHER INFORMATION:

UES offers a highly qualified and responsive team experienced in hazardous materials testing, indoor air quality assessments, and environmental investigations. With over 4,200 professionals across 100 offices nationwide including 21 branches in Florida alone. Our cross-trained personnel and accredited laboratories ensure efficient project delivery, accurate reporting, and full regulatory compliance across a wide range of environmental scopes. UES provides environmental services for site investigations, including wetlands permitting, endangered species mitigation, hydric soil evaluations, archaeological surveys, and conservation easements. In marine construction, we support projects with habitat assessments, water and sediment analysis, and dredge and fill permitting. For constructed facilities, UES performs asbestos and lead assessments, environmental site assessments (Phase I–III), and underground storage tank remediation. UES is committed to delivering environmental solutions that balance development needs with regulatory and ecological responsibilities.

VALUE ADDED OPTIONS:

For our customers, we strive to deliver expert, consistent, exceptional value through innovative processes. UES provides additional value beyond standard monitoring services, including:

- **Data Management Systems** – Secure digital platforms for field data entry, QA/QC review, and reporting, ensuring transparency and accessibility of results for City staff.
- **Rapid Response Capability** – Ability to quickly mobilize additional personnel or equipment in response to urgent conditions, high-water events, or environmental incidents.
- **Integrated Environmental Expertise** – In-house specialists in ecology, hydrogeology, and marine biology who can provide supplemental evaluations of biological conditions or support related initiatives such as habitat assessments or reef restoration.
- **Community Engagement** – Experience presenting findings in public forums and supporting stakeholder education, reinforcing the City's role as an environmental steward.

FAMILIARITY WITH THE CITY OF KEY WEST, PREVIOUS MARINE WORK IN THE CITY OR SIMILAR COMMUNITIES AND THE CONSTRAINTS AND OPPORTUNITIES.

UES has extensive experience providing environmental, geotechnical, and marine consulting services throughout Monroe County and the Florida Keys. Our team is familiar with the unique logistical challenges of working in Key West, including tidal constraints, sensitive marine ecosystems, and the need for efficient scheduling around weather patterns and vessel availability. Past projects in coastal and marine environments have strengthened our ability to anticipate and overcome local constraints while maximizing efficiency.

COMPLETED PROJECTS FOR CLIENTS IN THE UNITED STATES, FLORIDA IN THE SOUTHEAST REGION OF THE UNITED STATES AND FOR STATE AND LOCAL GOVERNMENT CLIENTS, PARTICULARLY IN MONROE COUNTY.

UES has successfully completed projects for municipalities, counties, state agencies, federal and private sector clients across Florida and the Southeast, including:

- **Monroe County and the Florida Keys** – Environmental assessments, ecological surveys, and water resource monitoring services supporting County planning and environmental protection programs.
- **State and Local Governments in Florida** – Multiple contracts providing surface water and groundwater monitoring, biological assessments, and regulatory compliance support in sensitive coastal areas.
- **U.S. Navy, Naval Air Station Key West** – Environmental and ecological consulting services, including wetland delineations, threatened and endangered species surveys, and marine habitat evaluations.
- **Regional Projects Across the Southeast** – Water quality and environmental monitoring programs for state DOTs, utilities, and municipalities requiring compliance with FDEP, EPA, and local regulatory frameworks.

This breadth of experience demonstrates UES' ability to deliver consistent, high-quality services for projects of similar scope and scale to the City of Key West's water quality monitoring program.

Additional Project Experience: UES has a strong background in supporting water quality initiatives across Florida, with a focus on protecting natural resources and ensuring compliance with environmental regulations. Our team has contributed to a wide range of water quality projects. Additional project experience are listed below and on the following page.

Other information from the City: To ensure seamless data integration, UES requests:

- Access to any existing historical water quality datasets maintained by the City to establish baselines and support long-term trend analyses.
- Electronic file transfer formats (Excel, Access, or City-preferred systems) to align reporting and minimize data conversion costs.

Conflict of Interest: UES affirms that we have no conflicts of interest that would impair our ability to execute the scope of services under this contract. UES is not currently engaged in any other contracts, partnerships, or advisory roles that would conflict with the monitoring and reporting responsibilities outlined in this RFP.

Marine Experience: PortMiami - SFCT Cargo Yard Densification Phase 2

Project: SFCT Cargo Yard Densification Phase 2, Port Miami

Services: Pile Installation/Drilled Shaft Pile Installation/Materials Testing/Special Inspections

Contact: Gabrielle Bork – PortMiami Capital Development

Duration: 2024 - Present

Project Description: This project is part of PortMiami's multi-phase infrastructure improvement program to increase cargo handling capacity and transition operations to electric-powered Rubber-Tired Gantry (eRTG) cranes. The scope involved major yard upgrades including new reinforced concrete runway beams, container stack foundations, underground utilities, drainage enhancements, and electrical infrastructure to support the new electrified equipment. The project is aimed at densifying cargo operations while improving sustainability and operational efficiency. UES provided comprehensive quality assurance services throughout construction. Our team monitored pile installation and oversaw drilled shaft foundation placement to verify proper alignment, depth, and load-bearing capacity. We conducted construction materials testing (CMT), including field and laboratory testing of soils, concrete, and aggregates to ensure compliance with project specifications. In addition, UES delivered special inspections for structural elements and other critical construction activities, helping to maintain safety, quality, and adherence to regulatory standards throughout the project.

Project Performance: The project remains on schedule and within budget to date

Marine Experience: PortMiami - South Bulkhead Repairs Bays 165-177

Project: South Bulkhead Repairs Bays 165-177, Port of Miami

Services: Concrete Inspections/Quality Control/Turbidity

Contact: Juan Barbosa – Ebsary Foundation Company

Duration: 2024 - Present

Project Description: This project involved the rehabilitation of approximately 1,440 linear feet of existing bulkhead walls at PortMiami, spanning cargo berths from Bay 165 through Bay 177. The repairs were part of the Port's infrastructure improvement program to enhance berth stability, increase load capacity for larger cargo cranes, and extend the overall service life of the bulkhead structure. The work included the installation of new king piles, reconstruction of the concrete bulkhead cap, installation of new marine fender systems and mooring bollards, water station connections, and restoration of adjacent pavement and operational surfaces. UES provided construction materials testing, special inspections, and turbidity monitoring throughout the bulkhead rehabilitation. Our team verified the quality of concrete, soils, and marine structural elements, ensuring compliance with project specifications and environmental regulations.

Project Performance: The project remains on schedule and within budget to date

Marine Experience: Port Everglades - Bulkhead Replacement

Project: Port Everglades Bulkhead Replacement

Services: Materials Testing

Contact: Adalberto Santiago – Orion Group Holdings

Duration: 2024 - Present

Project Description: This project involved the replacement of existing bulkhead structures within Port Everglades to improve shoreline stability, upgrade mooring capabilities, and extend the service life of the port's marine infrastructure. The scope included installation of new steel sheet piles, construction of a reinforced concrete bulkhead cap, and integration of updated mooring and fender systems to accommodate heavy marine traffic. UES provided construction materials testing to ensure quality and compliance throughout the bulkhead replacement process. Our team performed field and laboratory testing on concrete, soils, and aggregates to verify strength, durability, and adherence to project specifications, contributing to a successful and timely completion of the project.

Project Performance: The project remains on schedule and within budget to date

ADDITIONAL WATER QUALITY/SAMPLING PROJECT EXPERIENCE

Project Name/Scope	Project Location
Further Soil and Groundwater Assessment, Correct Craft, Plant 1	Orlando, FL
Groundwater and Surface Sampling and Analysis, Gulf County Canal	Port St. Joe, FL
Monitor Well Installation & Groundwater Sampling Event, Research Pavilion Elevator	Orlando, FL
Limited Groundwater Assessment, Boston Market Property, 5355 Red bug Lake Road	Winter Springs, FL
Water Sampling	Holly Hill, FL
Bacteriological Water Testing – Feedin’Time	St. Augustine, FL
Limited Groundwater Assessment - Four (4) Lots	Longwood, FL
Limited Groundwater Assessment, Correct Craft - Plant 1	Orlando, FL
Phase I ESA Including Asbestos, Lead in Drinking Water, Radon, Mold, PCBs, etc.	Palm Bay, FL
Groundwater Monitoring	Holly Hill, FL
Groundwater Resampling with Contingency for Additional Well Install and Sample, Magnolia Industrial Park	Altamonte Springs, FL
Quarterly Groundwater Monitoring, Former - J & J Automotive, 2915 Greencastle Boulevard	Casselberry, FL
SemiAnnual Groundwater Monitoring - Dolphin Village I	St. Petersburg, FL
Quarterly Groundwater Monitoring – Coconut Grove	Fort Pierce, FL
Lead in Drinking Water Testing	Orlando, FL
Limited Soil & Groundwater Assessment - Apex Pest Control	Orlando, FL
Soil and Groundwater Sampling - FujiFilm Hunt Chemicals Facility	Orange Park, FL
Additional Groundwater Assessment, Carmax Orlando West	Orlando, FL
Phase 2, Soil & Groundwater Sampling, Carmax Orlando West	Orlando, FL
Monitor Well Installation and Groundwater Sampling - Thompson Steel	Okahumpka, FL
Groundwater Sampling - Blanding Food Mart	Jacksonville, FL
Semi-Annual Groundwater Sampling - TYCO - Melbourne Facility	Melbourne, FL
Groundwater Sampling - 819 North Atlantic Ave.	Flagler Beach, FL
Monitor Well Installation & Ground Water - Family Dollar Retention Basin	Orlando, FL
Water Clearance Testing	Broward County, FL
Groundwater Sampling & Analysis - Pat O’Brien’s	Destin, FL
Water Sampling - Heritage Isles	Viera, FL
Soil Delineation & Additional Groundwater Sampling - Cape Falls	Cape Coral, FL
Confirmatory Groundwater Sampling - 1701 Pine Ridge Road	Naples, FL

TAB 6
COST EFFECTIVENESS

COST EFFECTIVENESS

UES has prepared a detailed cost schedule for the duration of the contract, identifying all rates for required services and the total estimated cost for each task specified in the Scope of Services.

The proposed fee schedule includes:

- **Labor Rates** – Fully burdened hourly rates for project management, field sampling staff, laboratory coordination, and QA/QC review.
- **Task-Based Costs** – Total costs for field sampling, laboratory analyses, data management, and reporting, calculated in alignment with the Scope of Services.
- **Reimbursable Fees** – Clearly identified and limited to direct project-related expenses (e.g., travel, vessel fuel, shipping of samples). All reimbursables are billed at cost with no markup.
- **Additional Costs** – No additional or hidden costs will be charged beyond those outlined in this fee proposal.

A detailed cost schedule is provided in the attached Cost Proposal Table.

COST CONTROL AND EFFICIENCY

UES is committed to delivering cost-effective services without compromising quality. Key measures we use to control project costs include:

- **Local Resources** – Field staff and equipment mobilized from within Florida to reduce travel and lodging expenses.
- **Efficient Scheduling** – Coordinated sampling schedules to minimize site visits and associated mobilization costs.
- **In-House Expertise** – A full team of environmental scientists and QA professionals reduces reliance on outside consultants, keeping overhead low.
- **Preventive Maintenance & Backup Equipment** – Minimizes downtime and avoids costly resampling events caused by equipment failure.

Example Cost Estimate for One Sample Event	
Task	Cost Estimate
Pre-Mobilization & Planning	\$ 650.00
Field Sampling (2 Scientists)	\$ 2,000.00
Laboratory Analysis of Enterococcus Species of up to 10 samples	\$1,100.00
Sampling Equipment including Truck per day	\$ 345.00
QA/QC Review	\$ 600.00
Reporting	\$ 1,800.00
Total	\$ 6,495.00

VALUE BEYOND COST

While cost is one of the City's evaluation criteria, UES emphasizes that our proposal represents best overall value. Our competitive rates are paired with decades of experience in Florida water quality monitoring, proven QA/QC systems, and the ability to deliver accurate and defensible results on time and within budget.

COMMITMENT

UES assures the City of Key West that all costs associated with this project are transparent and inclusive of the full Scope of Services. By leveraging our regional presence, efficient work practices, and laboratory partnerships, UES will deliver high-quality water quality monitoring services that are both cost-effective and reliable.



Fee Schedule		
Consultant	Description	Unit Rate
Project Manager	Senior Consultant With 20+ Years of Experience; Department Head; Division Manager, Subject Matter Expert	\$300/hr
Project Director	Senior Consultant With 15+ Years of Experience; Specialized Training, Review of Documents; PE/PG Report Certification	\$250/hr
Project Manager	Senior Consultant With 10+ Years of Experience; Day-to-Day Management of Projects; Senior Report Reviewer	\$155/hr
Senior Geologist/Engineer	Consultant With 8+ Years of Experience; Data Review, Report Development, and General Consulting	\$145/hr
Geologist/Engineer/Scientist	Consultant With 2-5 Years of Experience; Fieldwork; Data Reduction (Figures, Tables, Boring Logs, Sample Forms, etc.)	\$135/hr
Field Consultant	Consultant with 0-5 years of Experience; Field Support; General Consulting Activities	\$95/hr
Biologist	Specialized Area of Consulting Within Discipline	\$125/hr
Wetlands Specialist	Specialized Area of Consulting Within Discipline	\$125/hr
Threatened/Endangered Species Specialist	Specialized Area of Consulting Within Discipline	\$125/hr
Board Certified Safety Professional	Senior Consultant With 20+ Years of Experience; Department Head; Division Manager, Subject Matter Expert	\$180/hr
GIS Technician	Drafting of Specialized Drawings	\$85/hr
Technical Writer	Preparation of Technical Reports	\$95/hr
CAD Technician	Drafting of General Drawings	\$70/hr
Office Administrator	Office Support; Report Binding; Administrative Duties	\$60/hr

Equipment/Supplies Fee Schedule		
Description	Description	Unit Rate
Water Level Meter	Own	\$60/day
Water Sampling Pump (low-flow peristaltic or like pump)	Own	\$100/day
Discrete water sampler	Own	\$35/day
Water Monitoring Equipment (DO, Turbidity, Temperature, Conductivity, etc.)	Own	\$75/day
Survey Equipment (transit, tripod, and staff rod)	Own	\$60/day
GPS Device	Own	\$35/day
Field Vehicle	Own	\$100/day
Field Sampling Kit (PPE, sampling media, disposable supplies, etc.)	Own	\$100/day
<u>Subcontracted Services:</u>		
Waste Transportation/Disposal, Laboratory Services, Independent Contractors, Outside Services, Misc. Costs, etc.	Subcontracted	Cost + 20%
Specialized Sampling Media (bottles, ice, packaging, etc.)	Subcontracted	Cost + 20%
Sample Packing and Shipping	Subcontracted	Cost + 20%
Specialized Rental Equipment	Rental	Cost + 20%
Travel Expenses (hotel, flight, meals, etc.)	Subcontracted	Cost + 20%
Permit Fees	Subcontracted	Cost + 20%

TAB 7

PROJECT SCHEDULE AND DELIVERABLES

PROJECT SCHEDULE

UES will implement a structured and predictable schedule to ensure that all sampling, analysis, and reporting tasks are completed on time and in compliance with project requirements. A typical cycle will include:

- **Pre-Mobilization & Planning (Week 1 each month)** – Coordination with City staff to confirm sampling sites scope of work, prepare field equipment, and finalize schedules.
- **Field Sampling (Weeks 2–3 each month)** – All sampling stations completed in accordance with Scope requirements. Stations grouped as necessary to ensure consistency, with all tasks at each site performed on the same day.
- **Laboratory Analysis (Concurrent with Weeks 2–3)** – Samples, properly preserved and delivered under chain-of-custody to NELAC-accredited laboratory partners for analysis of water quality parameters.
- **QA/QC Review (Week 3–4)** – Internal review of field data and laboratory results, data verification, and preparation of draft deliverables.
- **Reporting (End of Month)** – Submission of finalized monitoring report to City staff, including summary of sampling events, laboratory results, QA/QC documentation, and trend observations.

This cycle will repeat at the frequency required by the Scope of Services. UES' cost proposal includes all field mobilization, sampling visits, and reporting activities; no additional charges will be assessed for routine sampling visits.

DELIVERABLES

UES will provide comprehensive deliverables that are clear, accurate, and timely. Deliverables will include:

- **Monthly Field and Laboratory Reports** – Complete data packages, including field notes, calibration logs, laboratory certificates of analysis, and QA/QC documentation.
- **Quarterly Summary Reports** – Data interpretation, graphical summaries, and identification of any anomalies or exceedances relative to water quality standards.
- **Annual Program Report** – Comprehensive summary of all sampling, analyses, and findings for the year, including recommendations for trend tracking and program adjustments.
- **Electronic Data Submittals** – Digital submission of all data in City-approved formats (Excel, Access, or other), supporting compatibility with City systems and long-term trend analysis.

STAFF EXPERIENCE WITH DELIVERABLES

UES' environmental scientists and QA managers have decades of experience preparing regulatory deliverables for FDEP, EPA, and local municipalities. Our staff are skilled in technical writing, data visualization, and regulatory compliance, ensuring that deliverables meet both scientific and administrative needs.

COMMITMENT

UES commits to executing all tasks within the agreed project schedule and to delivering high-quality, defensible reports that support the City's decision-making and regulatory responsibilities.

TAB 8

LITIGATION

Entity's shareholders

UES is a corporation structured to operate independently of any single controlling interest. No individual shareholder owns more than 5% of the company's outstanding shares, ensuring a broad and diversified ownership base.

A list of the officers and directors of the entity

President, North Florida: Rick G. Kushner, PE
President, South Florida: Travis Merrick
CEO: David Witsken
CFO: Colin Lindahl
Secretary: Benjamin Butterfield

The number of years the person or entity has been operating.

61 years - established in 1964 in Florida.

The number of years the person or entity has operated under its present name and any prior names.

The current name of the company is UES Professional Solutions, LLC, and we have operated under this name since June 2024. Previously we operated under the name Universal Engineering Sciences, Inc.

Has the person, principals, entity, or any entity previously owned, operated or directed by any of its officers, major shareholders or directors, ever failed to complete work or provide the goods for which it has contracted?

No.

Are there any judgments, claims, arbitration proceeding or suits pending or outstanding against the person, principal of the entity, or entity, or any entity previously owned, operated or directed by any of its officers, directors, or general partners? If yes, provide details;

Yes. Attached on the following pages are the details of litigation involving UES.

Has the person, principal of the entity, entity, or any entity previously owned, operated or directed by any of its officers, major shareholders or directors, within the last five (5) years, been a party to any lawsuit, arbitration, or mediation with regard to a contract for services, goods or construction services similar to those requested in the specifications with private or public entities?

No.

Has the person, principal of the entity, or any entity previously owned, operated or directed by any of its officers, owners, partners, major shareholders or directors, ever initiated litigation against the**City or been sued by the City in connection with a contract to provide services, goods or construction services? contracted?**

No.

Whether, within the last five (5) years, the owner, an officer, general partner, principal, controlling shareholder or major creditor of the person or entity was an officer, director, general partner, principal, controlling shareholder or major creditor of any other entity that failed to perform services or furnish goods similar to those sought in the request for competitive solicitation;

No.

Customer References

1. Eastman Aggregate Enterprises, LLS
3705 Bellevue Avenue, Lake Worth, FL 33461
Bernard Eastman, Managing Member
(561) 719-9146
2. School District of Palm Beach County
1400 North Florida Mango Road
West Palm Beach, FL 33409
Anne Meador, Sr. Environmental Specialist
(561) 584-5142
3. City of Marathon
9805 Overseas Highway, Marathon, Florida 33050
Carlos Solis, PE, Project Manager
(305) 289-5008

Credit References

1. Central Mine Equipment Company
4215 Rider Trail North, Earth City, MO 63045
(800) 325-8827
2. Atlantic Supply
P.O.Box 17620, Clearwater, FL 33762
Mr. Mike Gordon
(800) 752-9416
3. Engineered Plastics Specialist
780 Central Florida Parkway, Orlando, FL 32824
Mr. Brian Golembeski
(407) 856-1805

Financial statements for the prior three years for the responding entity or for any entity that is a subsidiary to the responding entity

Attached as confidential.

Litigation Sworn Statement

**UES Professional Solutions, LLC f/k/a Universal Engineering Sciences, LLC
f/k/a Universal Engineering Sciences, Inc. (“UES”)**

Disputes filed or raised by or against UES over the last (5) years

FLAGLER COUNTY vs. UNIVERSAL ENGINEERING SCIENCES, LLC, et al, Case No. 2021 CA 000130, Seventh Judicial Circuit, Flagler County, Florida

[03.12.2021] UES performed a limited building condition assessment for Flagler County pursuant to a continuing services contract and a work authorization executed in accordance with the contract. The amount at issue is estimated to be \$300,000 - \$400,000. The case is currently in litigation.

MONTEVILLA AT BARTRAM LAKES ASSOCIATION, INC. vs. LENNAR HOMES, LLC, et al., Case No. 2022-CA-4203 – Div. CV-A, Fourth Judicial Circuit, Duval County, Florida

[11.08.2022] This matter commenced on November 8, 2022, with the receipt by UES of an amended complaint from plaintiff, Montevilla at Bartram Lakes Association, Inc. The case involves vaguely specified construction defect allegations against approximately 88 defendants. UES’s involvement with the project consisted of performing lot density testing and private provider building inspections. UES is unable at this stage of the litigation to determine the amount of damages being claimed against it. The case is currently in litigation.

LOUIS GUARNO and DAWN GUARNO vs. W.L. HARPER CONSTRUCTION INC. et al., Case No. 2021-CA-001775 – Div. CV-H, Fourth Judicial Circuit, Duval County, Florida

[09.28.2022] This matter was initially filed in 2021. UES was first named in the Second Amended Complaint which was served on UES on December 5, 2022. Plaintiffs have alleged various construction defects in the construction of their primary residence. UES acted as a “private provider” building inspector on the project, essentially stepping into the role normally occupied by the City of Jacksonville Building Inspection Division. UES denied liability for any damages claimed by Plaintiffs. The matter was in litigation and settled in 2024.

EGYPT SHRINE HOLDINGS COMPANY, INC., vs. CANCO GENERAL CONTRACTORS, INC., et al., Case No. 21-CA-010135, Thirteenth Judicial Circuit, Hillsborough County, Florida

[10.05.2023] This matter involves the construction of a new Shriners facility in Tampa. The plaintiff is Egypt Shrine Holding Company. It sued its general contractor, Canco General Contractors, Inc. for a myriad of construction defects. UES performed geotechnical services for the general contractor. Canco filed third party claims against several of its subcontractors and consultants, including UES. Most of the plaintiff’s identified construction defects do not involve UES’s scope of work. UES is unable at this stage of the litigation to determine the amount of damages being claimed against it. The case is currently in litigation.

MERITAGE HOMES OF FLORIDA, INC. vs. ASSURED EXCAVATING, INC., et al., AAA Arbitration Case No. 01-23-004-9007

[10.27.2023] This matter involves a single-family home development in Seminole County, Florida. UES provided geotechnical engineering services to the developer, Meritage Homes. The matter had been dormant for some time and was previously closed by AAA. Recently AAA re-opened the case over the

objection of the defendants. Neither a CMO nor a case discovery schedule has been entered at this time. Meritage sued UES and several of its subconsultants and the claims are not being revised by Meritage Homes. UES believes the underlying issues will involve the seasonal high groundwater level and its effects on the roadways within the development. The case is currently in litigation.

SOUTH FLORIDA MOTORSPORTS, LLC et al. vs. APEX CIRCUIT DESIGN LTD., et al., Case No. 2023-021255-CA-01, 11th Judicial Circuit, Miami-Dade County, Florida

[08.11.2023] This matter involves the design and construction of the Formula 1 racetrack at the Hard Rock Stadium in Miami. UES was retained to provide asphalt testing services. The plaintiff contends that the top asphalt wearing surface was improperly designed or installed. UES did not perform field testing of the top asphalt wearing surface. Field testing of the top layer was provided by others. The plaintiff's claims do not appear to implicate UES's scope of work. The total amount at issue has not yet been determined. The case is currently in litigation.

CLEAR LAKE LANDING HOMEOWNERS' ASSOCIATION vs. JEN FLORIDA XV, LLC, et al., Case No. 2023-CA-011298-O, Ninth Judicial Circuit, Orange County, Florida

[04.06.2023] UES was originally retained in 2014 by the sitework contractor to perform construction materials testing, including density testing of certain swales within the development. The plaintiff HOA's complaint is not specific as to UES's alleged wrongdoing, but since the plaintiff's complaint lists "failing swales" as one of the defects, UES believes some aspects of its work are implicated in this damage category. The total amount at issue has not yet been determined. The case is currently in litigation.

CENTRA FALLS HOMEOWNERS' ASSOCIATION, INC. vs. CENTRA FALLS, LLC, et al., Case No. CACE-23-00367, 17th Judicial Circuit, Broward County, Florida

[01.10.2023] This matter involves a single-family homes subdivision where the Plaintiff HOA accuses UES of failing to detect muck when doing a geotechnical exploration of the site for the developer, Centra Falls, LLC. Muck was subsequently detected, but it was within "nooks and crannies" of the weathered surface of the limestone bedrock and is not structurally significant. Furthermore, the entire project site had been de-mucked in 2004 by a prior owner, as documented in the South Florida Water Management District's permit files for the project. The total amount at issue has not yet been determined. The case is currently in litigation.

FLORIDA RECYCLING CENTER, LLC vs. TAYLOR MORRISON OF FLORIDA, INC., et al., Case No. 2020-CA-011272-O, Ninth Judicial Circuit, Orange County, Florida

[05.09.2023] Florida Recycling has a retention pond on its property. Taylor Morrison bought adjacent property for a housing development and hired UES to perform a geotechnical study, including engineering properties for a proposed retention pond near the Florida Recycling Pond. UES's work did not extend to the Florida Recycling property, thus UES was unaware that the berm created between the Florida Recycling Pond and the Taylor Morrison Pond was not just earth but included buried construction debris. Since the Florida Recycling Pond was higher than the Taylor Morrison Pond, water found its way through the debris and caused a catastrophic erosion of the berm, flooding Taylor Morrison's Pond in the process and damaging several pieces of equipment and trucks that Florida Recycling had allowed to be parked on its property. Taylor Morrison filed a third-party complaint

against UES, and the owners of the damaged equipment sued Florida Recycling, Taylor Morrison, UES, and others. The case has been resolved with only a third-party claim pending dismissal.

TEG CYPRESS LLC vs. ARDAMAN & ASSOCIATES, INC. et al., Case No. 24-CA-006797,
Twentieth Judicial Circuit, Lee County, Florida

[10.09.2024] This lawsuit, filed October 9, 2024, involves the development of a multi-family residency. Plaintiff hired Marshall Property to serve as Design/Developer/Builder and general contractor. All the defendants are subcontractors and consultants who provided labor, materials and/or services. UES allegedly provided pre-construction geotechnical investigation and reports. Plaintiff sued UES for negligence for breach of its duty of reasonable care, for violation of the Florida Building Code, and for breach of its implied warranties made to plaintiff. No discovery has yet been made and the allegations against UES are generic. UES is unable at this stage to determine the amount of damages being claimed against it. The case is currently in litigation.

JOHN RYALS, AS TRUSTEE OF THE ROSA LOU RYALS LOPEZ REVOCABLE LIVING TRUST vs. SUNWEST CONSTRUCTION, LLC AND THE AVALON CLUB, LLC, Case No. 22-05396-CI,
Sixth Judicial Circuit, Pinellas County, Florida

[04.19.2024] Plaintiff, Ryals, sued the developer, The Avalon Club, and the general contractor for a project being built immediately adjacent to its commercial building. Plaintiff's building was significantly damaged by the driving of pilings for the foundation of the new condominium tower being built next to Plaintiff's building. The Avalon Club sued the general contractor, Sunwest, and all subcontractors involved in building the foundation. However, The Avalon Club mistakenly sued UES, alleging it was one of the subconsultants involved in the piling and foundation construction. UES was not involved in the design or inspection of the pilings or foundation and did not arrive on the project to conduct private inspections of the rooms until after all work on the pilings and foundation had been completed. The case is currently in litigation.

BELLA PARC HOMEOWNERS ASSOCIATION, INC. vs. AVATAR PROPERTIES, INC., et al., Case No. 2024-CA-001769 ON,
Ninth Judicial Circuit, Osceola County, Florida

[06.25.2024] Plaintiff, Bella Parc Homeowners Association, filed suit in June 2024 against the developer, general contractor and several design professionals alleging negligence. The HOA is a community comprised of fifteen separate two-story multifamily residential townhomes buildings. Plaintiff alleges that UES negligently provided private provider inspections for the Community. Plaintiff alleges professional negligence and negligence in approving inspections of improvements against UES. UES is unable at this stage to determine the amount of damages being claimed against it. The case is currently in litigation.

HARUN ZEKIROVSKI vs. PARK SQUARE ENTERPRISES, LLC et. al., Case No. 2023-CA-015714-O, Div. 43,
Ninth Judicial Circuit, Orange County, Florida

[06.27.24] This lawsuit is founded on the defective construction of a house on Toscana Blvd. in Orlando, Florida. Plaintiff sued a multitude of parties alleging generally each defendant was involved in the construction of the house, without any specific facts alleged against the defendants. Plaintiff alleges unspecified general claims for violation of the Florida Building Code and negligence against UES. The only fact allegation Plaintiff makes against UES is that it allegedly conducted "soil testing" without

more. UES is unable at this stage to determine the amount of damages being claimed against it. The case is currently in litigation.

ANTHONY CERTO vs. PARK SQUARE ENTERPRISES, LLC et. al., Case No. 2024-CA-3694-O, Div. 34, Ninth Judicial Circuit, Orange County, Florida

[06.21.2024] This lawsuit is a mirror of the Zekirovski case against Park Square Enterprises, LLC et. al. The lawsuit is founded on the defective construction of a house on Toscana Blvd. in Orlando, Florida. Plaintiff sued a multitude of parties alleging generally each defendant was involved in the construction of the house, without any specific facts alleged against the defendants. Plaintiff alleges unspecified general claims for violation of the Florida Building Code and negligence against UES. The only fact allegation Plaintiff makes against UES is that it allegedly conducted “soil testing” without more. The Plaintiff recently dismissed UES from the lawsuit.

ECON TRAILS HOMEOWNERS’ ASSOCIATION, INC. vs. CALATLANTIC GROUP, INC. and LENNAR HOMES, LLC, AAA Arbitration Case No. 01-24-0008-0456

[11.05.2024] Plaintiff HOA sued the developer/builders of a residential townhome development known as Econ Trails for alleged construction defects. The case was originally brought in the Circuit Court in Orange County, Florida, but was subsequently ordered to AAA mediation. On November 5, 2024, CalAtlantic, n/k/a Lennar Homes, filed its third-party claim against all subcontractors and subconsultants involved in the development and requested a joinder/consolidation of the claims with the ongoing arbitration. UES was named as a third-party defendant, and Lennar generally alleged it provided materials and labor in connection with the construction of the Project. UES has been sued for breach of contract, breach of express warranty and contractual indemnification. No specific facts alleging what acts or omissions were committed by UES. AAA granted the Request for Joinder, and all parties have been consolidated in the ongoing arbitration between the HOA and Lennar Homes. UES is unable at this stage of the litigation to determine the amount of damages being claimed against it. The case is currently in AAA arbitration proceedings.

PEARL MCPHERSON et.al. vs. K HOVNANIAN AT HILLTOP RESERVE LLC, Case No.: 2023-CA-012416-O, Ninth Judicial Circuit, Orange County, Florida

[03.15.2024] Plaintiffs sued K Hovnanian as developer and builder of the Hilltop Reserve residential community for a myriad of alleged construction defects. K Hovnanian in turn sued all subcontractors and consultants who provided services or materials to the project. K Hovnanian made general allegations against UES. UES’s only involvement with the project consisted of performing lot density testing for the construction of the residences. The parties settled globally, and the settlement is being finalized for ultimate dismissal of the lawsuit.

LONGLEAF MASTER HOMEOWNER’S ASSOCIATION, INC. vs. LENNAR HOMES, LLC et. al., Case No. 2024-CA-003625, Fourth Judicial Circuit, Duval County, Florida

[06.28.2024] Plaintiff is the Longleaf HOA. The Court recently granted Defendant Lennar’s Motion to Dismiss and Compel Mediation and Arbitration. The HOA alleged negligence claims against UES. The matter is now referred to AAA Arbitration. UES is unable at this stage of the litigation to determine the

amount of damages being claimed against it. The case is currently in litigation.

ROBERT MOLLOY AND PATRICIA ROSELLI vs. UNIVERSAL ENGINEERING SCIENCES, LLC, Case No. 2024-002585-CO, Sixth Judicial Circuit, Pinellas County, Florida

[03.25.2024] Plaintiffs sued UES in County Court (less than \$50,000). Plaintiffs allege that UES was negligent in performing its private provider inspection duties, failing to notice deficiencies in the Contractor's performance and passed inspections which should have failed. UES is unable at this stage of the litigation to determine the amount of damages being claimed against it. The case is currently in litigation.

NASSAU CROSSING TOWNHOMES OWNERS' ASSOCIATION, INC. vs. D.R. HORTON, INC. et. al. Case No. 2024-CA-003672, Fourth Judicial Circuit, Duval County, Florida

[07.21.2024] Plaintiff HOA sued D.R. Horton and its subcontractors and consultants for defective construction of the individual units and common areas of Nassau Crossing Townhomes. The property consists of 16 two-story residential buildings, containing 118 townhomes and common areas. Plaintiff has mistakenly alleged that UES was the architect of record. Plaintiff has alleged that UES violated the Florida Building Code and was negligent as the architect of record for the professional architectural services it allegedly provided. UES was not the architect for the project. UES provided private provider inspection services within the standard of care. UES is unable at this stage of the litigation to determine the amount of damages being claimed against it. The case is currently in litigation.

INDRIO LAKE GARDENS, LLC vs. MERITAGE HOMES AND UES – Claim: Clearing without a permit, St. Lucie County, Florida

[10.20.2023] St. Lucie County issued violations against property owner, Indrio Lake Gardens, LLC for failure to obtain clearing permits. Meritage Homes contracted with UES to conduct Geotech services for its due diligence in advance of a potential purchase of the subject property. UES's subcontractor, Expert Excavation, Inc., failed to obtain a permit and cleared a path for UES to do borings on the property. The failure to obtain a permit resulted in fines by St. Lucie County, which fines were paid. The matter was resolved to the satisfaction of the County and the property owner, Indrio Lake Gardens, LLC. Furthermore, no violations were issued by Florida Fish & Wildlife or US Fish and Wildlife as no disturbance of protected wildlife occurred. UES is pursuing contribution from its subcontractor, Expert Excavation. The matter is currently not in litigation.

TERRA COSTA HOMEOWNERS ASSOCIATION, INC. vs. AMERICAN BUILDERS & CONTRACTORS SUPPLY CO., INC. et. al., Case. No. 16-2024-003611, Fourth Judicial Circuit, Duval County, Florida

[06.28.2024] Plaintiff HOA sued the general contractor, subcontractors and consultants for defective construction and sale of the units and common areas of Terra Costa Townhomes. The project consists of 83 residential buildings totaling 166 townhome units and common areas. The Plaintiff has alleged that UES was responsible for the subject property and responsible for the entire scope of work, being the architect of record and for designing the subject property. UES was not the architect of record. There is no specific count against UES in the Complaint. UES is unable at this stage of the litigation to determine the actual allegations against it, or the amount of damages being claimed against it. The case is currently in litigation.

.

**Obsidian Group Holdings, LLC
and Subsidiaries**
(A Limited Liability Company)

Consolidated Financial Report
December 31, 2023

CONFIDENTIAL

Contents

Independent auditor's report	1-2
Financial statements	
Consolidated balance sheets	3
Consolidated statements of operations	4
Consolidated statements of member's equity	5
Consolidated statements of cash flows	6-7
Notes to consolidated financial statements	8-27

CONFIDENTIAL

Independent Auditor's Report

Board of Directors
Obsidian Group Holdings, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of Obsidian Group Holdings, LLC and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the related consolidated statements of operations, member's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of their operations and their 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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, 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 Company'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 Company'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.

RSM US LLP

Fort Lauderdale, Florida
March 27, 2024

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Consolidated Balance Sheets
December 31, 2023 and 2022
(in thousands)

	2023	2022
Assets		
Current assets:		
Cash	\$ 33,970	\$ 27,471
Contract receivables, net of allowance of 2023—\$9,505; 2022—\$4,485	122,738	114,459
Costs and estimated earnings in excess of billings on uncompleted contracts	29,498	20,653
Prepaid expenses and other current assets	11,475	7,560
Total current assets	197,681	170,143
Machinery and equipment, net	49,676	46,669
Right-of-use assets, net	64,876	50,121
Goodwill, net	601,778	622,341
Intangibles, net	61,921	66,872
Total assets	\$ 975,932	\$ 956,146
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 19,092	\$ 16,613
Accrued expenses	43,502	32,726
Income taxes payable	1,787	4,035
Billings in excess of costs and estimated earnings on uncompleted contracts	1,535	2,612
Current maturities of long-term debt	25,282	12,075
Current maturities of lease liabilities—operating	15,597	11,020
Total current liabilities	106,795	79,081
Long-term debt, less current maturities	375,918	317,712
Lease liabilities, less current maturities—operating	50,229	41,165
Deferred tax liabilities	833	10,397
Total liabilities	533,775	448,355
Equity	442,157	507,791
Total liabilities and equity	\$ 975,932	\$ 956,146

See notes to consolidated financial statements.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Consolidated Statements of Operations
Years Ended December 31, 2023 and 2022
(in thousands)

	2023	2022
Revenues	\$ 599,890	\$ 526,626
Cost of revenues	365,877	330,718
Gross profit	234,013	195,908
Operating expenses:		
Selling, general and administrative	149,503	129,635
Depreciation and amortization	94,940	88,159
Equity-based compensation	1,437	1,313
Acquisition costs	1,507	971
Total operating expenses	247,387	220,078
Operating loss	(13,374)	(24,170)
Other (expense) income:		
Interest expense	(33,082)	(16,178)
Other income	382	1,499
Total other expense	(32,700)	(14,679)
Loss before for income taxes	(46,074)	(38,849)
Income tax (benefit) expense:		
Federal	(2,047)	2,023
State	1,802	(24)
Total income tax (benefit) expense	(245)	1,999
Net loss	\$ (45,829)	\$ (40,848)

See notes to consolidated financial statements.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Consolidated Statements of Member's Equity
Years Ended December 31, 2023 and 2022
(in thousands)

Balance, December 31, 2021	\$ 537,563
Contributions	17,985
Distributions	(8,222)
Equity-based compensation	1,313
Net loss	(40,848)
Balance, December 31, 2022	507,791
Contributions	16,385
Distributions	(37,627)
Equity-based compensation	1,437
Net loss	(45,829)
Balance, December 31, 2023	\$ 442,157

See notes to consolidated financial statements.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022
(in thousands)

	2023	2022
Cash flows from operating activities:		
Net loss	\$ (45,829)	\$ (40,848)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	16,382	15,348
Amortization of goodwill	73,607	67,945
Amortization of intangibles	4,951	4,866
Amortization of debt issuance costs	1,588	1,328
(Gain) loss on sale of machinery and equipment	(409)	301
Provision for credit losses	5,020	2,828
Equity-based compensation	1,437	1,313
Deferred income taxes	(11,309)	(5,084)
Changes in operating lease right-of-use assets	12,212	11,795
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Contract receivables	(2,179)	(24,957)
Costs and estimated earnings in excess of billings on uncompleted contracts	(7,149)	(2,361)
Prepaid expenses and other current assets	(3,129)	2,910
Increase (decrease) in:		
Accounts payable	1,668	7,737
Accrued expenses	8,803	1,189
Billings in excess of costs and estimated earnings on uncompleted contracts	(1,077)	(2,075)
Income taxes payable	(2,248)	(81)
Lease liabilities – operating	(13,326)	(10,699)
Net cash provided by operating activities	39,013	31,455
Cash flows from investing activities:		
Acquisitions, net	(51,208)	(45,806)
Decrease in escrow receivable	-	8,000
Purchases of machinery and equipment	(18,972)	(12,755)
Proceeds from sale of machinery and equipment	787	-
Payment to seller	-	(957)
(Increase) decrease in long term assets	-	87
Net cash flows used in investing activities	(69,393)	(51,431)
Cash flows from financing activities:		
Increase in long-term liabilities	-	6
Borrowings of long-term debt	85,700	50,000
Repayments of long-term debt	(14,036)	(9,842)
Borrowings on line of credit	-	5,000
Repayments of line of credit	-	(10,000)
Payment of debt issuance costs	(1,839)	-
Contributions	4,681	3,665
Distributions	(37,627)	(8,222)
Net cash flows provided by financing activities	36,879	30,607

(Continued)

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Consolidated Statements of Cash Flows (Continued)
Years Ended December 31, 2023 and 2022
(in thousands)

	2023	2022
Net increase in cash	\$ 6,499	\$ 10,631
Cash:		
Beginning	27,471	16,840
Ending	<u>\$ 33,970</u>	<u>\$ 27,471</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 30,746</u>	<u>\$ 13,871</u>
Cash paid for taxes	<u>\$ 13,312</u>	<u>\$ 7,164</u>
Supplemental schedules of noncash investing and financing activities:		
Fair value of membership units of Ultimate Parent issued in acquisitions	<u>\$ 11,704</u>	<u>\$ 14,320</u>
Right-of-use assets:		
Recorded through adoption of ASC 842	<u>\$ -</u>	<u>\$ 38,950</u>
Obtained from new operating lease liabilities	<u>\$ 20,705</u>	<u>\$ 21,466</u>
Measurement period adjustment	<u>\$ -</u>	<u>\$ 2,721</u>

See notes to consolidated financial statements.

**Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)**

**Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)**

Note 1. Nature of Business and Significant Accounting Policies

Nature of operations: On March 15, 2019, Obsidian Group Holdings, LLC (Holdings) was formed as a Limited Liability Company, under the laws of the state of Delaware. Holdings is a full service environmental and geological consulting organization providing environmental consulting, health and safety, geotechnical engineering, construction materials testing, and inspections, as well as code compliance services across a broad spectrum of industries. Holdings operates under the trade name UES, also known as UES Professional Solutions.

Effective August 31, 2021, all of the equity of Holdings was purchased by Universal Engineering Sciences Holdings, Inc. (Ultimate Parent) through its wholly owned subsidiary, Universal Engineering Sciences Midco, Inc. (Midco).

Principles of consolidation: The consolidated financial statements include Holdings, its wholly owned subsidiary, Obsidian Acquisitions, Inc. (Acquisitions) and all of the subsidiaries of Acquisitions (collectively, the Company) and are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include the accounts of the Company and its wholly owned subsidiaries. The consolidated financial statements include the accounts of the Company and its subsidiaries and only include the results of operations for the periods in which the Company owned the acquired businesses. All intercompany accounts and transactions have been eliminated in consolidation.

The following companies are wholly-owned subsidiaries of Acquisitions as of December 31, 2023:

Alpha Testing Inc.	InControl Technologies, LLC
Aries Consultants, LLC	IQC Southwest LLC
Biome Consulting Group, LLC	McGinley & Associates, Inc.
Carmichael Engineering, LLC	Nova Geotechnical and Inspection Services LLC
Centurion Consultants Holdings, Inc.	Nova Geotechnical and Inspection Services—SoCal
Centurion Consultants, LLC	Nova Geotechnical Northern Nevada, LLC
Construction Testing and Engineering South, Inc.	QC Southwest, Inc.
Construction Testing and Engineering, Inc.	Quality Control Consultants, Inc.
Dan Brown and Associates, LLC	Riner Engineering, Inc.
Faulkner Engineering Services, LLC	River City Geoprosessionals, Inc.
Geo Solutions, LLC	d/b/a Wallace-Kuhl & Associates
Geotechnology Equipment LLC	Rock Engineering and Testing Laboratory, LLC
Geotechnology Exploration, LLC	Speedie & Associates, LLC
Geotechnology Living, LLC	Summit Engineering, Laboratory & Testing, Inc.
Geotechnology, LLC	UES Professional Solutions 18, LLC
Geotek Engineering Company, Inc.	(formerly, Contour Engineering, LLC)
GFA International, Inc.	UES Professional Solutions 19, LLC
GPR Testing and Inspection, LLC	(formerly, GEOServices, LLC)
Grubbs, Hoskyn, Barton & Wyatt, LLC	Universal Engineering Inspections, LLC
GSI Engineering, LLC	Universal Engineering Sciences, LLC

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Business combinations: In accordance with the Financial Accounting Standards Board's (FASB) guidance on accounting for Business Combinations, the identifiable assets acquired and liabilities assumed in a business combination are recorded at fair value at the acquisition date. Management, in consultation with an independent third-party valuation expert, estimated fair values based on assumptions they believe to be reasonable and representative of those from the perspective of a market participant. These estimates are based on historical experience and information obtained from the management of the acquired entities. Critical estimates in valuing certain of the intangible assets include future expected cash flows from revenue, assumptions about the period of time the acquired intangible assets will continue to provide economic value and discount rates applied to the expected cash flows. Acquisition related costs are expensed as operating expenses when incurred and when the related services have been received and are included in the consolidated statements of operations as transaction costs.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. During the measurement period, which does not exceed one year, the Company retrospectively adjusts the provisional amounts recognized at the acquisition date or recognizes additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of the date of acquisition.

Use of estimates: The preparation of the consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

Risks and uncertainties: During the normal course of business, the Company encounters significant economic and business risk, as well as political, legislative and regulatory risk. The Company, as well as the construction industry as a whole, are affected by changes in economic conditions (such as interest rates, personal income, unemployment levels and consumer confidence) and operate in an intensely competitive environment. In addition, the Company enters into contracts under competitive bidding, which requires them to make estimates of total costs and estimated gross profits. Changes in job performance, job conditions, estimated profitability, and the economic environment and market conditions may result in revisions to costs and revenues. Any adjustments that ultimately may be made because of inherent uncertainties in estimating costs could have a material impact on the consolidated financial statements.

Cash and concentrations of credit risk: Financial instruments that potentially subject the Company to concentrations of credit consist principally of cash and accounts receivables. The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. As of December 31, 2023 and 2022, the Company did not have any cash equivalents.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Contract receivables and allowance for credit losses: Contract receivables are carried at the original charge amount less an estimate made for credit losses based on a review of all outstanding amounts on a quarterly basis, and do not bear interest. Certain customers withhold a retainage amount on the accounts receivable balance, which is generally paid upon completion of the contract. The Company establishes an allowance for credit losses to reduce contract receivables to the net amount expected to be collected. Management exercises judgment in determining its allowance for credit losses, which is based on historical collection and write-off experience, adjusted for current macroeconomic trends and conditions, specific customer collection issues, and using historical experience applied to an aging of accounts. The Company performs ongoing credit evaluations and continuously monitors collections and payments from its customers. Accounts receivables are written off when deemed uncollectible. Recoveries of accounts receivables previously written off are recorded as income when received. At December 31, 2023 and 2022, management determined that the allowance for credit losses was approximately \$9,505 and \$4,485, respectively.

Machinery and equipment: Machinery and equipment are recorded at cost or at estimated fair value if acquired through a business combination transaction. Depreciation of machinery and equipment is recorded using the straight-line method over their estimated useful lives. Leasehold improvements are amortized over the shorter of the non-cancelable lease term or remaining useful lives. Expenditures for improvements and betterments which extend the useful lives of the assets are capitalized at cost. Expenditures for repairs and maintenance are expensed as incurred.

The estimated useful lives of machinery and equipment are as follows:

	Years
Machinery and equipment	5-15
Vehicles	5
Computers and software	3-12
Furniture and office equipment	5

Intangible assets: Intangible assets consist of trademarks and trade names which are recorded at fair value when acquired and amortized over their estimated useful lives using a method that reflects the pattern in which economic benefit of the intangible asset will be realized over its estimated useful life. Intangible assets are tested for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable.

Impairment of long-lived assets: The Company periodically reviews the carrying amount of its long-lived assets, primarily machinery and equipment, right-of-use assets and intangible assets, to determine if circumstances exist indicating an impairment or if depreciation periods should be modified. If facts or circumstances support the possibility of impairment, the Company will prepare a projection of the undiscounted future cash flows of the specific assets and determine if the assets are recoverable. If an impairment exists based on these projections, an adjustment will be made to the carrying amount of the specific assets to reflect the amount of impairment. Management has determined that no impairment of long-lived assets exists as of December 31, 2023 and 2022, and accordingly, no adjustments to the carrying amounts or useful lives of the Company's long-lived assets have been made.

**Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)****Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)**

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Goodwill: Goodwill represents the excess of the purchase price over the value assigned to identifiable asset acquired and liabilities assumed at the acquisition date. The Company amortizes goodwill on a straight-line basis over 10 years. The Company tests its recorded goodwill for impairment upon a triggering event at the entity level. Factors that could trigger an impairment test include, but are not limited to, underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the Company's overall business and significant negative industry or economic trends. As of December 31, 2023 and 2022, the Company determined that no impairment of goodwill exists.

Deferred financing costs: Deferred financings costs represent the costs of obtaining financing arrangements and are being amortized over the term of the underlying debt agreements using the straight-line method, which approximates the effective interest method. The debt issuance costs related to a recognized debt liability are presented on the consolidated balance sheet as a direct deduction from the carrying amount of the debt liability, consistent with debt discounts. As of December 31, 2023 and 2022, unamortized debt issuance costs being recorded as a discount on related debt amounted to \$5,140 and \$4,890, respectively. Amortization of debt issuance costs of \$1,588 and \$1,328 for the years ended December 31, 2023 and 2022, respectively, is included in interest expense on the accompanying consolidated statements of operations.

Revenue recognition: The Company's revenues are generated by providing professional engineering services that range from geotechnical evaluations to construction materials inspections. Engineering services are comprised of a mixture of professional services and lab testing.

The Company recognizes revenue in accordance with FASB Accounting Standards Codification (ASC) Topic 606, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract.
- Identify performance obligations.
- Determine the transaction price.
- Allocate the transaction price.
- Recognize revenue.

The majority of the Company's contracts are with private customers. For private customers, statutory mechanics liens provide the Company relatively high priority in the event of lien foreclosures, thus minimizing credit risk. A minority of customers consists of government agencies. For government contracts, future cash flows depend on the Company's ability to continue to obtain federal, state and local government contracts and indirectly on the amount of funding available to these agencies for new and current government projects.

The Company has determined that the revenue associated with both the professional and engineering services is recognized over time as control transfers to the customer, which is the term the services are provided for the duration of the project.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Company recognizes revenue over time using the cost-to-cost method (input method) by comparing the contract costs incurred to date to the total estimated contract costs. The Company believes this method is the most representative depiction of the Company's performance because it directly measures the value of the services transferred to the customer. Subcontractor materials, labor and equipment are included in revenue and cost of revenue. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined as assessed at the contract level.

For contracts structured on a time and materials (T&M) basis, the Company elected the as-invoiced practical expedient as billing equates to revenue earned. T&M contracts have a rate card that designates a fixed amount for each hour of service and unit of testing performed and is billed on a monthly basis to the customer. The Company typically receives payment within 90 days of the invoice date.

Cost of revenues earned include all direct material and labor costs, subcontractors, and rental equipment, and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs for machinery and equipment. General and administrative costs are charged to expense as incurred. Note that due to contracts being recognized as individual performance obligations are billed, there is no provision for losses on long-term contracts, as allowance for credit losses would cover any accounts receivable not deemed collectable.

Certain construction contracts include retention provisions to assure customers that the Company will perform in accordance with the contract terms and, therefore, not considered a financing benefit. However, retention amounts for the Company are insignificant, as the majority of balances are due upon receipt. The Company has determined that there are no financing components included in contracts as of December 31, 2023 and 2022.

The transaction price for the Company's contracts may include variable consideration, which includes awards and incentives, and reductions to transaction price for liquidated damages. The Company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company estimates variable consideration for a performance obligation utilizing one of the two prescribed methods: (a) the expected value method, whereby the amount of variable consideration to be recognized represents the sum of probability weighted amounts in a range of possible consideration amounts, or (b) the most likely amount method, whereby the amount of variable consideration to be recognized represents the single most likely amount in a range of possible consideration amounts. When applying these methods, the Company considers all information that is reasonably available, including historical, current and estimates of future performance.

The following table disaggregates the Company's revenues by source for the years ended December 31, 2023 and 2022:

	2023	2022
Construction materials testing	\$ 311,943	\$ 309,970
Geotechnical	143,974	130,648
Environmental services	83,985	76,785
Other—facilities support services	59,988	9,223
	<u>\$ 599,890</u>	<u>\$ 526,626</u>

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Company offers a variety of services surrounding the area of professional engineering, including the following:

Construction materials testing and inspections: involves various scientific and industry standard methods of testing materials used by the Company's clients in their projects to confirm compliance with corresponding code or other policies. Each test has a fee associated with it. The fee can vary based upon such factors as geographic market, client, volume of work being performed on a project, competitive forces, etc. The majority of contracts require completion of a set of various testing or inspections in order to comply with the project and represent a single performance obligation.

Geotechnical services: involves various scientific and industry standard explorations and reporting required to properly and safely construct a building. The geotechnical report is a tool used to communicate the site conditions and design and construction recommendations to the site design, building design, and construction personnel. Geotechnical services are frequently packaged as a bundle and provided as a set of tests to generate a report indicating the project may proceed. Similar to construction materials, fees are impacted by such factors as geographic market, client, volume of work being performed on a project, competitive forces, etc. Due to the bundling of services, geotechnical inspections are considered a single performance obligation.

Environmental services: includes research of regulatory and other agency records, site reconnaissance of the site and nearby properties, interviews with authorities with knowledge of the property, and preparation of reports that include observations, findings, conclusions and recommendations. The majority of contracts require completion of a set of various services in order to comply with the project and represent a single performance obligation.

Other services: may include a variety of activities such as facilities support, miscellaneous professional engineering services, or add-ons to any of the inspection and testing services identified above. The majority of contracts require completion of a set of various services in order to comply with the project and represent a single performance obligation.

Contract assets and liabilities: Contract assets represent unbilled amounts where the right to payment is subject to more than merely the passage of time and includes performance-based incentives and services provided ahead of agreed contractual milestones. Contract assets are transferred to unbilled receivables when the right to consideration becomes unconditional and are transferred to amounts billed upon invoicing. The increase in contract assets was a result of normal business activity and not materially impacted by any other factors.

Contract assets represent revenue recognized to date in excess of amounts billed to clients and are presented as costs and estimated earnings in excess of billings on uncompleted contracts on the accompanying consolidated balance sheets. Contract liabilities represent amounts billed to clients in excess of revenue recognized to date and are presented as billings in excess of costs and estimated earnings on uncompleted contracts on the accompanying consolidated balance sheets. The Company anticipates that substantially all such amounts will be earned over the next 12 months.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Contract assets and liabilities are as follows as of December 31, 2023 and 2022:

	2023	2022
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 29,498	\$ 20,653
Billings in excess of costs and estimated earnings on uncompleted contracts	\$ 1,535	\$ 2,612

In accordance with industry practice, the Company classifies all contract-related assets and liabilities as current under the operating cycle of the Company, a portion of which may not be realized within one year. Contract-related assets and liabilities include contract and retainage receivable, accounts and retainage payable, contract assets and contract liabilities.

Advertising: The Company expenses advertising costs as incurred. During the years ended December 31, 2023 and 2022, the Company incurred \$160 and \$221, respectively, in advertising costs, which is included in operating expenses on the consolidated statements of operations.

Self-insurance: The Company is self-insured for substantially all medical claims for all entities located in the United States during the year ended December 31, 2023. The Company is self-insured for substantially all medical claims, workers' compensation claims and general and auto liability claims for all entities located in the United States during the year ended December 31, 2022. The Company's responsibility for medical claims is generally capped through the use of a stop loss contract with an insurance company at \$275 per claimant per plan year. For claims occurring through December 31, 2022, the Company maintains a per-occurrence retention of \$100 and \$50 for the workers' compensation and general liability programs, respectively. For the auto liability program, there is an aggregate deductible amount of \$500, after which a \$250 maintenance deductible applies per occurrence through December 31, 2022. Third-party administrators are used to process claims. The Company uses actual claims data and estimates of claims incurred but not recorded (IBNR) to calculate estimated liabilities for unsettled claims on an undiscounted basis. Although management re-evaluates the assumptions and reviews the claims experience on an ongoing basis, actual claims paid could vary significantly from estimated claims.

As of December 31, 2023 and 2022, the Company recorded a reserve of \$2,898 and \$4,638, respectively, for claims incurred but not paid including an estimate of claims incurred but not reported and is presented within accrued expenses on the consolidated balance sheets.

Fair value measurements: U.S. GAAP establishes a framework for measuring fair value. Under this framework, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are defined as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

**Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)**

**Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)**

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Level 2: Inputs to the valuation methodology include quoted prices in markets that are not active or quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Inputs to the valuation methodology are unobservable, reflecting the entity's own assumptions about assumptions market participants would use in pricing the asset or liability.

The categorization of an asset or liability within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value of the intangible assets acquired, the equity issued and certain contingent liabilities issued as consideration in the business combinations discussed in Note 2 were determined using Level 3 measurements based on significant unobservable inputs. Equity-based compensation is reported at fair value, which is based on the estimated value of the equity award at the date of grant. In management's opinion, this is a Level 3 measurement because it is based on significant observable inputs.

Leases: In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which provides guidance requiring lessees to recognize a right-of-use asset and a lease liability in the consolidated balance sheets for substantially all leases, except for short term leases. Leases will be classified as either financing or operating, with classification affecting the pattern of expense recognition in the consolidated statements of operations. Lessor accounting remains largely unchanged from previous U.S. GAAP but does contain some targeted improvements to align with the new revenue recognition guidance issued under Topic 606.

On January 1, 2022, the Company adopted Topic 842 using the modified retrospective transition method as allowed under ASU 2018-11 which includes the ability to recognize the cumulative effect of the adoption being recorded as an adjustment to retained earnings on January 1, 2022. The Company elected several of the other practical expedients and transition policies as outlined below.

- The Company elected the package of practical expedients permitted under the transition guidance with the new standard. This election allowed the carryforward of historical conclusions for lease identification, lease classification, and initial direct costs.
- The Company is accounting for leases with a term of less than one year under the short-term policy election.
- For agreements in which the Company is the lessee, the Company elected the practical expedient to not separate lease components from the non-lease components for all classes of leased assets.

ASC Topic 842 had a material impact to the Company's consolidated balance sheet as of December 31, 2022, but did not materially impact consolidated net loss or cash flows. The most significant impact was the recognition of right-of-use assets and lease liabilities for operating leases. Adoption of the new standard resulted in the recording of right-of-use assets and lease liabilities of approximately \$38,950 and \$39,917, respectively, as of January 1, 2022. In connection with the adoption, pre-existing liabilities for deferred rent and various lease incentives of \$967 were reclassified as a component of the lease assets. Adoption did not require the Company to record an adjustment to opening retained earnings.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Income taxes: Holdings is organized as a limited liability company. Accordingly, current federal and applicable state income tax laws provide that the members separately account for their pro rata shares of Holdings items of taxable income, deductions, losses and credits. Accordingly, no income taxes have been recognized in the accompanying consolidated financial statements for the results of the operations of Holdings for the years ended December 31, 2023 and 2022. Acquisitions is taxed as a corporation. Accordingly, the Company recognizes the income taxes of this entity and its wholly owned subsidiaries in the accompanying consolidated financial statements.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company follows the accounting standard on accounting for uncertainty in income taxes. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the consolidated financial statements. The Company recognizes and measures tax positions taken or expected to be taken in its tax return based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

Equity-based compensation: Equity-based compensation expense is charged to earnings net of the estimated impact of forfeited awards. As such, the Company recognizes equity-based compensation expense only for those awards that are estimated to ultimately vest over their requisite service period, based on a straight-line method. There may be adjustments to future periods if actual forfeitures differ from current estimates.

Subsequent events: The Company has evaluated subsequent events through March 27, 2024, the date the consolidated financial statements were available to be issued.

Note 2. Business Combinations

2023 Acquisitions: During the year ended December 31, 2023, Holdings, through its subsidiary, Acquisitions, purchased all of the equity interests of the following entities, to expand the Company's geographic footprint and customer base, on the dates noted below for the consideration listed.

	Date of Acquisition	Total Consideration
Faulkner Engineering Services, LLC (Faulkner)	March 1, 2023	\$ 6,344
Grubbs, Hoskyn, Barton & Wyatt, LLC (Grubbs)	April 1, 2023	1,088
Riner Engineering, Inc. (Riner)	May 31, 2023	40,974
Geo Solutions, LLC (Geo Solutions)	June 30, 2023	11,474
Biome Consulting Group, LLC (Biome)	August 31, 2023	4,357
InControl Technologies, LLC (InControl)	November 30, 2023	7,543

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 2. Business Combinations (Continued)

The acquisitions during the year ended December 31, 2023, have total consideration of \$71,780, consisting of \$60,076 in cash paid to the sellers and certain third parties on behalf of the sellers and issuance of Class B membership units of the Ultimate Parent, with an aggregate fair value of \$11,704. The consideration paid was funded with borrowings on long-term debt of \$40,700 and cash on hand of \$20,883, net of transaction costs of \$1,507.

The fair value of the common stock of the Ultimate Parent was determined based on observable market participant transactions (Level 2) in contemporaneous cash transactions for common stock issued.

The following table summarizes the estimated preliminary fair values of the assets acquired and the liabilities assumed at the date of each acquisition:

	Faulkner	Grubbs	Riner	Geo Solutions	Biome	InControl
Cash	\$ 2,370	\$ 169	\$ 2,799	\$ 1,747	\$ 320	\$ 1,646
Contract receivables	896	859	6,702	746	496	1,421
Costs and estimated earnings in excess of billings on uncompleted contracts	-	673	314	367	-	342
Prepaid and other assets	25	-	295	69	26	38
Property and equipment	118	272	283	-	-	272
Right-of-use assets	408	214	4,620	827	57	136
Goodwill	3,100	(430)	33,046	8,862	3,550	4,916
Total assets acquired	6,917	1,757	48,059	12,618	4,449	8,771
Accounts payable	80	180	47	14	-	490
Accrued expenses	82	275	870	303	35	408
Deferred taxes	3	-	1,548	-	-	194
Lease liabilities	408	214	4,620	827	57	136
Total liabilities assumed	573	669	7,085	1,144	92	1,228
Net assets acquired	\$ 6,344	\$ 1,088	\$ 40,974	\$ 11,474	\$ 4,357	\$ 7,543

Total consideration for business combination transactions in the year ended December 31, 2023 of \$71,780 exceeded the preliminary fair value of net assets acquired. Accordingly, the Company recognized the excess of purchase price over the fair value of the net assets acquired of \$53,044 as goodwill. The goodwill arising from the acquisition consists largely of the customer relationships, processes, procedures and knowledge of the workforces in place. The goodwill recognized from the acquisition of Riner is not deductible for income tax purposes, while the majority of the goodwill recognized from all other 2023 acquisitions is deductible for income tax purposes.

The fair value of the acquired machinery and equipment was estimated using a market data approach with the assistance of valuation specialists in the engineering industry.

The fair value of the financial assets acquired includes receivables and costs and estimated earnings in excess of billings on uncompleted contracts for which the fair value was estimated at the net realizable amount and no amounts are believed to be uncollectible.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)
Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)
Note 2. Business Combinations (Continued)

In connection with the 2023 business combination transactions, the Company incurred costs of approximately \$1,507, which were included in acquisition costs on the accompanying consolidated statement of operations.

2022 Acquisitions: During the year ended December 31, 2022, Holdings, through its subsidiary, Acquisitions, purchased all of the equity interests of the following entities, to expand the Company's geographic footprint and customer base, on the dates noted below for the consideration listed.

	Date of Acquisition	Total Consideration
Speedie & Associates, LLC (Speedie)	June 30, 2022	\$ 34,875
Rock Engineering and Testing Laboratory, LLC (Rock)	July 7, 2022	17,418
Dan Brown and Associates, LLC (DBA)	November 30, 2022	9,209
Carmichael Engineering, LLC (Carmichael)	December 31, 2022	6,495

The acquisitions during the year ended December 31, 2022, had total consideration of \$67,997, consisting of \$53,677 in cash paid to the sellers and certain third parties on behalf of the sellers and issuance of Class B membership units of the Ultimate Parent, with an aggregate fair value of \$14,320. The consideration paid was funded with borrowings on long-term debt of \$52,817, net of transaction costs of \$971 and cash on hand of \$1,831.

The fair value of the common stock of the Ultimate Parent was determined based on observable market participant transactions (Level 2) in contemporaneous cash transactions for common stock issued.

The following table summarizes the estimated preliminary fair values of the assets acquired and the liabilities assumed at the date of each acquisition:

	Speedie	Rock	DBA	Carmichael
Cash	\$ 3,782	\$ 2,557	\$ 1,056	\$ 475
Contract receivables	4,609	2,509	1,821	678
Costs and estimated earnings in excess of billings on uncompleted contracts	279	171	48	72
Prepaid and other assets	120	95	-	14
Property and equipment	824	607	1	1,054
Right-of-use assets	1,000	500	-	-
Intangibles	-	-	353	-
Goodwill	26,196	12,446	6,384	4,367
Total assets acquired	36,810	18,885	9,663	6,660
Accounts payable	250	297	105	-
Accrued expenses	685	670	349	165
Lease liabilities	1,000	500	-	-
Total liabilities assumed	1,935	1,467	454	165
Net assets acquired	\$ 34,875	\$ 17,418	\$ 9,209	\$ 6,495

**Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)**

**Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)**

Note 2. Business Combinations (Continued)

Total consideration for business combination transactions in the year ended December 31, 2022 of \$67,997 exceeded the preliminary fair value of net assets acquired. Accordingly, the Company recognized the excess of purchase price over the fair value of the net assets acquired of \$49,393 as goodwill. The goodwill arising from the acquisition consists largely of the customer relationships, processes, procedures and knowledge of the workforces in place. The majority of the goodwill recognized is deductible for income tax purposes.

The fair value of the acquired machinery and equipment was estimated using a market data approach with the assistance of valuation specialists in the engineering industry.

The fair values of the intangible assets acquired, consisting of trade names of \$353, were estimated by applying discounted cash flow models. The fair value measurements were based on significant inputs that are not observable and are considered Level 3 inputs in the fair value hierarchy. Management estimates fair values based upon market participant assumptions they believed to be reasonable. These estimates are based on historical experience and information obtained from management.

The fair value of the financial assets acquired includes receivables and costs and estimated earnings in excess of billings on uncompleted contracts for which the fair value was estimated at the net realizable amount and no amounts are believed to be uncollectible.

In connection with the 2022 business combination transactions, the Company incurred costs of approximately \$971, which were included in acquisition costs on the accompanying consolidated statement of operations.

During the year ended December 31, 2023, the Company paid an additional \$183, net of cash received, to the sellers of the entities acquired in 2022.

Note 3. Contract Receivables

Contract receivables as of December 31, 2023 and 2022, consists of the following:

	2023	2022
Contract receivables	\$ 131,144	\$ 118,551
Retainage	1,099	393
	132,243	118,944
Less allowance for credit losses	9,505	4,485
Contract receivables, net	\$ 122,738	\$ 114,459

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 4. Machinery and Equipment

Machinery and equipment as of December 31, 2023 and 2022, consists of the following:

	2023	2022
Machinery and equipment	\$ 21,692	\$ 16,856
Leasehold improvements	9,974	7,244
Vehicles	24,111	26,611
Computers and software	15,749	8,956
Furniture and office equipment	7,344	4,336
	<u>78,870</u>	<u>64,003</u>
Less accumulated depreciation	<u>29,194</u>	<u>17,334</u>
Machinery and equipment, net	<u>\$ 49,676</u>	<u>\$ 46,669</u>

Depreciation expense for the years ended December 31, 2023 and 2022, was \$16,382 and \$15,348, respectively, and is included in operating expenses on the consolidated statements of operations.

Note 5. Goodwill and Intangibles

The following table represents the changes in the carrying value of goodwill as of and for the years ended December 31, 2023 and 2022:

Balance, December 31, 2021	\$ 638,172
Measurement period adjustment	2,721
Acquisitions	49,393
Amortization	<u>(67,945)</u>
Balance, December 31, 2022	622,341
Acquisitions	53,044
Amortization	<u>(73,607)</u>
Balance, December 31, 2023	<u>\$ 601,778</u>

During 2022, the Company finalized amounts of certain assumed liabilities, including taxes payable, related to acquisitions completed in 2021, which resulted in an increase in goodwill of approximately \$2,721.

The Company is amortizing goodwill on a straight-line basis over a useful life of 10 years.

Intangible assets consist of the following at December 31, 2023:

		2023		
	Weighted Average Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade names	14.9	<u>\$ 73,187</u>	<u>\$ 11,266</u>	<u>\$ 61,921</u>

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 5. Goodwill and Intangibles (Continued)

Intangible assets consist of the following at December 31, 2022:

		2022	
	Weighted Average Useful Life (Years)	Gross Carrying Amount	Net Carrying Amount
		Accumulated Amortization	
Trade names	14.9	\$ 73,187	\$ 66,872

Amortization expense for intangibles and goodwill was \$4,951 and \$73,607, for the year ended December 31, 2023, respectively. Amortization expense for intangibles and goodwill was approximately \$4,866 and \$67,945, for the year ended December 31, 2022, respectively.

The future amortization expense for goodwill and intangible assets recorded as of December 31, 2023, is as follows:

	Goodwill	Intangible Assets
Years ending December 31:		
2024	\$ 76,215	\$ 4,980
2025	76,215	4,980
2026	76,215	4,972
2027	76,215	4,895
2028	76,215	4,829
Thereafter	220,703	37,265
	<u>\$ 601,778</u>	<u>\$ 61,921</u>

Note 6. Line of Credit and Long-Term Debt

Outstanding borrowings on long-term debt as of December 31, 2023 and 2022, is as follows:

	2023	2022
Term loan and incremental term loans (a)	\$ 315,591	\$ 280,938
Delayed draw term loans (a)	87,461	48,976
Other notes payable (b)	130	254
Equipment line of credit (c)	3,158	4,509
	<u>406,340</u>	<u>334,677</u>
Less unamortized debt financing costs	<u>(5,140)</u>	<u>(4,890)</u>
	<u>\$ 401,200</u>	<u>\$ 329,787</u>

On August 31, 2021, the Company entered into a credit agreement with certain financial institutions which consists of a \$210,000 term loan, a delayed draw term loan of \$50,000, and a revolving line of credit with a maximum borrowing of \$40,000, which are secured by substantially all assets of the Company (the Credit Agreement). In addition, the financial institutions may issue letters of credit under the revolving line of credit which reduces amounts available to be advanced. As of December 31, 2023, there were \$7,109 standby letters of credit outstanding for the benefit of vendors requiring them in the ordinary course of business, primarily for the Company's self-insured claims.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 6. Line of Credit and Long-Term Debt (Continued)

The interest rate on the revolving line of credit is determined at the date of borrowing based on the base rate plus applicable margin, as defined in the Credit Agreement. As of December 31, 2023, interest on borrowed funds under the line of credit was 10.25%. As of December 31, 2023 and 2022, there were \$0 of borrowings outstanding on the line of credit. The line of credit expires in August 2026.

In December 2021, the Company executed its First Amendment to the Credit Agreement to obtain an \$80,000 incremental term loan. In January and July 2023, the Company executed the Second and Third Amendments to the Credit Agreement, respectively, to obtain \$45,000 of incremental term loans.

In 2023, the Company obtained two additional delayed draw term loans of \$80,000 under the Second and Third Amendment to the Credit Agreement. During 2023 and 2022, the Company has borrowed against the delayed draw term loans to partially fund the acquisitions discussed in Note 2. As of December 31, 2023 and 2022, the Company had borrowed a total of \$90,700 and \$50,000, respectively, from the delayed draw terms loans. As of December 31, 2023, the Company has \$39,300 available borrowings remaining under the delayed draw term loans.

The interest rate on the term loan, incremental term loans and delayed draw term loans (the Term Loans) is the base rate plus the applicable margin, as defined in the Credit Agreement. As of December 31, 2023, interest on borrowed funds under the term loan and incremental term loan was 8.23% to 8.54%. As of December 31, 2023, interest on borrowed funds under the delayed draw term loans was 8.23% to 8.54%.

The term loan and incremental term loans are payable in aggregate quarterly installments of \$4,189 through September 30, 2024 and \$6,284 from December 31, 2024 through June 30, 2026, with the remainder due under these loans at maturity in August 2026. The delayed draw term loans are payable in aggregate quarterly installments of \$1,138 through September 30, 2024 and \$1,707 from December 31, 2024 through June 30, 2026, with the remainder due under these loans at maturity in August 2026. Interest is paid quarterly.

Borrowings on the Term Loans and the revolving line of credit are subject to mandatory repayments of excess cash flows beginning in 2022, as defined in the Credit Agreement. The Credit Agreement requires certain financial covenants to be maintained on a quarterly basis including a total net leverage ratio, as defined in the agreement.

- (a) The Company also has various notes payable with total borrowings of \$130 and \$254 as of December 31, 2023 and 2022, respectively. These debt agreements require monthly principal and interest payments and have interest rates ranging from 5.2% to 6.0%, with maturity dates through May 2026.
- (b) The Company also has an equipment line of credit with a financial institution with total available borrowings of \$10,000. As of December 31, 2023 and 2022, the Company has utilized \$2,928 and \$4,509, respectively, of funding under the agreement. Interest under the line of credit ranges between 2.92% and 4.11% annually and is paid monthly. The equipment line of credit expires in June 2026, if not renewed.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 6. Line of Credit and Long-Term Debt (Continued)

The various notes payable and equipment line of credit are collateralized by machinery and equipment.

Contractual maturities of long-term debt at December 31, 2023, are as follows:

Years ending December 31:

2024	\$	25,282
2025		57,189
2026		323,869
		<u>406,340</u>
Less unamortized debt financing costs		(5,140)
	\$	<u><u>401,200</u></u>

Note 7. Income Taxes

The provision for income taxes charged to operations for the years ended December 31, 2023 and 2022, consists of the following expense (benefit):

	2023	2022
Current:		
Federal	\$ 8,331	\$ 5,133
State	2,733	1,950
	<u>11,064</u>	<u>7,083</u>
Deferred:		
Federal	(10,370)	(3,109)
State	(939)	(1,975)
	<u>(11,309)</u>	<u>(5,084)</u>
Total income tax expense (benefit)	<u>\$ (245)</u>	<u>\$ 1,999</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in future years in which those temporary difference are expected to be recovered or settled. A valuation allowance is recognized to reduce the net deferred tax assets to amounts that are more likely than not to be realized.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 7. Income Taxes (Continued)

Temporary differences between the consolidated financial statement carrying amounts and tax basis of assets and liabilities give rise to significant portions of the net deferred tax liabilities summarized below as of December 31, 2023 and 2022:

	2023	2022
Deferred tax assets:		
Accounts receivable	\$ 2,257	\$ 1,785
Accrued expenses	63	1
Deferred compensation	2,135	1,852
Lease liability	13,776	10,964
Section 174 expense	4,062	-
Interest expense	4,708	1,700
Equity-based compensation	719	432
Other	1	15
	<u>27,721</u>	<u>16,749</u>
Deferred tax liabilities:		
Property and equipment	9,783	9,824
Intangibles	3,753	6,857
Right-of-use asset	13,545	10,465
Other	1,473	-
	<u>28,554</u>	<u>27,146</u>
Deferred tax liabilities, net	<u>\$ (833)</u>	<u>\$ (10,397)</u>

The significant items reconciling the expected income tax benefit at the corporate income tax rate of 21% to the actual income tax expense include permanent items, state taxes, limitations on net operating losses due to acquisitions and other items for the years ended December 31, 2023 and 2022.

Note 8. Leases, Commitments and Contingencies

Operating leases: The Company has various cancelable and noncancelable operating leased assets. These assets primarily include buildings and warehouse space, printers and copiers, vehicles, mailroom equipment, office equipment and an aircraft. Payments for these leases are generally fixed; however, there are instances of variable lease payments relating to additional rent payments based on a percentage of all operating costs and real estate costs. Variable lease payments are recognized in the period in which the obligation for those payments is incurred. There are currently no agreements in which the Company the lessor.

Under Topic 842, the Company determines an arrangement is a lease when the Company has the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 8. Lease, Commitments and Contingencies (Continued)

For the leases identified, right-of-use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term using the rate implicit in the lease, if available, or the calculated incremental borrowing rate. The right-of-use asset also includes any lease payments made in advance and excludes lease incentives. Lease terms may include options to extend or terminate the lease and are recognized by the Company when it is reasonably certain that the options will be exercised. The Company's lease agreements do not contain any residual value guarantees in which payment is probable or material restrictive covenants. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

Lease costs for the years ended December 31, 2023 and 2022, are as follows:

	2023	2022
Operating lease costs	\$ 16,627	\$ 10,757
Short-term lease costs	4,404	291
Variable lease costs	99	79
	<u>\$ 21,130</u>	<u>\$ 11,127</u>

The Company is committed under several non-cancelable operating leases for its facilities with related parties, who are also members of the Company. These lease arrangements with related parties primarily continue through December 2040.

For the years ended December 31, 2023 and 2022, total lease expense from these related parties were approximately \$4,095 and \$3,800, respectively, and has been included in the lease costs disclosed above.

Estimated future undiscounted cash flows for operating leases are as follows:

	Third Party	Related Party
Years ending December 31:		
2024	\$ 15,112	\$ 3,550
2025	12,839	3,137
2026	9,398	2,609
2027	4,798	2,076
2028	2,721	1,915
Thereafter	4,606	18,058
	<u>49,474</u>	<u>31,345</u>
Less imputed interest	<u>(5,876)</u>	<u>(9,117)</u>
	<u>\$ 43,598</u>	<u>\$ 22,228</u>

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 8. Lease, Commitments and Contingencies (Continued)

The following table summarizes the weighted average remaining lease term and discount rate as of December 31, 2023 and 2022:

	2023	2022
Weighted average remaining lease term (years)	10.3	8.3
Weighted average discount rate	5.10%	4.50%

Litigation: Claims and contingencies, including claims and legal actions arising in the ordinary course of business (if any), are recorded as liabilities when the likelihood of loss is probable and an amount of range of loss can be reasonably estimated. In consultation with legal counsel, the Company does not believe there are such matters that will have a material effect on the consolidated financial statements.

Investment in Captive Insurance Company: The Company became a member of a group captive insurance company in 2023 to provide worker's compensation, general liability and automobile liability coverage for its operations. The Company has a non-controlling ownership interest in the group captive for \$75,000. This investment is included in other assets in the consolidated balance sheet as of December 31, 2023.

The group captive determines the amount of premium based on the Company's payroll and number of vehicles as well as the prior five years' loss experience and estimated exposures. The Company charges the premium to expense on a straight-line basis over the policy term. If actual incurred losses exceed estimated losses for a policy year, the Company can be assessed an additional premium up to a maximum amount based on a percentage of estimated claims. If any policy year is in a deficit situation, the Company records a reserve up to the maximum assessment for that policy year.

When estimating reserves, management considers a number of factors, including historical claims experience, demographic factors and severity factors. If actual incurred losses exceed these estimates, additional reserves may be required. The estimation process involves uncertainty since management must use judgment to estimate ultimate incurred losses and additional assessments. Part of management's estimation process is to consider the probability of the need for a reserve. No reserves have been recorded as of December 31, 2023.

Note 9. Equity-Based Compensation

On August 31, 2021, the Ultimate Parent adopted the 2021 Equity Incentive Plan (the Plan) to provide an incentive to employees, directors and consultants to secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company, and provide a means by which the eligible recipients may benefit from increases in value of the Company. The total number of Class B units reserved for issuance under the Plan is 52,643.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(in thousands except unit and per unit amounts)

Note 9. Equity-Based Compensation (Continued)

The units primarily vest as follows: (a) approximately 50% of the units shall vest 20% on each anniversary of the grant date over five years or immediately upon a change of control and are subject to certain provisions as defined in the Plan and the employee's continuous employment with the Company, and (b) the remaining 50% shall vest subject to performance-based vesting terms requiring achievement of specific investment return thresholds (as defined in the Plan) and subject to the employee's continuous employment with the Company. Any portion not vested as of the grantee's termination date will be immediately forfeited. The fair value of each option award is estimated on the date of grant using assumptions that are not readily available and considered Level 3 inputs.

The following table summarizes information relating to the units outstanding as of December 31, 2023, and the changes for the year ended December 31, 2023, is presented as follows:

	Units	Average Grant Date Fair Value
Outstanding at December 31, 2021	32,902	\$ 161.32
Granted	19,024	161.32
Exercised	-	-
Forfeited	(3,991)	161.32
Outstanding at December 31, 2022	47,935	161.32
Granted	5,230	183.33
Exercised	-	-
Forfeited	(3,841)	161.32
Outstanding at December 31, 2023	49,324	\$ 163.65
Exercisable at December 31, 2023	7,744	\$ 228.09

The Company recorded compensation expense of \$1,437 and \$1,313 during the years ended December 31, 2023 and the 2022, respectively, related to the time-vesting units. At December 31, 2023, the Company has 41,579 unvested options and approximately \$5,111 of unrecognized compensation expense of which approximately \$2,455 will be recognized when certain performance conditions under the grant agreements become probable of achievement. The remaining unrecognized compensation expense will be recognized ratably through 2028.

**Obsidian Group
Holdings, LLC
and Subsidiaries**
(A Limited Liability Company)

Consolidated Financial Report
December 31, 2024

Confidential

Contents

Independent auditor's report	1-2
Financial statements	
Consolidated balance sheets	3
Consolidated statements of operations	4
Consolidated statements of member's equity	5
Consolidated statements of cash flows	6-7
Notes to consolidated financial statements	8-29

Confidential

Independent Auditor's Report

RSM US LLP

Board of Directors
Obsidian Group Holdings, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of Obsidian Group Holdings, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the related consolidated statements of operations, member's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of their operations and their 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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, 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 Company'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 Company'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.

RSM VS LLP

Fort Lauderdale, Florida
April 1, 2025

Confidential

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Consolidated Balance Sheets
December 31, 2024 and 2023
(In Thousands)

	2024	2023
Assets		
Current assets:		
Cash	\$ 49,679	\$ 33,970
Contract receivables, net of allowance of 2024—\$6,983; 2023—\$9,505	122,008	122,738
Costs and estimated earnings in excess of billings on uncompleted contracts	26,369	29,498
Prepaid expenses and other current assets	11,439	11,475
Income tax receivable	987	-
Total current assets	210,482	197,681
Machinery and equipment, net	47,522	49,676
Right-of-use assets, net	67,994	64,876
Goodwill, net	533,176	601,778
Intangibles, net	15,619	61,921
Deferred tax asset	11,740	-
Total assets	\$ 886,533	\$ 975,932
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 14,019	\$ 19,092
Accrued expenses	48,913	43,502
Income taxes payable, current	2,848	1,787
Billings in excess of costs and estimated earnings on uncompleted contracts	937	1,535
Current maturities of long-term debt	28,541	25,282
Current maturities of lease liabilities—operating	18,760	15,597
Total current liabilities	114,018	106,795
Long-term debt, less current maturities	378,794	375,918
Lease liabilities, less current maturities—operating	48,712	50,229
Income taxes payable, noncurrent	776	-
Deferred tax liabilities	-	833
Total liabilities	542,300	533,775
Equity	344,233	442,157
Total liabilities and equity	\$ 886,533	\$ 975,932

See notes to consolidated financial statements.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Consolidated Statements of Operations
Years Ended December 31, 2024 and 2023
(In Thousands)

	2024	2023
Revenues	\$ 622,577	\$ 599,890
Cost of revenues	440,686	365,877
Gross profit	181,891	234,013
Operating expenses:		
Selling, general and administrative	103,007	149,503
Depreciation and amortization	138,439	94,940
Equity-based compensation	182	1,437
Acquisition costs	460	1,507
Total operating expenses	242,088	247,387
Operating loss	(60,197)	(13,374)
Other (expense) income:		
Interest expense	(33,571)	(33,082)
Other income	202	382
Total other expense	(33,369)	(32,700)
Loss before income tax benefit	(93,566)	(46,074)
Income tax (benefit) expense:		
Federal	(4,884)	(2,047)
State	1,598	1,802
Total income tax benefit	(3,286)	(245)
Net loss	\$ (90,280)	\$ (45,829)

See notes to consolidated financial statements.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)**Consolidated Statements of Member's Equity**
Years Ended December 31, 2024 and 2023
(In Thousands)

Balance, December 31, 2022	\$	507,791
Contributions		16,385
Distributions		(37,627)
Equity-based compensation		1,437
Net loss		(45,829)
Balance, December 31, 2023		<u>442,157</u>
Contributions		2,304
Distributions		(10,130)
Equity-based compensation		182
Net loss		<u>(90,280)</u>
Balance, December 31, 2024	\$	<u><u>344,233</u></u>

See notes to consolidated financial statements.

Confidential

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023
(In Thousands)

	2024	2023
Cash flows from operating activities:		
Net loss	\$ (90,280)	\$ (45,829)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	15,583	16,382
Amortization of goodwill	76,534	73,607
Amortization of intangibles	46,322	4,951
Amortization of debt issuance costs	1,696	1,588
(Gain) loss on sale of machinery and equipment	(1,667)	(409)
Unrealized gain on interest rate swap	(1,023)	-
Provision for credit losses	(2,522)	5,020
Equity-based compensation	182	1,437
Deferred income taxes	(12,573)	(11,309)
Changes in operating lease right-of-use assets	13,877	12,212
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Contract receivables	5,609	(2,179)
Costs and estimated earnings in excess of billings on uncompleted contracts	3,129	(7,149)
Income taxes receivable	(987)	-
Prepaid expenses and other current assets	845	(3,129)
Increase (decrease) in:		
Accounts payable	(5,202)	1,668
Accrued expenses	4,823	8,803
Billings in excess of costs and estimated earnings on uncompleted contracts	(598)	(1,077)
Income taxes payable	1,837	(2,248)
Lease liabilities—operating	(15,349)	(13,326)
Net cash provided by operating activities	40,236	39,013
Cash flows from investing activities:		
Acquisitions, net	(8,191)	(51,208)
Purchases of machinery and equipment	(13,294)	(18,972)
Proceeds from sale of machinery and equipment	2,201	787
Decrease in long term assets	44	-
Net cash flows used in investing activities	(19,240)	(69,393)
Cash flows from financing activities:		
Borrowings of long-term debt	22,000	85,700
Repayments of long-term debt	(17,561)	(14,036)
Payment of debt issuance costs	-	(1,839)
Contributions	404	4,681
Distributions	(10,130)	(37,627)
Net cash flows (used in) provided by financing activities	(5,287)	36,879

(Continued)

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Consolidated Statements of Cash Flows (Continued)
Years Ended December 31, 2024 and 2023
(In Thousands)

	2024	2023
Net increase in cash	\$ 15,709	\$ 6,499
Cash:		
Beginning	<u>33,970</u>	<u>27,471</u>
Ending	<u><u>\$ 49,679</u></u>	<u><u>\$ 33,970</u></u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 28,836</u>	<u>\$ 30,746</u>
Cash paid for taxes	<u>\$ 8,437</u>	<u>\$ 13,312</u>
Supplemental schedules of noncash investing and financing activities:		
Fair value of membership units of Ultimate Parent issued in acquisitions	<u>\$ 1,900</u>	<u>\$ 11,704</u>
Right-of-use assets obtained from new operating lease liabilities	<u>\$ 16,667</u>	<u>\$ 20,705</u>

See notes to consolidated financial statements.

Obsidian Group Holdings, LLC and Subsidiaries (A Limited Liability Company)

Notes to Consolidated Financial Statements (In Thousands Except Unit and per Unit Amounts)

Note 1. Nature of Business and Significant Accounting Policies

Nature of operations: On March 15, 2019, Obsidian Group Holdings, LLC (Holdings) was formed as a Limited Liability Company, under the laws of the state of Delaware. Holdings is a full service environmental and geological consulting organization providing environmental consulting, health and safety, geotechnical engineering, construction materials testing and inspections, as well as code compliance services across a broad spectrum of industries. Holdings operates under the trade name UES, also known as UES Professional Solutions.

Effective August 31, 2021, all of the equity of Holdings was purchased by Universal Engineering Sciences Holdings, Inc. (Ultimate Parent) through its wholly owned subsidiary, Universal Engineering Sciences Midco, Inc. (Midco).

Principles of consolidation: The consolidated financial statements include Holdings, its wholly owned subsidiary, Obsidian Acquisitions, Inc. (Acquisitions), and all of the subsidiaries of Acquisitions (collectively, the Company), and are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include the accounts of the Company and its wholly owned subsidiaries. The consolidated financial statements include the accounts of the Company and its subsidiaries, and only include the results of operations for the periods in which the Company owned the acquired businesses. All intercompany accounts and transactions have been eliminated in consolidation.

The following companies are wholly owned subsidiaries of Acquisitions as of December 31, 2024:

Aries Consultants, LLC	Obsidian Group Acquisitions, Inc.
Biome Consulting Group, LLC	QC Southwest, Inc.
Carmichael Engineering, LLC	Quality Control Consultants, Inc.
Centurion Consultants Holdings, Inc.	River City Geoprosessionals, Inc. d/b/a Wallace-Kuhl & Associates
Centurion Consultants, LLC	Speedie and Associates, LLC
Construction Testing and Engineering, South, Inc.	UES Exploration, LLC (formerly, Geotechnology Exploration, LLC)
Consulting Services Incorporated of Kentucky, LLC	UES Milestone Inspections, LLC
CSI Lexington, LLC	UES Professional Solutions, Inc (formerly, Construction Testing and Engineering, Inc.)
CSI Cincinnati, LLC	UES Professional Solutions, LLC (formerly, Universal Engineering Sciences, LLC)
Dan Brown and Associates, LLC	UES Professional Solutions 18, LLC (formerly, Contour Engineering, LLC)
Faulkner Engineering Services, LLC	UES Professional Solutions 19, LLC (formerly, Geoservices, LLC)
Geo Solutions, LLC	UES Professional Solutions 25, LLC (formerly, Geotechnology, LLC)
Geotechnology Equipment, LLC	UES Professional Solutions 29, LLC (formerly, Summit Engineering Laboratory & Testing, Inc.)
Geotechnology Living, LLC	UES Professional Solutions 30, LLC (formerly, Nova Geotechnical and Inspection Services, LLC)
GeoTek Engineering Company, Inc.	UES Professional Solutions 44, LLC (formerly, Alpha Testing, LLC)
GFA International, Inc.	UES Professional Solutions 45, LLC (formerly, Rock Engineering and Testing Laboratory, LLC)
GPR Testing and Inspection L.L.C.	UES Professional Solutions 63, LLC (formerly, Riner Engineering, Inc.)
Grubbs, Hoskyn, Barton & Wyatt, LLC	UES Professional Solutions 64, LLC (formerly, InControl Technologies, LLC)
GSI Engineering, LLC	Universal Engineering Inspections, LLC
IQC Southwest, LLC	
Marino Engineering Associates, LLC	
McGinley & Associates Inc.	
Nova Geotechnical and Inspection Services - So Cal	
Nova Geotechnical Northern Nevada, LLC	

**Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)**

**Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)**

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Business combinations: In accordance with the Financial Accounting Standards Board's (FASB) guidance on accounting for Business Combinations, the identifiable assets acquired and liabilities assumed in a business combination are recorded at fair value at the acquisition date. Management, in consultation with an independent third-party valuation expert, estimated fair values based on assumptions they believe to be reasonable and representative of those from the perspective of a market participant. These estimates are based on historical experience and information obtained from the management of the acquired entities. Critical estimates in valuing certain of the intangible assets include future expected cash flows from revenue, assumptions about the period of time the acquired intangible assets will continue to provide economic value and discount rates applied to the expected cash flows. Acquisition related costs are expensed as operating expenses when incurred and when the related services have been received and are included in the consolidated statements of operations as transaction costs.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. During the measurement period, which does not exceed one year, the Company retrospectively adjusts the provisional amounts recognized at the acquisition date or recognizes additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of the date of acquisition.

Use of estimates: The preparation of the consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

Risks and uncertainties: During the normal course of business, the Company encounters significant economic and business risk, as well as political, legislative and regulatory risk. The Company, as well as the construction industry as a whole, are affected by changes in economic conditions (such as interest rates, personal income, unemployment levels and consumer confidence) and operate in an intensely competitive environment. In addition, the Company enters into contracts under competitive bidding, which requires them to make estimates of total costs and estimated gross profits. Changes in job performance, job conditions, estimated profitability and the economic environment, and market conditions may result in revisions to costs and revenues. Any adjustments that ultimately may be made because of inherent uncertainties in estimating costs could have a material impact on the consolidated financial statements.

Cash and concentrations of credit risk: Financial instruments that potentially subject the Company to concentrations of credit consist principally of cash and accounts receivables. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. As of December 31, 2024 and 2023, the Company did not have any cash equivalents.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Contract receivables and allowance for credit losses: Contract receivables are carried at the original charge amount less an estimate made for credit losses based on a review of all outstanding amounts on a quarterly basis, and do not bear interest. Certain customers withhold a retainage amount on the accounts receivable balance, which is generally paid upon completion of the contract. The Company establishes an allowance for credit losses to reduce contract receivables to the net amount expected to be collected. Management exercises judgment in determining its allowance for credit losses, which is based on historical collection and write-off experience, adjusted for current macroeconomic trends and conditions, specific customer collection issues and using historical experience applied to an aging of accounts. The Company performs ongoing credit evaluations, and continuously monitors collections and payments from its customers. Accounts receivables are written off when deemed uncollectible. Recoveries of accounts receivables previously written off are recorded as income when received. At December 31, 2024 and 2023, management determined that the allowance for credit losses was approximately \$6,983 and \$9,505, respectively.

Machinery and equipment: Machinery and equipment are recorded at cost, or at estimated fair value if acquired through a business combination transaction. Depreciation of machinery and equipment is recorded using the straight-line method over their estimated useful lives. Leasehold improvements are amortized over the shorter of the non-cancelable lease term or remaining useful lives. Expenditures for improvements and betterments which extend the useful lives of the assets are capitalized at cost. Expenditures for repairs and maintenance are expensed as incurred.

The estimated useful lives of machinery and equipment are as follows:

	Years
Machinery and equipment	5-15
Vehicles	5
Computers and software	3-12
Furniture and office equipment	5

Intangible assets: Intangible assets consist of trademarks and trade names which are recorded at fair value when acquired and amortized over their estimated useful lives using a method that reflects the pattern in which economic benefit of the intangible asset will be realized over its estimated useful life. Intangible assets are tested for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable.

Impairment of long-lived assets: The Company periodically reviews the carrying amount of its long-lived assets, primarily machinery and equipment, right-of-use assets and intangible assets to determine if circumstances exist indicating an impairment, or if depreciation periods should be modified. If facts or circumstances support the possibility of impairment, the Company will prepare a projection of the undiscounted future cash flows of the specific assets and determine if the assets are recoverable. If an impairment exists based on these projections, an adjustment will be made to the carrying amount of the specific assets to reflect the amount of impairment. Management has determined that no impairment of long-lived assets exists as of December 31, 2024 and 2023, and, accordingly, no adjustments to the carrying amounts or useful lives of the Company's long-lived assets have been made.

**Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)****Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)**

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Goodwill: Goodwill represents the excess of the purchase price over the value assigned to identifiable asset acquired and liabilities assumed at the acquisition date. The Company amortizes goodwill on a straight-line basis over 10 years. The Company tests its recorded goodwill for impairment upon a triggering event at the entity level. Factors that could trigger an impairment test include, but are not limited to, underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the Company's overall business and significant negative industry or economic trends. As of December 31, 2024 and 2023, the Company determined that no impairment of goodwill exists.

Deferred financing costs: Deferred financings costs represent the costs of obtaining financing arrangements, and are being amortized over the term of the underlying debt agreements using the straight-line method, which approximates the effective interest method. The debt issuance costs related to a recognized debt liability are presented on the consolidated balance sheets as a direct deduction from the carrying amount of the debt liability, consistent with debt discounts. As of December 31, 2024 and 2023, unamortized debt issuance costs being recorded as a discount on related debt amounted to \$3,444 and \$5,140, respectively. Amortization of debt issuance costs of \$1,696 and \$1,588 for the years ended December 31, 2024 and 2023, respectively, is included in interest expense on the accompanying consolidated statements of operations.

Derivative financial instrument: The Company uses an interest rate swap agreement to convert a portion of its interest rate exposure on term debt under its primary credit facility to fixed rates with an objective to add stability to interest expense and manage its exposure to interest rate movements. The interest rate swap involves the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreement without exchange of the underlying notional amount. The interest rate swap is a derivative instrument and is recorded on the consolidated balance sheets at fair value on each reporting date. The Company has not elected hedge accounting. The change in the fair value of the derivative and the monthly settlement of the contract is included in interest expense in the accompanying consolidated statements of operations.

Revenue recognition: The Company's revenues are generated by providing professional engineering services that range from geotechnical evaluations to construction materials inspections. Engineering services are comprised of a mixture of professional services and lab testing.

The Company recognizes revenue in accordance with FASB Accounting Standards Codification (ASC) Topic 606, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract.
- Identify performance obligations.
- Determine the transaction price.
- Allocate the transaction price.
- Recognize revenue.

**Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)****Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)**

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The majority of the Company's contracts are with private customers. For private customers, statutory mechanics liens provide the Company relatively high priority in the event of lien foreclosures, thus minimizing credit risk. A minority of customers consists of government agencies. For government contracts, future cash flows depend on the Company's ability to continue to obtain federal, state and local government contracts and indirectly on the amount of funding available to these agencies for new and current government projects.

The Company has determined that the revenue associated with both the professional and engineering services is recognized over time as control transfers to the customer, which is the term the services are provided for the duration of the project.

The Company recognizes revenue over time using the cost-to-cost method (input method) by comparing the contract costs incurred to date to the total estimated contract costs. The Company believes this method is the most representative depiction of the Company's performance because it directly measures the value of the services transferred to the customer. Subcontractor materials, labor and equipment are included in revenue and cost of revenue. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined as assessed at the contract level.

For contracts structured on a time and materials (T&M) basis, the Company elected the as-invoiced practical expedient as billing equates to revenue earned. T&M contracts have a rate card that designates a fixed amount for each hour of service and unit of testing performed, and is billed on a monthly basis to the customer. The Company typically receives payment within 90 days of the invoice date.

Cost of revenues earned include all direct material and labor costs, subcontractors and rental equipment, and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs for machinery and equipment. General and administrative costs are charged to expense as incurred. Note that, due to contracts being recognized as individual performance obligations are billed, there is no provision for losses on long-term contracts, as allowance for credit losses would cover any accounts receivable not deemed collectable.

Certain construction contracts include retention provisions to assure customers that the Company will perform in accordance with the contract terms and, therefore, not considered a financing benefit. However, retention amounts for the Company are insignificant, as the majority of balances are due upon receipt. The Company has determined that there are no financing components included in contracts as of December 31, 2024 and 2023.

The transaction price for the Company's contracts may include variable consideration, which includes awards and incentives and reductions to transaction price for liquidated damages. The Company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company estimates variable consideration for a performance obligation utilizing one of the two prescribed methods: (a) the expected value method, whereby the amount of variable consideration to be recognized represents the sum of probability weighted amounts in a range of possible consideration amounts, or (b) the most likely amount method, whereby the amount of variable consideration to be recognized represents the single most likely amount in a range of possible consideration amounts. When applying these methods, the Company considers all information that is reasonably available, including historical, current and estimates of future performance.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The following table disaggregates the Company's revenues by source for the years ended December 31, 2024 and 2023:

	2024	2023
Construction materials testing	\$ 323,740	\$ 311,943
Geotechnical	149,419	143,974
Environmental services	87,161	83,985
Other—facilities support services	62,257	59,988
	<u>\$ 622,577</u>	<u>\$ 599,890</u>

The Company offers a variety of services surrounding the area of professional engineering, including the following:

Construction materials testing and inspections: Involves various scientific and industry standard methods of testing materials used by the Company's clients in their projects, to confirm compliance with corresponding code or other policies. Each test has a fee associated with it. The fee can vary based upon such factors as geographic market, client, volume of work being performed on a project, competitive forces, etc. The majority of contracts require completion of a set of various testing or inspections in order to comply with the project and represent a single performance obligation.

Geotechnical services: Involves various scientific and industry standard explorations and reporting required to properly and safely construct a building. The geotechnical report is a tool used to communicate the site conditions and design and construction recommendations to the site design, building design, and construction personnel. Geotechnical services are frequently packaged as a bundle and provided as a set of tests to generate a report indicating the project may proceed. Similar to construction materials, fees are impacted by such factors as geographic market, client, volume of work being performed on a project, competitive forces, etc. Due to the bundling of services, geotechnical inspections are considered a single performance obligation.

Environmental services: Includes research of regulatory and other agency records, site reconnaissance of the site and nearby properties, interviews with authorities with knowledge of the property and preparation of reports that include observations, findings, conclusions and recommendations. The majority of contracts require completion of a set of various services in order to comply with the project and represent a single performance obligation.

Other services: May include a variety of activities, such as facilities support, miscellaneous professional engineering services or add-ons to any of the inspection and testing services identified above. The majority of contracts require completion of a set of various services in order to comply with the project and represent a single performance obligation.

Contract assets and liabilities: Contract assets represent unbilled amounts where the right to payment is subject to more than merely the passage of time and includes performance-based incentives and services provided ahead of agreed contractual milestones. Contract assets are transferred to unbilled receivables when the right to consideration becomes unconditional and are transferred to amounts billed upon invoicing. The change in contract assets was a result of normal business activity and not materially impacted by any other factors.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Contract assets represent revenue recognized to date in excess of amounts billed to clients and are presented as costs and estimated earnings in excess of billings on uncompleted contracts on the accompanying consolidated balance sheets. Contract liabilities represent amounts billed to clients in excess of revenue recognized to date, and are presented as billings in excess of costs and estimated earnings on uncompleted contracts on the accompanying consolidated balance sheets. The Company anticipates that substantially all such amounts will be earned over the next 12 months.

Contract assets and liabilities are as follows as of December 31, 2024, 2023 and 2022:

	2024	2023	2022
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 26,369	\$ 29,498	\$ 20,653
Billings in excess of costs and estimated earnings on uncompleted contracts	\$ 937	\$ 1,535	\$ 2,612

In accordance with industry practice, the Company classifies all contract-related assets and liabilities as current under the operating cycle of the Company, a portion of which may not be realized within one year. Contract-related assets and liabilities include contract and retainage receivable, accounts and retainage payable, contract assets and contract liabilities.

Advertising: The Company expenses advertising costs as incurred. During the years ended December 31, 2024 and 2023, the Company incurred \$89 and \$160, respectively, in advertising costs, which is included in operating expenses on the consolidated statements of operations.

Self-insurance: The Company is self-insured for substantially all medical claims for all entities located in the United States during the years ended December 31, 2024 and 2023. The Company's responsibility for medical claims is generally capped through the use of a stop loss contract with an insurance company at \$350 per claimant per plan year. Prior to the year ended December 31, 2023, the Company was self-insured for substantially all worker's compensation, general and automobile liability claims for all entities located in the United States. For claims occurring through December 31, 2022, the Company maintained a per-occurrence retention of \$100 and \$50 for the workers' compensation and general liability programs, respectively. For the automobile liability program, there is an aggregate deductible amount of \$500, after which a \$250 maintenance deductible applies per occurrence. Subsequent to December 31, 2022, the Company participates in a group captive for its workers' compensation, general liability and automobile liability claims (see Note 8). A third-party administrator is used to process claims. The Company uses actual claims data and estimates of claims incurred but not recorded to calculate estimated liabilities for unsettled claims on an undiscounted basis. Although management re-evaluates the assumptions and reviews the claims experience on an ongoing basis, actual claims paid could vary significantly from estimated claims.

As of December 31, 2024 and 2023, the Company recorded a reserve of \$3,765 and \$2,898, respectively, for claims incurred but not paid, including an estimate of claims incurred but not reported, and is presented within accrued expenses on the accompanying consolidated balance sheets.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Fair value measurements: U.S. GAAP establishes a framework for measuring fair value. Under this framework, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are defined as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2: Inputs to the valuation methodology include quoted prices in markets that are not active or quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Inputs to the valuation methodology are unobservable, reflecting the entity's own assumptions about assumptions market participants would use in pricing the asset or liability.

The categorization of an asset or liability within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value of the equity issued as consideration in the business combinations discussed in Note 2 was determined using Level 3 measurements, based on significant unobservable inputs. Equity-based compensation is reported at fair value, which is based on the estimated value of the equity award at the date of grant. In management's opinion, this is a Level 3 measurement because it is based on significant unobservable inputs. The fair value of the interest rate swap agreement discussed in Note 6 is determined based on level 2 inputs on a recurring basis, using significant inputs that are observable either directly or indirectly, including interest rate curves and implied volatilities.

The following table sets forth by level, within the fair value hierarchy, the Company's assets measured at fair value on a recurring basis at December 31, 2024:

Description	Level 1	Level 2	Level 3
Interest rate swap	\$ -	\$ 1,023	\$ -

Except for the interest rate swap agreement the Company entered into during 2024 (see Note 6), there are no assets or liabilities recognized at fair value on a recurring basis as of December 31, 2024. There are no assets or liabilities recognized at fair value on a recurring basis as of December 31, 2023.

**Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)**

**Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)**

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Leases: In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which provides guidance requiring lessees to recognize a right-of-use asset and a lease liability in the balance sheet for substantially all leases, except for short term leases. Leases will be classified as either financing or operating, with classification affecting the pattern of expense recognition in the statement of operations. Lessor accounting remains largely unchanged from previous U.S. GAAP but does contain some targeted improvements to align with the new revenue recognition guidance issued under Topic 606.

On January 1, 2022, the Company adopted Topic 842 using the modified retrospective transition method as allowed under ASU 2018-11, which includes the ability to recognize the cumulative effect of the adoption being recorded as an adjustment to retained earnings on January 1, 2022. The Company elected several of the other practical expedients and transition policies as outlined below.

- The Company elected the package of practical expedients permitted under the transition guidance with the new standard. This election allowed the carryforward of historical conclusions for lease identification, lease classification, and initial direct costs.
- The Company is accounting for leases with a term of less than one year under the short-term policy election.
- For agreements in which the Company is the lessee, the Company elected the practical expedient to not separate lease components from the non-lease components for all classes of leased assets.

Income taxes: Holdings is organized as a limited liability company. Accordingly, current federal and applicable state income tax laws provide that the members separately account for their pro rata shares of Holdings items of taxable income, deductions, losses and credits. Accordingly, no income taxes have been recognized in the accompanying consolidated financial statements for the results of the operations of Holdings for the years ended December 31, 2024 and 2023. Acquisitions is taxed as a corporation. Accordingly, the Company recognizes the income taxes of this entity and its wholly owned subsidiaries in the accompanying consolidated financial statements.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company follows the accounting standard on accounting for uncertainty in income taxes. The Company recognizes and measures tax positions taken or expected to be taken in its tax return based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense. Management evaluated the Company's tax positions and concluded that the Company has taken an uncertain tax position relating to research and development credits of \$3,878 and \$2,123 as of the years ended December 31, 2024 and 2023, respectively, for which they estimate that \$776 and \$0, respectively, may not be sustained upon examination and is included in income taxes payable in the accompanying consolidated balance sheets as of December 31, 2024 and 2023.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Equity-based compensation: Equity-based compensation expense is charged to earnings net of the estimated impact of forfeited awards. As such, the Company recognizes equity-based compensation expense only for those awards that are estimated to ultimately vest over their requisite service period, based on a straight-line method. There may be adjustments to future periods if actual forfeitures differ from current estimates.

Subsequent events: The Company has evaluated subsequent events through April 1, 2025, the date the consolidated financial statements were available to be issued.

Note 2. Business Combinations

2024 Acquisitions: During the year ended December 31, 2024, Holdings, through its subsidiary, Acquisitions, purchased all of the equity interests of the following entities, to expand the Company's geographic footprint and customer base, on the dates noted below for the consideration listed.

	Date of Acquisition	Total Consideration
Consulting Services Incorporated of Kentucky, LLC, CSI Lexington, LLC and CSI Cincinnati, LLC (CSI)	May 31, 2024	\$ 8,134
Marino Engineering Associates, LLC (Marino)	December 31, 2024	1,619

The acquisitions during the year ended December 31, 2024, have total consideration of \$9,753, consisting of \$7,853 in cash paid to the sellers and certain third parties on behalf of the sellers and issuance of Class B membership units of the Ultimate Parent, with an aggregate fair value of \$1,900. The consideration paid was funded with borrowings on long-term debt of \$6,000 and cash of hand of \$2,313, net of transaction costs of \$460.

The fair value of the common stock of the Ultimate Parent was determined based on significant inputs that are not observable (Level 3).

The following table summarizes the estimated preliminary fair values of the assets acquired and the liabilities assumed at the date of each acquisition:

	CSI	Marino
Cash	\$ 221	\$ 23
Contract receivables	1,876	481
Prepaid and other assets	-	-
Property and equipment	517	2
Right-of-use assets	328	-
Goodwill	6,141	1,209
Total assets acquired	9,083	1,715
Accounts payable	123	6
Accrued expenses	498	90
Lease liabilities	328	-
Total liabilities assumed	949	96
Net assets acquired	\$ 8,134	\$ 1,619

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 2. Business Combinations (Continued)

The preliminary fair values recorded for the net assets of Marino were based upon preliminary valuation and the estimates and assumptions used in such valuation are subject to change within the measurement period (up to one year from the date of acquisition). The Company is continuing to obtain information to determine the fair value of the acquired assets and liabilities. The primary area of the preliminary valuation that is not yet finalized for the December 31, 2024 transaction relates to resolution of net working capital items which may affect the final amount of total consideration and therefore, the amount of residual goodwill. The Company expects to continue to obtain information to assist in determining the fair values of the net assets acquired at the acquisition date during the measurement period. The Company does not expect the resolution of the net working capital items to be significant.

Total consideration for business combination transactions in the year ended December 31, 2024, of \$9,753, exceeded the preliminary fair value of net assets acquired. Accordingly, the Company recognized the excess of purchase price over the fair value of the net assets acquired of \$7,350 as goodwill. The goodwill arising from the acquisition consists largely of the customer relationships, processes, procedures and knowledge of the workforces in place. The majority of the goodwill recognized from the 2024 acquisitions is deductible for income tax purposes.

The fair value of the acquired machinery and equipment was estimated using a market data approach with the assistance of valuation specialists in the engineering industry.

The fair value of the financial assets acquired includes receivables and costs and estimated earnings in excess of billings on uncompleted contracts for which the fair value was estimated at the net realizable amount and no amounts are believed to be uncollectible.

In connection with the 2024 business combination transactions, the Company incurred costs of approximately \$460, which were included in acquisition costs on the accompanying consolidated statement of operations.

2023 Acquisitions: During the year ended December 31, 2023, Holdings, through its subsidiary, Acquisitions, purchased all of the equity interests of the following entities, to expand the Company's geographic footprint and customer base, on the dates noted below for the consideration listed.

	Date of Acquisition	Total Consideration
Faulkner Engineering Services, LLC (Faulkner)	March 1, 2023	\$ 6,344
Grubbs, Hoskyn, Barton & Wyatt, LLC (Grubbs)	April 1, 2023	1,088
Riner Engineering, Inc. (Riner)	May 31, 2023	40,974
Geo Solutions, LLC (Geo Solutions)	June 30, 2023	11,474
Biome Consulting Group, LLC (Biome)	August 31, 2023	4,357
InControl Technologies, LLC (InControl)	November 30, 2023	7,543

The acquisitions during the year ended December 31, 2023, had total consideration of \$71,780, consisting of \$60,076 in cash paid to the sellers and certain third parties, on behalf of the sellers, and issuance of Class B membership units of the Ultimate Parent, with an aggregate fair value of \$11,704. The consideration paid was funded with borrowings on long-term debt of \$40,700, net of transaction costs of \$20,883 and cash on hand of \$1,507.

**Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)**

**Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)**

Note 2. Business Combinations (Continued)

The fair value of the common stock of the Ultimate Parent was determined based on significant inputs that are not observable (Level 3).

The following table summarizes the estimated preliminary fair values of the assets acquired and the liabilities assumed at the date of each acquisition:

	Faulkner	Grubbs	Riner	Geo Solutions	Biome	InControl
Cash	\$ 2,370	\$ 169	\$ 2,799	\$ 1,747	\$ 320	\$ 1,646
Contract receivables	896	859	6,702	746	496	1,421
Costs and estimated earnings in excess of billings on uncompleted contracts	-	673	314	367	-	342
Prepaid and other assets	25	-	295	69	26	38
Property and equipment	118	272	283	-	-	272
Right-of-use assets	408	214	4,620	827	57	136
Goodwill	3,100	(430)	33,046	8,862	3,550	4,916
Total assets acquired	6,917	1,757	48,059	12,618	4,449	8,771
Accounts payable	80	180	47	14	-	490
Accrued expenses	82	275	870	303	35	408
Deferred taxes	3	-	1,548	-	-	194
Lease liabilities	408	214	4,620	827	57	136
Total liabilities assumed	573	669	7,085	1,144	92	1,228
Net assets acquired	\$ 6,344	\$ 1,088	\$ 40,974	\$ 11,474	\$ 4,357	\$ 7,543

Total consideration for business combination transactions in the year ended December 31, 2023, of \$71,780, exceeded the preliminary fair value of net assets acquired. Accordingly, the Company recognized the excess of purchase price over the fair value of the net assets acquired of \$53,044 as goodwill. The goodwill arising from the acquisition consists largely of the customer relationships, processes, procedures and knowledge of the workforces in place. The goodwill recognized from the acquisition of Riner is not deductible for income tax purposes, while the majority of the goodwill recognized from all other 2023 acquisitions is deductible for income tax purposes.

The fair value of the acquired machinery and equipment was estimated using a market data approach with the assistance of valuation specialists in the engineering industry.

The fair values of the intangible assets acquired, consisting of trade names of \$353, were estimated by applying discounted cash flow models. The fair value measurements were based on significant inputs that are not observable and are considered Level 3 inputs in the fair value hierarchy. Management estimates fair values based upon market participant assumptions they believed to be reasonable. These estimates are based on historical experience and information obtained from management.

The fair value of the financial assets acquired includes receivables and costs and estimated earnings in excess of billings on uncompleted contracts for which the fair value was estimated at the net realizable amount and no amounts are believed to be uncollectible.

In connection with the 2023 business combination transactions, the Company incurred costs of approximately \$1,507, which were included in acquisition costs on the accompanying consolidated statements of operations.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 2. Business Combinations (Continued)

The preliminary fair values recorded for the net assets of InControl were based upon preliminary valuation and the estimates and assumptions uses in such valuation are subject to change within the measurement period (up to one year from the date of acquisition). During the year ended December 31, 2024, prior to the completion of one year since the acquisition of InControl (e.g. measurement period), the Company finalized amounts of certain liabilities assumed in the transaction, which resulted in an increase in goodwill of approximately \$582.

Note 3. Contract Receivables

Contract receivables as of December 31, 2024 and 2023, consists of the following:

	2024	2023
Contract receivables	\$ 127,983	\$ 131,144
Retainage	1,008	1,099
	128,991	132,243
Less allowance for credit losses	6,983	9,505
Contract receivables, net	\$ 122,008	\$ 122,738

Note 4. Machinery and Equipment

Machinery and equipment as of December 31, 2024 and 2023, consists of the following:

	2024	2023
Machinery and equipment	\$ 26,237	\$ 21,692
Leasehold improvements	13,011	9,974
Vehicles	16,933	24,111
Computers and software	21,624	15,749
Furniture and office equipment	6,593	7,344
	84,398	78,870
Less accumulated depreciation	36,876	29,194
Machinery and equipment, net	\$ 47,522	\$ 49,676

Depreciation expense for the years ended December 31, 2024 and 2023, was \$15,583 and \$16,382, respectively, and is included in operating expenses on the consolidated statements of operations.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 5. Goodwill and Intangibles

The following table represents the changes in the carrying value of goodwill as of and for the years ended December 31, 2024 and 2023:

Balance, December 31, 2022	\$ 622,341
Acquisitions	53,044
Amortization	(73,607)
Balance, December 31, 2023	601,778
Acquisitions	7,350
Amortization	(76,534)
Measurement period adjustment	582
Balance, December 31, 2024	<u>\$ 533,176</u>

The Company is amortizing goodwill on a straight-line basis over a useful life of 10 years.

Intangible assets consist of the following at December 31, 2024:

		2024		
	Weighted-Average Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade names	12.8	\$ 73,207	\$ 57,588	\$ 15,619

Intangible assets consist of the following at December 31, 2023:

		2023		
	Weighted-Average Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade names	14.9	\$ 73,187	\$ 11,266	\$ 61,921

During 2024, the Company rebranded the market-facing names of various subsidiaries acquired in previous transactions and discontinued use of the trade names as of December 31, 2024. The Company revised the estimate of the remaining useful lives of the impacted tradenames, resulting in additional amortization expense of approximately \$41,300 during the year ended December 31, 2024.

Amortization expense for intangibles and goodwill was \$46,322 and \$76,534, for the year ended December 31, 2024, respectively. Amortization expense for intangibles and goodwill was \$4,951 and \$73,607, for the year ended December 31, 2023, respectively.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 5. Goodwill and Intangibles (Continued)

The future amortization expense for goodwill and intangible assets recorded as of December 31, 2024, is as follows:

	Goodwill	Intangible Assets
Years ending December 31:		
2025	\$ 77,007	\$ 1,724
2026	77,007	1,704
2027	77,007	1,704
2028	77,007	1,704
2029	77,007	1,704
Thereafter	148,141	7,079
	<u>\$ 533,176</u>	<u>\$ 15,619</u>

Note 6. Line of Credit and Long-Term Debt

Outstanding borrowings on long-term debt as of December 31, 2024 and 2023, is as follows:

	2024	2023
Term loan and incremental term loans (a)	\$ 303,024	\$ 315,591
Delayed draw term loans (a)	106,047	87,461
Other notes payable (b)	164	130
Equipment line of credit (c)	1,544	3,158
	<u>410,779</u>	<u>406,340</u>
Less unamortized debt financing costs	<u>(3,444)</u>	<u>(5,140)</u>
	<u>\$ 407,335</u>	<u>\$ 401,200</u>

- (a) On August 31, 2021, the Company entered into a credit agreement with certain financial institutions, which consists of a \$210,000 term loan, a delayed draw term loan of \$50,000 and a revolving line of credit with a maximum borrowing of \$40,000, which are secured by substantially all assets of the Company (the Credit Agreement). In addition, the financial institutions may issue letters of credit under the revolving line of credit which reduces amounts available to be advanced. As of December 31, 2024, there were \$9,589 standby letters of credit outstanding for the benefit of vendors requiring them in the ordinary course of business, primarily for the Company's participation in a captive insurance program (see Note 8).

The interest rate on the revolving line of credit is determined at the date of borrowing based on the base rate plus applicable margin, as defined in the Credit Agreement. As of December 31, 2024, interest on borrowed funds under the line of credit was 10.25%. As of December 31, 2024 and 2023, there were \$0 of borrowings outstanding on the line of credit. The line of credit expires in August 2026.

In December 2021, the Company executed its First Amendment to the Credit Agreement to obtain an \$80,000 incremental term loan. In January and July 2023, the Company executed the Second and Third Amendments to the Credit Agreement, respectively, to obtain \$45,000 of incremental term loans.

**Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)****Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)**

Note 6. Line of Credit and Long-Term Debt (Continued)

In 2023, the Company obtained two additional delayed draw term loans of \$80,000 under the Second and Third Amendment to the Credit Agreement. During 2024 and 2023, the Company has borrowed against the delayed draw term loans to partially fund the acquisitions discussed in Note 2. As of December 31, 2024 and 2023, the Company had borrowed a total of \$112,700 and \$90,700, respectively, from the delayed draw terms loans. As of December 31, 2024, the Company has \$17,300 available borrowings remaining under the delayed draw term loans, and it remains available to the Company under the subsequent amendment to the Credit Agreement discussed below.

The interest rate on the term loan, incremental term loans and delayed draw term loans (the Term Loans) is the base rate plus the applicable margin, as defined in the Credit Agreement. As of December 31, 2024, interest on borrowed funds under the term loan and incremental term loan was 7.23% to 7.88%. As of December 31, 2024, interest on borrowed funds under the delayed draw term loans was 7.23% to 8.54%.

The term loan and incremental term loans are payable in aggregate quarterly installments of \$6,284, through June 30, 2026, with the remainder due under these loans at maturity in August 2026. The delayed draw term loans are payable in aggregate quarterly installments of \$1,707, through June 30, 2026, with the remainder due under these loans at maturity in August 2026. Interest is paid quarterly.

Borrowings on the Term Loans and the revolving line of credit are subject to mandatory repayments of excess cash flows beginning in 2022, as defined in the Credit Agreement. The Credit Agreement requires certain financial covenants to be maintained on a quarterly basis including a total net leverage ratio, as defined in the agreement.

During March 2025, the Credit Agreement was amended to consolidate the term loan, incremental term loans and the drawn portion of the delayed draw term loans into a replacement term loan and to add an additional delayed draw term loan of \$90,000 to fund future acquisitions. The amendment includes a revolving line of credit with maximum borrowings of \$40,000. The replacement term loan is payable in quarterly installments of \$5,014, through June 30, 2027, and \$7,520, through June 30, 2028, with the remainder due under the loan at maturity in August 2028. The interest rate on the replacement term loan and the revolving line of credit is the base rate plus the applicable margin, as defined in the amended Credit Agreement. Interest is paid quarterly. All loans under the amended Credit Agreement mature in August 2028. The term loan, incremental term loans and delayed draw loans in place as of December 31, 2024, are classified in the 2024 consolidated balance sheets in accordance with the amended Credit Agreement, as well as the future maturities shown below.

- (b) The Company also has various notes payable with total borrowings of \$164 and \$130 as of December 31, 2024 and 2023, respectively. These debt agreements require monthly principal and interest payments, and have interest rates ranging from 5.2% to 6.0%, with maturity dates through May 2026.
- (c) The Company also has an equipment line of credit with a financial institution, with total available borrowings of \$10,000. As of December 31, 2024 and 2023, the Company has utilized \$1,545 and \$2,928, respectively, of funding under the agreement. Interest under the line of credit ranges between 2.92% and 4.11% annually, and is paid monthly. The equipment line of credit expires in June 2026, if not renewed.

The various notes payable and equipment line of credit are collateralized by machinery and equipment.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 6. Line of Credit and Long-Term Debt (Continued)

Contractual maturities of long-term debt at December 31, 2024, including the Credit Agreement amended in March 2025 as disclosed above, are as follows:

Years ending December 31:

2025	\$	28,541
2026		21,265
2027		25,068
2028		335,905
		<u>410,779</u>
Less unamortized debt financing costs		<u>(3,444)</u>
	\$	<u>407,335</u>

At December 31, 2024, the Company has a \$80 million notional amount interest rate swap agreement with a fixed rate of 3.51%, an effective date of August 26, 2024, and a termination date of August 27, 2027. The fair value of the derivative as of December 31, 2024, is \$1,023, and is included in prepaids and other current assets on the accompanying consolidated balance sheets. During the year ended December 31, 2024, the Company received total cash payments of \$342 from the counterparty. The settlement of the contract and the change in fair value of the derivative is included in interest expense in the accompanying consolidated statements of operations.

Note 7. Income Taxes

The provision for income taxes charged to operations for the years ended December 31, 2024 and 2023, consists of the following benefit:

	2024	2023
Current:		
Federal	\$ 6,389	\$ 8,331
State	2,898	2,733
	<u>9,287</u>	<u>11,064</u>
Deferred:		
Federal	(11,273)	(10,370)
State	(1,300)	(939)
	<u>(12,573)</u>	<u>(11,309)</u>
Total income tax benefit	<u>\$ (3,286)</u>	<u>\$ (245)</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in future years in which those temporary difference are expected to be recovered or settled. A valuation allowance is recognized to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which those temporary differences are deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected taxable income and tax planning strategies in making this assessment. The Company recorded a valuation allowance of \$7,552 and \$0 as of December 31, 2024 and 2023, respectively.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 7. Income Taxes (Continued)

Temporary differences between the consolidated financial statement carrying amounts and tax basis of assets and liabilities give rise to significant portions of the net deferred tax liabilities summarized below as of December 31, 2024 and 2023:

	2024	2023
Deferred tax assets:		
Accounts receivable	\$ 1,679	\$ 2,257
Accrued expenses	32	63
Deferred compensation	3,548	2,135
Lease liability	14,114	13,776
Intangibles	9,080	-
Section 174 expense	6,828	4,062
Interest expense	7,989	4,708
Equity-based compensation	462	719
Other	4	1
	<u>43,736</u>	<u>27,721</u>
Less valuation allowance	(7,552)	-
	<u>36,184</u>	<u>27,721</u>
Deferred tax liabilities:		
Property and equipment	8,977	9,783
Intangibles	-	3,753
Right-of-use asset	14,297	13,545
Other	1,170	1,473
	<u>24,444</u>	<u>28,554</u>
Deferred tax liabilities, net	<u>\$ 11,740</u>	<u>\$ (833)</u>

The significant items reconciling the expected income tax benefit at the corporate income tax rate of 21% to the actual income tax expense include permanent items, state taxes, limitations on net operating losses due to acquisitions, valuation allowance set up for certain deferred tax liabilities and other items for the years ended December 31, 2024 and 2023.

Significant judgement is required in determining the Company's provision for income taxes. In the ordinary course of business, there may be transactions for which the ultimate tax outcome is uncertain. The Company reviews tax contingencies on a regular basis and makes appropriate accruals as necessary.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 7. Income Taxes (Continued)

As of December 31, 2024 and 2023, unrecognized tax benefits totaled \$776 and \$0 and are included in income taxes payable in the consolidated balance sheets as of December 31, 2024 and 2023, respectively. The following table represents the change in unrecognized tax benefits as of December 31, 2024, is as follows:

Balance, December 31, 2023	\$	-
Additions for tax positions of prior years		-
Additions for tax positions of the current year		776
Balance, December 31, 2024	\$	<u>776</u>

The Company will recognize any interest and penalties related to unrecognized income tax positions in income tax expense in the consolidated statements of operations. Interest and penalties associated with uncertain tax positions is not significant for the year ended December 31, 2024 and 2023.

Note 8. Leases, Commitments and Contingencies

Operating leases: The Company has various cancelable and noncancelable operating leased assets. These assets primarily include buildings and warehouse space, printers and copiers, vehicles, mailroom equipment, office equipment and an aircraft. Payments for these leases are generally fixed; however, there are instances of variable lease payments relating to additional rent payments based on a percentage of all operating costs and real estate costs. Variable lease payments are recognized in the period in which the obligation for those payments is incurred. There are currently no agreements in which the Company the lessor.

Under Topic 842, the Company determines an arrangement is a lease when the Company has the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration.

For the leases identified, right-of-use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term using the rate implicit in the lease, if available, or the calculated incremental borrowing rate. The right-of-use asset also includes any lease payments made in advance and excludes lease incentives. Lease terms may include options to extend or terminate the lease and are recognized by the Company when it is reasonably certain that the options will be exercised. The Company's lease agreements do not contain any residual value guarantees in which payment is probable or material restrictive covenants. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

Lease costs for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Operating lease costs	\$ 21,079	\$ 16,627
Short-term lease costs	3,537	4,404
Variable lease costs	-	99
	<u>\$ 24,616</u>	<u>\$ 21,130</u>

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 8. Lease, Commitments and Contingencies (Continued)

The Company is committed under several noncancelable operating leases for its facilities with related parties, who are also members of the Company. These lease arrangements with related parties primarily continue through December 2040.

For the years ended December 31, 2024 and 2023, total lease expense from these related parties were approximately \$4,166 and \$4,095, respectively, and has been included in the lease costs disclosed above.

Estimated future undiscounted cash flows for operating leases are as follows:

	Third Party	Related Party
Years ending December 31:		
2025	\$ 18,032	\$ 4,154
2026	13,781	3,521
2027	8,198	2,671
2028	4,433	2,511
2029	2,112	2,017
Thereafter	2,606	16,446
	49,162	31,320
Less imputed interest	(4,719)	(8,291)
	<u>\$ 44,443</u>	<u>\$ 23,029</u>

The following table summarizes the weighted average remaining lease term and discount rate as of December 31, 2024 and 2023:

	2024	2023
Weighted-average remaining lease term (years)	9.3	10.3
Weighted-average discount rate	5.30%	5.10%

Litigation: Claims and contingencies, including claims and legal actions arising in the ordinary course of business (if any), are recorded as liabilities when the likelihood of loss is probable and an amount of range of loss can be reasonably estimated. In consultation with legal counsel, the Company does not believe there are such matters that will have a material effect on the consolidated financial statements.

Investment in captive insurance company: The Company became a member of a group captive insurance company in 2023, to provide worker's compensation, general liability and automobile liability coverage for its operations. The Company has a non-controlling ownership interest in the group captive for \$75,000. This investment is included in other assets in the consolidated balance sheets as of December 31, 2024 and 2024.

**Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)**

**Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)**

Note 8. Lease, Commitments and Contingencies (Continued)

The group captive determines the amount of premium based on the Company's payroll and number of vehicles as well as the prior five years' loss experience and estimated exposures. The Company charges the premium to expense on a straight-line basis over the policy term. If actual incurred losses exceed estimated losses for a policy year, the Company can be assessed an additional premium up to a maximum amount based on a percentage of estimated claims. If any policy year is in a deficit situation, the Company records a reserve up to the maximum assessment for that policy year.

When estimating reserves, management considers a number of factors, including historical claims experience, demographic factors and severity factors. If actual incurred losses exceed these estimates, additional reserves may be required. The estimation process involves uncertainty since management must use judgment to estimate ultimate incurred losses and additional assessments. Part of management's estimation process is to consider the probability of the need for a reserve. Reserves and unpaid premiums of \$4,941 and \$0 have been recorded in accrued expenses in the consolidating balance sheets at December 31, 2024 and 2023, respectively.

Note 9. Equity-Based Compensation

On August 31, 2021, the Ultimate Parent adopted the 2021 Equity Incentive Plan (the Plan) to provide an incentive to employees, directors and consultants to secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company, and provide a means by which the eligible recipients may benefit from increases in value of the Company. The total number of Class B units reserved for issuance under the Plan is 52,643.

The units primarily vest as follows: (a) approximately 50% of the units shall vest 20% on each anniversary of the grant date over five years, or immediately upon a change of control, and are subject to certain provisions as defined in the Plan and the employee's continuous employment with the Company, and (b) the remaining 50% shall vest subject to performance-based vesting terms requiring achievement of specific investment return thresholds (as defined in the Plan) and subject to the employee's continuous employment with the Company. Any portion not vested as of the grantee's termination date will be immediately forfeited. The fair value of each option award is estimated on the date of grant using assumptions that are not readily available and considered Level 3 inputs.

Obsidian Group Holdings, LLC and Subsidiaries
(A Limited Liability Company)

Notes to Consolidated Financial Statements
(In Thousands Except Unit and per Unit Amounts)

Note 9. Equity-Based Compensation (Continued)

The following table summarizes information relating to the units outstanding as of December 31, 2024, and the changes for the year ended December 31, 2024, is presented as follows:

	Units	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2022	47,935	\$ 161.32
Granted	5,230	183.33
Exercised	-	-
Forfeited	(3,841)	161.32
Outstanding at December 31, 2023	49,324	163.65
Granted	4,741	177.27
Exercised	(1,389)	228.09
Forfeited	(6,333)	147.70
Outstanding at December 31, 2024	46,343	\$ 169.30
Exercisable at December 31, 2024	10,561	\$ 227.89

The Company recorded compensation expense of \$182 and \$1,437 during the years ended December 31, 2024 and the 2023, respectively, related to the time-vesting units. At December 31, 2024, the Company has 35,782 unvested options and approximately \$5,162 of unrecognized compensation expense, of which approximately \$2,409 will be recognized when certain performance conditions under the grant agreements become probable of achievement. The remaining unrecognized compensation expense will be recognized ratably through 2029.

TAB 9
CITY FORMS

CORPORATE LICENSE/AUTHORIZATION

Licensee Information	
Name:	UES PROFESSIONAL SOLUTIONS, LLC (Primary Name)
Main Address:	3532 MAGGIE BOULEVARD ORLANDO Florida 328116697
County:	ORANGE
License Information	
License Type:	Engineering Business Registry
Rank:	Registry
License Number:	549
Status:	Current
Licensure Date:	04/27/1983
Expires:	

State of Florida Department of State


I certify from the records of this office that UES PROFESSIONAL SOLUTIONS, LLC is a limited liability company organized under the laws of the State of Florida, filed on January 6, 2020, effective April 29, 1966.

The document number of this limited liability company is L20000003595.

I further certify that said limited liability company has paid all fees due this office through December 31, 2025, that its most recent annual report was filed on January 28, 2025, and that its status is active.

*Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this
the Twenty-eighth day of January,
2025*




Secretary of State

Tracking Number: 0997459692CU

To authenticate this certificate, visit the following site, enter this number, and then follow the instructions displayed.

<https://services.sunbiz.org/Filings/CertificateOfStatus/CertificateAuthentication>

ANTI-KICKBACK AFFIDAVITS A E OF Florida)

: SS

COUNTY OF Lee)

I, the undersigned hereby duly sworn, depose and say that no portion of the sum herein bid will be paid to any employees of the City of Key West as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.

By: Travis Merrick - President, South FloridaSworn and subscribed before me this 11 day of September 2025

NOTARY PUBLIC, State of Florida at Large

My Commission Expires: 9/21/26

**SWORN STATEMENT UNDER SECTION 287.133(3)(A)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES**

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICER AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted with Bid or Proposal for _____

RFP #25-020 RE-BID: WATER QUALITY MONITORING PROGRAM - CITY OF KEY WEST

2. This sworn statement is submitted by **UES PROFESSIONAL SOLUTIONS, LLC**
(name of entity submitting sworn statement)
whose business address is _____

8050 NW 77TH CT., MEDLEY, FL 33166

and (if applicable) its Federal Employer Identification Number (FEIN) is _____

59-1117804

(If the entity has no FEIN, include the Social Security Number of the individual
signing this sworn statement _____)

3. My name is **TRAVIS MERRICK**
(please print name of individual signing)

and my relationship to the entity named above is **PRESIDENT, SOUTH FLORIDA**

4. I understand that a “public entity crime” as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including but not limited to, any bid or contract for goods or services to be provided to any public or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, material misrepresentation.
5. I understand that “convicted” or “conviction” as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication guilt, in any federal or state trial court of record relating to charges brought by indictment information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
-

6. I understand that an “affiliate” as defined in Paragraph 287.133(1)(a), Florida Statutes, means
1. A predecessor or successor of a person convicted of a public entity crime; or
 2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term “affiliate” includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm’s length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
7. I understand that a “person” as defined in Paragraph 287.133(1)(8), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with public entity. The term “person” includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
8. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (Please indicate which statement applies).
- X Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity have been charged with and convicted of a public entity crime subsequent to July 1, 1989, AND (Please indicate which additional statement applies.)
- _____ There has been a proceeding concerning the conviction before a hearing of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer did not place the person or affiliate on the convicted vendor list. (Please attach a copy of the final order.)
- _____ The person or affiliate was placed on the convicted vendor list. There has been a subsequent proceeding before a hearing officer of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer determined that it was in the public interest to remove the person or
-

affiliate from the convicted vendor list. (Please attach a copy of the final order.)

____ The person or affiliate has not been put on the convicted vendor list. (Please describe any action taken by or pending with the Department of General Services.)

[Signature]
(signature)

9/11/25
(date)

STATE OF Florida

COUNTY OF Lee

PERSONALLY APPEARED BEFORE ME, the undersigned authority,

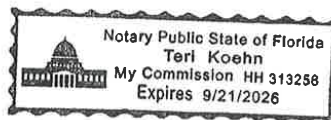
Travis Merrick who, after first being sworn by me, affixed his/her
(name of individual signing)

signature in the space provided above on this 11 day of September, 2025

My commission expires:

9/21/26

[Signature]
NOTARY PUBLIC



CITY OF KEY WEST INDEMNIFICATION FORM

To the fullest extent permitted by law, the Consultant expressly agrees to indemnify and hold harmless the City of Key West, their officers, directors, agents and employees *(herein called the "indemnitees") from liabilities, damages, losses and costs, including but not limited to, reasonable attorney's fees and court costs, such legal expenses to include costs incurred in establishing the indemnification and other rights agreed to in this Paragraph, to persons or property, to the extent caused by the negligence, recklessness, or intentional wrongful misconduct of the Consultant, its Subcontractors or persons employed or utilized by them in the performance of the Contract. Claims by indemnitees for indemnification shall be limited to the amount of Consultant's insurance or \$1 million per occurrence, whichever is greater. The parties acknowledge that the amount of the indemnity required hereunder bears a reasonable commercial relationship to the Contract and it is part of the project specifications or the bid documents, if any.

The indemnification obligations under the Contract shall not be restricted in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Consultant under Workers' Compensation acts, disability benefits acts, or other employee benefits acts, and shall extend to and include any actions brought by or in the name of any employee of the Consultant or of any third party to whom Consultant may subcontract a part or all of the Work. This indemnification shall continue beyond the date of completion of the work.

CONSULTANT: UES Professional Solutions, LLC.
8050 NW 77th Ct, Medley, FL 33166

SEAL:

AddressSignatureTravis MerrickPrint NamePresident, South FloridaTitle

DATE:

9/11/25

EQUAL BENEFITS FOR DOMESTIC PARTNERS AFFIDAVITSTATE OF Florida)

: SS

COUNTY OF Lee)

I, the undersigned hereby duly sworn, depose and say that the firm of _____

UES Professional Solutions, LLC

provides benefits to domestic partners of its employees on the same basis as it provides benefits to employees' spouses, per City of Key West Code of Ordinances Sec. 2-799.

By: Travis Merrick - President, South FloridaSworn and subscribed before me this 11 day of September 20 25

NOTARY PUBLIC, State of Florida at Large

My Commission Expires: 9/21/26

CONE OF SILENCE AFFIDAVITSTATE OF Florida)

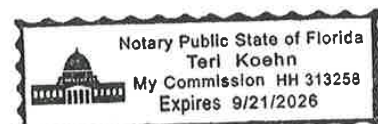
: SS

COUNTY OF Lee)

I, the undersigned hereby duly sworn, depose and say that all owner(s), partners, officers, directors, employees and agents representing the firm of UES Professional Solutions, LLC have read and understand the limitations and procedures regarding communications concerning City of Key West Code of Ordinances Sec. 2-773 Cone of Silence.

By: Travis Merrick - President, South Florida

Sworn and subscribed before me this

11 day of September 20 25NOTARY PUBLIC, State of Florida at LargeMy Commission Expires: 9/21/26

NON-COLLUSION AFFIDAVIT

STATE OF FLORIDA)

:

SS COUNTY OF MONROE)

I, the undersigned hereby declares that the only persons or parties interested in this Proposal are those named herein, that this proposal is, in all respects, fair and without fraud, that it is made without collusion with any official of the Owner, and that the Proposal is made without any connection or collusion with any person submitting another Proposal on this Contract.

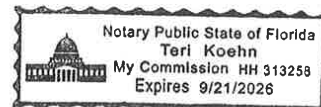
By: Travis Merrick - President, South Florida

Sworn and subscribed before me this

11 day of September, 2025

NOTARY PUBLIC, State of Florida at Large

My Commission Expires:

9/21/26

**LOCAL VENDOR CERTIFICATION
PURSUANT TO CITY OF KEY WEST CODE OF ORDINANCES
SECTION 2-798**

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

- a. Principle address as registered with the FL Department of State located within 30 miles of the boundaries of the city, listed with the chief licensing official as having a business tax receipt with its principle address within 30 miles of the boundaries of the city for at least one year immediately prior to the issuance of the solicitation.
- b. Maintains a workforce of at least 50 percent of its employees from the city or within 30 miles of its boundaries.
- c. Having paid all current license taxes and any other fees due the city at least 24 hours prior to the publication of the call for bids or request for proposals.
 - Not a local vendor pursuant to Code of Ordinances Section 2-798
 - Qualifies as a local vendor pursuant to Code of Ordinances Section 2-798

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

Business Name

Phone:

Current Local Address:

Fax:

(P.O Box numbers may not be used to establish status)

Length of time at this address

Signature of Authorized Representative

STATE OF Florida

COUNTY OF Lee

The foregoing instrument was acknowledged before me this 11 day of September, 2025

By Travis Merrick, of UES Professional Solutions, LLC

(Name of officer or agent, title of officer or agent) Name of corporation acknowledging)

or has produced Self as identification

(type of identification)

Teri Koehn

Signature of Notary

Teri Koehn

Print, Type or Stamp Name of Notary

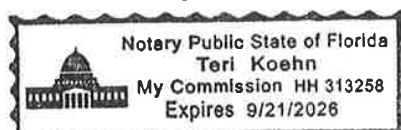
Administrative Operations Manager

Title or Rank

Return Completed form with

Supporting documents to:

City of Key West Purchasing



THE CITY OF KEY WEST E-VERIFY AFFIDAVIT

Beginning January 1, 2021, Florida law requires all contractors doing business with The City of Key West to register with and use the E-Verify System in order to verify the work authorization status of all newly hired employees. The City of Key West requires all vendors who are awarded contracts with the City to verify employee eligibility using the E-Verify System. As before, vendors are also required to maintain all I-9 Forms of their employees for the duration of the contract term. To enroll in the E-Verify System, vendors should visit the E-Verify Website located at www.e-verify.gov.

In accordance with Florida Statute § 448.095, **it is the responsibility of the Awarded Vendor to ensure compliance with all applicable E-Verify requirements.**

By executing this affidavit, the undersigned contractor verifies its compliance with Florida Statute § 448.095, stating affirmatively that the individual, firm, or corporation which is engaged in the performance of services on behalf of the City of Key West, has registered with, is authorized to use, and uses the U.S. Department of Homeland Security's E-Verify system.

Furthermore, the undersigned contractor agrees that it will continue to use E-Verify throughout the contract period, and should it employ or contract with any subcontractor(s) in connection with the performance of services pursuant to this Agreement with The City of Key West, contractor will secure from such subcontractor(s) similar verification of compliance with Florida Statute § 448.095, by requiring the subcontractor(s) to provide an affidavit attesting that the subcontractor does not employ, or subcontract with, an unauthorized alien. Contractor further agrees to maintain records of such compliance during the duration of the Agreement and provide a copy of each such verification to The City of Key West within five (5) business days of receipt.

Failure to comply with this provision is a material breach of the Agreement and shall result in immediate termination of the Agreement without penalty to the City of Key West. Contractor shall be liable for all costs incurred by the City of Key West to secure replacement Agreement, including but not limited to, any increased costs for the same services, and costs due to delay, and rebidding costs, if applicable.

9/11/25
Date

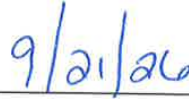

(Signature of Authorized Representative)

State of Florida
County of Lee

Personally Appeared Before Me, the undersigned authority, Travis Merriak who, ☒ being personally known or ☐ having produced his/her signature in the space provided above on this 11 day of September, 2025.



Signature, Notary Public



Commission Expires



Stamp/Seal:

**AFFIDAVIT ATTESTING TO NONCOERCIVE CONDUCT
FOR LABOR OR SERVICES**

Entity/Vendor Name: UES PROFESSIONAL SOLUTIONS, LLC

Vendor FEIN: 59-1117804

Vendor's Authorized Representative: TRAVIS MERRICK, PRESIDENT - SOUTH FLORIDA
(Name and Title)

Address: 8050 NW 77TH CT.,

City: MEDLEY State: FL Zip: 33166

Phone Number: 239-489-2443

Email Address: TMERRICK@TEAMUES.COM

As a nongovernmental entity executing, renewing, or extending a contract with a government entity, Vendor is required to provide an affidavit under penalty of perjury attesting that Vendor does not use coercion for labor or services in accordance with Section 787.06, Florida Statutes.

As defined in Section 787.06(2)(a), coercion means:

1. Using or threatening to use physical force against any person;
2. Restraining, isolating, or confining or threatening to restrain, isolate, or confine any person without lawful authority and against her or his will;
3. Using lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied toward the liquidation of the debt, the length and nature of the labor or service are not respectively limited and defined;
4. Destroying, concealing, removing, confiscating, withholding, or possessing any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification document, of any person;
5. Causing or threatening to cause financial harm to any person;
6. Enticing or luring any person by fraud or deceit; or
7. Providing a controlled substance as outlined in Schedule I or Schedule II of Section 893.03 to any person for the purpose of exploitation of that person.

As a person authorized to sign on behalf of Vendor, I certify under penalties of perjury that Vendor does not use coercion for labor or services in accordance with Section 787.06. Additionally, Vendor has reviewed Section 787.06, Florida Statutes, and agrees to abide by same.

Certified By: TRAVIS MERRICK, PRESIDENT - SOUTH FLORIDA, who is authorized to sign on behalf of the above referenced company.

Authorized Signature: 

Print Name: TRAVIS MERRICK, PRESIDENT - SOUTH FLORIDA

Title: RFP # 25-020; RE-BID: WATER QUALITY MONITORING PROGRAM**VENDOR CERTIFICATION REGARDING
SCRUTINIZED COMPANIES LISTS**Respondent Vendor Name: UES PROFESSIONAL SOLUTIONS, LLCVendor FEIN: 59-1117804Vendor's Authorized Representative Name and Title: TRAVIS MERRICK, PRESIDENT - SOUTH FLORIDAAddress: 8050 NW 77TH CT.City: MEDLEY State: FL Zip: 33166Phone Number: 239-489-2443Email Address: TMERRICK@TEAMUES.COM

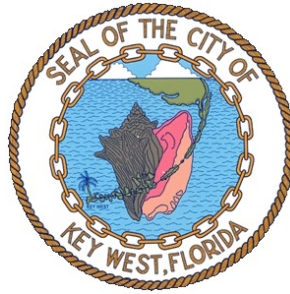
Section 287.135(2)(a), Florida Statutes, prohibits a company from bidding on, submitting a proposal for, or entering into or renewing a contract for goods or services of any amount if, at the time of contracting or renewal, the company is on the Scrutinized Companies that Boycott Israel List, created pursuant to section 215.4725, Florida Statutes, or is engaged in a boycott of Israel. Section 287.135(2)(b), Florida Statutes, further prohibits a company from bidding on, submitting a proposal for, or entering into or renewing a contract for goods or services over one million dollars (\$1,000,000) if, at the time of contracting or renewal, the company is on either the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, both created pursuant to section 215.473, Florida Statutes, or the company is engaged in business operations in Cuba or Syria.

As the person authorized to sign on behalf of Respondent, I hereby certify that the company identified above in the section entitled "Respondent Vendor Name" is not listed on either the Scrutinized Companies that Boycott Israel List, Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List I understand that pursuant to section 287.135, Florida Statutes, the submission of a false certification may subject such company to civil penalties, attorney's fees, and/or costs and termination of the contract at the option of the awarding governmental entity.

Certified By: TRAVIS MERRICK, PRESIDENT - SOUTH FLORIDA*Print Name**Print Title*

who is authorized to sign on behalf of the above referenced company.

Authorized Signature: 



ADDENDUM NO. 1
Re-Bid: Water Quality Monitoring Program
RFP 25-020

This addendum is issued as supplemental information to the Request for Proposal package for clarification of certain matters of both a general and a technical nature. The referenced Request for Proposal package is hereby amended in accordance with the following items:

1. Clarification:

1) Original Clause:

The City has defined the term “independent” as follows:

For the purposes of this solicitation, the term “independent” is defined by the City as referring to unbiased, unaffiliated third parties who are capable of performing water quality monitoring and reef restoration services free of any conflict of interest. This includes having no current or pending contractual obligations with the City of Key West that could reasonably be perceived to impair objectivity, independence, or the ability to act solely in the public interest.

Updated Clause:

The clause has been revised as follows:

For the purposes of this solicitation, the term “independent” is defined by the City as referring to unbiased, unaffiliated third parties who are capable of performing water quality monitoring services free of any conflict of interest. This includes having no current or pending contractual obligations with the City of Key West that could reasonably be perceived to impair objectivity, independence, or the ability to act solely in the public interest.

2. Changes to Submission Requirements: [No Changes]

3. Updates to Project Timeline: [No Changes]

4. Responses to Questions:

Questions and Answer provided by Engineer of Record (EOR):

- 1) Question: Does this mean that the consultant has to be capable of performing reef restoration services, in order to be considered an "certified, independent, and qualified" pursuant to Sec. 2.1. of the RFP?

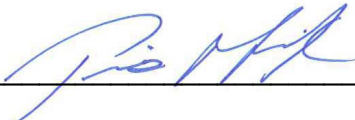
1. *Please refer to the clarifications provided above.*

- 2) Was this an unintended error or typo?

1. *Verbiage was included in error, this clause has been updated, please see above (clarification).*

- 3) Can it be corrected now that the RFP has been published?

1. *Updated via Addendum #1*

5. Additional Resources: [No Changes]

Signature

UES PROFESSIONAL SOLUTIONS, LLC
Name of Business



ADDENDUM NO. 2
Re-Bid: Water Quality Monitoring Program
RFP 25-020

This addendum is issued as supplemental information to the Request for Proposal package for clarification of certain matters of both a general and a technical nature. The referenced Request for Proposal package is hereby amended in accordance with the following items:

1. **Clarification:** [No Changes]
2. **Changes to Submission Requirements:** [No Changes]
3. **Updates to Project Timeline:** [No Changes]
4. **Responses to Questions:**

Questions and Answer provided by Engineer of Record (EOR):

- 1) Question: Could you please confirm if there is a preferred analysis suit for this project?

1. There is no preferred analysis suite identified in the RFP. Instead, proposers are encouraged to use laboratories and methods that comply with EPA and State of Florida requirements.

5. **Additional Resources:** [No Changes]



Signature

UES PROFESSIONAL SOLUTIONS, LLC

Name of Business

TAB 10

PROJECT LOCATION AND LOCAL PREFERENCE

SOUTH FLORIDA LOCATION

Our Medley, FL (Miami) office was established in 2004, has proudly served the local community and the South Florida Region and the Florida Keys for more than two decades. With deep roots in Miami-Dade County, we are more than just an engineering service provider; we are an integral part of the community. Our team members live, work, and play here, which gives them a personal investment in the success and well-being of the region. This local presence allows us to fully understand the area's needs and fosters lasting relationships with our clients.

UES has undertaken numerous projects in South Florida and the Florida Keys, cultivating strong working relationships with specialized sub-consultants, and vendors. These established connections bring significant benefits to the team, enabling smooth coordination and collaboration throughout the project lifecycle. The team's familiarity with local municipalities, sub-consultants, and vendors facilitates efficient communication, streamlined processes, and a mutual understanding of project requirements. UES personnel's rapport with local authorities ensures a comprehensive understanding of regulatory frameworks, permitting processes, and local codes, expediting necessary approvals and compliance procedures. Leveraging relationships with specialized sub-consultants provides access to their expertise in specific disciplines, enhancing project execution. Additionally, the team's connections with local vendors ensure prompt access to materials, equipment, and services, contributing to project efficiency. These established relationships foster trust and reliability, bolstering the team's credibility within the community and ultimately benefiting the overall success of the project.

MANAGING OFFICE

The UES Medley office will serve as the managing branch for this contract. This branch is located at: 8050 NW 77th Ct, Medley, FL 33166.

The managing office adopts a flexible approach that allows for seamless adaptation to changing project sizes or schedules, all while ensuring budgetary constraints are upheld. To ensure the project's schedule is met, additional resources can be allocated from our nearby satellite support office located at: 129 Buena Vista Ct., Islamorada, FL 33036





UES™

TeamUES.com