

**CITY COUNCIL RESOLUTION NO. 2022-090**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE CITY, FLORIDA, AWARDING A PROJECT TO SGS CONTRACTING SERVICES, INC.; PROVIDING FOR THE REHABILITATION OF SAINT MARGARETS WASTEWATER TREATMENT FACILITY; PROVIDING FOR THE EXECUTION OF A CONTRACT; PROVIDING FOR A TOTAL COST NOT-TO-EXCEED \$2,173,300.00; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Lake City, Florida (hereinafter the "City") requires a contract for the rehabilitation of the Saint Margaret's Wastewater Treatment Facility located (hereinafter the "Services"); and

**WHEREAS**, Section 2-178(d) of the City Code requires the procurement of supplies and contractual services based on a competitive bid process; and

**WHEREAS**, an Invitation to Bid 021-2022 (hereinafter "ITB") was advertised, and Mittauer & Associates, Inc., recommends that SGS Contracting Services, INC., (hereinafter "SGS Contracting Services") be awarded the contract; and

**WHEREAS**, the City Council finds that it is in the City's best interest to award a contract to SGS Contracting Services for the aforementioned Services pursuant to and in accordance with the terms, provisions, conditions, and requirements of the *Agreement Between Owner and Contractor For Construction Contract (Stipulated Price)* (hereinafter the "Agreement") attached hereto as "Exhibit A".

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE CITY, FLORIDA, AS FOLLOWS:**

**Section 1.** The above recitals are all true and accurate and are incorporated herein and made a part of this Resolution.

**Section 2.** The Contract is awarded to SGS Contracting Services, and the execution of the same is authorized.

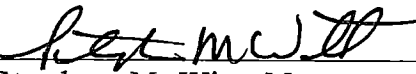
**Section 3.** The City Manager and City Attorney are authorized to make

such reasonable changes and modifications to the Contract as may be deemed necessary to be in the best interest of the City and its citizens. Provided however, that any such changes or modifications shall not cause the payment to SGS Contracting Services to exceed the Contract pricing. The Mayor is authorized and directed to execute and deliver the Contract in the name of, and on behalf of, the City with such changes, amendments, modifications, omissions, and additions made by the City Manager and City Attorney. Execution by the Mayor and SGS Contracting Services shall be deemed to be conclusive evidence of approval of such changes, amendments, modifications, omissions, and additions.

**Section 4.** Effective Date. This resolution shall take effect immediately upon adoption.

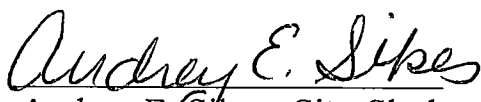
**PASSED AND ADOPTED** at a meeting of the City Council this 6<sup>th</sup> day of September 2022.


**CITY OF LAKE CITY, FLORIDA**

By:   
Stephen M. Witt, Mayor

ATTEST:

APPROVED AS TO FORM AND  
LEGALITY:

By:   
Audrey E. Sikes, City Clerk

By:   
Frederick L. Koberlein, Jr.,  
City Attorney

## SECTION 00520

### AGREEMENT BETWEEN OWNER AND CONTRACTOR FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)

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This Agreement is by and between City of Lake City, Florida ("Owner") and  
SGS Contracting Services, Inc. ("Contractor").

Terms used in this Agreement have the meanings stated in the General Conditions and the Supplementary Conditions.

Owner and Contractor hereby agree as follows:

#### ARTICLE 1—WORK

- 1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: Replacement of the existing mechanical screen and manual bar rack at the influent structure with a new mechanical screen and manual bar rack, replacement of the existing vertical turbine effluent pumps with new vertical turbine effluent pumps, replacement of the existing sludge pump conveyor system with a new spiral screen conveyor system, modification and rehabilitation of the existing clarifier flow splitter box, replacement of the existing WAS flowmeter with a new WAS flowmeter, replacement of various existing tank drain valves, replacement and modification of various existing handrailing and platforms, replacement of existing onsite reuse piping with new PVC reuse piping, repair of various concrete tankage and structures, and coating and painting of various surfaces at the facility. The project shall include all demolition, erosion control, and restoration as necessary for performance of the work.

#### ARTICLE 2—THE PROJECT

- 2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: SMWWTF Rehabilitation, City Bid No. ITB-021-2021.

#### ARTICLE 3—ENGINEER

- 3.01 The Owner has retained Mittauer & Associates, Inc. ("Engineer") to act as Owner's representative, assume all duties and responsibilities of Engineer, and have the rights and authority assigned to Engineer in the Contract.
- 3.02 The Project has been designed by Mittauer & Associates, Inc., 580-1 Wells Road, Orange Park, Florida 32073.

#### ARTICLE 4—CONTRACT TIMES

- 4.01 *Time is of the Essence*
- A. All time limits for Substantial Completion and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

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Modified per Mittauer & Associates, Inc.

EJCDC® C-520, Agreement between Owner and Contractor for Construction Contract (Stipulated Price).  
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#### 4.02 *Contract Times: Days*

- A. The Work will be substantially complete within 335 days after the date when the Contract Times commence to run as provided in Paragraph 4.01 of the General Conditions, and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions within 365 days after the date when the Contract Times commence to run.

#### 4.03 *Liquidated Damages*

- A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial and other losses if the Work is not completed and Milestones not achieved within the Contract Times, as duly modified. The parties also recognize the delays, expense, and difficulties involved in proving, in a legal or arbitration proceeding, the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):
  - 1. *Substantial Completion*: Contractor shall pay Owner \$500 for each day that expires after the time (as duly adjusted pursuant to the Contract) specified above for Substantial Completion, until the Work is substantially complete.
  - 2. *Completion of Remaining Work*: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner \$200 for each day that expires after such time until the Work is completed and ready for final payment.
  - 3. Liquidated damages for failing to timely attain Substantial Completion and Final Completion are additive and will be imposed concurrently.
- B. If Owner recovers liquidated damages for a delay in completion by Contractor, then such liquidated damages are Owner's sole and exclusive remedy for such delay, and Owner is precluded from recovering any other damages, whether actual, direct, excess, or consequential, for such delay, except for special damages (if any) specified in this Agreement.

#### 4.04 *Special Damages - Not Applicable*

### ARTICLE 5—CONTRACT PRICE

- 5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents, the amounts that follow, subject to adjustment under the Contract:

- A. For all Work, at the prices stated in Contractor's Bid, attached hereto as an exhibit.

### ARTICLE 6—PAYMENT PROCEDURES

#### 6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

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## 6.02 *Progress Payments; Retainage*

- A. Owner shall make progress payments on the basis of Contractor's Applications for Payment within 25 days for each month during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications for Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract.
  - 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract.
    - a. 95 percent of the value of the Work completed (with the balance being retainage).
    - b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
    - c. If 50 percent or more of the Work has been completed, as determined by Engineer, and if the character and progress of the Work have been satisfactory to Owner and Engineer, then as long as the character and progress of the Work remain satisfactory to Owner and Engineer, there will be no additional retainage.
- B. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to 95 percent of the Work completed, less such amounts set off by Owner pursuant to Paragraph 15.01.E of the General Conditions, and less Engineer's estimate of the value of Work to be completed or corrected as shown on the punch list of items to be completed or corrected prior to final payment.

## 6.03 *Final Payment*

- A. Upon final completion and acceptance of the Work, Owner shall pay the remainder of the Contract Price in accordance with Paragraph 15.06 of the General Conditions.

## 6.04 *Consent of Surety*

- A. Owner will not make final payment, or return or release retainage at Substantial Completion or any other time, unless Contractor submits written consent of the surety to such payment, return, or release.

## 6.05 *Interest*

- A. All amounts not paid when due will bear interest at the rate of one percent per month.

# ARTICLE 7—CONTRACT DOCUMENTS

## 7.01 *Contents*

- A. The Contract Documents consist of all of the following:
  - 1. This Agreement (Section 00520).

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2. Bonds:
  - a. Performance bond (together with power of attorney) (Section 00610).
  - b. Payment bond (together with power of attorney) (Section 00615).
3. General Conditions (Section 00700).
4. Supplementary Conditions (Section 00800).
5. Specifications as listed in the table of contents of the project manual.
6. Drawings (not attached but incorporated by reference) consisting of 28 sheets with each sheet bearing the following general title: SMWWTF Rehabilitation.
7. Addenda (numbers \_\_ to \_\_, inclusive).
8. Exhibits to this Agreement (enumerated as follows):
  - a. Contractor's Bid (Section 00410)
  - b. E-Verify and Public Records requirements (attached hereto)
9. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
  - a. Notice to Proceed.
  - b. Work Change Directives.
  - c. Change Orders.
  - d. Field Orders.
  - e. Warranty Bond, if any.
- B. The Contract Documents listed in Paragraph 7.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 7.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the Contract.

## **ARTICLE 8—REPRESENTATIONS, CERTIFICATIONS, AND STIPULATIONS**

### **8.01 Contractor's Representations**

- A. In order to induce Owner to enter into this Contract, Contractor makes the following representations:
  1. Contractor has examined and carefully studied the Contract Documents, including Addenda.
  2. Contractor has visited the Site, conducted a thorough visual examination of the Site and adjacent areas, and become familiar with the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
  3. Contractor is familiar with all Laws and Regulations that may affect cost, progress, and performance of the Work.

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4. Contractor has carefully studied the reports of explorations and tests of subsurface conditions at or adjacent to the Site and the drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, with respect to the Technical Data in such reports and drawings.
5. Contractor has carefully studied the reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, with respect to Technical Data in such reports and drawings.
6. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Technical Data identified in the Supplementary Conditions or by definition, with respect to the effect of such information, observations, and Technical Data on (a) the cost, progress, and performance of the Work; (b) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (c) Contractor's safety precautions and programs.
7. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
8. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
9. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and of discrepancies between Site conditions and the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
10. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
11. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

#### 8.02 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 8.02:
  1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;

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2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

8.03 *Standard General Conditions*

- A. Owner stipulates that if the General Conditions that are made a part of this Contract are EJCDC® C-700, Standard General Conditions for the Construction Contract (2018), published by the Engineers Joint Contract Documents Committee, and if Owner is the party that has furnished said General Conditions, then Owner has plainly shown all modifications to the standard wording of such published document to the Contractor, through a process such as highlighting or "track changes" (redline/strikeout), or in the Supplementary Conditions.

*[Remainder of page intentionally blank]*

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IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on August 15, 2022 (which is the Effective Date of the Contract).

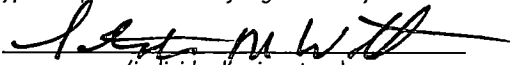


Owner:

City of Lake City, Florida

(typed or printed name of organization)

By:

  
(individual's signature)

Date:

9.7.2022

(date signed)

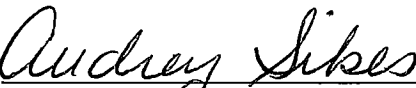
Name: Stephen M. Witt

(typed or printed)

Title: Mayor

(typed or printed)

Attest:

  
(individual's signature)

City Seal

Title: Audrey Sikes, City Clerk


(typed or printed)

Contractor:

SGS Contracting Services, Inc.

(typed or printed name of organization)

By:

  
(individual's signature)

Date:

9/21/2022

(date signed)

Name: Seth G. Simmons

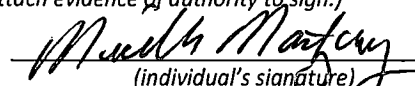
(typed or printed)

Title: President

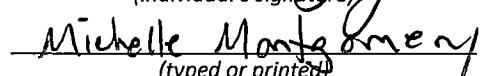
(typed or printed)

(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest:

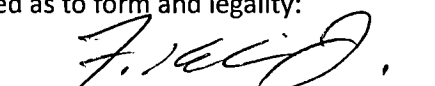
  
(individual's signature)

Title:

  
(typed or printed)

Approved as to form and legality:

By:



Frederick L. Koberlein, Jr.

City Attorney

Signed, sealed, and delivered in the  
Presence of:

Witness

(Print/Type Name)

Witness

(Print/Type Name)

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Address for giving notices:

City of Lake City

205 N. Marion Avenue

Lake City, Florida 32055

Designated Representative:

Name: Cody Pridgeon

(typed or printed)

Title: Director of Wastewater Treatment

(typed or printed)

Address:

City of Lake City

527 SW Saint Margarets Street

Lake City, Florida 32025

Phone: (386) 758-5455

Email: pridgeonc@lcfla.com

(If [Type of Entity] is a corporation, attach evidence of authority to sign. If [Type of Entity] is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of this Agreement.)

Address for giving notices:

SGS Contracting Services, Inc.

P.O. Box 908

High Springs, Florida 32655

Designated Representative:

Name: Seth G. Simmons

(typed or printed)

Title: President

(typed or printed)

Address:

SGS Contracting Services, Inc.

P.O. Box 908

High Springs, Florida 32655

Phone: (386) 361-5300

Email: seth@sgscsi.com

License No.: CGC1514772

(where applicable)

State: Florida

END OF SECTION

Modified per Mittauer & Associates, Inc.

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**E-VERIFY.** Contractor is obligated to comply with the provisions of Section 448.095, Fla. Stat., "Employment Eligibility." This includes but is not limited to utilization of the E-Verify System to verify the work authorization status of all newly hired employees, and requiring all subcontractors to provide an affidavit attesting that the subcontractor does not employ, contract with, or subcontract with, an unauthorized alien.

Failure of Contractor to comply will lead to termination of this Agreement, or if a subcontractor knowingly violates the statute, Contractor must immediately terminate their subcontract with the subcontractor. Any challenge to termination under this provision must be filed in the Circuit Court no later than TWENTY (20) calendar days after the date of termination. If this contract is terminated for a violation of the statute by Contractor may not be awarded a public contract for a period of ONE (1) year after the date of termination.

**PUBLIC RECORDS.** Contractor shall comply with all public records laws.

**IF CONTRACTOR, HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO CONTRACTORS DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:**

- City Clerk, City of Lake City  
205 North Marion Avenue  
Lake City, Florida 32055  
386-719-5826 or 386-719-5756

A. Contractor shall comply with public records laws, specifically Contractor shall:

- (1) Keep and maintain public records required by the City to perform the services.
- (2) Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this Chapter 119 of Florida Statutes or as otherwise provided by law.
- (3) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if Contractor does not transfer the records to the City.
- (4) If Contractor considers any portion of any documents, data, or records submitted to the City to be confidential, proprietary, trade secret, or otherwise not subject to disclosure pursuant to Chapter 119, Florida Statutes, the Florida Constitution, or other law, Contractor must simultaneously provide the City with a separate redacted copy of the information it claims as confidential and briefly describe in writing the grounds for claiming exemption from the public records law, including the specific statutory citation

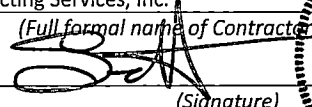
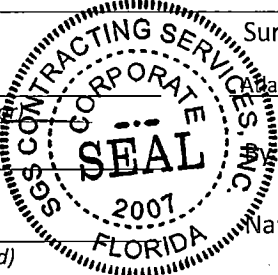
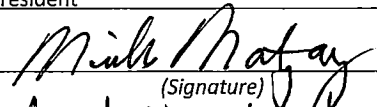
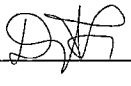
for such exemption. This redacted copy shall contain the Contract name and number, and it shall be clearly titled "Confidential." The redacted copy should only redact those portions of material that Contractor claim are confidential, proprietary, trade secret, or otherwise not subject to disclosure.

- (5) Upon completion of the contract, transfer, at no cost, to the City all public records in possession of Contractor or keep and maintain public records required by the City to perform the service. If Contractor transfers all public records to the City upon completion of the contract, Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Contractor keeps and maintains public records upon completion of the contract, Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the City.
- (6) Failure of Contractor to provide the above described public records to the City within a reasonable time may subject Contractor to penalties under 119.10, Florida Statutes, as amended.

# SECTION 00610

## PERFORMANCE BOND

Inst: 202212018805 Date: 09/27/2022 Time: 12:54PM  
 Page 1 of 9 B: 1476 P: 670, James M Swisher Jr, Clerk of Court  
 Columbia County, By: VC  
 Deputy Clerk

<b>Contractor</b> Name: <u>SGS Contracting Services, Inc.</u> Address (principal place of business): 18420 High Springs Main Street High Springs, FL 32643 (386) 361-5300	<b>Surety</b> Name: <u>Atlantic Specialty Insurance Company</u> Address (principal place of business): 605 Highway 169 North, Suite 800 Plymouth, MN 55441 (952) 852-2431
<b>Owner</b> Name: <u>City of Lake City, Florida</u> Mailing address (principal place of business): 205 N. Marion Avenue Lake City, Florida 32055 (386) 719-5826	<b>Contract</b> Description (name and location): SMWWTF Rehabilitation City Bid No. ITB-021-2021 Lake City, Florida Contract Price: <u>\$2,173,300.00</u> Effective Date of Contract: <u>August 15, 2022</u>
<b>Bond</b> Bond No.: 800097493 Bond Amount: Two Million One Hundred Seventy-Three Thousand Three Hundred Dollars and 00/100 - (\$2,173,300.00) Date of Bond: <u>September 22, 2022</u> (Date of Bond cannot be earlier than Effective Date of Contract) Modifications to this Bond form: <input type="checkbox"/> None <input checked="" type="checkbox"/> See Paragraph 16	
Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth in this Performance Bond, do each cause this Performance Bond to be duly executed by an authorized officer, agent, or representative.	
<b>Contractor as Principal</b> SGS Contracting Services, Inc. (Full formal name of Contractor)	<b>Surety</b> Atlantic Specialty Insurance Company (Full formal name of Surety) (corporate seal)
By:  (Signature)	 (Signature) (Attach Power of Attorney)
Name: <u>Seth G. Simmons</u> (Printed or typed)	Name: <u>Jessie Sloan</u> (Printed or typed)
Title: <u>President</u>	Title: <u>Attorney-In-Fact &amp; Florida Licensed Resident Agent</u>
Attest:  (Signature)	Attest:  (Signature)
Name: <u>Michelle Mangano</u> (Printed or typed)	Name: <u>Diana Alvarez</u> (Printed or typed)
Title: <u>Witness</u>	Title: <u>Witness</u>
Notes: (1) Provide supplemental execution by any additional parties, such as joint venturers. (2) Any singular reference to Contractor, Surety, Owner, or other party is considered plural where applicable.	

Inquiries: (321) 800-6594

Modified per Mittauer &amp; Associates, Inc.

EJCDC® C-610, Performance Bond.

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1. The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.
2. If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Paragraph 3.
3. If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond will arise after:
  - 3.1. The Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice may indicate whether the Owner is requesting a conference among the Owner, Contractor, and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Paragraph 3.1 will be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor, and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement does not waive the Owner's right, if any, subsequently to declare a Contractor Default;
  - 3.2. The Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and
  - 3.3. The Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.
4. Failure on the part of the Owner to comply with the notice requirement in Paragraph 3.1 does not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.
5. When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:
  - 5.1. Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;
  - 5.2. Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;
  - 5.3. Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owners concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or

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- 5.4. Waive its right to perform and complete, arrange for completion, or obtain a new contractor, and with reasonable promptness under the circumstances:
  - 5.4.1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
  - 5.4.2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.
6. If the Surety does not proceed as provided in Paragraph 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Paragraph 5.4, and the Owner refuses the payment, or the Surety has denied liability, in whole or in part, without further notice, the Owner shall be entitled to enforce any remedy available to the Owner.
7. If the Surety elects to act under Paragraph 5.1, 5.2, or 5.3, then the responsibilities of the Surety to the Owner will not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety will not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication for:
  - 7.1. the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
  - 7.2. additional legal, design professional, and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 5; and
  - 7.3. liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.
8. If the Surety elects to act under Paragraph 5.1, 5.3, or 5.4, the Surety's liability is limited to the amount of this Bond.
9. The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price will not be reduced or set off on account of any such unrelated obligations. No right of action will accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors, and assigns.
10. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders, and other obligations.
11. Any proceeding, legal or equitable, under this Bond must be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and must be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum periods of limitations available to sureties as a defense in the jurisdiction of the suit will be applicable.
12. Notice to the Surety, the Owner, or the Contractor must be mailed or delivered to the address shown on the page on which their signature appears.
13. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement will be deemed deleted therefrom and provisions conforming to such

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statutory or other legal requirement will be deemed incorporated herein. When so furnished, the intent is that this Bond will be construed as a statutory bond and not as a common law bond.

14. Definitions

14.1. *Balance of the Contract Price*—The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made including allowance for the Contractor for any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

14.2. *Construction Contract*—The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

14.3. *Contractor Default*—Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

14.4. *Owner Default*—Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

14.5. *Contract Documents*—All the documents that comprise the agreement between the Owner and Contractor.

15. If this Bond is issued for an agreement between a contractor and subcontractor, the term Contractor in this Bond will be deemed to be Subcontractor and the term Owner will be deemed to be Contractor.

16. Modifications to this Bond are as follows:

Bond shall be recorded in the County in which work is performed in accordance with Florida Statutes Section 255.05.

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# SECTION 00615

## PAYMENT BOND

<b>Contractor</b> Name: <u>SGS Contracting Services, Inc.</u> Address (principal place of business): 18420 High Springs Main Street High Springs, FL 32643 (386) 361-5300	<b>Surety</b> Name: <u>Atlantic Specialty Insurance Company</u> Address (principal place of business): 605 Highway 169 North, Suite 800 Plymouth, MN 55441 (952) 852-2431
<b>Owner</b> Name: <u>City of Lake City, Florida</u> Mailing address (principal place of business): 205 N. Marion Avenue Lake City, Florida 32055 (386) 719-5826	<b>Contract</b> Description (name and location): SMWWTF Rehabilitation City Bid No. ITB-021-2021 Lake City, Florida Contract Price: <u>\$2,173,300.00</u> Effective Date of Contract: <u>August 15, 2022</u>

**Bond**  
Bond No.: 800097493  
Bond Amount: Two Million One Hundred Seventy-Three Thousand Three Hundred Dollars and 00/100 - (\$2,173,300.00)  
Date of Bond: September 22, 2022  
*(Date of Bond cannot be earlier than Effective Date of Contract)*  
Modifications to this Bond form:  
☐ None ☒ See Paragraph 18

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth in this Payment Bond, do each cause this Payment Bond to be duly executed by an authorized officer, agent, or representative.

<b>Contractor as Principal</b> SGS Contracting Services, Inc. <i>(Full formal name of Contractor)</i>	<b>Surety</b> Atlantic Specialty Insurance Company <i>(Full formal name of Surety) (corporate seal)</i>
By: <u>[Signature]</u> <i>(Signature)</i>	<u>[Signature]</u> <i>(Signature) (Attach Power of Attorney)</i>
Name: <u>Seth G. Simmons</u> <i>(Printed or typed)</i>	Name: <u>Jessie Sloan</u> <i>(Printed or typed)</i>
Title: <u>President</u>	Title: <u>Attorney-In-Fact &amp; Florida Licensed Resident Agent</u>
Attest: <u>[Signature]</u> <i>(Signature)</i>	Attest: <u>[Signature]</u> <i>(Signature)</i>
Name: <u>Michelle Mangum</u> <i>(Printed or typed)</i>	Name: <u>Diana Alvarez</u> <i>(Printed or typed)</i>
Title: <u>Witness</u>	Title: <u>Witness</u>

Notes: (1) Provide supplemental execution by any additional parties, such as joint venturers. (2) Any singular reference to Contractor, Surety, Owner, or other party is considered plural where applicable.

Inquiries: (321) 800-6594

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1. The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to the Owner to pay for labor, materials, and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.
2. If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies, and holds harmless the Owner from claims, demands, liens, or suits by any person or entity seeking payment for labor, materials, or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.
3. If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond will arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 13) of claims, demands, liens, or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials, or equipment furnished for use in the performance of the Construction Contract, and tendered defense of such claims, demands, liens, or suits to the Contractor and the Surety.
4. When the Owner has satisfied the conditions in Paragraph 3, the Surety shall promptly and at the Surety's expense defend, indemnify, and hold harmless the Owner against a duly tendered claim, demand, lien, or suit.
5. The Surety's obligations to a Claimant under this Bond will arise after the following:
  - 5.1. Claimants who do not have a direct contract with the Contractor
    - 5.1.1. have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and
    - 5.1.2. have sent a Claim to the Surety (at the address described in Paragraph 13).
  - 5.2. Claimants who are employed by or have a direct contract with the Contractor have sent a Claim to the Surety (at the address described in Paragraph 13).
6. If a notice of non-payment required by Paragraph 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Paragraph 5.1.1.
7. When a Claimant has satisfied the conditions of Paragraph 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:
  - 7.1. Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and
  - 7.2. Pay or arrange for payment of any undisputed amounts.
  - 7.3. The Surety's failure to discharge its obligations under Paragraph 7.1 or 7.2 will not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Paragraph 7.1 or 7.2, the Surety

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shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.

8. The Surety's total obligation will not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Paragraph 7.3, and the amount of this Bond will be credited for any payments made in good faith by the Surety.
9. Amounts owed by the Owner to the Contractor under the Construction Contract will be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfying obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.
10. The Surety shall not be liable to the Owner, Claimants, or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to or give notice on behalf of Claimants, or otherwise have any obligations to Claimants under this Bond.
11. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders, and other obligations.
12. No suit or action will be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Paragraph 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit will be applicable.
13. Notice and Claims to the Surety, the Owner, or the Contractor must be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, will be sufficient compliance as of the date received.
14. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement will be deemed deleted here from and provisions conforming to such statutory or other legal requirement will be deemed incorporated herein. When so furnished, the intent is that this Bond will be construed as a statutory bond and not as a common law bond.
15. Upon requests by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.
16. Definitions
  - 16.1. *Claim*—A written statement by the Claimant including at a minimum:
    - 16.1.1. The name of the Claimant;
    - 16.1.2. The name of the person for whom the labor was done, or materials or equipment furnished;

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- 16.1.3. A copy of the agreement or purchase order pursuant to which labor, materials, or equipment was furnished for use in the performance of the Construction Contract;
  - 16.1.4. A brief description of the labor, materials, or equipment furnished;
  - 16.1.5. The date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
  - 16.1.6. The total amount earned by the Claimant for labor, materials, or equipment furnished as of the date of the Claim;
  - 16.1.7. The total amount of previous payments received by the Claimant; and
  - 16.1.8. The total amount due and unpaid to the Claimant for labor, materials, or equipment furnished as of the date of the Claim.
- 16.2. *Claimant*—An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials, or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond is to include without limitation in the terms of "labor, materials, or equipment" that part of the water, gas, power, light, heat, oil, gasoline, telephone service, or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials, or equipment were furnished.
- 16.3. *Construction Contract*—The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.
- 16.4. *Owner Default*—Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.
- 16.5. *Contract Documents*—All the documents that comprise the agreement between the Owner and Contractor.
17. If this Bond is issued for an agreement between a contractor and subcontractor, the term Contractor in this Bond will be deemed to be Subcontractor and the term Owner will be deemed to be Contractor.
18. Modifications to this Bond are as follows:
- Bond shall be recorded in the County in which work is performed in accordance with Florida Statutes Section 255.05.

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## Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that ATLANTIC SPECIALTY INSURANCE COMPANY, a New York corporation with its principal office in Plymouth, Minnesota, does hereby constitute and appoint: **Jorge L. Bracamonte, Jessie Sloan, Karla Tomaszewski**, each individually if there be more than one named, its true and lawful Attorney-in-Fact, to make, execute, seal and deliver, for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof; provided that no bond or undertaking executed under this authority shall exceed in amount the sum of: **unlimited** and the execution of such bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof in pursuance of these presents, shall be as binding upon said Company as if they had been fully signed by an authorized officer of the Company and sealed with the Company seal. This Power of Attorney is made and executed by authority of the following resolutions adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

Resolved: That the President, any Senior Vice President or Vice-President (each an "Authorized Officer") may execute for and in behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and affix the seal of the Company thereto; and that the Authorized Officer may appoint and authorize an Attorney-in-Fact to execute on behalf of the Company any and all such instruments and to affix the Company seal thereto; and that the Authorized Officer may at any time remove any such Attorney-in-Fact and revoke all power and authority given to any such Attorney-in-Fact.

Resolved: That the Attorney-in-Fact may be given full power and authority to execute for and in the name and on behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed and sealed by an Authorized Officer and, further, the Attorney-in-Fact is hereby authorized to verify any affidavit required to be attached to bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof.

This power of attorney is signed and sealed by facsimile under the authority of the following Resolution adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:


Resolved: That the signature of an Authorized Officer, the signature of the Secretary or the Assistant Secretary, and the Company seal may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing an Attorney-in-Fact for purposes only of executing and sealing any bond, undertaking, recognizance or other written obligation in the nature thereof, and any such signature and seal where so used, being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

IN WITNESS WHEREOF, ATLANTIC SPECIALTY INSURANCE COMPANY has caused these presents to be signed by an Authorized Officer and the seal of the Company to be affixed this twenty-seventh day of April, 2020.

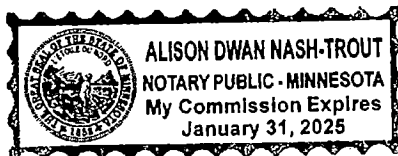


STATE OF MINNESOTA  
HENNEPIN COUNTY

By

  
Paul J. Brehm, Senior Vice President

On this twenty-seventh day of April, 2020, before me personally came Paul J. Brehm, Senior Vice President of ATLANTIC SPECIALTY INSURANCE COMPANY, to me personally known to be the individual and officer described in and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, that he is the said officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the seal of said Company and that the said seal and the signature as such officer was duly affixed and subscribed to the said instrument by the authority and at the direction of the Company.





Notary Public

I, the undersigned, Secretary of ATLANTIC SPECIALTY INSURANCE COMPANY, a New York Corporation, do hereby certify that the foregoing power of attorney is in full force and has not been revoked, and the resolutions set forth above are now in force.

Signed and sealed. Dated 22nd day of September, 2022.

This Power of Attorney expires  
January 31, 2025



Kara Barrow, Secretary