

ECKERT MECHANICAL, LLC

ALBANY, NEW YORK

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors and Members
Eckert Mechanical, LLC
Albany, New York

We have reviewed the accompanying financial statements of Eckert Mechanical, LLC (a New York Limited Liability Company) which comprise the balance sheets as of December 31, 2019 and 2018 and the related statements of income, members' equity and cash flow for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Lutz, Selig & Zeronda L.L.P.

Latham, New York
March 11, 2010

ECKERT MECHANICAL, LLCBALANCE SHEETS
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash (Note 1)	\$ 368,232	\$ 256,012
Accounts receivables (Notes 1 and 2)	2,601,197	1,473,996
Inventory (Note 1)	3,500	2,476
Contact assets (Notes 1 and 3)	531,577	374,143
Other current assets	2,199	3,974
Due from member (Note 5)	2,477	5,412
Total current assets	<u>\$ 3,509,182</u>	<u>\$ 2,116,013</u>
DUE FROM MEMBER - LONG TERM (Note 5)	-	2,477
PROPERTY AND EQUIPMENT (Notes 1 and 4)	<u>159,661</u>	<u>52,248</u>
TOTAL ASSETS	<u>\$ 3,668,843</u>	<u>\$ 2,170,738</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,201,943	\$ 538,889
Contract liabilities (Notes 1 and 3)	881,608	508,448
Due to affiliated company (Note 6)	799,932	819,932
Accrued expenses and other current liabilities	<u>107,030</u>	<u>77,750</u>
Total current liabilities	<u>\$ 2,990,513</u>	<u>\$ 1,945,019</u>
COMMITMENTS AND CONTINGENCIES (Notes 6 and 8)		
MEMBERS' EQUITY	<u>678,330</u>	<u>225,719</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 3,668,843</u>	<u>\$ 2,170,738</u>

See independent accountants' review report and notes to financial statements.

ECKERT MECHANICAL, LLCSTATEMENTS OF INCOME AND MEMBERS' EQUITY
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Revenue	\$ 10,358,954	\$ 7,704,275
Cost of revenue	<u>8,756,046</u>	<u>6,632,905</u>
Gross profit	\$ 1,602,908	\$ 1,071,370
Operating expenses	<u>695,683</u>	<u>515,595</u>
Income from operations	\$ 907,225	\$ 555,775
Other income	<u>1,386</u>	<u>3,746</u>
NET INCOME	\$ 908,611	\$ 559,521
Members' equity (deficit) - beginning	225,719	(108,802)
Members' distributions	<u>(456,000)</u>	<u>(225,000)</u>
MEMBERS' EQUITY - END	<u>\$ 678,330</u>	<u>\$ 225,719</u>

See independent accountants' review report and notes to financial statements.

ECKERT MECHANICAL, LLCSTATEMENTS OF CASH FLOW
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	\$ 908,611	\$ 559,521
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	34,333	24,940
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(1,127,201)	51,945
Inventory	(1,024)	(1,850)
Contract assets	(157,434)	(69,825)
Other current assets	1,775	(2,800)
Increase (decrease) in:		
Accounts payable	663,054	(30,636)
Contracts liabilities	373,160	(134,100)
Due to affiliated companies	(20,000)	-
Accrued expenses and other current liabilities	29,280	(16,034)
Net cash provided by operating activities	<u>\$ 704,554</u>	<u>\$ 381,161</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (141,746)	\$ (23,431)
Net cash applied to investing activities	<u>\$ (141,746)</u>	<u>\$ (23,431)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Members' distributions	\$ (456,000)	\$ (225,000)
Repayments from member	5,412	5,305
Net cash applied to financing activities	<u>\$ (450,588)</u>	<u>\$ (219,695)</u>
NET INCREASE IN CASH	<u>\$ 112,220</u>	<u>\$ 138,035</u>
 CASH - BEGINNING	 <u>256,012</u>	 <u>117,977</u>
 CASH - END	 <u><u>\$ 368,232</u></u>	 <u><u>\$ 256,012</u></u>

See independent accountants' review report and notes to financial statements.

ECKERT MECHANICAL, LLC**NOTES TO FINANCIAL STATEMENTS**
YEARS ENDED DECEMBER 31, 2019 AND 2018**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a) Business Activity**

The Company is in the maintenance, service and construction of HVAC building systems and equipment business in Northeastern New York. As such, the Company grants credit to its customers, most of whom are located in this area.

b) Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Due to the nature of the work required to be performed on many of the Company's performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. As a significant change in one or more of these estimates could affect the profitability of the Company's contracts, the Company reviews and updates the Company's contract-related estimates regularly through a company-wide disciplined project review process in which management reviews the progress and execution of the Company's performance obligations and the estimate at completion. As part of this process, management reviews information including, but not limited to, any outstanding key contract matters, progress towards completion and the related program schedule and the related changes in estimates of revenues and costs. Management must make assumptions and estimates regarding labor productivity and availability, the complexity of the work to be performed, the cost and availability of materials, the performance of subcontractors, and the availability and timing of funding from the customer, among other variables. Actual results could differ from those estimates. These differences may be material.

c) Adoption of a New Accounting Standard - Revenue

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014 - 09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard effective January 1, 2019, the first day of the Company's fiscal year using the modified retrospective approach. The prior year comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods; however, certain balances have been reclassified to conform to the current year presentation.

Revenue on the Company's contracts is recognized over time because of the continuous transfer of control to the customer. Revenue on fixed price contracts is recognized on the percentage-of-completion method based generally on the ratio of direct costs incurred-to-date to estimated total direct costs at completion. The Company uses the percentage-of-completion method to better match the level of work performed at a certain point in time in relation to the effort that will be required to complete a project. In addition, the percentage-of-completion method (an input method) is a common method of revenue recognition in the Company's industry. Based on the Company's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

ECKERT MECHANICAL, LLC**NOTES TO FINANCIAL STATEMENTS**
YEARS ENDED DECEMBER 31, 2019 AND 2018**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)****d) Concentration of Credit Risk**

Financial instruments which potentially subject the Company to a concentration of credit risk principally consist of cash and accounts receivable. The Company maintains cash balances with major financial institutions which at times exceed the federally-insured limit. In addition, the Company grants credit to its customers. The risk of loss with respect to contract receivable is the balance owed at the time of default as the Company does not generally require collateral.

e) Cash

For purposes of the statements of cash flow, the Company considers all highly-liquid debt instruments purchased with a maturity of 3 months or less to be cash.

f) Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus accounts receivable do not bear interest, although a finance charge may be applied to receivables that are past due. Accounts receivables are periodically evaluated for collectability based on past credit history with customers and their current financial condition. The Company charges off accounts receivable when it becomes apparent based upon age or customer circumstances that amounts will not be collected. An allowance for doubtful accounts has not been provided, as it is management's opinion that losses, if any would not be material to the financial statements.

g) Inventory

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-11, "Simplifying the Measurement of Inventory", which resulted in a change in the way the Company measures the value of inventory. The Company adopted this change prospectively as required, and as a result inventory is stated at the lower of cost (first in – first out) or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The change did not have an impact on members' equity, income, or cash flow provided by or used in operations for any period presented.

h) Property and Equipment

Property and equipment are recorded at cost. Renewals and betterments of property are accounted for as additions to asset accounts. Repairs and maintenance charges are expensed as incurred. Depreciation is provided on the straight-line method for financial reporting and income tax purposes. Estimated useful lives are 5 to 15 years for autos, office furniture, equipment and leasehold improvements.

ECKERT MECHANICAL, LLC**NOTES TO FINANCIAL STATEMENTS**
YEARS ENDED DECEMBER 31, 2019 AND 2018**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)****i) Income Taxes**

The Company has elected to be treated as a Limited Liability Company under the Internal Revenue Code and the New York State Corporation Tax Law. Under these elections, the income, generally, is taxed directly to the members.

Accounting standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure, and transition.

The Company has evaluated any uncertain tax positions and related income tax contingencies and determined uncertain positions, if any, are not material to the financial statements. Penalties and interest assessed by taxing authorities are included in operating expenses, if incurred.

The Company is no longer subject to examination by federal and state taxing authorities for years prior to December 31, 2016.

j) Advertising

Advertising costs are expensed as incurred.

k) Sales Tax

States impose a sales tax on all of the Company's sales to non-exempt customers. The Company collects that sales tax and remits the entire amount to the State. Sales taxes collected and remitted to the State are excluded from revenue and cost of sales.

l) Subsequent Events

The Company has evaluated subsequent events through March 11, 2020 which is the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which have the potential to negatively impact the Company. The potential impact is unknown at this time. There are no additional material subsequent events which require recognition or disclosure.

2) ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	<u>2019</u>	<u>2018</u>
Completed contracts	\$ 76,625	\$ 242,663
Uncompleted contracts	2,048,598	714,029
Trade	<u>475,974</u>	<u>517,304</u>
ACCOUNTS RECEIVABLE	<u>\$ 2,601,197</u>	<u>\$ 1,473,996</u>

ECKERT MECHANICAL, LLC**NOTES TO FINANCIAL STATEMENTS**
YEARS ENDED DECEMBER 31, 2019 AND 2018**3) CONTRACT ASSETS AND LIABILITIES**

Amounts classified as “Costs and estimated earnings in excess of billings on uncompleted contracts” and “Billings in excess of costs and estimated earnings on uncompleted contracts” on the balance sheet and statements of cash flow of the Company’s financial statements for the year ended December 31, 2018 have been reclassified as “Contract assets” and “Contract liabilities”, respectively, on the balance sheets and statements of cash flows for 2019 and 2018. In addition, contract assets include retainage amounts withheld from billings to the Company’s clients pursuant to provisions in our contracts. Billing practices are governed by the contract terms of each project based upon costs incurred, achievement of milestones or pre-agreed schedules. Billings do not necessarily correlate with revenue recognized using the percentage-of-completion method of revenue recognition. Contract assets include amounts due under retainage provisions, unbilled amounts typically resulting from revenue under contracts where the percentage of-completion method of revenue recognition is utilized, and revenue recognized exceeds the amount billed to the customer.

A summary of the Company's contract assets consists of the following as of:

	<u>December 31,</u> <u>2019</u>	<u>January 1,</u> <u>2019</u>
Retainage receivable	444,096	\$ 270,816
Costs and estimated earnings in excess of billings	<u>87,481</u>	<u>103,327</u>
CONTRACT ASSETS	<u>\$ 531,577</u>	<u>\$ 374,143</u>

The increase in contract assets was primarily attributable to the reclassification of retainage from accounts receivable to contract assets as of December 31, 2018 due to the adoption of Accounting Standards Update (“ASU”) 2014-09, offset by normal business operations for the fiscal year ended December 31, 2019.

Contract liabilities consist of amounts owed under retainage provisions and advance payments and billings in excess of revenue recognized and deferred revenue.

A summary of the Company's contract liabilities consists of the following as of:

	<u>December 31,</u> <u>2019</u>	<u>January 1,</u> <u>2019</u>
Retainage payable	\$ (68,186)	\$ (67,088)
Billings in excess of costs and estimated earnings	<u>(813,422)</u>	<u>(441,360)</u>
CONTRACT LIABILITIES	<u>\$ (881,608)</u>	<u>\$ (508,448)</u>

The increase in contract liabilities was primarily attributable to the reclassification of retainage from accounts payable to contract liabilities as of December 31, 2018 due to the adoption of Accounting Standards Update (“ASU”) 2014-09, offset by normal business operations for the fiscal year ended December 31, 2019.

ECKERT MECHANICAL, LLC**NOTES TO FINANCIAL STATEMENTS**
YEARS ENDED DECEMBER 31, 2019 AND 2018**4) PROPERTY AND EQUIPMENT**

A schedule of property and equipment is as follows:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 5,776	\$ 5,776
Equipment	94,548	35,536
Autos and trucks	336,396	253,662
Furniture and fixtures	23,935	23,935
Totals	\$ 460,655	\$ 318,909
Less accumulated depreciation	300,994	266,661
 PROPERTY AND EQUIPMENT	 <u>\$ 159,661</u>	 <u>\$ 52,248</u>

Depreciation expense was \$34,333 and \$24,940 for the years ended December 31, 2019 and 2018.

5) DUE FROM MEMBER

At December 31, 2019, the Company had \$2,477 due from one of its members for the purchase of membership units that will be repaid in the following year. The note bears interest at 2%.

6) RELATED PARTY TRANSACTIONS

Due to an affiliate represents amounts due by the Company for advances for use in the ordinary course of business as follows:

	<u>2019</u>	<u>2018</u>
SRI Fire Sprinkler LLC	\$ 799,932	\$ 819,932
 TOTALS	 <u>\$ 799,932</u>	 <u>\$ 819,932</u>

The Company purchases management and administrative services from an affiliate. Costs of these services included in operations were \$60,000 for the years ended December 31, 2019 and 2018.

The Company rents its office and warehouse facilities from an affiliate under a month-to-month lease. Total rent paid to the affiliate was \$31,680 for the years ended December 31, 2019 and 2018.

ECKERT MECHANICAL, LLC**NOTES TO FINANCIAL STATEMENTS**
YEARS ENDED DECEMBER 31, 2019 AND 2018**7) CONTRACT BACKLOG**

A summary of the Company's contract backlog information is as follows:

	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 2,346,732	\$ 3,912,603
Additional contract revenue entered into during the year:		
Contract adjustments and change orders	61,875	300,138
New contracts	<u>9,272,068</u>	<u>4,434,456</u>
Totals	\$ 11,680,675	\$ 8,647,197
Contract revenue earned during year	<u>(8,564,111)</u>	<u>(6,300,465)</u>
ENDING BALANCE	<u>\$ 3,116,564</u>	<u>\$ 2,346,732</u>

The Company entered into additional contract revenue of \$1,008,998 from January 1, 2020 thru March 11, 2020.

8) COMMITMENTS AND CONTINGENCIES

The Company has a \$150,000 working capital line of credit expiring September 30, 2020, of which \$150,000 was unused at December 31, 2019. Advances on this credit line are payable on demand and bear interest equal to the one month LIBOR plus 475 basis points.

9) REVENUE

The Company enters into contracts with its clients that contain various types of pricing provisions, including fixed price and time-and materials. The Company recognizes revenues in accordance with ASU 2014-09, Revenue from Contracts with Customer, codified as ASC Topic 606 and the related amendments (collectively "ASC 606"). As such, the Company identifies a contract with a customer, identifies the performance obligations in the contract, determines the transaction price, allocates the transaction price to each performance obligation in the contract and recognizes revenues when (or as) the Company satisfies a performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. The consideration promised in a contract with a customer may include both fixed amounts and variable amounts (e.g., bonuses/incentives, penalties/liquidated damages, returns) to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. We estimate the amount of variable consideration at the most likely amount to which we expect to be entitled. Our estimates of variable consideration are based on our assessment of legal enforceability, anticipated performance and any other information (historical, current or forecasted) that is reasonably available to us.

The Company provides quality of workmanship warranties to customers that are included in the sale and are not priced or sold separately or do not provide customers with a service in addition to assurance of compliance with agreed-upon specifications and industry standards. The Company does not consider these types of warranties to be separate performance obligations.

ECKERT MECHANICAL, LLC**NOTES TO FINANCIAL STATEMENTS**
YEARS ENDED DECEMBER 31, 2019 AND 2018**REVENUE (Cont.)**

Contracts are often modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new rights or obligations or changes the existing enforceable rights or obligations. The Company's contract modifications are for goods or services that are not distinct from existing contracts due to the significant integration provided in the context of the contract and are accounted for as if they were part of the original contract. The effect of a contract modification that is not distinct from the existing contract on the transaction price and the Company's measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis. At December 31, 2019 there were no unapproved change orders.

10) ADVERTISING

Advertising expense was \$7,544 and \$3,820 for the years ended December 31, 2019 and 2018.

11) EMPLOYEES' PENSION, PROFIT SHARING AND RETIREMENT FUNDS

The Company contributes to a multi-employer defined benefit plan under the terms of a collective-bargaining agreement that covers its union-represented employees. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- a) Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- b) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c) If the Company chooses to stop participating in some of its multi-employer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company's participation in the plan for the annual periods ended December 31, 2019 and 2018 is outlined in the table below. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2019 and 2018 is for the plan's year-end at May 31, 2019 and May 31, 2018 respectively. The zone status is based on information that the Company received from the plans and is certified by the plans' actuaries as one of the five categories based on, among other factors, the funded status of the plan. Plan zone categories are as follows:

(D) Critical and Declining Status (Deep Red Zone) - (1) the plan is in critical status and (2) the plan actuary projects the plan will become insolvent within the current year or within either the next 14 years or the next 19 years, as specified in law.

(C) Critical Status (Red Zone) – the plan is generally less than 65 percent funded

(S) Seriously Endangered Status (Orange Zone) – (1) the plan is in endangered status and (2) the plan has a funding deficiency in the current year or is projected to have one in the next six years.

(E) Endangered Status (Yellow Zone) – the plan is generally less than 80 percent funded.

(N) Not Endangered or Critical Status (Green Zone) – the plan is at least 80 percent funded.

ECKERT MECHANICAL, LLC**NOTES TO FINANCIAL STATEMENTS**
YEARS ENDED DECEMBER 31, 2019 AND 2018**EMPLOYEE BENEFIT PLANS (Cont.)**

The "FIP/RP Status Pending/Implemented" row indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

Employer Identification Number	91-2055384
Pension Protection Act zone status:	
2018	N-Green
2017	N-Green
FIP/RP Status pending / implemented	Yes
Contributions by the Company:	
2019	\$ 472,203
2018	355,259
2017	296,487
Surcharge imposed	No
Expiration date of collective bargaining agreement	4/30/2021

There have been no significant changes that affect the comparability of the contributions for the years ended December 31, 2019 and 2018.

The Company has an Internal Revenue Service approved contributory profit sharing plan covering substantially all of its nonunion employees. Contributions to the profit-sharing plan are at the discretion of the Board of Directors. The Company also contributes 4% of compensation to a 401(k) plan subject to Internal Revenue Service limitations. Total combined contributions to the plans were \$21,995 and \$16,272 for the years ended December 31, 2019 and 2018.

CNA SURETY

Bid Bond

Bond No. N/A

CONTRACTOR:
(Name, legal status and address)

ECKERT MECHANICAL, LLC
1062 Central Avenue
Albany, New York 12205

SURETY: Western Surety Company: South Dakota Corporation
(Name, legal status and principal place of business)

151 N. Franklin Street
17th Floor
Chicago, IL 60606

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

OWNER:
(Name, legal status and address)

COUNTY OF ALBANY
Department of General Services
Purchasing Division
112 State Street, Room 1000
Albany, New York 12207

BOND AMOUNT: Five Percent of the Amount of Attached Bid (5% Amt Bid)

PROJECT:
(Name, location or address, and Project number, if any)

Albany County Sherriff's Office Public Safety Building Renovations
RFB #2020-044
Mechanical Construction

The Contractor and Surety are bound to the Owner in the amount set forth above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such time period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters into a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidding or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof; or (2) pays to the Owner the difference, not to exceed the amount of this Bond, between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply to any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the bid documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

Signed and sealed this 19th day of August, 2020

Bianna Bailey
(Witness)

Bianna Bailey
(Witness)

ECKERT MECHANICAL, LLC
(Principal) Russell Lincoln (Seal)
(Title) Russell Lincoln President
Western Surety Company
(Surety) [Signature] (Seal)
(Title) Bradley E. Byer, Attorney-in-Fact

INDIVIDUAL ACKNOWLEDGEMENT

State of)
)
County of)

On the _____ day of _____, 20____, before me personally came

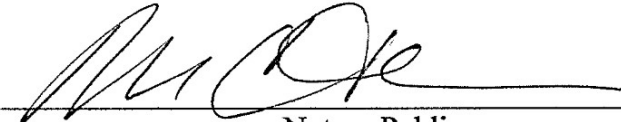
_____, to me known and know to me to be the Individual described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

Notary Public

LLC ACKNOWLEDGMENT

State of New York)
)
County of Albany)

On the 19th day of August in the year 2020, before me personally came Russell Lincoln to me known, who, being by me duly sworn, did depose and say that (s)he reside(s) in Albany, N-Y.; that (s)he is the President of the Eckert Mechanical LLC the LLC described in and which executed the above instrument.



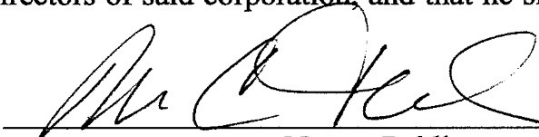
Notary Public

NICOLE C. TRIMBLE
Notary Public, State of New York
No. 01CA6135839
Qualified in Albany County
Commission Expires October 24, 2021

SURETY ACKNOWLEDGEMENT

State of New York)
)
County of Albany)

On the 19th day of August in the year 2020, before me personally came Bradley E. Byer to me known, who, being by me duly sworn, did depose and say that he reside(s) in _____ County, New York; that he is the Attorney-in-Fact of Western Surety Company the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the board of directors of said corporation, and that he signed his name thereto by like authority.



Notary Public

NICOLE C. TRIMBLE
Notary Public, State of New York
No. 01CA6135839
Qualified in Albany County
Commission Expires October 24, 2021

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Candace J Casey-Wnek, Lawrence DiGiulio, Andrew J Tokasz, Todd McMahon, Cynthia A Scharf, April A Adams, Lauren Bordonaro, Michael Dean, Michael Robert Bonetto, Timothy J Geiger, Bruce W Rogers, Individually, of Buffalo, NY
Bradley E Byer, Michael W Karl, Suzanne Coonradt, Individually, of Clifton Park, NY

Of its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 13th day of December, 2019.



WESTERN SURETY COMPANY

Paul T. Bruflat
Paul T. Bruflat, Vice President

State of South Dakota }
County of Minnehaha } ss

On this 13th day of December, 2019, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires
June 23, 2021



J. Mohr
J. Mohr, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 19th day of AUGUST, 2020.



WESTERN SURETY COMPANY

L. Nelson
L. Nelson, Assistant Secretary

WESTERN SURETY COMPANY
Sioux Falls, South Dakota
Statement of Net Admitted Assets and Liabilities
December 31, 2019

ASSETS

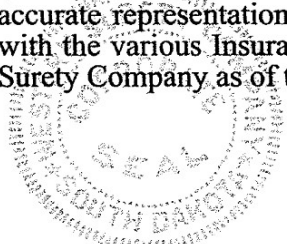
Bonds	\$ 1,943,152,245
Stocks	27,166,227
Cash, cash equivalents, and short-term investments	27,903,793
Receivables for securities	-
Investment income due and accrued	17,854,019
Premiums and considerations	56,706,652
Amounts recoverable from reinsurers	1,307,522
Current federal and foreign income tax recoverable and interest hereon	2,678,469
Net deferred tax asset	11,798,536
Receivable from parent, subsidiaries, and affiliates	12,821,583
Other assets	601
Total Assets	\$ 2,101,389,646

LIABILITIES AND SURPLUS

Losses	\$ 206,051,147
Loss adjustment expense	52,124,445
Commissions payable, contingent commissions and other similar charges	9,862,381
Other expenses (excluding taxes, license and fees)	3,624
Taxes, License and fees (excluding federal and foreign income taxes)	3,875,999
Federal and foreign income taxes payable	-
Unearned premiums	248,521,840
Advance premiums	6,112,006
Ceded reinsurance premiums payable (net of ceding commissions)	1,673,524
Amounts withheld or retained by company for account of others	5,332,206
Provision for reinsurance	290,516
Payable to parent, subsidiaries and affiliates	2905
Payable on security transactions	-
Other liabilities	97,836
Total Liabilities	\$ 533,948,430

Surplus Account:	
Common stock	\$ 4,000,000
Gross paid in and contributed surplus	280,071,837
Unassigned funds	1,283,369,380
Surplus as regards policyholders	\$ 1,567,441,217
Total Liabilities and Capital	\$ 2,101,389,646

I, Amy Smith, Senior Vice President of Western Surety Company hereby certify that the above is an accurate representation of the financial statement of the Company dated December 31, 2019, as filed with the various Insurance Departments and is a true and correct statement of the condition of Western Surety Company as of that date.



Western Surety Company
 By Amy Smith
 Senior Vice President

Subscribed and sworn to me this 11th day of March, 2020.

My commission expires: 

By Yolanda Jimenez
 Notary Public



ALBANY COUNTY SHERIFF'S OFFICE

County Court House Albany, New York 12207 (518) 487-5400
WWW.ALBANYCOUNTYSHERIFF.COM



MICHAEL S. MONTELEONE
EXECUTIVE UNDERSHERIFF

CRAIG D. APPLE, SR.
SHERIFF

WILLIAM M. RICE
UNDERSHERIFF

SHAWN P. NOONAN
CHIEF DEPUTY

LEON A. BORMANN
CHIEF DEPUTY

August 24, 2020

Honorable Andrew Joyce
Legislative Clerk's Office
112 State Street, Room 710
Albany, New York 12207

Andrew
Dear Mr. Joyce:

The attached correspondence is forwarded for presentation to the Albany County Legislature.

I am respectfully requesting legislative action in the form of a resolution authorizing Albany County to enter into agreements with the below listed vendors for renovation at the Clarksville Public Safety Building:

AOW Associates (General Contractors):	\$2,382,514.00
Eckert Mechanical (Mechanical Construction):	477,791.00
Eckert Mechanical (Plumbing Construction):	137,649.00
CKM Electrical Services (Electrical Construction):	400,058.00

Bonding has been approved and this project will be funded under the 2021 Albany County Capital Plan. The Request For Bid (RFB#2020-044) process was completed and following an evaluation of all bids that were received, these companies were successfully chosen by the Albany County Engineering Department.

Should there be any questions, do not hesitate to call.

Sincerely,

Craig D. Apple, Sr.
Sheriff

Att.
Cc: Hon. Daniel P. McCoy, County Executive
Hon. William Clay, Public Safety Chairman
Hon. Wanda Willingham, Audit & Finance Committee
Brandon Russell, Esq., Majority Counsel
Arnis Zilgme, Esq., Minority Counsel
Christian Barnes, Minority Conference

FOR COUNSEL USE ONLY	
DATE:	_____
RECEIVED:	_____
RECEIVED BY:	_____
METHOD:	<u>HAND</u> _____
	<u>COURIER</u> _____
	<u>MAIL</u> _____

REQUEST FOR LEGISLATIVE ACTION

DATE : AUGUST 24, 2020

DEPARTMENT: ALBANY COUNTY SHERIFF'S DEPT

CONTACT PERSON: CRAIG D APPLE SR

TELEPHONE: 487-5440

DEPT. REPRESENTATIVE ATTENDING

COMMITTEE MEETING: SHERIFF CRAIG D APPLE SR

PURPOSE OF REQUEST:

- ADOPTION OF LOCAL LAW _____
- AMENDMENT OF PRIOR LEGISLATION _____
- APPROVAL/ADOPTION OF PLAN/PROCEDURE _____
- BOND APPROVAL _____
- BUDGET AMENDMENT(SEE BELOW) _____
- CONTRACT AUTHORIZATION (SEE BELOW) X
- ENVIRONMENTAL IMPACT _____
- HOME RULE REQUEST _____
- PROPERTY CONVEYANCE _____
- OTHER:(STATE BRIEFLY IF NOT LISTED ABOVE) _____

CONCERNING BUDGET AMENDMENTS

STATE THE FOLLOWING

INCREASE ACCOUNT/LINE NO. _____

SOURCE OF FUNDS: _____

TITLE CHANGE: _____

CONCERNING CONTRACT AUTHORIZATION,

STATE THE FOLLOWING:

TYPE OF CONTRACT

CHANGE ORDER/CONTRACT AMENDMENT _____

PURCHASE (EQUIPMENT/ SUPPLIES) _____

LEASE (EQUIPMENT/SUPPLIES) _____

REQUIREMENTS _____

PROFESSIONAL SERVICES X

EDUCATIONAL/TRAINING _____

GRANT: NEW _____

RENEWAL _____

SUBMISSION DEADLINE DATE _____

SETTLEMENT OF A CLAIM _____

RELEASE OF LIABILITY _____

OTHER: (STATE BRIEFLY) _____

CONCERNING CONTRACT AUTHORIZATION (CONT'D)

STATE THE FOLLOWING:

CONTRACT TERMS/CONDITIONS: PARTY (NAME/ADDRESS):

CKM ELECTRICAL SERVICES
216 ELK STREET
ALBANY, NY 12210

AMOUNT/RATE SCHEDULE/FEE:

NOT TO EXCEED \$ 400,058.00

TERM:

SCOPE OF SERVICES: CKM ELECTRICAL SERVICES INC. WILL PROVIDE
ELECTRICAL CONSTRUCTION RENOVATIONS AT THE
ALBANY COUNTY SHERIFF'S PUBLIC SAFETY BUILDING IN CLARKSVILLE

CONTRACT FUNDING:

ANTICIPATED IN CURRENT BUDGET: YES _____ NO X

COUNTY BUDGET ACCOUNTS:
REVENUE: _____

APPROPRIATION: 2019-2023 CAPITAL PLAN

BOND(RES. NO. & DATE OF ADOPTION) RES # 184 OF 2018

CONCERNING ALL REQUESTS:

MANDATED PROGRAM/SERVICE: YES _____ NO X

IF MANDATED CITE: AUTHORITY _____

ANTICIPATED IN CURRENT ADOPTED BUDGET: YES _____ X NO _____

IF YES, INDICATE REVENUE APPROPRIATION ACCOUNTS: _____

INCLUDED IN 2019-2023 CAPITAL PROJECT

FISCAL IMPACT - FUNDING: _____ (DOLLARS OR PERCENTAGES)

FEDERAL _____

STATE _____

COUNTY 100%

TERM/LENGTH OF FUNDING _____

PREVIOUS REQUESTS FOR IDENTICAL OR SIMILAR ACTION: _____

RESOLUTION/LAW NUMBER: _____

DATE OF ADOPTION: _____

JUSTIFICATION: _____ (STATE BRIEFLY WHY LEGISLATIVE ACTION IS REQUESTED)

THIS PROPOSAL WOULD ALLOW THE ALBANY COUNTY SHERIFF'S OFFICE TO
UTILIZE THE SERVICES OF CKM ELECTRICAL SERVICES INC AS OUTLINED IN THE ATTACHED
PROPOSAL AND MOVE FORWARD WITH THE CAPITAL PROJECT AT THE ALBANY COUNTY
PUBLIC SAFETY BUILDING IN CLARKSVILLE NY

BACK-UP MATERIAL SUBMITTED _____ (I.E. APPLICATION/APPROVAL NOTICES FROM FUNDING SOURCE,
BID TABULATION SHEET, CIVIL SERVICE APPROVAL NOTICE, PROGRAM ANNOUNCEMENT, CONTRACTS
AND/OR ANY MATERIALS WHICH EXPLAIN OR SUPPORT THE REQUEST FOR LEGISLATIVE ACTION.)

SUBMITTED BY: CRAIG D APPLE SR
TITLE: SHERIFF

Memo

To: William M. Rice, Undersheriff, Albany County Sheriff's Office
From: Michael Martin PE, Director, Facilities Engineering Division
Cc: J.T. Campbell Inspector, Albany County Sheriff's Office
Karen Storm, Purchasing Agent
Date: August 24, 2020
Re: **RFB #2020-044 –EC- Albany County Sheriff's Office Public Safety Building Renovation Project; Electrical Construction (EC)**
Recommendation for Award to CKM Electrical Services, Inc.

Undersheriff Rice,

As you are aware, the SEI Design Group and Albany County Facilities Engineering Division, has developed construction documents, a Request for Bid (RFB) and along with the Purchasing Division solicited bid prices for the **Electrical Construction** renovations associated with the **Albany County Sheriff's Office Public Safety Building Renovation Project**. As part of the overall project, bids for four separate prime contracts (GC, MC, EC & PC) have been received and reviewed for conformance with the bid documents.

A complete tabulation of all the **Electrical Construction** Bids are attached for your use. After review of the quotes that were submitted, the Facilities Engineering Division recommends you proceed with a request for contract approval of the lowest responsive bidder, **CKM Electrical Services, Inc.** at a cost of **\$400,058.00**.

If you have any questions regarding this project, I can be reached at 447-7032.

Thank you

RFB#2020-044		Albany County Sheriff's Office Public Safety Building Renovations									
		Flex Electrical	Harold Clune	CKM Electrical	DLC Electric	MCBain	Swan Contractors	Hewitt Young			
Electrical Construction											
	Lump Sum Base Bid	\$ 282,500.00	\$ 314,400.00	\$ 264,600.00	\$ 328,300.00	\$ 277,600.00	\$ 342,385.00	\$ 379,000.00			
	10% Contingency Allowance	\$ 28,230.00	\$ 31,440.00	\$ 26,460.00	\$ 32,830.00	\$ 27,760.00	\$ 34,238.50	\$ 37,900.00			
	Total Base Bid	\$ 310,750.00	\$ 345,840.00	\$ 291,060.00	\$ 361,130.00	\$ 305,360.00	\$ 376,623.50	\$ 416,900.00			
	Alternate #1 (EC-01) Reconstruct Toilet Rooms 16 and 18	\$ 4,950.00	\$ 5,900.00	\$ 2,553.00	\$ 4,500.00	\$ 6,600.00	\$ 3,900.00	\$ 2,500.00			
	Alternate#2 (EC-02) Room 40 HVAC	\$ 3,500.00	\$ 5,400.00	\$ 620.00	\$ 4,600.00	\$ 3,913.00	\$ 4,150.00	\$ 2,100.00			
	Alternate #3 (EC-03) Front Wing/Office Renovations	\$ 93,000.00	\$ 93,000.00	\$ 68,961.00	\$ 107,500.00	\$ 137,900.00	\$ 99,750.00	\$ 86,000.00			
	Alternate #5 (EC-05) Fence Gate Motor	\$ 4,000.00	\$ 1,900.00	\$ 1,680.00	\$ 7,200.00	\$ 5,713.00	\$ 6,700.00	\$ 3,500.00			
	Alternate #10 (EC-06) Additional Lighting Replacement	\$ 19,500.00	\$ 21,000.00	\$ 28,545.00	\$ 18,900.00	\$ 24,485.00	\$ 15,886.00	\$ 138,000.00			
	Alternate #11 (EC-07) Flagpole Lighting	\$ 5,500.00	\$ 11,000.00	\$ 6,639.00	\$ 5,800.00	\$ 18,333.00	\$ 2,760.00	\$ 2,100.00			

COUNTY OF ALBANY

EC - BID FORM

BID IDENTIFICATION:

Title: Albany County Sheriff's Office Public Safety Building Renovations
Bid Number: 2020-044-EC- Electrical Construction

THIS BID IS SUBMITTED TO:

Karen A. Storm, Purchasing Agent
Albany County Department of General Services
Purchasing Division
112 State Street, Room 1000
Albany, NY 12207

1. The undersigned BIDDER proposes and agrees, if this Bid is accepted, to enter into a Contract with the owner in the form included in the Contract Documents to complete all Work as specified or indicated in the Contract Documents for the Contract Price and within the Contract Time indicated in this Bid and in accordance with the Contract Documents.
2. BIDDER accepts all of the terms and conditions of the Instructions to Bidders, including without limitation those dealing with the Disposition of Bid Security. This Bid may remain open for ninety (90) days after the day of Bid opening. BIDDER will sign the Contract and submit the Contract Security and other documents required by the Contract Documents within fifteen days after the date of OWNER'S Notice of Award.
3. In submitting this Bid, BIDDER represents, as more fully set forth in this Contract, that:

- (a) BIDDER has examined copies of all the Contract Documents and of the following addenda: (If none, so state)

Date	Number	
8/7	1	8/18 5
8/12	2	
8/12	3	
8/17	4	

(receipt of all of which is hereby acknowledged) and also copies of the Notice to Bidders and the Instructions to Bidders;

- (b) BIDDER has examined the site and locality where the Work is to be performed, the legal requirements (federal, state and local laws, ordinances, rules and regulations) and the conditions affecting cost, progress or performance of the Work and has made such independent investigations as BIDDER deems necessary;

BF1

- (c) This Bid is genuine and not made in the interest of or on behalf of any undisclosed person, firm or corporation and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; BIDDER has not directly or indirectly induced or solicited any other BIDDER to submit a false or sham Bid; BIDDER has not solicited or induced any person, firm or a corporation to refrain from bidding; and BIDDER has not sought by collusion to obtain for himself any advantage over any other Bidder or over the owner.

4. BIDDER will complete the Work for the following prices(s): (Attach Bid Proposal)
5. BIDDER agrees to commence the Work within the number of calendar days or by the specific date indicated in the Contract. BIDDER agrees that the Work will be completed within the number of Calendar days or by the specific date indicated in the contract.
6. The following documents are attached to and made a condition of this Bid:
- (a) Non-Collusive Bidding Certificate (Attachment "A")
 - (b) Acknowledgment by Bidder (Attachment "B")
 - (c) Vendor Responsibility Questionnaire (Attachment "C")
 - (d) Iranian Energy Divestment Certification (Attachment "D")
 - (e) MS-4-1 Certification Statement RE: Stormwater Discharges (Attachment "E")
 - (f) Bidder Qualification Questionnaire (Attachment "F")
 - (g) Non Interruption of Work Agreement (Attachment "G")
 - (h) Required Apprenticeship Training Program Documentation (refer to RFB Section 27)

7. Communication concerning this Bid shall be addressed to:

Clyde Lounsbury
216 Elk St.
Albany, NY 12210
 Phone: 518.588.7600

8. Terms used in this Bid have the meanings assigned to them in the Contract and General Provisions.

BF2