



# DULUTH AIRPORT AUTHORITY

## NOTICE OF THE DULUTH AIRPORT AUTHORITY

### BOARD MEETING

#### PURSUANT TO MINN. STAT. § 13D.02

NOTICE IS HEREBY GIVEN Duluth Airport Authority will hold its *regular* meeting on **Tuesday, December 17th, 2024 at 8:00 a.m.** in the Amatuzio Conference Room, Third Floor, in the Duluth International Airport Terminal Building, 4701 Grinden Drive, Duluth, MN 55811

***A Portion of this Meeting Will Be Closed Pursuant to Minn. Stat. § 13D.05, Subd. 3(a) To Evaluate the Performance of the Executive Director***

Members of the public may monitor the meeting by clicking below to access the meeting by Microsoft Teams: "Microsoft Teams Meeting" (information below).

#### **Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

Meeting ID: 249 336 734 244

Passcode: ihi3nk

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The public may express their comments for consideration by the Duluth Airport Authority prior to the meeting by email or in writing to [daa@duluthairport.com](mailto:daa@duluthairport.com) or to Duluth Airport Authority, 4701 Grinden Drive, Duluth, MN 55811.



# DULUTH AIRPORT AUTHORITY

## DULUTH AIRPORT AUTHORITY MEETING AGENDA DECEMBER 17, 2024

### AMATUZIO CONFERENCE ROOM DULUTH INTERNATIONAL AIRPORT

#### I. \*EXECUTIVE DIRECTOR'S REVIEW

- A. Information Letter to DAA Directors

#### II. \*APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS

- A. Approval of November 19, 2024 Board Meeting Minutes

#### III. \*DAA CASH DISBURSEMENTS

- A. Operating Check Register #30; Operating ACH Payment Registers #30-31;  
Construction ACH Register #16.

#### IV. \*CORRESPONDENCE

- A. November 15, 2024: Plane Makes Emergency Landing at Duluth Airport. WDIO.
- B. November 25, 2024: Duluth Airport Sets Traffic Record. Business North.
- C. November 25, 2024: Grand Rapids Area Chamber of Commerce Letter of Support for the Duluth Airport Authority Tower Upgrade. Letter. GRACC.
- D. November 25, 2024: DLH Achieves Record-Breaking Operations in September 2024: A Call for Continued Funding Support. Press Release. DAA.

#### V. OPPORTUNITY FOR PERSONS TO BE HEARD

#### VI. OLD BUSINESS

None

#### VII. NEW BUSINESS

- A. Resolution to Approve the Duluth Airport Authority's Air Carrier Incentive Agreement Template.
- B. Resolution to Approve a Professional Services Agreement and Statement of Work for Audit Services Between the Duluth Airport Authority and CliftonLarsonAllen, LLP.
- C. Resolution to Approve Service Agreement Between the Duluth Airport Authority and Marsden Central, LLC for Janitorial Services at Duluth International Airport.
- D. The Meeting Will Now Close to the Public Pursuant to Minn. Stat. 13D.05 Subd.3 (a) to Evaluate the Performance of Executive Director, Tom Werner. The Meeting Will



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- Reopen to the Public at the Time Announced Upon Completion of the Evaluation. Members of the Public Will Need to Log Out or Be Removed During the Closed Meeting and Will Need to Log Back into the Meeting When it Reopens to the Public.
- E. Regular Meeting Reopened to the Public Pursuant to Minnesota Statutes Chapter 13D.
  - F. Summary of Year 2024 Performance Evaluation of Executive Director.
  - G. Resolution Authorizing an Annual Salary Compensation of \_\_\_\_\_ and a One-Time Incentive Payment of \_\_\_\_\_ to Executive Director Thomas J. Werner Pursuant to Employment Contract.
  - H. Resolution to Approve Executive Director's 2025 Work Plan.
  - I. \*October 2024 Financial Reports
  - J. \*December 2024 Accounts Receivable
  - K. \*November 2024 Airline Statistics, Landline Statistics

### VIII. DIRECTOR'S REPORTS

***Items annotated by an asterisk (\*) are approved by consent and require no discussion or action unless questioned by a Director (in accordance with resolution passed by Directors on March 19, 2002).***



**DATE: December 17, 2024**

**TO: Duluth Airport Authority Board of Directors**

**FROM: Executive Director**

**SUBJECT: Executive Director's Review**

The following items will be discussed during the Executive Director's Review. If action is required of the DAA on any of these items, they will also appear on the agenda. If you have questions or desire additional information, please contact me and I will provide it at the DAA meeting.

**AIR SERVICE**

- Passenger statistics will be presented at the meeting.
- Recap DOT SCASD Meeting

**OPERATIONS/CONSTRUCTION/PLANNING**

- Planning:
  - New Air Traffic Control Tower (ATCT) Update
- Construction:
  - Customs and Border Protection Federal Inspection Services Construction Update
- Operations and Maintenance:
- Sky Harbor

**BUSINESS/PROPERTY DEVELOPMENT**

- LifeLinkIII Project Update
- MN Power Stebner Road Development Update

**FINANCIAL UPDATE**

- 2025 Cost Allocation
- Stormwater Update

**MARKETING/COMMUNICATIONS**

- Duluth and St. Louis County Days (Feb 12-13)
- Duluth Area Chamber of Commerce – Holiday After Hours - Recap
- Grand Rapids Area Chamber of Commerce – Taking Care of Business Event – Recap
- Aircraft Viewing Area Inquiry

**LEGISLATIVE UPDATE**

- Recap Congressional Meetings



**DULUTH AIRPORT AUTHORITY**

**PRESENTATIONS/TOURS/TRAVEL RECAP**

- NSR

**OTHER**

- Monaco Air Sale Update

Submitted by,

Tom Werner, A.A.E.  
Executive Director



## II. Previous Meeting Minutes

# DULUTH AIRPORT AUTHORITY

## Duluth Airport Authority

### Meeting Minutes

November 19, 2024

**MEETING LOCATION:** Amatuzio Conference Room, Duluth International Airport

**DIRECTORS PRESENT:** Kevin O'Brien, President  
Michael Henderson, Vice President  
Jeff Anderson, Secretary  
Elissa Hansen  
Jason Crawford  
Sandy Hoff  
Briana Johnson

**DIRECTORS PARTICIPATING VIA ELECTRONIC MEANS:**

**DIRECTORS ABSENT:**

**OTHERS PRESENT:** Tom Werner, DAA Executive Director  
Mark Papko, DAA Dir. of Operations  
Jana Kayser, DAA Dir. of Business Development  
Joelle Bodin, DAA Dir. of Finance and Administration  
Natalie Baker, DAA Dir. of Marketing and Communications  
Jenny Delnay, DAA Finance Technician  
Aimee Bone, DAA Administrative Coordinator  
Derek Anderson, DAA  
Roger Engelmeier, DAA  
Matthew Johnson, DAA  
Paul Sinnott, DAA  
Dan Taylor, DAA  
Eric Monson, Lake Superior Helicopters

**OTHERS PARTICIPATING VIA ELECTRONIC MEANS:**

Kathy Leon, DAA Confidential Bookkeeper  
James Gibson, Cirrus  
Dante Tomassoni, Cirrus  
Horeya Czaplewski, EXP  
Paul Huston, HNTB  
Matthew Stewart, SEH  
Robb Enslin, Duluth City Attorney  
Don Monaco, Monaco Air Duluth  
Shawn McMahon, SEH  
Kaci Nowicki, SEH

**CALL TO ORDER:** Dir. O'Brien called the DAA board meeting to order at 8:00 a.m. Dir. Hansen arrived at 8:02 AM.



Dir. O'Brien invited Mr. Tom Werner to provide the Executive Director's Review

**I. \*EXECUTIVE DIRECTOR'S REVIEW**

**A. Air Service:** Mr. Werner provided an update on the current air service with a presentation.

- Mr. Werner presented year-to-date numbers. Enplanements are up 6% with a very healthy peak season for the summer and the numbers haven't leveled off for the fall as they have in previous years. Mr. Werner predicted a yearly increase of about 9-10% over last year, with just a couple thousand less than 2018's numbers, which was a very strong year going into 2019. All in all, very strong and October enplanement is up with Delta up 26% and United up 66%, overall, all numbers up 37% from October 2023. Load factors remain strong (around 90<sup>th</sup> percentile), and planes have been full for quite a while. This is all very positive data for going into a shoulder season, healthy numbers overall, as well as very healthy competition between Delta and United. Both carriers have a lot more seats filled compared to last year-Delta up 29% and United up 81%. Total seats year-to-date have increased by 6% for Delta and 21% for United.
- Mr. Werner shared Sun Country revenue per seat mile data, which compared DLH and several markets with similar warm-weather destination routes with the carrier and costs versus revenue. Due to the expense and cost of fuel and low fares, the data shows that revenue is below goal. Sun Country will be returning for flights to Fort Myers in early 2025, and Mr. Werner added that there need to be stronger numbers to support increasing flights on the carrier and expanding from DLH.
- Mr. Werner also added that Spirit filed for bankruptcy, and that Boeing is laying off about 10% of its global workforce, which will help them cut costs to mitigate their losses.
- Mr. Werner shared that he met with Breeze Airlines to discuss several leisure aircraft routes. Breeze operates primarily on the east coast but is in the process of expanding options and moving flights west and projects strong growth for the next several years. There will be a larger market presence coming in the next few years in popular destinations west of DLH. Mr. Werner then shared that Breeze was pleased with our proposal. To recap, the chamber's foundation is putting together a minimum revenue guarantee as well as marketing support, which Breeze viewed favorably.
- Mr. Werner then shared that he had a good meeting with the chamber foundation about their fundraising efforts, which should begin in the next few weeks.
- Mr. Werner shared that he had a meeting with United and SkyWest and confirmed that the cost model to Denver is accurate and not operable with the 76-seat target. The route isn't sustainable without a subsidy, and it is not feasible to continuously subsidize a route that can't stand on its own. DLH has a sizeable federal grant to launch a Denver service. Mr. Werner and Ms. Baker will meet with the DOT in D.C. to discuss repurposing the grant money and they have put together a detailed and competitive business case to target a network carrier. The primary westbound network carriers are Delta or United. Mr. Werner stated that we are trying to target a hub out west and will see what DOT's outlook is on that-if favorable, DLH will create a business plan and meet again with our pledgors who



made up our local share back in 2019 and ensure they're still on board with our new business case.

- Dir. O'Brien asked how much the grant was for, and Mr. Werner confirmed \$750k plus a local match of \$340k for a total package of \$1.129 million. Dir. Anderson asked about the expiration for the grant and Mr. Werner confirmed that it's January 2027. Dir. Anderson then asked if it's common to ask the DOT to rework those, Mr. Werner said it's not common, but the timeline did not go as planned. Airport staff put together a business case back in 2019 based on the industry at that time, but the pandemic changed everything, hence why it's being done now.
- Dir. Hoff asked about capturing more tourism/leisure travel to DLH and area, and Mr. Werner replied that there are other things to drive passenger growth aside from tourism, such as business travelers. Dir. O'Brien said fares overall seem to be down out of DLH, and Mr. Werner stated that he expects numbers from October to be better than they've been in a while because the fares are down but also because we're coming off peak season, and they lower the fares a bit to fill those seats.
- Mr. Werner then shared data about the infrastructure program grants. DLH was the only airport tower to receive grant money in our three-state district. There is a difference in funding for hub and non-hub airports and how they receive funding. Nationally, there was \$1 billion in funding awarded FY2025, with a vast number of those awards for terminals. Overall, \$44 million was awarded to tower funding, and Duluth tied for 5<sup>th</sup> most funding out of 9 in that group. There is one grant cycle left and will look at funding and eligibility to get as much as possible. There are ATP grants for federally eligible funding, going for \$14 million in bond funds with the state for non-federally eligible work scopes, other paths through a tax bill and as many paths to achieve the funding as possible. Also anticipating the possibility of a sales tax exemption bill to make our construction materials exempt for a certain period of time to include the tower project, which could potentially save us \$3 million. DLH did receive a matching grant from MNDOT for about \$3.3 million to match the ATP grant. Also looking at other possible sources and paths of funding, it is getting more difficult. Need to stay vocal in our three competitive grant programs which are ATP, DCIP, and state bonding. Because of the competitiveness of these, it is important to stay visible on the federal, state, and local community levels while in pursuit of those. Ms. Bodin is working on a couple of projects to determine what our debt service capacity would be, and time will tell how the numbers end up being. Mr. Werner opened the floor for questions.
  - Dir. Henderson asked how long the grant funds are available to be used, and Mr. Werner responded that we have four years to use them. Dir. Henderson also asked about funding and bipartisan support post-election. Dir. Anderson stated that regarding the state legislature, he believes odds are still good for 2025, favorable for infrastructure, and feels that we are well positioned to get funding. Dir. Hoff asked about funding support with the new administration, and Mr. Werner said it'll be clearer after inauguration day, but that on a state level, the bi-partisan legislature works well together. Dir. Hoff also stated that the newly elected DOT secretary is from Iowa and is likely familiar with DLH.





### B. Operations/Construction/Planning: Mr. Papko provided the following updates:

- Planning:
  - New Air Traffic Control Tower (ATCT): Update-design team met for 100% plan set review, final comments are in, and federal staff traveled to DLH to be at the meeting as well and funding will follow. Will have final 100% issue for bid on December 13<sup>th</sup>.
- Construction:
  - Taxiway A Tenant Construction Update-SEH flew a drone to survey the new concrete pavement on the east/west and a little bit on the north/south. Removed quite a bit of ramp space for to allow additional room snow removal to avoid visual obstruction, realigned C. Dir. O'Brien asked if the whole taxiway was pulled out and Mark said yes and soil correction, Mr. Hoff asked if it was put back as concrete and Mark said that A was all concrete but C not due to cost analysis, made sense from a cost standpoint and not feasible to rip up every decade, last 30 or so years.
  - Taxiway A Phase 4 Construction Change Order-last year did Phase 4, because it adjoined an old piece of pavement on the Monaco ramp that saw significant movement of three inches. FAA partnered with DLH and provided 95% of the funding for repair, and the solution was to create a transitional section. This repair was able to be completed without much impact on our tenants and was the oldest pavement on the airport. Will continue to replace other sections with state funding, expect to have 8-9 phases for that.
  - Runway 3/21 Repair-Upon final runway inspection, discovered a significant divot and a sink hole that popped up overnight and hadn't been there when a daily inspection was conducted the day before. The asphalt was removed and a six to seven-foot drop was revealed and a collapsed stormwater pipe that had corroded. It was able to be repaired within two days because there were materials on site already.
  - Customs and Border Protection Federal Inspection Services -This project originally started because DLH wasn't up to full FAA standards. A document was located that was an acceptance letter to be fully certified. DAA is currently working with CBP to confirm what else is required for certification. This may include such items as a surveillance camera for the area, but less than what was projected with costs to get the design up to FAA standards and board approval needs.
- Operations and Maintenance:
  - Janitorial RFP Update-closed a couple of weeks ago, received eight submissions, six were accepted and two were late, so not accepted. Will be welcoming a new partner because the incumbent was one of the late submissions. Expect to have a full contract for approval at the December board meeting.
- Blue Angel #7 will be here briefly for a winter visit. Prewinter meeting today at 8 AM. 2025 Air Show is over the 4<sup>th</sup> of July weekend.
- Sky Harbor- 2024 projects included building the SRE terminal, as well as aquatic plant mitigation.
- Reflecting on project statistics for 2024: \$25.9 million spent in design and construction projects, for both DLH and DYT. 16,000 tons of asphalt, 19,000 square yards of concrete, 70,000 cubic yards of excavation/dirt work (equating to 3,500 dump truck loads), and 33,000 square feet of painting. 27,000 construction labor hours at DLH and 12,000 at DYT.



**C. Business/Property Development:** Ms. Kayser provided an update on the following:

- LifeLinkIII Project Update: Making progress, updates coming soon, and currently working on eligibility piece and the FAA with what is projected so far.
- Hangar Inspection Results: Ms. Kayser has one tenant left who hasn't provided their annual inspection update, and she will be sending them a letter via certified mail stating that their contract will be terminated if they do not comply.
- Curt Fisher Lease Amendment: Curt Fisher is the owner of the FedEx building at DLH. Working on a basic amendment to remove the pavement and clean up the previous land that was included in the lease that shouldn't have been. More information to follow.
- New Air Traffic Control Tower (ATCT) Lease Planning: Ms. Kayser is starting to work on the new tower lease, and they want three years of previous costs for the current tower. Ms. Kayser stated that Mr. Papko shared with them that it will be an imbalanced comparison but will comply and it's going to be a complex process. Mr. Werner added that the other crucial element is to have the FAA absorb some of the debt and costs, which will indicate what we can do with the project. Dir. O'Brien asked if the numbers were straightforward regarding square footage, etc., and Ms. Kayser said they look at market rate for office space lease in our area and tower information around the country. Dir. Hoff asked if they look at legacy lease info; it doesn't fairly represent to ask if need it. Dir. Anderson added that working directly with the FAA places us in better shape.

**D. Financial Update:** Ms. Bodin provided an update on the following:

- 2024 Final Property Insurance Cost: approved \$100k to begin with and was later amended to \$110k. The actual price was \$103k.
- 2025 Cost Allocation: \$133,000 and put in an info request received last week, will brief as we learn more.
- Auditor RFP: City Auditor required, process has been completed, both were qualified and just came down to cost. Waiting to issue and let them know that they will receive the award. DAA financials will be audited by the firm and not by state officials this year. Making sure staff is getting things ready in a timely manner, expected to be a 3-year contract, and will present at December's board meeting.
- Storm water update: SEH did a good job putting together maps and what can be charged and what are exempt surfaces acceptable for FAA policies with what is submitted to the city.
- Financial update: Ms. Bodin shared the quarterly financial DAA Board Report with a PowerPoint presentation. Budget was forecasted to have a deficit but has a positive variance of \$490,000.
  - Ms. Bodin reviewed that the minimum cash balance policy is \$2.9 million and is currently \$4.4 million. She stated that the airport didn't utilize any lines of credit for projects in 2024. Cash reserves are kept to fund projects and support local shares of grants that do not have other sources of reimbursement.
  - Ms. Bodin discussed the status on grants receivable-total is \$4 million, current is \$1.7 million and waiting an ATCT grant of \$1.1 million. In the process of closing out grants to get them executed and reduce the grants receivable amount.
  - Ms. Bodin shared that Revenue was 108% of budget and Expenses were 99% of budget.
  - Continuing to watch the Customer Facility Charge (CFC) revenues. They are now collected on each day of a car rental in 2024 versus up to 4 days cap. This has yielded a significant increase in CFC revenues.



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- Ms. Bodin shared that Ms. Kayser continues to work on land leases and rents for new development projects. Ms. Kayser has also been working on updating the Fixed Base Operator (FBO) rent and concession revenues under the updated agreement and rates.
- TSA Law Enforcement Officer (LEO) reimbursement ended in May 2024, but there has been discussion to get that funding back.
- Interest income is coming down due to interest rates dropping a bit, and that cash is used to cashflow construction projects, there is loss in interest income.
- Continuing to work on new tower lease.
- New equipment was acquired by the DAA for sand and deice maintenance. Deicing fluid expenses have increased, sand has decreased, and this data was used for 2025 budgeting.
- Contractual services: costs have increased substantially, janitorial will hopefully come in lower with bids for the new contract and lots of competition.
- Local shares of grants: always try to have another source of funding for our local shares of grants with PFPs, CFCs, or the Guard, but sometimes there are shares that are not reversible by another source.
- 2024 Liability Long-Term Analysis: Parking structure and terminal loan will be paid off in 2026. Second payment of the parking structure in 2027, Hangar 103 payment goes through 2030.

**E. Marketing/Communications:** Ms. Baker provided an update on the following:

- Duluth International Airport Economic Impact Study Update-data collection going well, UMD collected and previous study was 2019, double this time around, wrapping up this week and have been contacting stakeholders who haven't responded.
- Sky Harbor Naming Event Recap: strong news coverage leading up to it and following it.
- Programmatic Campaign: how we can target individuals linking to MSP, retarget individuals who are primarily located in Duluth, leakage data and how many to capture to encourage to fly out of DLH.
- Duluth and St. Louis County Days (February 12th-13th): preparing booth and materials.
  - Dir. Johnson said good job at explaining funding at the legislative stakeholders' breakfast recently, asked what we need is needed from board members for the St. Louis County Days. Ms. Baker said advocacy and support. Dir. O'Brien said that the staff usually puts together some talking points for the board prior to, and Ms. Baker confirmed that the DAA can again do that.

**F. Legislative Update:** Mr. Werner provided an update on the following:

- Mr. Werner echoed Dir. Johnson's compliments to Ms. Baker-a great opportunity for an emerging leader.
- Mr. Werner shared that he would be traveling to D.C. this week to meet with the offices of our congress members. The purpose of the meeting is to secure additional ATCT funding and give them an update as they have been very supportive as well as giving them an update on the LifeLink project and potential funding assistance.

**G. Presentations/Tours/Travel Recap:** None.

**H. Other:** Mr. Werner provided an update on the following: None.



- Dir. O'Brien thanked everyone for their reviews and moved to item II of the agenda.

**II. \*APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS AS INDICATED BY \*:**

A. Approval of October 15, 2024 Meeting Minutes

- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Crawford
  - Second: Dir. Henderson
  - Abstain: None
  - Result: This resolution was adopted unanimously by roll call.
  - Dir. Anderson who was absent from the meeting during roll call from 9:12 AM – 9:14 AM.

**III. \*DAA CASH DISBURSEMENTS**

- A. Operating Check Registers #26-29; Operating ACH Payment Registers #27-29; Construction ACH Registers #14-15.

**IV. \*CORRESPONDENCE**

A. DLH Construction Notice

- October 10, 2024: Alert: Airfield Taxiway Name Changes
- October 12, 2024
- October 17, 2024
- October 21, 2024
- October 25, 2024
- November 6, 2024

- B. October 9, 2024: United Airlines Plane Makes Emergency Landing at Duluth Airport. KQDS.
- C. October 9, 2024: Plane Makes Emergency Landing in Duluth. DNT.
- D. October 9, 2024: Commercial Plane Makes Emergency Landing at Duluth International Airport. Northern News Now.
- E. October 9, 2024: Commercial Plane Makes Emergency Landing at Duluth International Airport. WDIO.
- F. October 21, 2024: Stauber Announces Funding for Duluth and Pine River Airports. Northern News Now.
- G. October 22, 2024: Funding Secured for Duluth International Airport Improvements. WDIO.
- H. October 23, 2024: Sky Harbor Airport Terminal to be Named After Local Engineer. Northern News Now.
- I. October 23, 2024: Sky Harbor Airport Terminal to be Named for Dr. Robert R. Gilruth, NASA Aerospace Pioneer. DAA Press Release.
- J. October 24, 2024: Sky Harbor Names Terminal Honoring "Father of Manned Space Program." KQDS.
- K. October 24, 2024: New Terminal at Sky Harbor Airport Dedicated to Aerospace Engineer from Nashwauk. WDIO.
- L. October 24, 2024: Duluth's Sky Harbor Airport Terminal Named in Honor of Local Space Pioneer. DNT.
- M. October 24, 2024: Letter to Airport Sponsors: Building Better Airports Across America. FAA.



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- N. November 4, 2024: How Does United Airlines Plan to Boost Capacity on Routes Served by Regional Jets? Simple Flying.
- O. November 7, 2024: Letter to White House Appropriations Committee Chair and Ranking Member: AAAE FY 2025 DOT-FAA Funding Bill. AAAE.

### V. OPPORTUNITY FOR PERSONS TO BE HEARD

- A. None.

### VI. OLD BUSINESS

- A. None.

### VII. NEW BUSINESS

#### A. Resolution to Approve the 2025 DLH and DYT Capital Improvement Plans.

- Mr. Papko shared that typically, estimates are a little high on CIPs to provide a buffer, receive funding for future years, will get grants this year and reflecting in next year's budget. Having the board approve the CIPs allows the momentum to continue without lags in funding. Projects at DLH in the CIP include the Taxiway A Phase 6 and Phase 7 design, Hangar 101 Phase 2 pad design, a deice tank, Midfield ramp Phase 3 funded, and the LifeLinkIII hangar development. Those projects may be on the same calendar year but might be on separate fiscal years due to funding limitations per year. The ATCT project will continue to receive grants but no movement until 2025. The main CIP for Sky Harbor for 2025 includes payments for SRE and the terminal building, and some equipment procurement.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Henderson
  - Second: Dir. Johnson
  - Abstain: None
  - Result: This resolution was adopted unanimously by roll call.

#### B. Resolution to Authorize DAA Executive Director to Execute a Memorandum of Understanding with AFSCME Local 66 Regarding Shift Duration.

- Mr. Papko shared that airfield staff would like to move to 10-hour shifts, found to be mutually beneficial and cover historical gaps in coverage, moving to this schedule would close those gaps and have full time coverage. This gives Mr. Werner the ability to sign the MOU. The goal is to execute this between now and the next board meeting. Mr. Papko doesn't expect an increase in overtime and stated that it's difficult to quantify with variables. Will review at end of year if any changes need to be made. New schedule to carry until end of 2025, bridge until then. The change is driven by AFSCME members, no current concerns about the discussed shift schedule changes, and strengthens employee recruitment and retention.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Anderson
  - Second: Dir. Hoff
  - Abstain: None
  - Result: This resolution was adopted unanimously by roll call.



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- C. Resolution to Approve Amendment 2 of the Ground Transportation Lease and Operator Agreement between the Duluth Airport Authority and The Landline Company.
- Ms. Kayser shared that in 2019, Landline began operations at the airport and at one time were located on the second floor. In anticipation of operational needs and a partnership with Sun Country for ground handling, they were allowed to move to the first floor. Due to recent operational changes, Landline is no longer in need of the luggage cart lease space. Nothing else needs to be changed and anticipate renewing the agreement in full.
  - Dir. O'Brien entertained questions or a motion.
    - Motion: Dir. Hoff
    - Second: Dir. Henderson
    - Abstain: None
    - Result: This resolution was adopted unanimously by roll call.
- D. Resolution to Approve Operating Policy #31: Records Retention Policy and Incorporate into the DAA Operating Policy Manual.
- Ms. Bodin shared that the DAA is working to go through the common drive cleanup and is required to maintain certain files as a public entity, follows records retention as stated by the Minnesota Historical Society. By adopting this policy, DAA is compliant with obligations.
  - Dir. O'Brien entertained questions or a motion.
    - Motion: Dir. Johnson
    - Second: Dir. Henderson
    - Abstain: None
    - Result: This resolution was adopted unanimously by roll call.
- E. Resolution to Approve the 2025 Rates and Charges Schedule for DLH.
- Ms. Bodin stated that much of the detail that was shared with the draft at the last board meeting remained the same, one exception being the Customer Facility Charge (CFC) language updated to define "transaction day" and making sure that all rental car entities are charging the same. Overall, CPI rate changes between 6-8%. The biggest change was an adjustment to parking rates, which hadn't been changed in 8 years, a 10% increase to airline terminal rental rate, and 6% increase to the landing fee rate.
  - Dir. O'Brien entertained questions or a motion.
    - Motion: Dir. Crawford
    - Second: Dir. Hansen
    - Abstain: None
    - Result: This resolution was adopted unanimously by roll call.
- F. Resolution to Approve the 2025 Rates and Charges Schedule for DYT
- Ms. Bodin shared there was one change from the draft to the current rates, which was a 6% CPI adjustment to the hangar rate as it had not been adjusted in three years. Had waited until construction at DYT was completed to implement this rate change.
  - Dir. O'Brien entertained questions or a motion.
    - Motion: Dir. Hoff
    - Second: Dir. Johnson
    - Abstain: None
    - Result: This resolution was adopted unanimously by roll call.



G. Resolution to Approve the Duluth Airport Authority 2025 Annual Budget.

- Ms. Bodin shared the request to approve the 2025 Select rates were increased to mitigate higher operating costs. Budgeting an overall surplus of \$81,000 including the TSA LEO award. A few changes include a few alterations in utility costs, wage adjustments, a decrease in janitorial costs based on RFP bids, an increase in car rental and parking revenues, and the addition of the local share cost of an airfield magnet.
- Dir. O'Brien entertained questions or a motion. Dir. O'Brien and Dir. Johnson thanked Ms. Bodin for her many hours of work on financial reports and for providing so much information.
  - Motion: Dir. Johnson
  - Second: Dir. Hansen
  - Abstain: None
  - Result: This resolution was adopted unanimously by roll call.

H. Resolution to Approve Duluth Airport Authority's Title VI Community Participation Plan.

- Ms. Baker shared that because we received federal grants, we are required to provide assurance of non-discrimination obligation. This CPP applies to all planning and decision-making, whether or not the project is directly supported by Federal assistance.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Anderson
  - Second: Dir. Henderson
  - Abstain: None
  - Result: This resolution was adopted unanimously by roll call.

I. Resolution to Approve Advertising Agreement Between DAA and Giant's Ridge

- Ms. Baker shared that it is a standard advertising agreement above baggage claim two, one year duration to start and two additional single years if they choose to do so.
- Dir. O'Brien entertained questions or a motion. Dir. O'Brien asked if Giant's Ridge approached the airport about advertising at DLH and Ms. Baker confirmed that they did. Dir. Anderson asked if we have any remaining advertising space after this space is filled. Ms. Baker mentioned that there is space in the exit corridor where Minnesota Power cut back on some of their advertising. Mr. Werner asked Ms. Baker about a couple of new areas identified for advertising. Ms. Baker mentioned two areas of development which include the exterior of the jet bridges and a large metal wall in the exit area of the west door by the parking lot.
  - Motion: Dir. Hoff
  - Second: Dir. Hansen
  - Abstain: None
  - Result: This resolution was adopted unanimously by roll call.

J. Resolution to Approve an Employee Incentive Award for Mark Papko in the Amount of \$7000 in Accordance with Operating Policy #5.

- Mr. Werner shared the opportunity to recognize capital improvements this year. Mr. Werner stated that Mr. Papko has maximized the potential of this team to do more, complete overdue projects, and has done a wonderful job of being at the helm. Mr. Werner thanked Mr. Papko and Mr. Papko stated that there's a lot of support behind the scenes. Dir O'Brien stated that the incentive is well deserved, and Dir Henderson commended Mr. Papko for maximizing efforts.
- Dir. O'Brien entertained questions or a motion.



## DULUTH AIRPORT AUTHORITY

- Motion: Dir. Henderson
- Second: Dir. Anderson
- Abstain: None
- Result: This resolution was adopted unanimously by roll call.

- K. \*September 2024 Financial Reports
- L. \*November 2024 Accounts Receivable
- M. \*October 2024 Airline Statistics, Landline Statistics

### VIII. DIRECTOR'S REPORTS

- A. Dir. O'Brien, Dir. Henderson, and Dir. Crawford will review the board policy for attendance and will provide an update about any changes by January 2025.
- B. Dir. O'Brien addressed the board that they should have received an email from him about next month's evaluation of Mr. Werner. Please complete and return it to him by November 26, 2024.

**ADJOURN:** The meeting was adjourned at 9:41 a.m.

Motion: Johnson

Second: Hansen

Respectfully submitted,

Aimee Bone

Administrative Coordinator

Approved: *Tom Werner*

\_\_\_\_\_  
DAA Executive Director








# DAA Minutes 11-19-2024

Final Audit Report

2024-12-06

Created:	2024-12-06
By:	Aimee Bone (abone@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAV6Vw_9MK4mK1nhoLpHN-fybnZzVGiPqQ

## "DAA Minutes 11-19-2024" History

-  Document created by Aimee Bone (abone@duluthairport.com)  
2024-12-06 - 5:57:45 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature  
2024-12-06 - 5:57:49 PM GMT
-  Email viewed by Tom Werner (twerner@duluthairport.com)  
2024-12-06 - 5:58:34 PM GMT
-  Document e-signed by Tom Werner (twerner@duluthairport.com)  
Signature Date: 2024-12-06 - 5:58:49 PM GMT - Time Source: server
-  Agreement completed.  
2024-12-06 - 5:58:49 PM GMT

III. Cash Disbursements

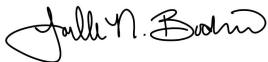
DAA Operating Check Register #30-2024  
November 29, 2024

Document Number From 12308 through 12320

Document Number	Date	Transaction Type	Payee	Amount
12308	11/29/2024	BILLPMT	Auto-Owner's Insurance	\$670.33
12309	11/29/2024	BILLPMT	Baker, Natalie	\$60.00
12310	11/29/2024	BILLPMT	Bobcat Of Duluth, Inc.	\$42.31
12311	11/29/2024	CHK	Citi Cards	\$2,464.03
12312	11/29/2024	BILLPMT	City Of Duluth Comfort Systems	\$8,653.49
12313	11/29/2024	BILLPMT	Ferguson Enterprises, Inc.	\$957.52
12314	11/29/2024	BILLPMT	Minnesota Petroleum Service	\$8.80
12315	11/29/2024	BILLPMT	NAPA Auto Parts	\$317.72
12316	11/29/2024	BILLPMT	O'Day Equipment	\$1,820.65
12317	11/29/2024	BILLPMT	SFM	\$8,986.00
12318	11/29/2024	BILLPMT	Taylor, Dan	\$60.00
12319	11/29/2024	BILLPMT	U.S. Customs and Border Protection	\$47.67
12320	11/29/2024	CHK	WF Bus Payment Processing - Tom	\$2,063.46
<b>Total</b>				<b>\$26,151.98</b>



Airport Director



Finance Director

Tom Werner

Executive Director



Kevin P. OBrien (Nov 28, 2024 08:18 CST)

Board President



Jos Bailey (Nov 27, 2024 14:11 CST)

City Treasury












# Operating Check Register #30-2024

Final Audit Report

2024-11-28


Created:	2024-11-27
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAqxuD8JDgAHZXcjcsHFSKq6C5D2sTcmNu

## "Operating Check Register #30-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)  
2024-11-27 - 8:02:04 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature  
2024-11-27 - 8:02:07 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature  
2024-11-27 - 8:02:07 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature  
2024-11-27 - 8:02:07 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature  
2024-11-27 - 8:02:07 PM GMT
-  Email viewed by Tom Werner (twerner@duluthairport.com)  
2024-11-27 - 8:08:44 PM GMT
-  Document e-signed by Tom Werner (twerner@duluthairport.com)  
Signature Date: 2024-11-27 - 8:09:13 PM GMT - Time Source: server
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)  
2024-11-27 - 8:11:30 PM GMT
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)  
Signature Date: 2024-11-27 - 8:11:40 PM GMT - Time Source: server
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)  
2024-11-27 - 8:36:28 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)  
Signature Date: 2024-11-27 - 8:37:32 PM GMT - Time Source: server

 Email viewed by info@kevinobrienrealtor.com

2024-11-28 - 2:16:51 PM GMT

 Signer info@kevinobrienrealtor.com entered name at signing as Kevin P. OBrien

2024-11-28 - 2:18:04 PM GMT

 Document e-signed by Kevin P. OBrien (info@kevinobrienrealtor.com)

Signature Date: 2024-11-28 - 2:18:06 PM GMT - Time Source: server

 Agreement completed.

2024-11-28 - 2:18:06 PM GMT

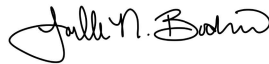
**DAA Operating ACH Payment Register #30-2024  
November 18, 2024**

**Confirmation #3200174**


Document Number	Date	Transaction Type	Payee	Amount
00000154/1	11/18/2024	BILLPMT	1 MediaUSA Advertising Inc	\$1,400.00
00000154/10	11/18/2024	BILLPMT	Citon	\$770.30
00000154/11	11/18/2024	BILLPMT	Citon	\$7,673.31
00000154/12	11/18/2024	BILLPMT	Citon	\$1,060.00
00000154/13	11/18/2024	BILLPMT	Cummins Inc.	\$315.80
00000154/14	11/18/2024	BILLPMT	Doorco Inc.	\$262.50
00000154/15	11/18/2024	BILLPMT	Durfee, Tristan	\$60.00
00000154/16	11/18/2024	BILLPMT	Durfee, Tristan	\$803.22
00000154/17	11/18/2024	BILLPMT	General Security Services Corporation	\$1,882.94
00000154/18	11/18/2024	BILLPMT	General Security Services Corporation	\$25,742.04
00000154/19	11/18/2024	BILLPMT	Goodin Company	\$59.58
00000154/2	11/18/2024	BILLPMT	ADB SAFEGATE	\$2,998.44
00000154/20	11/18/2024	BILLPMT	Grainger, Inc.	\$111.98
00000154/21	11/18/2024	BILLPMT	Grainger, Inc.	\$133.11
00000154/22	11/18/2024	BILLPMT	Grainger, Inc.	\$26.16
00000154/23	11/18/2024	BILLPMT	Graves, John	\$60.00
00000154/24	11/18/2024	BILLPMT	Guardian Pest Solutions	\$78.00
00000154/25	11/18/2024	BILLPMT	Guardian Pest Solutions	\$78.00
00000154/26	11/18/2024	BILLPMT	Guardian Pest Solutions	\$54.00
00000154/27	11/18/2024	BILLPMT	Imperial Dade	\$37.81
00000154/28	11/18/2024	BILLPMT	Inter City Oil (ICO)	\$3,040.23
00000154/29	11/18/2024	BILLPMT	Jamar Company	\$13,068.00
00000154/3	11/18/2024	BILLPMT	B&F Fastener Supply	\$155.83
00000154/30	11/18/2024	BILLPMT	Kayser, Jana	\$60.00
00000154/31	11/18/2024	BILLPMT	Kleen-Tech	\$23,566.89
00000154/32	11/18/2024	BILLPMT	Leon, Kathy	\$60.00
00000154/33	11/18/2024	BILLPMT	Menards - Hermantown	\$57.83
00000154/34	11/18/2024	BILLPMT	Menards - Hermantown	\$148.92
00000154/35	11/18/2024	BILLPMT	Menards - Hermantown	\$579.20
00000154/36	11/18/2024	BILLPMT	Menards - Hermantown	\$183.88
00000154/37	11/18/2024	BILLPMT	Menards - Hermantown	\$15.28
00000154/38	11/18/2024	BILLPMT	Menards - Hermantown	\$16.08
00000154/39	11/18/2024	BILLPMT	Menards - Hermantown	\$18.92
00000154/4	11/18/2024	BILLPMT	Benson Electric Company	\$177.00
00000154/40	11/18/2024	BILLPMT	Menards - Hermantown	\$37.54
00000154/41	11/18/2024	BILLPMT	Menards - Hermantown	\$6.58
00000154/42	11/18/2024	BILLPMT	Menards - Hermantown	\$148.49
00000154/43	11/18/2024	BILLPMT	Mike's Signs	\$200.00
00000154/44	11/18/2024	BILLPMT	Papko, Mark	\$60.00
00000154/45	11/18/2024	BILLPMT	Pomp's Tire Service, Inc.	\$809.48
00000154/46	11/18/2024	BILLPMT	Short Elliott Hendrickson Inc.	\$455.00
00000154/47	11/18/2024	BILLPMT	Sinnott, Paul	\$60.00
00000154/48	11/18/2024	BILLPMT	Snell, Matthew J	\$60.00
00000154/49	11/18/2024	BILLPMT	Snell, Matthew J	\$352.42
00000154/5	11/18/2024	BILLPMT	Benson Electric Company	\$7,531.66
00000154/50	11/18/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$542.16
00000154/51	11/18/2024	BILLPMT	Waste Management of WI-MN	\$103.89
00000154/52	11/18/2024	BILLPMT	Waste Management of WI-MN	\$297.02


00000154/53	11/18/2024	BILLPMT	Waste Management of WI-MN	\$1,993.95
00000154/54	11/18/2024	BILLPMT	Waste Management of WI-MN	\$307.38
00000154/55	11/18/2024	BILLPMT	Welch, Ryan	\$60.00
00000154/56	11/18/2024	BILLPMT	Werner, Thomas	\$60.00
00000154/6	11/18/2024	BILLPMT	Benson Electric Company	\$5,916.23
00000154/7	11/18/2024	BILLPMT	Bodin, Joelle	\$60.00
00000154/8	11/18/2024	BILLPMT	Citon	\$858.81
00000154/9	11/18/2024	BILLPMT	Citon	\$299.94
			<b>Total</b>	<b>\$104,975.80</b>

  
 Airport Director

  
 Finance Director

*Tom Werner*  
 Executive Director

  
 Kevin P. O'Brien (Nov 18, 2024 12:04 CST)

Board President  
  
 Jos Bailey (Nov 15, 2024 11:57 CST)

City Treasury

City of Minneapolis  
 Department of Public Works  
 2000 California Street  
 Minneapolis, MN 55402  
 Phone: 612.673.3100  
 Fax: 612.673.3101  
 Website: www.ci.minneapolis.mn.us

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 2000 California Street  
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 Minneapolis, MN 55402  
 Phone: 612.673.3100  
 Fax: 612.673.3101  
 Website: www.ci.minneapolis.mn.us












# Operating ACH Payment Register #30-2024

Final Audit Report

2024-11-18


Created:	2024-11-15
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAWgEqSY397PxxqUDn1IBoVdYHFHqhrO6C

## "Operating ACH Payment Register #30-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)  
2024-11-15 - 5:39:43 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature  
2024-11-15 - 5:39:47 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature  
2024-11-15 - 5:39:47 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature  
2024-11-15 - 5:39:47 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature  
2024-11-15 - 5:39:47 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)  
2024-11-15 - 5:40:07 PM GMT
-  Email viewed by Tom Werner (twerner@duluthairport.com)  
2024-11-15 - 5:41:06 PM GMT
-  Document e-signed by Tom Werner (twerner@duluthairport.com)  
Signature Date: 2024-11-15 - 5:41:27 PM GMT - Time Source: server
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)  
Signature Date: 2024-11-15 - 5:56:45 PM GMT - Time Source: server
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)  
2024-11-15 - 5:57:13 PM GMT
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)  
Signature Date: 2024-11-15 - 5:57:23 PM GMT - Time Source: server

 Email viewed by info@kevinobrienrealtor.com

2024-11-18 - 6:02:09 PM GMT

 Signer info@kevinobrienrealtor.com entered name at signing as Kevin P. OBrien

2024-11-18 - 6:04:04 PM GMT

 Document e-signed by Kevin P. OBrien (info@kevinobrienrealtor.com)

Signature Date: 2024-11-18 - 6:04:06 PM GMT - Time Source: server

 Agreement completed.

2024-11-18 - 6:04:06 PM GMT

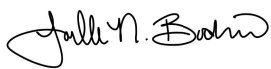



**DAA Operating ACH Payment Register #31-2024  
November 29, 2024**

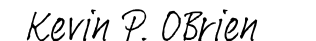
**Confirmation #3320256**


Document Number	Date	Transaction Type	Payee	Amount
00000156/1	11/29/2024	BILLPMT	1 Giant Voices LLC	\$9,252.00
00000156/10	11/29/2024	BILLPMT	Grainger, Inc.	\$446.06
00000156/11	11/29/2024	BILLPMT	Graves, John B	\$115.96
00000156/12	11/29/2024	BILLPMT	Institute for Environmental Assessment, Inc.	\$3,150.00
00000156/13	11/29/2024	BILLPMT	Institute for Environmental Assessment, Inc.	\$2,620.00
00000156/14	11/29/2024	BILLPMT	Menards - Hermantown	\$240.90
00000156/15	11/29/2024	BILLPMT	Menards - Hermantown	\$83.86
00000156/16	11/29/2024	BILLPMT	Menards - Hermantown	\$90.71
00000156/17	11/29/2024	BILLPMT	Menards - Hermantown	\$77.20
00000156/18	11/29/2024	BILLPMT	Menards - Hermantown	\$6.87
00000156/19	11/29/2024	BILLPMT	Menards - Hermantown	\$11.94
00000156/2	11/29/2024	BILLPMT	ADB SAFEGATE	\$315.06
00000156/20	11/29/2024	BILLPMT	Menards - Hermantown	\$8.36
00000156/21	11/29/2024	BILLPMT	Menards - Hermantown	\$9.95
00000156/22	11/29/2024	BILLPMT	Menards - Hermantown	\$301.29
00000156/23	11/29/2024	BILLPMT	Metro Sales, Inc.	\$291.36
00000156/24	11/29/2024	BILLPMT	Oberon3, Inc.	\$126.00
00000156/25	11/29/2024	BILLPMT	Pomp's Tire Service, Inc.	\$250.06
00000156/26	11/29/2024	BILLPMT	Quadient Leasing USA, Inc.	\$265.86
00000156/27	11/29/2024	BILLPMT	Quadient Leasing USA, Inc.	\$265.86
00000156/28	11/29/2024	BILLPMT	Spectrum Enterprise	\$190.84
00000156/3	11/29/2024	BILLPMT	Apex	\$1,250.00
00000156/4	11/29/2024	BILLPMT	Barnum Companies, Inc.	\$1,008.70
00000156/5	11/29/2024	BILLPMT	Benson Electric Company	\$11,297.64
00000156/6	11/29/2024	BILLPMT	Citon	\$299.94
00000156/7	11/29/2024	BILLPMT	Como Lube & Supplies	\$260.00
00000156/8	11/29/2024	BILLPMT	Cryotech	\$22,511.40
00000156/9	11/29/2024	BILLPMT	Goodin Company	\$157.92
			<b>Total</b>	<b><u>\$54,905.74</u></b>

  
Airport Director

  
Finance Director

  
Executive Director

  
Kevin P. O'Brien (Nov 27, 2024 13:54 CST)  
Board President

  
Jos Bailey (Nov 27, 2024 11:26 CST)  
City Treasury












# Operating ACH Payment Register #31-2024

Final Audit Report

2024-11-27


Created:	2024-11-27
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAgyf3BtP8bqYu8lpUu5zRdezhMO6mEFYW

## "Operating ACH Payment Register #31-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)  
2024-11-27 - 5:25:52 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature  
2024-11-27 - 5:25:55 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature  
2024-11-27 - 5:25:55 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature  
2024-11-27 - 5:25:55 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature  
2024-11-27 - 5:25:55 PM GMT
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)  
2024-11-27 - 5:26:16 PM GMT
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)  
Signature Date: 2024-11-27 - 5:26:39 PM GMT - Time Source: server
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)  
2024-11-27 - 5:29:18 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)  
Signature Date: 2024-11-27 - 5:29:42 PM GMT - Time Source: server
-  Email viewed by Tom Werner (twerner@duluthairport.com)  
2024-11-27 - 5:30:41 PM GMT
-  Document e-signed by Tom Werner (twerner@duluthairport.com)  
Signature Date: 2024-11-27 - 5:31:52 PM GMT - Time Source: server

 Email viewed by info@kevinobrienrealtor.com

2024-11-27 - 6:54:26 PM GMT

 Signer info@kevinobrienrealtor.com entered name at signing as Kevin P. OBrien

2024-11-27 - 7:54:49 PM GMT

 Document e-signed by Kevin P. OBrien (info@kevinobrienrealtor.com)

Signature Date: 2024-11-27 - 7:54:51 PM GMT - Time Source: server

 Agreement completed.

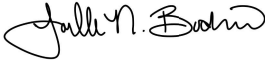
2024-11-27 - 7:54:51 PM GMT

**Duluth Airport Authority**  
**DAA Construction ACH Payment Register #16-2024**  
**October 25, 2024**

**Confirmation #327132**


Document Number	Date	Transaction Type	Payee	Amount
00000155/1	11/25/2024	BILLPMT	1 EXP US Services, Inc.	\$109,997.18
00000155/10	11/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$13,225.00
00000155/11	11/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$17,805.00
00000155/12	11/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$74,050.00
00000155/13	11/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$38,205.00
00000155/14	11/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$170,364.00
00000155/15	11/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$7,470.00
00000155/16	11/25/2024	BILLPMT	1 Ulland Brothers, Inc.	\$444,112.03
00000155/17	11/25/2024	BILLPMT	United Truck Body Company, Inc.	\$13,154.00
00000155/18	11/25/2024	BILLPMT	Widdes Trailer Sales	\$3,500.00
00000155/2	11/25/2024	BILLPMT	1 KGM Contractors	\$144,228.50
00000155/3	11/25/2024	BILLPMT	1 KGM Contractors	\$839,049.50
00000155/4	11/25/2024	BILLPMT	1 KGM Contractors	\$39,590.20
00000155/5	11/25/2024	BILLPMT	1 National Tank Outlet	\$852.81
00000155/6	11/25/2024	BILLPMT	1 National Tank Outlet	\$171.56
00000155/7	11/25/2024	BILLPMT	1 PEC Solutions, LLC	\$67,044.82
00000155/8	11/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$7,125.00
00000155/9	11/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$70,200.00
<b>Total</b>				<b>\$2,060,144.60</b>

  
 \_\_\_\_\_  
 Airport Director

  
 \_\_\_\_\_  
 Finance Director

*Tom Werner*  
 \_\_\_\_\_  
 Executive Director

  
 \_\_\_\_\_  
 Kevin P. O'Brien (Nov 22, 2024 15:26 CST)  
 Board President

  
 \_\_\_\_\_  
 Jos Bailey (Nov 25, 2024 08:05 CST)  
 City Treasury












# Construction ACH Payment Register #16-2024


Final Audit Report

2024-11-25

Created:	2024-11-22
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA3HIX8nWCyBMTjqSohSALzQlaeN2Dgmfj

## "Construction ACH Payment Register #16-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)  
2024-11-22 - 4:45:18 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature  
2024-11-22 - 4:45:22 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature  
2024-11-22 - 4:45:22 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature  
2024-11-22 - 4:45:22 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature  
2024-11-22 - 4:45:22 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)  
2024-11-22 - 5:05:34 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)  
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-  Email viewed by info@kevinobrienrealtor.com  
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-  Signer info@kevinobrienrealtor.com entered name at signing as Kevin P. OBrien  
2024-11-22 - 9:26:13 PM GMT

 Document e-signed by Kevin P. OBrien (info@kevinobrienrealtor.com)

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 Agreement completed.

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**Severe Weather:**  
[Wind Advisory and 2 more alerts](#)



# Plane makes emergency landing at Duluth airport

By **WDIO**

Updated: November 15, 2024 - 4:31 PM

Published: November 15, 2024 - 1:33 PM



(WDIO)

Just before noon on Friday, emergency response crews staged at the Duluth International Airport after a report of a plane having problems with landing gear.

WDIO had a crew on scene and they saw the plane land successfully at approximately 1:20 p.m.

According to the Duluth Airport Authority, "We received reports of a LearJet experiencing mechanical issue. The aircraft circled to burn fuel and successfully executed a landing without incident."

According to the site FlightAware, the plane is a Learjet 35 Medevac that took off from DLH at 11:06 a.m. Friday. It appeared to be bound for Fort Myers, Florida.



(WDIO)



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## Duluth airport sets traffic record

Nov 25, 2024

September was the busiest month on record for Duluth International Airport with more than 17,000 flight operations, 2,000 more than the previous high in August 2024.

The milestone underscores growing demand for air travel and highlights the critical role that DLH plays in supporting both local and regional economies, the Duluth Airport Authority said Monday.

With a surge in operations, the airport is not only facilitating increased passenger movement throughout the summer months but also strengthening its position as a vital hub for cargo operations, flight training operations, military operations, medical flights and R&D flights, the authority said.

“Record air commerce activity underscores the important connection that the Duluth International Airport is to the broader world,” said Tom Werner, executive director of the Duluth Airport. “However, to sustain growth and ensure our facilities meet future demands, we need further assistance from both state and federal sources to replace our 70-year-old air traffic control tower.”

A new air traffic control tower is essential for managing the increasing volume of flights safely and efficiently, Warner said. Investing in this infrastructure will enhance operational capacity, improve safety protocols, and ensure that DLH can continue to serve as a reliable hub for air commerce.



"Advocate for a business environment in which our members can prosper."

November 25, 2024

Subject: Duluth Airport Authority's Air Traffic Control Tower Replacement

To Whom It May Concern:

On behalf of the Grand Rapids Area Chamber of Commerce, We are pleased to offer our strong support for funding the replacement of the aging air traffic control tower at Duluth International Airport (DLH). This critical infrastructure project is essential to ensuring the continued safety, efficiency, and growth of air commerce and aviation services across our region.

The Grand Rapids Area Chamber of Commerce represents over 400 businesses and organizations throughout northeastern Minnesota, and we understand the vital role that Duluth Airport plays in supporting our regional economy. The airport serves as a gateway for local businesses to reach national and global markets, a key hub for military operations at the 148th Fighter Wing, and a reliable transportation link for residents and visitors alike.

The current air traffic control tower has served the DLH for over 70 years and is outdated and increasingly unable to meet the operational demands of modern aviation. Replacing this tower is not only critical for maintaining the highest safety standards but also necessary for ensuring the airport's ability to accommodate future growth in passenger and cargo traffic.

Investing in this project aligns with broader efforts to enhance transportation infrastructure in our region, support economic development, and strengthen the resilience of our aviation network. A modernized air traffic control tower will enhance operational capabilities, improve safety for all users, and enable the airport to attract new business opportunities that benefit communities throughout northeastern Minnesota.

The Grand Rapids Area Chamber of Commerce strongly supports funding for this essential project. We are confident that replacing the air traffic control tower at Duluth International Airport will yield substantial economic and safety benefits for our region and beyond.

Thank you for your consideration of this critical infrastructure need.

Sincerely,

A handwritten signature in black ink, appearing to read "Malissa Bahr". The signature is fluid and cursive, written over a light gray circular watermark.

Malissa J Bahr, PhD  
President & CEO

## IV. - D.

### **PRESS CONTACT**

Duluth Airport Authority  
Natalie Baker, Director of Communications and Marketing  
(218) 625-7768  
nbaker@duluthairport.com

### **DLH Achieves Record-Breaking Operations in September 2024: A Call for Continued Funding Support**

DULUTH, MN – November 25, 2024 – The Duluth Airport Authority (DAA) proudly announces that September 2024 was the busiest month on record, with over 17,000 operations at the Duluth International Airport (DLH); 2,000 more than the previous high in August 2024. This significant milestone underscores the growing demand for air travel in our region and highlights the critical role that DLH plays in supporting both local and regional economies.

With a surge in operations, the airport is not only facilitating increased passenger movement throughout the summer months but also strengthening its position as a vital hub for cargo operations, flight training operations, military operations, medical flights and R&D flights. This growth highlights the thriving nature of the diverse aviation cluster at DLH.

“Record air commerce activity underscores the important connection that the Duluth International Airport is to the broader world,” said Tom Werner, Executive Director of the Duluth Airport “However, to sustain growth and ensure our facilities meet future demands, we need further assistance from both state and federal sources to replace our 70-year-old air traffic control tower.”

A new air traffic control tower is essential for managing the increasing volume of flights safely and efficiently. Investing in this infrastructure will enhance operational capacity, improve safety protocols, and ensure that DLH can continue to serve as a reliable hub for air commerce.

###

### **About the Duluth International Airport**

Currently, United Airlines offers three daily nonstop flight to Chicago and Delta offers three daily nonstop flights to Minneapolis/St. Paul. Effective January 31, Sun Country will be offering nonstop flights to Fort Myers, Florida. We are committed to providing our travelers with superior services in a safe, secure and professional environment. Be sure to visit our Club DLH Business Suite, designed with the working traveler in mind. Visit [duluthairport.com](http://duluthairport.com), follow us on Twitter @DuluthAirport, and like us on [facebook.com/duluthairport](https://www.facebook.com/duluthairport).

## VII. New Business

### Duluth Airport Authority Air Carrier Incentive Agreement Template

**Purpose:** This standard form agreement is to be used to memorialize the terms and conditions applicable to air carrier incentives between the Duluth Airport Authority (DAA) and a perspective airline. Incentives are defined in the DAA Board approved Air Carrier Incentive Program (ACIP).

Each individual agreement between the DAA and a specific air carrier shall come back before the board for consideration approximately 90 days prior to the launch of the incented service.

**Terms:**

- 1/2/3 years depending on the incentive and if the route is seasonal or year-round.
- Operational Incentives are specific to the route and defined by the ACIP.
- Marketing Incentives are specific to the route and defined by the ACIP.

**Background:** In 2023 the Federal Aviation Administration updated their air carrier incentive program guidance to airports. Among the recommendations was to memorialize incentive arrangements between the airport and the airline through the use of a air carrier incentive agreement.

**AIR CARRIER INCENTIVE AGREEMENT BETWEEN  
[AIRLINE]  
AND  
DULUTH AIRPORT AUTHORITY**

**THIS AIR CARRIER INCENTIVE AGREEMENT** (“Agreement”) entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (“Effective Date”), by and between [AIRLINE] (“Airline”), having its principal place of business at \_\_\_\_\_, and the **Duluth Airport Authority** (“Authority”), having its principal place of business at 4701 Grinden Drive, Duluth, MN 55811 (collectively, Airline and the Authority shall be referred to herein as “the Parties” and each individually, a “Party”).

**BACKGROUND**

- A. Authority owns and operates the Duluth International Airport (“Airport” or “DLH”).
- B. Airline is a Part 121 scheduled airline and travel company principally engaged in the business of selling and organizing air travel and transporting air passengers and [does/does not] currently operate at the Airport.
- C. The Authority has promulgated an Air Carrier Incentive Policy at the Airport, attached hereto as Exhibit A (“DAA Policy”) with the goals of increasing nonstop scheduled air service and passenger traffic at the Airport and sustaining this service over the long-term.
- D. Pursuant to the DAA Policy, the Authority will provide certain incentives to Airline, which include discounts or waivers of certain fees and charges at the Airport (“Operational Incentives”) and financial contributions for marketing and advertising (“Marketing Incentives,” and together with the Operational Incentives, the “Incentive Package”), so long as the Airline qualifies for such Incentives in accordance with the terms and conditions of the DAA Policy.
- E. Airline has qualified for the Incentive Package under the DAA Policy, as more particularly set forth below.
- F. The Parties wish to memorialize the Incentive Package to be provided to Airline pursuant to the DAA Policy herein as well as the terms and conditions that are applicable to Airline’s participation in the DAA Policy.

**NOW THEREFORE**, in consideration of the mutual covenants and promises stated herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, agree as follows:

**AGREEMENT**

1. **Incorporation of DAA Policy.** This Agreement is entered pursuant to the terms of the DAA Policy, a copy of which is attached hereto as Exhibit A and incorporated herein. In the event of a conflict between the provisions of the DAA Policy and this Agreement, the terms of the DAA Policy shall control. All capitalized terms not defined herein shall have the meaning provided to them in the DAA Policy.

2. **Term.** The Term of this Agreement shall begin on the Effective Date and shall continue for [One (1)/Two (2)/Three (3) Years] unless earlier terminated pursuant to the terms herein. All or part of the Incentive Package offered pursuant to this Agreement may cease, by their terms, prior to the end of the Term.

3. **Qualifying Air Service.** Airline shall commence and maintain the following scheduled passenger air service at the Airport (the "Qualifying Air Service"):

- a. [FOR NEW SERVICE/NEW CARRIERS: DESCRIBE FLIGHTS, INCLUDING DESTINATION, AND WEEKLY FREQUENCY (WITH EXCEPTIONS FOR SEASONAL SERVICE). DEFINE MINIMUM SERVICE LEVELS FOR EACH ROUTE IF NOT DEFINED IN THE DAA POLICY]
- b. [FOR INCUMBENT CARRIERS INCREASING SERVICE: DESCRIBE FLIGHT, INCLUDING DESTINATION AND REQUIRED MINIMUM INCREASE IN WEEKLY SEAT COUNT]

This Qualifying Air Service must commence within ninety (90) days of execution of this Agreement or the Incentive Package may be withdrawn at the option of the Authority. Airline must maintain the Qualifying Air Service for the Term ("Minimum Service Level").

If Airline fails to maintain the Minimum Service Level, the Authority may withdraw the Incentive Package, declare all Airline fees and charges waived under this Agreement and the DAA Policy to be immediately due and payable, and/or terminate this Agreement.

For the purposes of calculating the weekly departures required to meet the Minimum Service Level, the Authority will use average weekly departures for (i) the most recent two-month period of Airline operations *plus* (ii) the immediately upcoming month of scheduled Airline operations on the specified route. This calculation is applicable only if called for in the Airport's Air Carrier Incentive Program (ACIP).

For the purposes of calculating the increase in seat count required to meet the Minimum Service Level, the Authority will compare (i) beginning three months from the commencement of the Qualifying Air Service, the actually flown weekly seat count of Airline on the specific route, on a rolling three-month basis, against (ii) the average weekly seat count of the twelve months of service immediately preceding the commencement of the Qualifying Air Service, by Airline on the same route. Such increase in seat count may be due to (a) a change in the type or configuration of aircraft used by Airline to provide that service, provided that there is no reduction in frequency of flights, and/or (b) an increase in frequency of flights. This calculation is applicable only if called for in the Airport's ACIP.

4. **Operational Incentive and Marketing Incentive.** Airline understands and acknowledges that it shall be subject to the benefits and requirements of both the Operational Incentive and the Marketing Incentive as laid out below and in accordance with the DAA Policy.

(A) Operational Incentive

The Operational Incentive consists of a One Hundred Percent (100%) waiver of (i) Passenger Terminal Fees, (ii) Aircraft Landing Fees, (iii) Terminal Per Use Fees, and (iv) Terminal International Arrivals Facility Per Use Fees (if applicable), as such fees and charges are set forth in the Authority's Rates and Charges Schedule (which may be modified from time to time).

In order to maintain eligibility for the Operational Incentive, Airline shall maintain the Minimum Service Level during the Term. If the Airline's service levels on the Qualifying Air Service fall below the Minimum Service Level during the Term, Airline will no longer qualify for the Operational Incentive.

(B) Marketing Incentive

In addition to the Operational Incentive, Airline may be entitled to the Marketing Incentive based on its operation of the Qualifying Air Service in accordance with the DAA Policy. The Authority will expend no less than [NUMBER OF DOLLARS] on the Marketing Incentives during the Term. Marketing Incentives shall be subject to the following terms and conditions:

- a. The Marketing Incentives shall be administered by the Authority in accordance with this Section 4(B). In reasonable coordination with Airline, the Authority shall utilize its own staff or its contracted marketing firm and resources to provide the Marketing Incentive and all advertising under this Agreement.
- b. The Marketing Incentive funds shall be utilized for the purpose of exclusively promoting the Qualifying Air Service or within a broader air service promotion and list the Airport as an origin point and/or destination.
- c. All promotional activities and marketing materials produced as part of the Marketing Incentive shall mention the Airport in the content or include the Airport logo. Logo size, placement, and dimensions shall be subject to the Authority's discretion.
- d. The Authority shall keep records of expenditures on the Marketing Incentive in the ordinary course of business. Upon no less than thirty (30) days' written notice from Airline, the Authority shall provide copies of such records to Airline.
- e. A minimum of [NUMBER OF DOLLARS] shall be spent on the Marketing Incentives during the Term. Airline's sole remedy for Authority's failure to spend at least this amount shall be an action for specific performance. Under no circumstances will Airline be entitled to any cash payments of amounts unspent by the Authority.
- f. Airline must maintain the Minimum Service Levels throughout the Term. Failure to maintain the Minimum Service Level will result in the Airline being ineligible for any remaining, unused Marketing Incentive as of the date that service fails to meet the Minimum Service Level, at the discretion of the Authority.
- g. There will be no additional Marketing Incentive for any frequency increases during the Term.
- h. The availability of the Marketing Incentive and the Authority's obligation to provide it is conditioned upon approval of appropriation of funds by the Authority in its annual budgets.
- i. Under no circumstances shall Airline be entitled to payment above the amounts specified in the DAA Policy.

- j. Nothing in this Agreement or the DAA Policy shall be interpreted to limit the Authority from spending funds for its own marketing purposes, beyond the amount designated for the Marketing Incentive.

5. **Additional DAA Policy Terms and Conditions.**

- a. The Authority has the power to amend, revise, restate, all or in part, the terms and conditions of the DAA Policy, or terminate the DAA Policy entirely, in its sole discretion.
- b. The DAA Policy will be administered in compliance with federal law, the Airport Improvement Grant Assurances, and FAA policy, including the Policy and Procedures Concerning the Use of Airport Revenue, 64 Fed. Reg. 7,696 (Feb. 16, 1999) and the Policy Regarding Air Carrier Incentive Programs, 88 Fed. Reg. 85,344 (Dec. 7, 2023).
- c. Airline agrees and understands that the DAA Policy and this Agreement is subject and subordinate to all applicable laws, statutes, rules and regulations (including, but not limited to Federal Aviation Regulations set forth in Title 14 United States Code of Federal Regulations), FAA policy, and the provisions of any agreement between the Authority, the City of Duluth, and/or the United States concerning all existing and future agreements between the Authority, the City, and/or the United States of America relative to the operation, maintenance, or development of the Airport, the execution of which may be required as a condition precedent to the expenditure of funds for the development of the Airport, or any part thereof.
- d. Airline further understands that, in the event the Federal Aviation Administration or its successor requires modifications or changes in the DAA Policy or to this Agreement, Airline consents to any and all such modifications and changes as may be required; and Airline agrees to execute an amendment to this Agreement reflecting such modifications or changes.
- e. Airline acknowledges and agrees that the incentives offered by the Authority pursuant to this Agreement are subject to Airline's strict compliance with all of the terms and conditions of the DAA Policy. Violation of any provision of the DAA Policy is a default under this Agreement and will result in termination of all Incentives hereunder.
- f. To be eligible to participate in the Incentive Package provided by the DAA Policy, Airline must have a current Airport Use and Lease Agreement or other authorization to operate at the Airport and must be current in its financial or other obligations to the Authority. This includes complying with all rules and regulations of the Authority and paying all rates, fees and charges in a timely manner.
- g. Incentives under the DAA Policy may not be transferred or assigned to another Airline except if an airline succeeds to substantially all of Airline's assets by merger or acquisition.



- h. Airline shall be responsible for obtaining all necessary permits, licenses, and/or approvals relating to its use/and or occupancy of the Airport and the service sought to be promoted.
- i. Airline agrees to comply with the Required Federal Provisions attached to this Agreement as Exhibit B.

6. **Miscellaneous.**

- a. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota and venue for any action arising out of or relating to this Agreement shall lie exclusively in the courts of St. Louis County, Minnesota. It is understood and agreed by and between Airline and the Authority that if any covenant, condition, or provision contained in this Agreement is held to be invalid by any court of competent jurisdiction, or otherwise appears to Airline or the Authority to be invalid, such invalidity shall not affect the validity of any other covenant, condition or provision herein contained.

7. **Counterparts.**

- b. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

**IN WITNESS WHEREOF**, the parties hereto by their duly authorized officers have caused this Agreement to be executed in their names as of the day and year first above written.

DATE: \_\_\_\_\_

DULUTH AIRPORT AUTHORITY

**[AIRLINE]**

By \_\_\_\_\_  
Its President

By \_\_\_\_\_

By \_\_\_\_\_  
Its Secretary

Its \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

## Exhibit A

### OPERATING POLICY # 30 DULUTH AIRPORT AUTHORITY AIR CARRIER INCENTIVE POLICY

**Initial Implementation Date:** June 2018

**Revised:** April 16, 2024

#### **SUPERSEDES**

This Air Carrier Incentive Policy supersedes the 2018 Community Air Service Development Incentive Policy and is compliant with the guidelines set forth by Federal Aviation Administration's (FAA) Air Carrier Incentive Program guidance issued December 7, 2023. The general principles of that guidance include:

- Discrimination between carriers participating in an Air Carrier Incentive Program (ACIP) and non-participating carriers must be justified and time limited.
- A sponsor may not use airport revenues to subsidize air carriers.
- A sponsor may not cross-charge non-participating carriers or other aeronautical users to subsidize ACIP carriers.
- The terms of an ACIP should be made public.
- Use of airport funds for an ACIP must not adversely affect airport operations or maintenance.

#### **DEFINITIONS**

*Incentives:* are a fee reduction or waiver of landing fees, terminal rent and fees, or the use of airport revenue for acceptable marketing costs. Marketing of any new service may be paid by Duluth Airport Authority (DAA) either directly to the marketing provider or be provided to the air carrier only after the carrier has submitted a marketing plan to the DAA Executive Director, paid the marketing provider and submitted an invoice with supporting documentation to the DAA.

*New Service* is defined as:

- Non-stop service where non-stop service has not been offered for a minimum of twenty-four (24) consecutive months.
- New entrant carrier serving Duluth International Airport (DLH) who has not offered scheduled service for at least twenty-four (24) consecutive months.
- Seasonal nonstop service, where non-stop service is not currently offered for less than seven months of the calendar year and has not been offered for a minimum of twenty-four (24) consecutive months.
- A *Significant Increase* in capacity on preexisting service to a specific airport destination provided by:
  - An incumbent is defined by the number of seats and/or frequencies increased per week in the ACIP.
  - A new air carrier is defined by the minimum number of seats and/or frequencies per week in the ACIP.

#### **AIR CARRIER INCENTIVE PROGRAM**

The ACIP maximizes available commercial air service that supports economic growth, stability, and quality of life in the region. It identifies airport destinations, incentivized by the DAA for new service. The promotional incentives to airlines aim to:

- Increase travel using DLH and/or

- Promote air carrier competition at DLH.

The ACIP shall be updated at the discretion of the DAA. The program is approved by the DAA Board of Directors. Once adopted it shall be posted on DLH's website for 30 days before becoming active.

#### **ELIGIBILITY:**

The ACIP is available to any commercial airline who does or is willing to provide regularly scheduled service to and from DLH. There is no obligation to provide incentives to commercial airlines for those destinations not listed in the ACIP.

#### **LENGTH OF PROGRAM**

Use of an incentive limited to new service is not in itself unjust discrimination and therefore compliant with FAA grant assurances provided that qualifying incentives are limited to:

- One (1) year for routes already served and meeting the definition of Significant Increase in service. Incentives are limited to the new capacity added and not the existing capacity in the case of an incumbent carrier significantly increasing capacity on the route.
- Two (2) consecutive years for nonstop service to an airport destination not currently provided.
- Three (3) consecutive years for nonstop service to an airport destination not currently served seasonally.

Any agreed to incentives require the air carrier to provide the new service for no less than applicable durations provided above. Discontinuing the new service early will subject the air carrier to incentive recoupment per the terms of the Incentive Agreement.

In the event the length of program offered causes any violation of grant assurances or other similar covenants, rules, or regulations, the ACIP and the Incentive Agreement shall be amended to provide for compliance to any such requirement.

#### **LIMITED BUDGET**

Due to limited budget for new service to an airport destination not currently served from DLH, the DAA may restrict incentives to one carrier, the first air carrier that establishes the new service. This restriction will be noted on the ACIP.

#### **AIR CARRIER INCENTIVE AGREEMENT**

An incentive agreement shall be executed between the air carrier and the DAA detailing the incentives available pertaining to the new service being offered and the terms governing their use.

## EXHIBIT B

### REQUIRED FEDERAL PROVISIONS

A. Compliance with Nondiscrimination Provisions. During the performance of this Agreement, AIRLINE, for itself, its assignees, and successors in interest (hereinafter collectively referred to as "AIRLINE") agrees as follows:

- i. **Compliance with Regulations:** AIRLINE will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.
- ii. **Non-discrimination:** AIRLINE, with regard to the work performed by it during the term of this Agreement, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of contractors, including procurements of materials and leases of equipment. AIRLINE will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
- iii. **Solicitations for Agreements, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by AIRLINE for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential contractor or supplier will be notified by AIRLINE of AIRLINE's obligations under this Agreement and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
- iv. **Information and Reports:** AIRLINE will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of AIRLINE is in the exclusive possession of another who fails or refuses to furnish the information, AIRLINE will so certify to AIRPORT OPERATOR or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
- v. **Sanctions for Noncompliance:** In the event of AIRLINE's noncompliance with the Non-discrimination provisions of this contract, AIRPORT OPERATOR will impose such sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to withholding payments to the AIRLINE under the Agreement until the AIRLINE complies, and/or cancelling, terminating, or suspending the Agreement, in whole or in part.
- vi. **Incorporation of Provisions:** AIRLINE will include the provisions of subsections (i) through (vi) this Exhibit B, Section (A) in every contract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. AIRLINE will take action with respect to any contract or procurement as AIRPORT OPERATOR or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if AIRLINE becomes involved in, or

is threatened with litigation by a contractor, or supplier because of such direction, AIRLINE may request AIRPORT OPERATOR to enter into any litigation to protect the interests of AIRPORT OPERATOR. In addition, AIRLINE may request the United States to enter into the litigation to protect the interests of the United States.

B. Real Property Acquired or Improved Under the Airport Improvement Program. AIRLINE for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, AIRLINE will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

C. Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program. AIRLINE for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that AIRLINE will furnish its services in compliance with all other requirements imposed by or pursuant to the List of Nondiscrimination Acts And Authorities.

D. Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Agreement, AIRLINE, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- ii. 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- iii. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- iv. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- v. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- vi. Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- vii. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973,

- by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- viii. Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR Parts 37 and 38;
  - ix. The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
  - x. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
  - xi. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100); and
  - xii. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

E. General Civil Rights Provision. In all its activities within the scope of its airport program, the PERMITEE agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

F. Right of Re-entry. In the event of breach of any of the above Nondiscrimination covenants, AIRPORT OPERATOR will have the right to terminate the Agreement and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Agreement had never been made or issued.

G. Subcontracts. AIRLINE agrees that it shall insert the above six provisions (Section (A) through Section (F)) in any agreement by which AIRLINE grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public under this Agreement.

## VII. - B.

# Resolution to Approve a Professional Services Agreement and Statement of Work for Audit Services between the Duluth Airport Authority and CliftonLarsonAllen, LLP.

## Executive Summary

### **Terms:**

- Fiscal Year 2024-2026 Audits
- Optional three-year renewal
- Not to Exceed Fees for Fiscal Years Ended:
  - 2024: \$32,000
  - 2025: \$33,000
  - 2026: \$34,250

### **Overview:**

- Per the DAA enabling legislation, “At least once in each year the city auditor, under the direction of the city director of finance, shall make or cause to be made, at the expense of the authority, a complete examination and audit of all books and accounts of the authority...”
- Previously city staff had utilized the State Auditor’s office for auditing purposes. The City had requested that the Authorities of the city complete a request for proposal process to expedite the audit processes.
- The RFP was issued in October of 2024 and the evaluation was completed in November of 2024.
- There were two qualified firms. CliftonLarsonAllen was the more financially responsible option for the DAA.
- CliftonLarsonAllen will provide audit services in accordance with the following agreement, exhibits and statement of work.
- These audit services will satisfy the audit requirements of our federal and state funding.

Prepared By: Joelle Bodin

**AGREEMENT FOR PROFESSIONAL SERVICES  
BY AND BETWEEN**

**CLIFTONLARSONALLEN LLP  
AND  
DULUTH AIRPORT AUTHORITY**

PARTIES TO THIS AGREEMENT ARE the DULUTH AIRPORT AUTHORITY, the governmental authority organized and existing under the Laws of Minnesota, 1969 Chapter 577, hereinafter referred to as "Authority", and **CliftonLarsonAllen LLP** hereinafter referred to as Consultant for the purpose of rendering services to the Authority.

WHEREAS, The Authority is the operator of the Duluth International Airport and the Sky Harbor Airport, located in the City of Duluth, State of Minnesota and is in the business of promoting and managing aviation activity at the airports: and;

WHEREAS, the Authority has requested proposals for Audit Services, (the "Project"); and

WHEREAS, Consultant has represented itself as qualified and willing to perform the services required by the Authority; and

WHEREAS, Consultant submitted a proposal to provide services for the Project (the "Proposal"), a copy of which is attached hereto as Exhibit B; and

WHEREAS, the Authority desires to utilize Consultant's professional services for the Project;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto agree as follows:

A. Services

Consultant will provide services related to the Project as specified in the Request for Proposal and described in Consultant's Proposal (the "Services"), Exhibit B. Services will also be described in a separate Statement of Work. Consultant agrees that it will provide its services at the direction of the Authority. In the event of a conflict between the Proposal and this Agreement, the terms and conditions of this Agreement shall be deemed controlling.

Authority acknowledges and understands that Consultant's role is to provide the services identified the Request for Proposal and Consultants Proposal (Exhibit B) and that management, and any other parties engaging Consultant, have responsibilities that are fundamental to Consultant's undertaking to perform the identified services.

B. Fees

It is agreed between the parties that Consultant's maximum fee for the Project and Services shall not exceed the sum of thirty-two thousand Dollars (\$32,000) inclusive of all travel and other expenses associated with the Project for year 1, thirty-three thousand (\$33,000) for year two, and thirty-four thousand two hundred and fifty Dollars (\$34,250) for year three. Pricing will be consistent with what was included in Consultant's proposal as incorporated in Exhibit B. Invoices for services rendered shall be submitted monthly to the attention of the Duluth Airport Authority Finance Director. Payment of expenses is



subject to the Authority's receipt of reasonable substantiation/back-up supporting such expenses.

C. General Terms and Conditions

- a. Amendments: Any alterations, variations, modifications or waivers of terms of this Agreement shall be binding upon the Authority and Consultant only upon being reduced to writing and signed by a duly authorized representative of each party.
- b. Assignment: Consultant represents that it will utilize only its own personnel in the performance of the services set forth herein; and further agrees that it will neither assign, transfer or subcontract any rights or obligations under this Agreement without prior written consent of the Authority. The Primary Consultant(s) assigned to this project will be Click or tap here to enter text. (the "Primary Consultant"). The Primary Consultant shall be responsible for the delivery of professional services required by this Agreement and, except as expressly agreed in writing by the Authority in its sole discretion, the Authority is not obligated to accept the services of any other employee or agent of Consultant in substitution of the Primary Consultant. The foregoing sentence shall not preclude other employees of Consultant from providing support to the Primary Consultant in connection with Consultant's obligations hereunder.

D. Data and Confidentiality, Records and Inspection

- a. The Authority agrees that it will make available all pertinent, non-privileged information, data and records under its control for Consultant to use in the performance of this Agreement, or assist Consultant wherever possible to obtain such records, data and information.
- b. All reports, data, information, documentation and material given to or prepared by Consultant pursuant to this Agreement will be confidential and will not be released by Consultant without prior authorization from the Authority.
- c. Consultant agrees that all work created by Consultant for the Authority is a "work made for hire" and that the Authority shall own all right, title, and interest in and to the work, including the entire copyright in the work ("Authority Property"). Consultant further agrees that to the extent the work is not a "work made for hire" Consultant will assign to Authority ownership of all right, title and interest in and to the work, including ownership of the entire copyright in the work. Consultant agrees to execute, at no cost to Authority, all documents necessary for Authority to perfect its ownership of the entire copyright in the work. Consultant represents and warrants that the work created or prepared by Consultant will be original and will not infringe upon the rights of any third party, and Consultant further represents that the work will not have been previously assigned, licensed or otherwise encumbered. For the avoidance of doubt, Authority Property does not include Consultant's workpapers which are proprietary information and access is restricted.
- d. Records shall be maintained by Consultant in accordance with requirements prescribed by the Authority and with respect to all matters covered by this Agreement. Such records shall be maintained for a period of six (6) years after receipt of final payment under this Agreement.
- e. Consultant will ensure that all costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges.

All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.

- f. Consultant shall be responsible for furnishing to the Authority records, data and information as the Authority may require pertaining to matters covered by this Agreement. For the avoidance of doubt, records, data, and information as identified in Section D does not include Consultant's workpapers which are proprietary information and access is restricted.
- g. Consultant shall ensure that at any time during normal business hours and as often as the Authority may deem necessary, there shall be made available to the Authority for examination, all of its records with respect to all matters covered by this Agreement Consultant will also permit the Authority to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.
- h. Consultant will not disclose any of Authority's confidential, proprietary, or privileged information to any person or party, unless Authority authorizes Consultant to do so, it is published or released by Authority, it becomes publicly known or available other than through disclosure by Consultant, or disclosure is required by law, regulation or professional standard. This confidentiality provision does not prohibit Consultant from disclosing Authority's information to one or more of Consultant's affiliated companies in order to provide services that Authority has requested from Consultant or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of Authority's information as apply to Consultant. Authority also consents to Consultant's disclosure of information regarding the nature of services Consultant provides to Authority to another independent network member of CLA Global, for the limited purpose of complying with professional obligations regarding independence and conflicts of interest.
- i. The workpapers and files supporting the services Consultant performs are the sole and exclusive property of Consultant and constitute confidential and proprietary information. Consultant does not provide access to its workpapers and files to Authority or anyone else in the normal course of business. Unless required by law or regulation to the contrary, Consultant retains its workpapers and files in accordance with its record retention policy that typically provides for a retention period of seven years. After this period expires, Consultant's workpapers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time Consultant's records are available. The workpapers and files of Consultant are not a substitute for Authority's records.
- j. Pursuant to authority given by law, regulation or professional standards Consultant may be requested to make certain workpapers and files available to a regulator for its regulatory oversight purposes. Consultant will notify Authority of any such request, if permitted by law. Access to the requested workpapers and files will be provided to the regulator under the supervision of Consultant personnel and at a location designated by Consultant. Furthermore, upon request, Consultant may provide copies of selected workpapers and files to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

E. Consultant Representation and Warranties  
Consultant represents and warrants that:

- a. Consultant and all personnel to be provided by it hereunder has sufficient training and experience to perform the duties set forth herein and are in good standing with all applicable licensing requirements.
- b. Consultant and all personnel provided by it hereunder shall perform their respective duties in accordance with the applicable professional standards.
- c. Consultant has complied or will comply with all legal requirements applicable to it with respect to this Agreement. Consultant will observe all applicable laws, regulations, ordinances and orders of the United States, State of Minnesota and agencies and political subdivisions thereof.
- d. The execution and delivery of this Agreement and the consummation of the transactions herein contemplated do not and will not conflict with, or constitute a breach of or a default under, any agreement to which the Consultant is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Consultant contrary to the terms of any instrument or agreement.
- e. There is no litigation pending or to the best of the Consultant's knowledge threatened against the Consultant affecting its ability to carry out the terms of this Agreement or to carry out the terms and conditions of any other matter materially affecting the ability of the Consultant to perform its obligations hereunder.
- f. The Consultant will not, without the prior written consent of the Authority, enter into any agreement or other commitment the performance of which would constitute a breach of any of the terms, conditions, provisions, representations, warranties and/or covenants contained in this Agreement.

F. Agreement Period

The term of this Agreement shall be for fiscal years 2024, 2025 and 2026. It shall be effective as of December 17, 2024 and continue in force until April 30, 2027 or until the completion of the 2026 audit.

There shall be an option for one (1) three-year renewal, which will be executed upon approval of the Authority.

Either party may, by giving written notice, specifying the effective date thereof, terminate this Agreement in whole or in part without cause. In the event of termination, all property and finished or unfinished documents and other writings prepared by Consultant under this Agreement which have been paid for in full shall become the property of the Authority and Consultant shall promptly deliver the same to the Authority. Consultant shall be entitled to compensation for services performed by it to the date of termination of this Agreement. In the event of termination due to breach by Consultant, the Authority shall retain all other remedies available to it, and the Authority shall be relieved from payment of any fees in respect of the services of Consultant which gave rise to such breach.

Upon termination of this Agreement, the provisions of this Agreement shall continue to apply to all services rendered prior to termination.

G. Independent Contractor

- a. It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of copartners between the parties hereto or as constituting Consultant as an agent, representative or employee of the Authority for any purpose or in any manner whatsoever. The parties do not intend to create any third-party beneficiary of this Agreement.

Consultant and its employees shall not be considered employees of the Authority, and any and all claims that may or might arise under the Worker's Compensation Act of the State of Minnesota on behalf of Consultant's employees while so engaged, and any and all claims whatsoever on behalf of Consultant's employees arising out of employment shall in no way be the responsibility of Authority. Except for compensation provided in Section II of this Agreement, Consultant's employees shall not be entitled to any compensation or rights or benefits of any kind whatsoever from Authority, including without limitation, tenure rights, medical and hospital care, sick and vacation leave, Worker's Compensation, Unemployment Insurance, disability or severance pay and P.E.R.A. Further, Authority shall in no way be responsible to defend, indemnify or save harmless Consultant from liability or judgments arising out of intentional or negligent acts or omissions of Consultant or its employees while performing the work specified by this Agreement.

- b. The parties do not intend by this Agreement to create a joint venture or joint enterprise, and expressly waive any right to claim such status in any dispute arising out of this Agreement.
- c. Consultant expressly waives any right to claim any immunity provided for in Minnesota Statutes Chapter 466 or pursuant to the official immunity doctrine.

H. Indemnity

To the fullest extent permitted by law, Consultant shall defend, indemnify, and hold Authority and the City of Duluth, their officials, and its employees, officers and agents ("Indemnitees") harmless from and against any and all costs or expenses, claims or liabilities, including but not limited to, reasonable attorney's fees and expenses ("Claims"), whether asserted by Consultant or any third party, including claims arising from the acts, omissions, negligence, or misconduct of Consultant or that of its agents, employees, or contractors. The obligations shall include, but not be limited to, the obligations to defend, indemnify, and hold harmless the Authority and/or the City of Duluth in all matters where claims of liability against the Authority and/or the City of Duluth are alleged to be or could be found to arise out of acts or omissions of Consultant or are passive, derivative, or vicarious of the negligent or intentional acts or omissions of Consultant arise out of or relate to the services in this Agreement or Consultant's negligent, intentional, or wrongful acts or omissions, including breach of any duty in this agreement, of Consultant. The obligations to defend, indemnify, and hold harmless shall be triggered upon the assertion of a claim for damages against Authority or City of Duluth. This Section shall survive the termination of this Agreement for any reason. Consultant shall not have the obligation to indemnify the Authority or City of Duluth for its intentional, willful or wanton acts. The Consultant understands this provision may affect its rights and may shift liability.

I. Insurance

- a. Consultant shall obtain and maintain for the Term of this Agreement the following minimum amounts of insurance from insurance companies authorized to do business in the State of Minnesota.
  - i. Workers' compensation insurance in accordance with the laws of the State of Minnesota.
  - ii. Commercial General Liability and Automobile Liability Insurance with limits not less than **\$1,500,000** Single Limit, shall be in a company approved by the Authority; and shall provide for the following: Liability for Premises, Operations, Completed Operations, Independent Contractors, and Contractual Liability. Umbrella coverage with a "form following" provisions may make up the

difference between the commercial general and auto liability coverage amounts and the required minimum amount stated above.

- iii. Professional Liability Insurance in an amount not less than \$1,500,000 Single Limit; provided further that in the event the professional malpractice insurance is in the form of "claims made," insurance.
- iv. Consultant should provide proof of insurance with blanket additional insured endorsement for the Commercial General Liability and Automobile Liability. Consultant shall also provide evidence of Statutory Minnesota Workers' Compensation Insurance. Consultant to provide Certificate of Insurance evidencing such coverage with notice to Authority of cancellation in accordance with the provisions of the underlying insurance policy included. The Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Consultant's interests and liabilities.
- b. Certificates showing Consultant is carrying the above-described insurance in the specified amounts shall be furnished to the Authority prior to the execution of this Agreement and a certificate showing continued maintenance of such insurance shall be on file with the Authority during the term of this Agreement.
- c. The Authority shall be named as an additional insured on each liability policy other than the professional liability and the workers' compensation policies of the Consultant.
- d. The certificates shall provide that the policies shall not be cancelled during the life of this Agreement without advanced notice being given to the Authority at least equal to that provided for in the underlying policy of insurance.

J. Notices

Unless otherwise expressly provided herein, any notice or other communication required or given shall be in writing and shall be effective for any purpose if served, with delivery or postage costs prepaid, by nationally recognized commercial overnight delivery service or by registered or certified mail, return receipt requested, to the following addresses:

**Authority:** Duluth Airport Authority  
4701 Grinden Drive  
Duluth MN 55811  
Attn: Finance Director

**Consultant:** CliftonLarsonAllen LLP  
220 S. Sixth Street, Suite 300  
Minneapolis, MN 55402  
Attn: Chastity Wilson

K. Non-Discrimination

Consultant acknowledges that the Authority is required by the FAA under the terms of certain agreements between the Authority and the United States of America relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the grant or receipt of federal funds for the development of the Airport, to include in this Agreement certain required contract provisions, attached as Exhibit A hereto (the "Required Federal Provisions"). Consultant agrees to comply with the Required Federal Provisions and, where applicable, include the Required Federal Provisions in each of its subconsultants without limitation or alteration.

- L. Laws, Rules and Regulations  
Consultant agrees to observe and comply with all applicable laws, ordinances, rules and regulations of the United States of America, the State of Minnesota, the Federal Aviation Administration and the Authority with respect to their respective agencies which are applicable to its activities under this Agreement.
- M. Subordination  
This Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States of America or the State of Minnesota relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.
- N. Applicable Law  
This Agreement, together with all of its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.
- O. Force Majeure  
Neither party shall be liable for any failure of or delay in performance of its obligations under his Agreement to the extent such failure or delay is due to circumstances beyond its reasonable control, including, without limitation, acts of God, acts of a public enemy, fires, floods, wars, civil disturbances, sabotage, accidents, insurrections, blockades, embargoes, storms, explosions, labor disputes, acts of any governmental body (whether civil or military, foreign or domestic), failure or delay of third parties or governmental bodies from whom a party is obtaining or must obtain approvals, franchises or permits, or inability to obtain labor, materials, equipment, or transportation. Any such delays shall not be a breach of or failure to perform this Agreement or any part thereof and the date on which the party's obligations hereunder are due to be fulfilled shall be extended for a period equal to the time lost as a result of such delays.
- P. Severability  
In the event any provision herein shall be deemed invalid or unenforceable, the remaining provision shall continue in full force and effect and shall be binding upon the parties to this Agreement.
- Q. Entire Agreement  
It is understood and agreed that the entire agreement of the parties including all exhibits is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.
- R. Miscellaneous  
Consultant and certain owners of Consultant are licensed by the California State Board of Accountancy. However, Consultant has owners not licensed by the California State Board of Accountancy who may provide services under this Agreement. If Authority has any questions regarding licensure of the personnel performing services under this Agreement, please do not hesitate to contact Consultant.

Consultant regularly aggregate anonymized client data and perform a variety of analyses using that aggregated data. Some of these analyses are published to clients or released publicly. However, Consultant is always careful to preserve the confidentiality of the separate information that Consultant obtains from each client, as required by the AICPA Code of Professional Conduct and various laws. Consultant's use and dissemination of said data shall be in compliance with Minnesota Statutes Chapter 13, the Minnesota Government Data Practices Act. Authority's acceptance of this Agreement will serve as Authority's consent to Consultant's use of anonymized data in performing and reporting on these cost comparison, performance indicator and/or benchmarking analyses.

Consultant may, at times, use third-party software applications to perform services under this Agreement. Consultant acknowledges the software vendor may have access to Authority's data.

S. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date of attestation shown below.

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

**DULUTH AIRPORT AUTHORITY**

**CLIFTONLARSONALLEN LLP**

By \_\_\_\_\_  
Its President

By \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_  
Its Secretary

## EXHIBIT A

### FEDERAL AVIATION ADMINISTRATION Mandatory Contract Clauses Civil Rights Title VI Assurances 49 USC § 47123

#### GENERAL CIVIL RIGHTS PROVISIONS

In all its activities within the scope of its airport program, the Consultant agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

The above provision binds the Consultant and subconsultants from the bid solicitation period through the completion of the contract.

#### Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the Consultant, for itself, its assignees, and successors in interest (hereinafter referred to as the "Consultant") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, *et seq.*) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;



- The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

**Compliance with Nondiscrimination Requirements:**

During the performance of this contract, the Consultant, for itself, its assignees, and successors in interest (hereinafter referred to as the “Consultant”), agrees as follows:

1. **Compliance with Regulations:** The Consultant (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The Consultant, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subconsultants, including procurements of materials and leases of equipment. The Consultant will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Consultant for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subconsultant or supplier will be notified by the Consultant of the Consultant’s obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The Consultant will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Consultant will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a Consultant’s noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such

contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. Withholding payments to the Consultant under the contract until the Consultant complies; and/or
  - b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Consultant will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Consultant will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Consultant becomes involved in, or is threatened with litigation by a subconsultant, or supplier because of such direction, the Consultant may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Consultant may request the United States to enter into the litigation to protect the interests of the United States.

**EXHIBIT B: REQUEST FOR PROPOSAL**



**CITY OF DULUTH – ON BEHALF OF COMPONENT UNITS  
REQUEST FOR PROPOSALS FOR  
AUDIT SERVICES FOR CITY OF DULUTH COMPONENT UNITS**

**RFP NUMBER 24-AA08**

**ISSUED OCTOBER 3, 2024**

**PROPOSALS DUE TUESDAY, NOVEMBER 5, 2024**

**SUBMIT TO**

**CITY OF DULUTH  
ATTN: PURCHASING DIVISION  
CITY HALL, ROOM 120  
411 WEST 1ST STREET  
DULUTH, MN 55802**

## PART I - GENERAL INFORMATION

**I-1. Introduction and Project Summary.** The City, on behalf of component units, is seeking proposals from qualified firms of certified public accountants to audit the financial statements of its component units for the fiscal years ending 2024, 2025 and 2026 with the potential for one additional three-year renewal. The component units include the following entities:

Duluth Transit Authority (DTA)  
Duluth Entertainment and Convention Center Authority (DECC)  
Duluth Airport Authority (DAA)  
Spirit Mountain Recreation Area Authority (SMRAA)

The DTA was established pursuant to 1969 Minn. Laws, chapter 720, as amended. Its function is to administer, promote, control, direct, manage, and operate a bus transportation system. The DTA operated over two million miles and carried over two million passengers in 2023.

The DECC was created by Minn. Laws 1963, chapter 305. The DECC has the power to contract, administer, promote, control, direct, manage, and operate the Duluth Entertainment and Convention Center. The DECC has 25 meeting rooms, two ballrooms, and two hockey arenas.

The DAA was created by the Legislature of the State of Minnesota in 1969 to operate and maintain the aeronautic facilities and services in the City of Duluth. The DAA operates the Duluth International Airport which consists of two runways which handle a variety of commercial and general aviation aircraft, as well as military aircraft; and they also operate the Sky Harbor Airport.

The SMRAA was created by Minn. Laws 1973, chapter 327, for the purpose of developing and operating wide-range recreational facilities in the Spirit Mountain area within and adjacent to the City of Duluth. SMRAA operations currently encompass ski hills, cross-country ski trails, an adventure park, and banquet and meeting space.

All component units have December 31 fiscal year-ends other than SMRAA which has an April 30 fiscal year-end.

Both the DTA and the DAA are funded in part with federal funds. Additional contract clauses, provisions and forms shall apply and can be found in the appendices.

Additional detail is provided in **Part IV** of this RFP.

**I-2. Calendar of Events.** The City will make every effort to adhere to the following schedule (all times are central time):

Activity	Date
----------	------

Deadline to submit Questions via email to <a href="mailto:purchasing@duluthmn.gov">purchasing@duluthmn.gov</a>	October 15, 2024
Answers to questions will be posted to the City website no later than this date.	October 23, 2024
Proposals must be received in the Purchasing Office by 3:00 PM on this date.	October 31, 2024
Interviews, if necessary, tentatively scheduled the week of:	November 18, 2024

**I-3. Rejection of Proposals.** The City reserves the right, in its sole and complete discretion, to reject any and all proposals or cancel the request for proposals, at any time prior to the time a contract is fully executed, when it is in its best interests. The City is not liable for any costs the Bidder incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

**I-4. Pre-proposal Conference.** The City will not hold a pre-proposal conference as specified in the Calendar of Events.

**I-5. Questions & Answers.** Any questions regarding this RFP must be submitted by e-mail to the Purchasing Office at [purchasing@duluthmn.gov](mailto:purchasing@duluthmn.gov) **no later than** the date indicated on the Calendar of Events. Answers to the questions will be posted as an Addendum to the RFP.

**I-6. Addenda to the RFP.** If the City deems it necessary to revise any part of this RFP before the proposal response date, the City will post an addendum to its website <http://www.duluthmn.gov/purchasing/bids-request-for-proposals/> . Although an e-mail notification will be sent, it is the Bidder's responsibility to periodically check the website for any new information

**I-7. Proposals.** To be considered, hard copies of proposals must arrive at the City on or before the time and date specified in the RFP Calendar of Events. The City will not accept proposals via email or facsimile transmission. The City reserves the right to reject or to deduct evaluation points for late proposals.

Proposals must be signed by an authorized official. If the official signs the Proposal Cover Sheet attached as Appendix A, this requirement will be met. Proposals must remain valid for 60 days or until a contract is fully executed.

For Proposals to be considered responsive, a response must be provided for all four component units.

Please submit one (1) original and five (5) paper copies of the Technical Submittal and one (1) paper copy of the Cost Submittal. **The Cost Submittal must be in a separate sealed envelope.**

All materials submitted in response to this RFP will become property of the City and will become public record after the evaluation process is completed and an award decision made.

**I-8.Small Diverse Business Information.** The City encourages participation by minority, women, and veteran-owned businesses as prime contractors, and encourages all prime contractors to make a significant commitment to use minority, women, veteran-owned and other disadvantaged business entities as subcontractors and suppliers. A list of certified Disadvantaged Business Enterprises is maintained by the Minnesota Unified Certification Program at <http://mnuccp.metc.state.mn.us/> .

**I-9. Agreement.** The awarded proposer(s) will contract directly with each of the component units.

**I-10. Award.** Each component unit will award their own agreement. The City and the component units reserve the right to split the award and to waive informalities or irregularities, if it is in the best interest of the City or component units.

**I-11. Term of Contract.** A three-year contract, with an option for one (1) three-year renewal, will be executed upon approval of the awarding component unit.

**I-12. Mandatory Disclosures.** By submitting a proposal, each Bidder understands, represents, and acknowledges that:

- A. Their proposal has been developed by the Bidder independently and has been submitted without collusion with and without agreement, understanding, or planned common course of action with any other vendor or suppliers of materials, supplies, equipment, or services described in the Request for Proposals, designed to limit independent bidding or competition, and that the contents of the proposal have not been communicated by the Bidder or its employees or agents to any person not an employee or agent of the Bidder.
- B. There is no conflict of interest. A conflict of interest exists if a Bidder has any interest that would actually conflict, or has the appearance of conflicting, in any manner or degree with the performance of work on the project. If there are potential conflicts, identify the municipalities, developers, and other public or private entities with whom your company is currently, or has been, employed and which may be affected.
- C. It is not currently under suspension or debarment by the State of Minnesota, any other state or the federal government.

- D. The company is either organized under Minnesota law or has a Certificate of Authority from the Minnesota Secretary of State to do business in Minnesota, in accordance with the requirements in M.S. 303.03.
- E. Additional DAA mandatory clauses are included in Appendix C.
- F. Additional DTA mandatory clauses are included in Appendix D.

**I-13. Notification of Selection.** Bidders whose proposals are not selected will be notified in writing.

**PART II - PROPOSAL REQUIREMENTS**

The proposal should consist of a Technical Submittal and a Cost Submittal as specified in section I-7 of this RFP. The Technical Submittal must specifically address all requirements of Part IV-B of this RFP and the ability of the firm to complete the scope of work specified in Section IV-C of this RFP.

The Cost Submittal should be in a separately sealed envelope and include the annual cost for each fiscal year broken out by each entity. Cost will include itemized hours and rates for staff. The total sum of the itemized hours and rates for each component unit will be entered on the Cost Submittal worksheet in Appendix B. A separate sheet indicating hourly rates for 2025 will also be included. The awarded firm will be required to provide a new hourly rate sheet each year of the contract. The cost proposal should include all pricing associated with completing the scope of work services specified in Section IV-C of this RFP. The dollar cost bid is to contain all direct and indirect costs including all out-of-pocket expenses.

**PART III - CRITERIA FOR SELECTION**

The proposals will be reviewed by City and Component Unit staff. The intent of the selection process is to review proposals and make an award based upon qualifications as described therein. A 100-point scale will be used to create the final evaluation recommendations. The factors and weighting on which proposals will be judged are:

Qualifications of the Bidder and Personnel	50%
Prior experience with similar work	30%
Cost	20%

**PART IV – PROJECT DETAIL**

**A. Background**

The City of Duluth has multiple authorities that are included in the City of Duluth’s Annual Comprehensive Financial Report as component units. The City of Duluth is

required to have the audit opinion for the component units issued prior to the City receiving its audit opinion. The City, along with its component units, desire to streamline the audit process for the authorities to complete the audits in a timely manner for inclusion in the City's Annual Comprehensive Financial Report.

## **B. Qualifying Requirements/Proposal Requirements**

### **1.) License to Practice in Minnesota:**

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Minnesota.

### **2.) Independence:**

The firm should provide an affirmative statement that it is independent of the auditees as defined by the generally accepted auditing standards/the U.S. Government Accountability Office's *Government Auditing Standards*.

### **3.) Firm Qualifications and Experience:**

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis and on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements

### **4.) Partner, Supervisory, and Staff Qualifications and Experience (limit to 3 pages)**

The proposal should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the engagements. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Minnesota. Provide information on the government auditing experience of each person

### **5.) Similar Engagements with Other Entities (limit to 5 pages)**

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagements described in this request for proposal. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Specifically identify those engagements at which the managers and other supervisors who will be assigned to this engagement have worked. Specifically address the firm's experience with auditing federal programs in relation to the federal



Single Audit Act and OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

## **6.) Working Paper Retention and Access to Working Papers**

All working papers and reports must be retained, at the auditor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the auditees of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees: City of Duluth, DTA, DECC, DAA, SMRAA, and parties designated by federal or state governments. In addition, the audit firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers related to matters of continuing accounting significance.

## **C. Scope of Work to Performed**

### **1.) Entities to be audited**

The audit services associated with this RFP are for the following entities:

- Duluth Transit Authority (DTA)
- Duluth Entertainment and Convention Center Authority (DECC)
- Duluth Airport Authority (DAA)
- Spirit Mountain Recreation Area Authority (SMRAA)

To meet the requirements of this request for proposals, the audits shall be performed in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits set forth in the Government Accountability Office's (GAO) *Government Auditing Standards*; the provisions of the federal Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Any updates or revisions to these standards will be incorporated into the audit service provided.

### **2.) Reports to be issued**

The auditor shall prepare the following reports at the completion of the audit:

- Independent auditor's report on the basic financial statements.
- Independent auditor's report on internal controls over financial reporting based on an audit of financial statements performed in accordance with *Governmental Auditing Standards*.
- Independent auditor's report on compliance and other matters based on an audit of financial statements performed in accordance with *Governmental Auditing Standards*.

- Independent auditor's report on internal control pursuant to the *Minnesota Legal Compliance Audit Guide for Cities*.
- Independent auditor's report over compliance for major federal programs in accordance with OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- Independent auditor's report (opinion) on compliance with requirements applicable to each major federal program in accordance with OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- Independent auditor's report (opinion) on compliance regarding passenger facility charge compliance in accordance with the Federal Aviation Administration's *Passenger Facility Charge Audit Guide for Public Agencies*. This requirement is associated with the DAA only.
- A summary of auditor's results and a schedule of findings and questioned costs, if any, required by OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

The DTA and DAA receive substantial federal funding and will be subject to federal single audit requirements each year. Generally, the DECC and SMRAA do not receive federal dollars that rise to the level of a single audit.

Please note that reports previously issued for each entity can be found on the Minnesota Office of the State Auditor's website: <https://www.osa.state.mn.us/reports-data-analysis/local-government/special-districts/>. The search option can be used to locate the reports for each entity.

Audit firms are encouraged to review the previous audit reports available for each entity. These reports will provide historical context on report composition, revenue and expenditure figures, note disclosures, federal expenditures, major federal programs, and prior audit findings.

### **3.) Additional Non-Audit Services**

In addition to the audit services described above, the entities are requesting the following additional services:

- Preparation of all required basic financial statements.
- Preparation of the notes to the financial statements.
- Preparation of additional required supplementary information, notes to the required supplementary information, and additional supplementary information as needed. Please refer to the publicly available reports previously issued for details on the report composition and schedules for each entity.
- Preparation of the schedule of expenditures of federal awards (DTA and DAA only)
- Data entry on the Federal Audit Clearing House (DAA and DTA only – component units will do final certification) in relation to federal funds.

- Electronic version of complete audit report will be provided to each component unit. The component units will have the right to distribute and print as needed.
- 

#### **4.) Timing of Audit Services**

Audit reports and opinions will be completed and issued within four months after each entity's fiscal year-end. For SMRAA, with a fiscal year-end of April 30, the deadline is August 31. For the DAA, DECC, and DTA, with a fiscal year-end of December 31, the deadline is April 30.

For the first year of audit services, the 4/30/24 audit of SMRAA will have a deadline of April 30, 2025. For subsequent audits the deadline will be August 31 as stated above.

#### **APPENDICES**

Where a component unit is identified below (i.e., DTA/DAA), the documents are only applicable to that component unit.

Appendix A – Proposal Cover Sheet

Appendix B – Cost Submittal

Appendix C – DAA's Mandatory Contract Clauses per Federal Aviation Administration

Appendix D – DTA's Mandatory Contract Clauses per Federal Transit Administration

Appendix E – DTA's Supplementary Provisions

Appendix F – DTA's Supplemental Forms

Appendix G – DTA's Sample Agreement

**APPENDIX A - PROPOSAL COVER SHEET  
CITY OF DULUTH  
RFP# 24-AA08**

<b>Bidder Information:</b>	
Bidder Name	
Mailing Address	
Contact Person	
Contact Person's Phone Number	
Contact Person's E-Mail Address	
Federal ID Number	
Authorized Signature	
Name & Title of Authorized Signer	
Email of Authorized Signer	

**APPENDIX B – COST SUBMITTAL WORKSHEET  
CITY OF DULUTH  
RFP# 24-AA08**

RFP Number 24-AA08  
 Audit Services for City of Duluth Component Units  
 Cost Submittal

Audit Services for Fiscal Year-Ended*	Duluth Transit Authority	Duluth Entertainment and Convention Center Authority	Duluth Airport Authority	Spirit Mountain Recreation Area Authority
2024	-	-	-	-
2025	-	-	-	-
2026	-	-	-	-
Total	-	-	-	-

\* - 12/31 for DTA, DECC, and DAA  
 - 4/30 for SMRAA

**APPENDIX C – DAA MANDATORY CONTRACT CLAUSES  
CITY OF DULUTH  
RFP# 24-AA08**

**APPENDIX D – DTA MANDATORY CONTRACT CLAUSES  
CITY OF DULUTH  
RFP# 24-AA08**

**FEDERAL TRANSIT ADMINISTRATION**

**Contract Clauses**

**A.1 ACCESS TO RECORDS**

**49 U.S.C. § 5325(g)**

- a. Records Retention. The Contractor will retain, and will requires its subcontractors of all tiers to retain, complete and readily accessible records related in whole or in part to the contract; including, but not limited to, data, documents, reports, statistics, sub-agreements, leases, subcontracts, arrangements, other third party agreements of any type, and supporting materials related to those records.
- b. Retention Period. The Contractor agrees to comply with the record retention requirements in accordance with 2 C.F.R. § 200.333. The Contractor shall maintain all books, records, accounts and reports required under this Contract for a period of not less than seven (7) years after the date of termination or expiration of this Contract, except in the event of litigation or settlement of claims arising from the performance of this Contract, in which case records shall be maintained until the disposition of all such litigation claims or exceptions related thereto.
- c. Access to Records. The Contractor agrees to provide sufficient access to FTA and its contractors to inspect and audit records and information related to performance of this contract as reasonably may be required.
- d. Access to the Sites of Performance. The Contractor agrees to permit FTA and its contractors access to the sites of performance under this Contract as reasonably may be required.

**A.2 BONDING REQUIREMENTS**

**2 CFR §200.325, 31 CFR Part 223**

Does not apply to this procurement

**A.3 BUS TESTING**

**49 U.S.C. 5318(E), 49 CFR Part 665**

Does not apply to this procurement

**A.4 BUY AMERICA REQUIREMENTS**

**49 U.S.C. 5323 (J), 49 CFR Part 661**

Does not apply to this procurement

**A.5 CARGO PREFERENCE REQUIREMENTS**

**46 U.S.C. §55.05**

**46 C.F.R. Part 381**

Does not apply to this procurement

**A.6 CHARTER SERVICE**

**49 U.S.C.5323(d) and (r)**

**49 C.F.R. Part 604**



Does not apply to this procurement

### **A.7 CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT**

**49 U.S.C §§7401-7671q**

**33 U.S.C §§1251-1387**

**2 C.F.R. Part 200, Appendix II (G)**

The Contractor agrees:

1. It will not use any violating facilities
2. It will report the use of facilities placed on or likely to be placed on the U.S. EPA "List of Violating Facilities;"
3. It will report violations of use of prohibited facilities to FTA; and
4. It will comply with the inspection and other requirements of the Clean Air Act, as amended, (42 U.S.C. §§7401-7671q); and the Federal Water Pollution Control Act as amended (33 U.S.C. §§1251-1387.)

### **A.8 CIVIL RIGHTS LAWS AND REGULATIONS**

#### **Civil Rights and Equal Opportunity**

The Duluth Transit Authority is an Equal Opportunity Employer. As such, the Duluth Transit Authority agrees to comply with all applicable Federal civil rights laws and implementing regulations. Apart from inconsistent requirements imposed by Federal laws or regulations, the Duluth Transit Authority agrees to comply with the requirements of 49 U.S.C. §5323(h) (3) by not using any Federal assistance awarded by FTA to support procurements using exclusionary or discriminatory specifications.

Under this Agreement, the Contractor shall at all times comply with the following requirements and shall include these requirements in each subcontract entered into as part thereof.

1. **Nondiscrimination.** In accordance with Federal transit law at 49 U.S.C. §5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, disability, or age. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.
2. **Race, Color, Religion, National Origin, Sex.** In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. §5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Chapter 60, and Executive Order No. 11246, "Equal Employment Opportunity in Federal Employment", September 24, 1965, 42 U.S.C. §2000e note, as amended by any later Ex Order that amends or supersedes it, referenced in 42 U.S.C. §2000e note. The Contractor agrees to take affirmative action to ensure that applicants re employed, and that employees are treated during employment, without regard to their race, color, religion, national origin, or sex (including sexual orientation and gender identity). Such action shall include, but not be limited to, the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of

compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

3. **Age.** In accordance with the Age Discrimination in Employment Act, 29 U.S.C. §§ 621-634, U.S. Equal Employment Opportunity Commission (U.S. EEOC) regulations, "Age Discrimination in Employment Act," 29 C.F.R. Part 1625, the Age Discrimination Act of 1975, as amended, 42 U.S.C. §6101 *et. Seq.*, U.S. Health and Human Services regulations, "Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance," 45 C.F.R. Part 90, and Federal transit law at 49 U.S.C. §5332, the Contractor agrees to refrain from discrimination against present and prospective employees for the reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

4. **Disabilities.** In accordance with Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. §794, the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §12101 *et. Seq.*, the Architectural Barriers Act of 1968, as amended, 42 U.S.C. §4151 *et. Seq.*, and Federal transit law at 49 U.S.C. §4332, the Contractor agrees that it will not discriminate against individuals on the basis of disability. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

#### **A.9 DISADVANTAGED BUSINESS ENTERPRISE (DBE)**

##### **49 CFR Part 26**

It is the policy of the Duluth Transit Authority and the United States Department of Transportation ("DOT") that Disadvantaged Business Enterprises ("DBE's"), as defined herein and in the Federal regulations published at 49 C.F.R. Part 26, shall have an equal opportunity to participate in DOT-assisted contracts. It is also the policy of the Duluth Transit Authority to:

1. ensure nondiscrimination in the award and administration of DOT-assisted contracts;
2. Create a level playing field on which DBE's can compete fairly for DOT-assisted contracts;
3. Ensure that the DBE program is narrowly tailored in accordance with applicable law;
4. Ensure that only firms that fully meet 49 C.F.R. Part 26 eligibility standards are permitted to participate as DBEs;
5. Help remove barriers to the participation of DBEs in DOT assisted contracts;
6. To promote the use of DBEs in all types of federally assisted contracts and procurement activities; and
7. Assist in the development of firms that can compete successfully in the marketplace outside the DBE program.

This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26. Therefore, the Contractor must satisfy the requirements for DBE participation as set forth herein. These requirements are in addition to all other equal opportunity employment requirements of this Contract. The Duluth Transit Authority shall make all determinations with regard to whether or not a Bidder/Offeror is in compliance with the requirements stated herein. In assessing compliance, the Duluth Transit Authority may consider during its review of the Bidder/Offeror's submission package, the Bidder/Offeror/s documented history of non-compliance with DBE requirements on previous contracts with the Duluth Transit Authority.

### **Contractor Assurance**

The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as Duluth Transit Authority deems appropriate, which may include, but is not limited to:

1. Withholding monthly progress payments,
2. Assessing sanctions,
3. Liquidated damages, and/or
4. Disqualifying the contractor from future bidding as non-responsible. 49 C.F.R. §26.13(b).

### **DBE Participation**

For purposes of this Contract, the Duluth Transit Authority will only accept DBEs who are:

1. Certified at the time of the bid opening or proposal evaluation by the Unified Certification Program; or
2. An out of state firm who has been certified by either a local government, state government or Federal government entity authorized to certify DBE status or an agency whose DBE certification process has received FTA approval; or
3. Certified by another agency approved by the Duluth Transit Authority.

### DBE Participation Goal

There is no DBE participation goal for this Contract.

The contractor is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after the contractor's receipt of payment for that work from the Duluth Transit Authority or in accordance with state statutes, whichever is more restrictive. In addition, the contractor is required to return any retainage payments to those subcontractors within 30 days (or in accordance with state law, whichever is more restrictive) after the subcontractor's work related to this contract is satisfactorily completed.

The contractor must promptly notify Duluth Transit Authority, whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of Duluth Transit Authority.

### **A.10 EMPLOYEE PROTECTIONS**

49 U.S.C. §5333(a), 40 U.S.C. §§3141-3148

29 C.F.R. Part 5, 18 U.S.C. §874

29 C.F.R. Part 3, 40 U.S.C. §§3701-3708, 29 C.F.R. Part 1926

## **Contract Work Hours and Safety Standards for Awards Not Involving Construction**

The Contractor shall comply with all federal laws, regulations, and requirements providing wage and hour protections for non-construction employees, in accordance with 40 U.S.C. § 3702, Contract Work Hours and Safety Standards Act, and other relevant parts of that Act, 40 U.S.C. § 3701 *et seq.*, and U.S. DOL regulations, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contract Work Hours and Safety Standards Act)," 29 C.F.R. part 5.

The Contractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three (3) years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid.

Such records maintained under this paragraph shall be made available by the Contractor for inspection, copying, or transcription by authorized representatives of the FTA and the Department of Labor, and the Contractor will permit such representatives to interview employees during working hours on the job.

The contractor shall require the inclusion of the language of this clause within subcontracts of all tiers.

## **A.11 ENERGY CONSERVATION REQUIREMENTS**

**42 U.S.C. 6321 *et seq.***

**49 CFR Part 622, Subpart C**

**Energy Conservation** – The contractor agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

## **A.12 FLY AMERICA**

**49 U.S.C. §40118, 41 C.F.R. Part 301-10**

**48 C.F.R. Part 47.4**

Does not apply to this procurement

## **A.13 GOVERNMENT-WIDE DEBARMENT AND SUSPENSION**

2 C.F.R. Part 180, 2 C.F.R. Part 1200, 2 C.F.R. §200.213

2 C.F.R. Part 200, Appendix II (I)

Executive Order 12549, Executive Order 12689

## **Clause Language**

### **Debarment, Suspension, Ineligibility and Voluntary Exclusion**

The Contractor shall comply and facilitate compliance with U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 C.F.R. part 1200, which adopts and supplements the U.S. Office of Management and Budget (U.S. OMB) "Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," 2 C.F.R. part 180. These provisions apply to each contract at any tier of \$25,000 or more,

and to each contract at any tier for a federally required audit (irrespective of the contract amount), and to each contract at any tier that must be approved by an FTA official irrespective of the contract amount. As such, the Contractor shall verify that its principals, affiliates, and subcontractors are eligible to participate in this federally funded contract and are not presently declared by any Federal department or agency to be:

- a) Debarred from participation in any federally assisted Award;
- b) Suspended from participation in any federally assisted Award;
- c) Proposed for debarment from participation in any federally assisted Award;
- d) Declared ineligible to participate in any federally assisted Award;
- e) Voluntarily excluded from participation in any federally assisted Award; or
- f) Disqualified from participation in any federally assisted Award.

By signing and submitting its bid or proposal, the bidder or proposer certifies as follows: The certification in this clause is a material representation of fact relied upon by the Duluth Transit Authority. If it is later determined by the Duluth Transit Authority that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to the Duluth Transit Authority, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 2 C.F.R. part 180, subpart C, as supplemented by 2 C.F.R. part 1200, while this offer is valid and throughout the period of any contract that may arise from this offer.

The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

#### **A. 14 LOBBYING RESTRICTIONS**

**31 U.S.C. 1352, 2 CFR §200.450**

**2 C.F.R. Part 200 Appendix II (J), 49 C.F.R. Part 20**

##### **Lobbying Restrictions**

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.  
End of Section

#### **A.15 NO GOVERNMENT OBLIGATION TO THIRD PARTIES**

The DTA and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying Contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this Contract and shall not be subject to any obligations or liabilities to the DTA, Contractor or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying Contract. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by the FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

#### **A.16 PATENT RIGHTS AND RIGHTS IN DATA**

2 C.F.R. part 200, Appendix II (F); 37 C.F.R. part 401  
Does not apply to this procurement

#### **A.17 PRE-AWARD AND POST-DELIVERY AUDITS OF ROLLING STOCK PURCHASES**

49 U.S.C. 5323 (m), 49 C.F.R. Part 663  
Does not apply to this procurement

#### **A.18 PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS**

49 U.S.C. § 5323(l) (1), 31 U.S.C. §§ 3801-3812  
18 U.S.C. § 1001, 49 C.F.R. part 31

The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 *et seq.* and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate.

The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. chapter 53, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5323(l) on the Contractor, to the extent the Federal Government deems appropriate.

The Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

#### **A.19 PUBLIC TRANSPORTATION EMPLOYEE PROTECTIVE ARRANGEMENTS**

49 U.S.C. § 5333(b) (“13(c)”), 29 C.F.R. part 215

Does not apply to this procurement

#### **A.20 RECYCLED PRODUCTS**

42 U.S.C. § 6962 , 40 C.F.R. part 247

2 C.F.R. part § 200.322

Does not apply to this procurement

#### **A.21 SAFE OPERATION OF MOTOR VEHICLES**

23 U.S.C. part 402, Executive Order No. 13043

Executive Order No. 13513, U.S. DOT Order No. 3902.10

##### **Seat Belt Use**

The Contractor is encouraged to adopt and promote on-the-job seat belt use policies and programs for its employees and other personnel that operate company-owned vehicles, company-rented vehicles, or personally operated vehicles. The terms “company-owned” and “company-leased” refer to vehicles owned or leased either by the Contractor or the Duluth Transit Authority.

##### **Distracted Driving**

The Contractor agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Contractor owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the work performed under this agreement.

#### **A.22 SCHOOL BUS OPERATIONS**

49 U.S.C. 5323(f), 49 C.F.R. part 605

Does not apply to this procurement

#### **A.23 SEISMIC SAFETY**

42 U.S.C. 7701 *et seq.*, 49 C.F.R. part 41

Executive Order (E.O.) 12699

Does not apply to this procurement

## **A.24 SUBSTANCE ABUSE REQUIREMENTS**

49 U.S.C. § 5331, 49 C.F.R. part 655

49 C.F.R. part 40

Does not apply to this procurement

## **A.25 TERMINATION**

2 C.F.R. § 200.339, 2 C.F.R. part 200, Appendix II (B)

### **Termination for Convenience (General Provision)**

The Duluth Transit Authority may terminate this contract, in whole or in part, at any time by written notice to the Contractor when it is in the Duluth Transit Authority's best interest. The Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim to the Duluth Transit Authority to be paid the Contractor. If the Contractor has any property in its possession belonging to the Duluth Transit Authority, the Contractor will account for the same, and dispose of it in the manner the Duluth Transit Authority directs.

### **Termination for Default [Breach or Cause] (General Provision)**

If the Contractor does not deliver supplies in accordance with the contract delivery schedule, or if the contract is for services, the Contractor fails to perform in the manner called for in the contract, or if the Contractor fails to comply with any other provisions of the contract, the Duluth Transit Authority may terminate this contract for default. Termination shall be effected by serving a Notice of Termination on the Contractor setting forth the manner in which the Contractor is in default. The Contractor will be paid only the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract.

If it is later determined by the Duluth Transit Authority that the Contractor had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of the Contractor, the Duluth Transit Authority, after setting up a new delivery of performance schedule, may allow the Contractor to continue work, or treat the termination as a Termination for Convenience.

### **Opportunity to Cure (General Provision)**

The Duluth Transit Authority, in its sole discretion may, in the case of a termination for breach or default, allow the Contractor ten (10) days in which to cure the defect. In such case, the Notice of Termination will state the time period in which cure is permitted and other appropriate conditions to cure the defect.

If Contractor fails to remedy to the Duluth Transit Authority's satisfaction the breach or default of any of the terms, covenants, or conditions of this Contract within ten (10) days after receipt by Contractor of written notice from the Duluth Transit Authority setting forth the nature of said breach or default, the Duluth Transit Authority shall have the right to terminate the contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude the Duluth Transit Authority from also pursuing all available remedies against Contractor and its sureties for said breach or default.



### **Waiver of Remedies for any Breach**

In the event that the Duluth Transit Authority elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this contract, such waiver by the Duluth Transit Authority shall not limit the Duluth Transit Authority's remedies for any succeeding breach of that or of any other covenant, term, or condition of this contract.

### **Termination for Default (Supplies and Service)**

If the Contractor fails to deliver supplies or to perform the services within the time specified in this contract or any extension, or if the Contractor fails to comply with any other provisions of this contract, the Duluth Transit Authority may terminate this contract for default. The Duluth Transit Authority shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of the default. The Contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner or performance set forth in this contract.

If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the Duluth Transit Authority.

### **A.26 VIOLATION AND BREACH OF CONTRACT**

2 C.F.R. § 200.326, 2 C.F.R. part 200, Appendix II (A)

#### **Rights and Remedies of the Duluth Transit Authority**

The Duluth Transit Authority shall have the following rights in the event that the Duluth Transit Authority deems the Contractor guilty of a breach of any term under the Contract.

1. The right to take over and complete the work or any part thereof as agency for and at the expense of the Contractor, either directly or through other contractors;
2. The right to cancel this Contract as to any or all of the work yet to be performed;
3. The right to specific performance, an injunction or any other appropriate equitable remedy; and
4. The right to money damages.

#### **Rights and Remedies of Contractor**

Inasmuch as the Contractor can be adequately compensated by money damages for any breach of this Contract, which may be committed by the Duluth Transit Authority, the Contractor expressly agrees that no default, act or omission of the Duluth Transit Authority shall constitute a material breach of this Contract, entitling Contractor to cancel or rescind the Contract (unless the Duluth Transit Authority directs Contractor to do so) or to suspend or abandon performance.

#### **Remedies**

Substantial failure of the Contractor to complete the Project in accordance with the terms of this Agreement will be a default of this Agreement. In the event of a default, the Duluth Transit Authority will have all remedies in law and equity, including the right to specific performance, without further assistance, and the rights to termination or

suspension as provided herein. The Contractor recognizes that in the event of a breach of this Agreement by the Contractor before the Duluth Transit Authority takes action contemplated herein, the Duluth Transit Authority will provide the Contractor with sixty (60) days written notice that the Duluth Transit Authority considers that such a breach has occurred and will provide the Contractor a reasonable period of time to respond and to take necessary corrective action.

### **Disputes**

• **Example 1:** Disputes arising in the performance of this Contract that are not resolved by agreement of the parties shall be decided in writing by the Duluth Transit Authority's Procurement Manager. This decision shall be final and conclusive unless within 10 days from the date of receipt of its copy, the Contractor mails or otherwise furnishes a written appeal to the Duluth Transit Authority General Manager. In connection with any such appeal, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the General Manager shall be binding upon the Contractor and the Contractor shall abide by the decision.

• **Example 2:** The Duluth Transit Authority and the Contractor intend to resolve all disputes under this Agreement to the best of their abilities in an informal manner. To accomplish this end, the parties will use an Alternative Dispute Resolution process to resolve disputes in a manner designed to avoid litigation. In general, the parties contemplate that the Alternative Dispute Resolution process will include, at a minimum, an attempt to resolve disputes through communications between their staffs, and, if resolution is not reached at that level, a procedure for review and action on such disputes by appropriate management level officials within the Duluth Transit Authority and the Contractor's organization.

In the event that a resolution of the dispute is not mutually agreed upon, the parties can agree to mediate the dispute or proceed with litigation. Notwithstanding any provision of this section, or any other provision of this Contract, it is expressly agreed and understood that any court proceeding arising out of a dispute under the Contract shall be heard by a Court de novo and the court shall not be limited in such proceeding to the issue of whether the Duluth Transit Authority acted in an arbitrary, capricious or grossly erroneous manner.

### **A.27 PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT**

(a) *Definitions.* As used in this clause—

*Backhaul* means intermediate links between the core network, or backbone network, and the small subnetworks at the edge of the network (e.g., connecting cell phones/towers to the core telephone network). Backhaul can be wireless (e.g., microwave) or wired (e.g., fiber optic, coaxial cable, Ethernet).

*Covered foreign country* means The People's Republic of China.

*Covered telecommunications equipment or services* means—

(1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);

(2) For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video

surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

(3) Telecommunications or video surveillance services provided by such entities or using such equipment; or

(4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

*Critical technology* means— (1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;

(2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled-

(i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or

(ii) For reasons relating to regional stability or surreptitious listening;

(3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);

(4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);

(5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or

(6) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817).

*Interconnection arrangements* means arrangements governing the physical connection of two or more networks to allow the use of another's network to hand off traffic where it is ultimately delivered (e.g., connection of a customer of telephone provider A to a customer of telephone company B) or sharing data and other information resources.

*Reasonable inquiry* means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third-party audit.

*Roaming* means cellular communications services (e.g., voice, video, data) received from a visited network when unable to connect to the facilities of the home network either because signal coverage is too weak or because traffic is too high.

*Substantial or essential component* means any component necessary for the proper function or performance of a piece of equipment, system, or service.

(b) *Prohibition.*

(1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the DTA on or after August 13, 2019, from

procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. The Contractor is prohibited from providing to the Government any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR [4.2104](#).

(2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020, from entering into a contract, or extending or renewing a contract, with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR [4.2104](#). This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract.

(c) *Exceptions*. This clause does not prohibit contractors from providing—

(1) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(2) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(d) Reporting requirement.

(1) In the event the Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the Contractor is notified of such by a subcontractor at any tier or by any other source, the Contractor shall report the information in paragraph (d)(2) of this clause to the Contracting Officer, unless elsewhere in this contract are established procedures for reporting the information. For indefinite delivery contracts, the Contractor shall report to the Contracting Officer for the indefinite delivery contract and the Contracting Officer(s) for any affected order.

(2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause:

(i) Within one business day from the date of such identification or notification: the contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and

any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) *Subcontracts*. The Contractor shall insert the substance of this clause, including this paragraph (e) and excluding paragraph (b)(2), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial items.

#### **A.28 NOTICE OF LEGAL AGREEMENT OR LITIGATION**

During the performance of this contract, the contractor agrees as follows:

Contractor shall promptly notify the Duluth Transit Authority of any current or prospective legal matter that may affect the Duluth Transit Authority or the Federal Government. Legal matters that require notification include, but are not limited to, a major dispute, breach, default, litigation, or naming the Duluth Transit Authority or the Federal Government as a party to litigation or any legal agreement in any forum for any reason.

This notification provision applies to instances of false claims under the False Claims Act, or has or may have committed a criminal or civil violation of law pertaining to such matters as fraud, conflict of interest, bid rigging, misappropriation or embezzlement, bribery, gratuity, or similar misconduct involving federal assistance. This responsibility occurs whether the Contractor is subject to this Agreement between the Contractor and the Duluth Transit Authority or the Federal Transit Administration, or an agreement involving a principal, officer, employee, agent or subcontractor of the Contractor. Knowledge, as it is used in this paragraph, includes, but is not limited to, knowledge of a criminal or civil investigation by a Federal, state, or local law enforcement or other investigative agency, a criminal indictment or civil complaint, or probable cause that could support a criminal indictment, or any other credible information in the possession of the Contractor. In this paragraph, "promptly" means to refer to information without delay and without change.

The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

#### **A.29 FEDERAL TAX LIABILITY AND RECENT FELONY CONVICTION**

FTA MA(29) February 7, 2022 Sec (G)

The undersigned certifies, to the best of his or her knowledge and belief, that it

(A) Does not have any unpaid Federal tax liability that has been assessed for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and

(B) Was not convicted of the felony criminal violation under any federal law within the preceding 24 months.

The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

### **A.30 TRAFFICKING IN PERSONS**

FTA MA(19) February 7, 2022, Sec (F)

Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA) 22 U.S.C. §7104(g) and 2 C.F.R. Part 175

The Contractor will inform the Duluth Transit Authority immediately if any information it receives from any source alleging a violation of the prohibitions listed in this section.

#### **Prohibition:**

The Contractor agrees that it, its employees, its Subrecipients, and its Subrecipients' employees that participate in the Contractor's award may not:

- (A) Engage in severe forms of trafficking in persons during the period of time that the Contractor's underlying agreement is in effect;
- (B) Procure a commercial sex act during the period of time that the Contractor's Underlying Agreement is in effect; or
- (C) Use forced labor in the performance of the Contractor's Underlying Agreement or sub agreements.

**APPENDIX E – DTA SPECIAL PROVISIONS  
CITY OF DULUTH  
RFP# 24-AA08**

**DTA Special Provisions**

1. The DTA shall not be under any obligation for payment of precontractual expenses.
2. Inquiries and other correspondence relating to this Agreement shall be with the DTA Director of Administration via email, [nbrown@duluthtransit.com](mailto:nbrown@duluthtransit.com) or 218-623-4329.
3. Work under this Agreement is funded in part by a grant from the Federal Transit Administration, Assistance Listing 20.507, Federal Transit Formula Grant, and the Minnesota Department of Transportation.
4. A sample Agreement is included herein. Any proposed changes to this Agreement shall be submitted to the DTA for consideration prior to submission of the Proposal. Acceptance of proposed changes are at the sole discretion of the DTA.
5. DTA Code of Ethics and Organizational Conflicts of Interest. Please refer to the DTA's website at [www.duluthtransit.com](http://www.duluthtransit.com) for information on Vendor's Code of Ethics and Organizational Conflicts of Interest provisions. Proposers are required to disclose any conflicts of interest prior to submission of a Proposal.
6. Suspended or Debarred Proposer. The DTA will not utilize any funds to compensate, either directly or indirectly, any contractor, corporation, partnership, or business, however organized, which is disqualified or debarred from entering into or receiving a contract under this RFP. This restriction applies whether the disqualified or debarred party acts in the capacity of a consultant, a subconsultant, a general contractor or a subcontractor.
7. Respondents must complete the attached DTA forms and certifications with their Proposal for consideration of a Agreement with the DTA.

**APPENDIX F – DTA SUPPLEMENTAL FORMS  
CITY OF DULUTH  
RFP# 24-AA08**

1. Proof of Responsibility Statement
2. North American Industry Classification System Designation
3. Small or Disadvantaged Business Enterprise, Veteran-Owned Business  
(including Service-Disabled Veteran Business Enterprises)
4. Subcontractors and Suppliers Listing
5. DTA Required Certificates
  - a. Debarred Bidders
  - b. Lobbying Restrictions
  - c. Notice of Legal Agreement or Litigation
  - d. Federal Tax Liability and Recent Felony Conviction



## **Proof of Responsibility Statement**

The Duluth Transit Authority requires anyone submitting a bid or proposal to complete a sworn statement consisting of information relating to their capacity to complete the work requested, including financial stability, equipment, experience in the work prescribed, etc. If the Duluth Transit Authority is not satisfied with the sufficiency of the answers to the questionnaire and financial statement, it may reject the bid or disregard the same or require additional information. Attach separate sheets as necessary.

### Statement of Bidder Qualifications and Responsibility

1. Name of Bidder or Proposer: \_\_\_\_\_
2. Address: \_\_\_\_\_
3. Legal form of company (partnership, corporation, joint venture, etc.) \_\_\_\_\_  
(If a joint venture, identify the members of the joint venture and provide all information required in this section for each member.)
4. When Organized: \_\_\_\_\_
5. Where Incorporated (as applicable): \_\_\_\_\_
6. How many years has the firm or organization been engaged in the contracting business under the present firm name? \_\_\_\_\_

Questions 7-13: If the answer is 'Yes', please provide details in a separate attachment.

7. Have you ever failed to complete any work awarded to you? No \_\_\_ Yes \_\_\_
8. Have you ever defaulted on a contract? No \_\_\_ Yes \_\_\_
9. Have you ever been sued for services you provided? No \_\_\_ Yes \_\_\_
10. Has your firm been charged with or convicted of, a violation of a wage schedule?  
No \_\_\_ Yes \_\_\_
11. Does your organization possess all valid licenses, registrations and certifications required by federal, state, county or city law necessary for the work it seeks to perform? No \_\_\_  
Yes \_\_\_
12. Has your organization had any type of business, contracting or trade license, certification or registration revoked or suspended in the last three years? No \_\_\_ Yes \_\_\_
13. Is your firm or organization a part of a multi-entity corporation, a wholly-owned subsidiary, or more than 51% owned by another firm or organization? No \_\_\_ Yes \_\_\_ If yes, provide documentation on the parent organization, audited statements of financial standing, working capital financing, authorization to enter into contracts, and other proof of responsibility.
14. Does your firm have experience in similar type of projects or work, and have sufficient equipment, personnel, expertise, and financial reserves to perform the work successfully?  
No \_\_\_ Yes \_\_\_ (If no, please explain on a separate sheet. If yes, please provide the names and contact information of three (3) references.)
15. Has your firm or organization been a debtor in a bankruptcy proceeding in the last ten years?  
No \_\_\_ Yes \_\_\_ If yes, on a separate sheet of paper titled "Bankruptcy Information", state date, court of jurisdiction, amount of liabilities and amount of assets.
16. List the average range of annual gross receipts of the firm or organization for the past three years:  
\_\_\_ Less than \$500,000                      \_\_\_ \$500,000 to \$1 million

\_\_\_ between \$1 million and \$5 million  
\_\_\_ between \$10 million and \$15 million

\_\_\_ between \$5 million and \$10 million  
\_\_\_ above \$15 million

17. Identify any conditions (e.g., pending litigation, planned office closures, impending merger, etc.) that may impede the proposed firm or organization's ability to complete the work.

18. Please provide a Proof of Responsibility Statement for each subcontractor or supplier providing goods or services in excess of fifty thousand dollars (\$50,000.00) listed in the bid or proposal.

Warranty:

The Contractor,

- (i) if it is a corporation, is duly incorporated, organized, validly existing and in good standing as a corporation under of the laws of the jurisdiction of its incorporation;
- (ii) if it is a partnership, non-profit organization, individual or sole proprietorship, is duly organized and validly existing under the laws of the jurisdiction in which it was organized;
- (iii) is duly qualified and in good standing under the laws of each jurisdiction where its existing ownership, lease, or operation of property in the conduct of its business requires, and
- (iv) has the power and legal right to conduct the business in which it is currently engaged and
- (v) attests that the execution, delivery and performance of the Contract does not and will not violate any provision of any applicable existing law, regulation or of any order, judgment, award or decree of any court or government applicable to the Contractor or the charter or by-laws of the Contractor or any mortgage, indenture, or other obligation.

Signed:

\_\_\_\_\_

Title \_\_\_\_\_

**North American Industry Classification System designation:**

Based on the scope of work herein, the DTA has assigned the following North American Industry Classification System Codes to this project:

**541211, Auditing Service**

Based on the type of work your firm seeks to perform in its proposal, if your firm believes that additional NAICS codes are applicable to this project, please provide them here for consideration:

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Please note that the designation and acceptance of additional NAICS codes related to the scope of work for this project does not bind or change the scope of work herein and is collected for reporting purposes only.

**Small or Disadvantaged Business Enterprise, Veteran-owned Business (including Service-Disabled Veteran Business Enterprises)**

1. Is the Contractor's firm or organization registered as a Small Business under the Small Business Administration's 8(a) Business Development Program, HUBZone business, or other development program through the SBA? No \_\_\_\_ Yes \_\_\_\_ (If yes, please provide a copy of the registration.)
2. Is the Contractor's firm or organization certified or registered as a Small Business, a Disadvantaged Business Enterprise, or a Veteran-owned business (including Service-Disabled Veteran-owned business) by a government agency authorized to certify or register the above noted entities?

No \_\_\_\_ Yes \_\_\_\_ (If yes, please provide details and copies of the applicable registration or certification.)

The Contractor agrees to take all necessary steps to ensure that DBEs have the opportunity to compete for and perform work under this Contract.

The Contractor or Subcontractor shall not discriminate on basis of race, color, national origin or gender in the performance of this contract. Contractor shall carry out applicable requirements of 49 C.F.R. Part 26 in the award and administration of U.S. DOT assisted contracts. Failure by the Contractor or Subcontractor to carry out these requirements is a material breach of the contract, which may result in the termination of this contract or such other remedy as the DTA deems appropriate.

Signed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_:

\_\_\_\_\_

Title \_\_\_\_\_

## Subcontractors and Suppliers Listing

List each subcontractor and/or supplier included in the bid or proposal. Include a Proof of Responsibility Statement for each subcontractor (of any tier) or supplier proposing to provide services or goods in excess of fifty thousand dollars (\$50,000. 00.)

Subcontractors or Suppliers that are registered or certified S/DBEs must provide proof and the name of the certifying agency **prior to commencing work.**

Subcontractor: \_\_\_\_\_ Type of work: \_\_\_\_\_  
S/DBE or Veteran owned? \_\_\_\_\_

Subcontractor: \_\_\_\_\_ Type of work: \_\_\_\_\_  
S/DBE or Veteran owned? \_\_\_\_\_

Subcontractor: \_\_\_\_\_ Type of work: \_\_\_\_\_  
S/DBE or Veteran owned? \_\_\_\_\_

Subcontractor: \_\_\_\_\_ Type of work: \_\_\_\_\_  
S/DBE or Veteran owned? \_\_\_\_\_

Subcontractor: \_\_\_\_\_ Type of work: \_\_\_\_\_  
S/DBE or Veteran owned? \_\_\_\_\_

Changes to this list must be in writing and approved by the Duluth Transit Authority **prior to the commencement of subcontractor or supplier's work.**

Signed: \_\_\_\_\_

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

## DTA REQUIRED CERTIFICATES

### **CERTIFICATE A – DEBARRED BIDDERS**

Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters:

The Contractor shall comply and facilitate compliance with U.S. DOT regulations, “Nonprocurement Suspension and Debarment,” 2 C.F.R. part 1200, which adopts and supplements the U.S. Office of Management and Budget (U.S. OMB) “Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” 2 C.F.R. part 180. These provisions apply to each contract at any tier of \$25,000 or more, and to each contract at any tier for a federally required audit (irrespective of the contract amount), and to each contract at any tier that must be approved by an FTA official irrespective of the contract amount. As such, the Contractor shall verify that its principals, affiliates, and subcontractors are eligible to participate in this federally funded contract and are not presently declared by any Federal department or agency to be: each contract at any tier that must be approved by an FTA official irrespective of the contract amount. As such, the Contractor shall verify that its principals, affiliates, and subcontractors are eligible to participate in this federally funded contract and are not presently declared by any Federal department or agency to be:

- a) Debarred from participation in any federally assisted Award;
- b) Suspended from participation in any federally assisted Award;
- c) Proposed for debarment from participation in any federally assisted Award;
- d) Declared ineligible to participate in any federally assisted Award;
- e) Voluntarily excluded from participation in any federally assisted Award; or
- f) Disqualified from participation in any federally assisted Award.

By signing and submitting its bid or proposal, the bidder or proposer certifies as follows:

The certification in this clause is a material representation of fact relied upon by the Duluth Transit Authority. If it is later determined by the Duluth Transit Authority that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to the Duluth Transit Authority, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 2 C.F.R. part 180, subpart C, as supplemented by 2 C.F.R. part 1200, while this offer is valid and throughout the period of any contract that may arise from this offer.

The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

---

Print Name and Title

---

Signature

## **CERTIFICATE B - LOBBYING RESTRICTIONS**

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

t, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

ure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

SIGNED \_\_\_\_\_

FIRM NAME \_\_\_\_\_

## **CERTIFICATE C - NOTICE OF LEGAL AGREEMENT OR LITIGATION**

During the performance of this contract, the contractor agrees as follows:

Contractor shall promptly notify the Duluth Transit Authority of any current or prospective legal matter that may affect the Duluth Transit Authority or the Federal Government. Legal matters that require notification include, but are not limited to, a major dispute, breach, default, litigation, or naming the Duluth Transit Authority or the Federal Government as a party to litigation or any legal agreement in any forum for any reason.

This notification provision applies to instances of false claims under the False Claims Act, or has or may have committed a criminal or civil violation of law pertaining to such matters as fraud, conflict of interest, bid rigging, misappropriation or embezzlement, bribery, gratuity, or similar misconduct involving federal assistance. This responsibility occurs whether the Contractor is subject to this Agreement between the Contractor and the Duluth Transit Authority or the Federal Transit Administration, or an agreement involving a principal, officer, employee, agent or subcontractor of the Contractor. Knowledge, as it is used in this paragraph, includes, but is not limited to, knowledge of a criminal or civil investigation by a Federal, state, or local law enforcement or other investigative agency, a criminal indictment or civil complaint, or probable cause that could support a criminal indictment, or any other credible information in the possession of the Contractor. In this paragraph, "promptly" means to refer to information without delay and without change.

The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

SIGNED \_\_\_\_\_

FIRM NAME \_\_\_\_\_



**CERTIFICATE D - FEDERAL TAX LIABILITY AND RECENT FELONY CONVICTION**  
FTA MA(29) February 7, 2022 Sec (G)

The undersigned certifies, to the best of his or her knowledge and belief, that it

- (A) Does not have any unpaid Federal tax liability that has been assessed for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and
- (B) Was not convicted of the felony criminal violation under any federal law within the preceding 24 months.

The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

SIGNED \_\_\_\_\_

FIRM NAME \_\_\_\_\_

**APPENDIX G – DTA SAMPLE AGREEMENT  
CITY OF DULUTH  
RFP# 24-AA08**

**AGREEMENT FOR PROFESSIONAL SERVICES** (example for RFP)

THIS AGREEMENT, by and between the Duluth Transit Authority, an authority of the City of Duluth, Minnesota, located at 2402 West Michigan Street, Duluth, MN 55806, hereinafter referred to as “DTA”, and \_\_\_\_\_, (“Consultant”), a \_\_\_\_\_ corporation located at \_\_\_\_\_.

WHEREAS, Under the Duluth Transit Authority Act of 1969, Chapter 720, DTA is legally able and presently engaged in the business of providing public transportation of passengers for hire within the areas contiguous to the City of Duluth, Minnesota, the City of Superior, Wisconsin, and the City of Proctor, Minnesota (“Transit System”); and

WHEREAS, the DTA serves the public interest of the citizens of the City of Duluth, State of Minnesota to promote and provide for a government program of a bus transit system authorized under 49 U.S.C. Chapter 53 as amended and MN Stat §§ 458A.21-458A.37; and intends to continue to maintain the operations of the public transportation systems in areas where it deems practicable; and

WHEREAS, the DTA desires to utilize Consultant’s professional services for financial statement audit services; and

WHEREAS, Consultant has represented that it is qualified and willing to perform these services under the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the Parties hereto agree as follows:

Article I. Agreement Documents

The Agreement Documents in priority order consist of Federal Transit Administration Contract Clauses, this Agreement, the Request for Proposal dated October 3, 2024, General, Special and Technical Specifications, all addenda issued prior to and all modifications issued after execution of this Agreement, Consultant’s Proposal dated \_\_\_\_, 2024 (the “Proposal”), including executed Required Certificates, all as fully a part of the Sub-Agreement and as if attached to this Agreement or repeated herein.

Proposal.

Article II. Professional Fees and Payment

In consideration of the provision of the services referenced in Article I above in an acceptable manner, the DTA hereby agrees to reimburse Consultant for said services as set for in the Consultant’s Proposal incorporated herein by reference. Consultant shall invoice the DTA for

services provided and/or services and equipment purchased based on actual and allowable costs completed.

All DTA invoices shall include supporting documentation of the quantities and details to the DTA's Director of Finance's satisfaction to support the pay request. Invoices should be forwarded to the Duluth Transit Authority Director of Finance, 2402 West Michigan Street, Duluth, Mn 55806. Terms of payment shall be thirty days net from the conclusion of the month for which payment is due.

### Article III. Indemnification

To the fullest extent permitted by law, the Consultant shall defend, indemnify and save the DTA and ATE Management of Duluth SBC, Inc. and their employees, officers and agents harmless from all costs or expenses, claims and liabilities, charges, damages and loss of any kind, including but not limited to, reasonable attorney's fees and expenses, whether asserted by Consultant or any third party, that may grow out of the matter covered by this Agreement. Said obligation shall include, but not be limited to the obligation to defend, indemnify and save harmless the DTA and ATE Management of Duluth SBC, Inc. in all matters where claims of liability against the DTA and ATE Management of Duluth SBC, Inc. are alleged to be or could be found to arise out of the negligent or otherwise wrongful act or omission of Consultant or are passive, derivative, or vicarious of the negligent or intentional acts or omissions of Consultant, including but not limited to, the failure to supervise, the failure to warn, the failure to prevent such act or omission by Consultant and other of such source of liability. The obligations to defend, indemnify, and hold harmless shall be triggered upon the assertion of a claim for damages against DTA and ATE Management of Duluth SBC, Inc. This Section shall survive the termination of this Agreement for any reason. Consultant shall not have the obligation to indemnify the DTA or ATE Management of Duluth SBC, Inc. for its intentional, willful or wanton acts.

### Article IV. Insurance

The Consultant shall furnish and maintain, at its sole cost and expense, subject to market requirements and availability, at all times during the term of this Agreement and any renewal or extension thereof,

- a. Workers' Compensation in accordance with the laws of the state of Minnesota.

- b. A standard policy of Commercial General Liability and Automobile Liability insurance with limits of not less than \$2,000,000 single limit or \$1,000,000 Single Limit and \$1,000,000 umbrella with a following form provision insuring Consultant, with DTA and ATE Management of Duluth SBC, Inc. as an additional insured.
- c. Professional Liability Insurance in an amount of not less than \$2,000,000 naming DTA and ATE Management of Duluth SBC, Inc. as also insured.
- d. Each policy shall be:
  - i. written by the insurer reasonably acceptable to the DTA,
  - ii. be endorsed to name the Consultant, DTA and ATE Management of Duluth SBC, Inc. as additional insured;
  - iii. providing that the coverage afforded thereby is primary as to Consultant and DTA and ATE Management of Duluth SBC, Inc. not excess; and
  - iv. such that it cannot be canceled or materially altered without thirty days prior written notice to the DTA.
  - v. Certificates showing that Consultant is carrying the above-described insurance in the specified amounts shall be furnished to the DTA prior to the execution of this Agreement, and a certificate showing continued maintenance of such insurance shall be on file with the DTA during the term of this Agreement.

#### Article V. Independent Consultant

At all times and for the purposes of hereunder, the Consultant shall be an independent contractor and is not an employee of the DTA or of ATE Management of Duluth SBC, Inc. for any purpose. No statement contained in this Agreement shall be construed so as to find Consultant to be an employee of the DTA or of ATE Management of Duluth SBC, Inc., and Consultant shall not be entitled to any of the rights, privileges, or benefits of employees of the DTA or of ATE Management of Duluth SBC, Inc., including, but not limited to, workers' compensation, health/death benefits, and indemnification for third-party personal injury/property damage claims.

#### Article VI. Assignment

This Agreement shall not be assigned, transferred, hypothecated or pledged in any way whatsoever by Consultant without the prior written consent of the DTA General Manager. However, this Agreement shall be binding upon the successors or assigns of the respective parties.

## Article VII. Standard of Performance

Consultant agrees that all services to be provided to the DTA pursuant to this Agreement shall be in accordance with the generally accepted standards of the profession for provision of services of this type.

## Article VIII. Reports and Inspection

### A. Establishment and Maintenance of Records

Records shall be maintained by the Consultant in accordance with the requirements prescribed by the DTA and with respect to all matters covered by this Agreement. Such records shall be maintained for a period of seven (7) years after receipt of final payment under this Agreement.

### B. Documentation of Costs.

Consultant will ensure that all costs shall be supported by properly executed payrolls, time reports, invoices, contracts, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.

### C. Reports and Information.

Consultant shall be responsible for furnishing to the DTA records, data and information as the DTA may require pertaining to matters covered by this Agreement.

### D. Audits and Inspection.

Consultant shall ensure that at any time during normal business hours and as often as the DTA may deem necessary, there shall be made available to the DTA for examination, all of its records with respect to all matters covered by this Agreement. Consultant will also permit the DTA to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

### E. Confidentiality of Information.

Consultant must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by the DTA under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by Consultant under this Agreement. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to in this clause by the Consultant. If Consultant receives a request to release the data referred to in this clause, Consultant must immediately notify the

DTA General Manager and consult with the DTA as to how Consultant should respond to the request. Consultant's response to the request must comply with applicable law.

F. Ownership of Data

All notes, reports, design plans, specifications, special studies, records and other data prepared under this Agreement shall become the property of the DTA when prepared, and shall be delivered to the DTA General Manager upon completion or termination of the service of Consultant or at such earlier time as requested by the DTA.

Article IX. Subcontractors

A. Disclosure. Consultant shall disclose all subcontractors it desires to perform work under this Agreement at the time of execution of this Agreement. Thereafter Consultant shall promptly report any desired changes to the subcontractors of any tier in accordance with FTA requirements. Consultant shall insert the required Federal and State provisions into every subcontract of any tier in accordance with FTA requirements.

B. Prompt Payment to Subcontractors. Consultant shall pay any subcontractor or material supplier within ten (10) days of receipt by the party responsible for payment of payment of undisputed services provided by the party requesting payment.

Article X. Default

In case of any default hereunder claimed to exist by either Party, such Party shall give the other Party prompt written notice of such default, setting forth the facts and reasonable detail, and in the event the allegedly defaulting Party has not remedied such default within thirty days (or in case of defaults which require a longer period of remedy has failed to commence upon such remedy within said period and thereafter to diligently proceed with the same to completion), the non-defaulting Party shall have the right to terminate this Agreement for cause. This Agreement shall also be terminable for cause at the option of the other Party if any Party is adjudicated as bankrupt, is subjected to the appointment of a receiver and fails to have such receiver removed within sixty days, has any of its property attached and fails to remove such attachment within sixty days, becomes insolvent for a period of sixty days, is unable to pay its debts as the same become due upon sixty days' written notice. This Agreement shall also be terminable should the DTA lose the right to provide public transportation services or should funding from the State of Minnesota or the Federal Government be discontinued.

Article XI. Rights and Remedies

The duties and obligations imposed by this Agreement and the rights and remedies available hereunder shall be in addition to any duties, obligations, rights and remedies otherwise imposed or available by law.

Article XII. No Third-Party Rights

This Agreement shall be construed and understood solely as a Agreement between the DTA and the Consultant and shall not be deemed to create any rights in any other person. No person shall have the right to make claim that she or he is a third-party beneficiary of this Agreement or of any of the terms and conditions hereof, which, as beneficiary of this Agreement or any of the terms and conditions hereof, which, as between the DTA and Consultant, may be waived at any time by mutual agreement. No officer, director or employee of the DTA or ATE Management of Duluth SBC, Inc. or Consultant shall be personally liable for the fulfillment of the conditions of this Agreement.

Article XIII. Rules and Regulations

Consultant agrees to observe and comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota, the City of Duluth, and the DTA and their respective agencies which are applicable to its activities under this Agreement.

Article XIV. Notices

Telephone calls may be used to expedite communications but shall not be official communication unless confirmed in writing. Notice to the DTA or Consultant provided for herein shall be sufficient if sent by the regular United States mail, postage prepaid, addressed to the parties at the addresses hereinafter set forth or to such other respective persons or addresses as the parties may designate to each other in writing from time to time.

Duluth Transit Authority  
2402 West Michigan Street  
Duluth, MN 55806

Consultant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Article XVI. Applicable Law

This Agreement, together with all of its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota.

Article XVII. Severability

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

Article XVIII. Amendments

It is understood and agreed that the entire agreement of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

Article XIX. Counterparts.

The Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf") or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed intending to be bound thereby.

**Duluth Transit Authority**

By \_\_\_\_\_  
Title: General Manager  
Dated \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated \_\_\_\_\_



November 5, 2024

ORIGINAL

Proposal to provide professional  
audit services to:

## City of Duluth, Minnesota

### Technical Submittal

Prepared by:  
**Christopher Knopik, CPA, Principal**  
christopher.knopik@CLAconnect.com  
Direct 612-397-3266

[CLAconnect.com](https://www.claconnect.com)

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.claglobal.com/disclaimer).  
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





November 5, 2024

Attn: Purchasing Division  
City of Duluth, Minnesota  
411 W 1st St  
Duluth, MN 55802-1106

To whom it may concern:

Thank you for inviting us to propose. We look forward to the opportunity to provide services to City of Duluth, Minnesota (the City) Component Units (the Component Units).

We are confident that our extensive experience serving similar governmental entities, bolstered by our client-oriented philosophy and depth of resources, will make CLA a top qualified candidate to fulfill the scope of your engagement. The following differentiators are offered for the Component Units' consideration:

- **Industry-specialized insight and resources** – As one of the nation's leading professional services firms, and one of the largest firms who specialize in regulated industries, CLA has the experience and resources to assist the Component Units with their audit needs. In addition to your experienced local engagement team, the Component Units will have access to one of the country's largest and most knowledgeable pools of regulated industry resources.
- **OMB Uniform Guidance (UG) experience** – CLA performs single audits for hundreds of organizations annually, ranking top in the nation for the number of single audits performed by any CPA firm. The single audit requires a specific set of skills to properly perform the procedures. As such, we have developed a group of professionals who specialize in providing single audit services.
- **Strong methodology and responsive timeline** – In forming our overall audit approach, we have carefully reviewed the RFP, addendums, and other information made available and considered our experience performing similar work for other municipalities. Our local government clients are included amongst the more than 4,200 governmental organizations we serve nationally. Our staff understands your complexities not just from a compliance standpoint, but also from an operational point of view. The work plan also minimizes the disruption of your staff and operations and provides a blueprint for timely delivery of your required reports.
- **Communication and proactive leadership** – The Component Units will benefit from a high level of hands-on service from our team's senior professionals. We can provide this level of service because, unlike other national firms, our principal-to-staff ratio is similar to smaller firms – allowing our senior level professionals to be involved and immediately available throughout the entire engagement process. Our approach helps members of the engagement team stay abreast of key issues at the Component Units and take an active role in addressing them.
- **A focus on providing consistent, dependable service** – We differ from other national firms in that our corporate practice focuses on the needs of non-SEC clients, thus allowing us to avoid the workload compression typically experienced by firms that must meet public companies' SEC filing deadlines. CLA is organized into industry teams, affording our clients with specialized industry-specific knowledge supplemented by valuable local service and insight. Therefore, the Component Units will enjoy the service of

members of our state and local government services team who understand the issues and environment critical to governmental entities.

- **Fresh perspective** – By engaging CLA, the Component Units will benefit from a fresh look at its business operations, information systems, and financial risk management policies and procedures. You will be served by an engagement team with enthusiasm and a desire to meet and exceed expectations. We are confident that our industry experience will bring to the Component Units new ideas, creative approaches, and fresh opportunities to meet the financial management and accountability challenges before the Component Units.

We want to serve you and we have the qualifications to deliver quality, timely work. Throughout this proposal, we take you on a journey outlining how we'll work together and the value you can come to appreciate when we exceed expectations. For ease of evaluation, the structure of our proposal follows your RFP section titled, *Part II – Proposal Requirements*.

Please contact me if I can provide additional information on our firm or our proposal.

Sincerely,

**CliftonLarsonAllen LLP**

A handwritten signature in blue ink, appearing to read "Christopher Knopik".

Christopher Knopik, CPA

Principal

612-397-3266

[christopher.knopik@CLAconnect.com](mailto:christopher.knopik@CLAconnect.com)

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# 1.) License to Practice in Minnesota


CLA is a limited liability partnership and is duly licensed to practice public accountancy in the state of Minnesota. All assigned key professional staff are properly licensed to practice in Minnesota. A copy of our state license is provided below:

**Minnesota Board of Accountancy (index.html)**  
REGULATION • LICENSURE • ENFORCEMENT • PUBLIC SERVICE



(index.html)

Find a CPA Firm



**What "Find a CPA Firm" Is**

"Find a CPA Firm" helps you confirm if a firm holds a current CPA firm permit in Minnesota. Firms can also use this search tool to look up their permit number and their permit expiration date. Only firms with a current permit are listed. If you do not see your firm listed and would have expected to find it, [contact \(staff.html\)](#) the Board office. Please note that the database is refreshed daily; it is not real time. Newly licensed firms will want to wait 1-2 business days from the anticipated date of a permit approval before checking the information in this database.

**How to Search**

Enter a full or partial firm name or certificate number, then click "Search" to see the results. You may also click on the first letter of the firm name to show all firms beginning with that letter.

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Search on Firm Name  OR Cert #

Firm Name	Cert #	Expiration
CliftonLarsonAllen LLP	00963	12/31/2024

**Questions or comments? Get in touch:**

Reach us using the following information. We encourage you to follow us on social media or visit the website often to stay up to date on information relevant to your licensure.

- 85 E. 7th Place Suite 125, St. Paul, MN 55101, USA ([https://bit.ly/mnboa\\_map](https://bit.ly/mnboa_map))
- (651) 296-7938 (tel: 1-651-296-7938)
- [boa@state.mn.us](mailto:boa@state.mn.us) (<mailto:boa@state.mn.us>) or see [staff listing \(staff.html\)](#)
- TTY (800) 627-3529
- [Subscribe to email communications \(subscribe.html\)](#)
- [linkedin.com/company/mnboa](https://linkedin.com/company/mnboa) (<https://linkedin.com/company/mnboa>)
- [@MNBOANews](https://twitter.com/MNBOANews) (<https://twitter.com/MNBOANews>)
- [facebook.com/mn.boa](https://facebook.com/mn.boa) (<https://facebook.com/mn.boa>)

## 2.) Independence

CLA is independent of the Component Units under the American Institute of Certified Public Accountant's Code of Professional Conduct and its interpretations, the U.S. Government Accountability Office's Government Auditing Standards, and the U.S. Department of Labor's 29 CFR 2509.75-9 Interpretive Bulletin and the independence rules of the Public Company Accounting Oversight Board (PCAOB) and/or the U.S. Securities and Exchange Commission, as required. Our firm-wide quality control policies and procedures foster strict compliance with these professional standards. In addition, the individuals assigned to your engagement are independent of the Component Units.





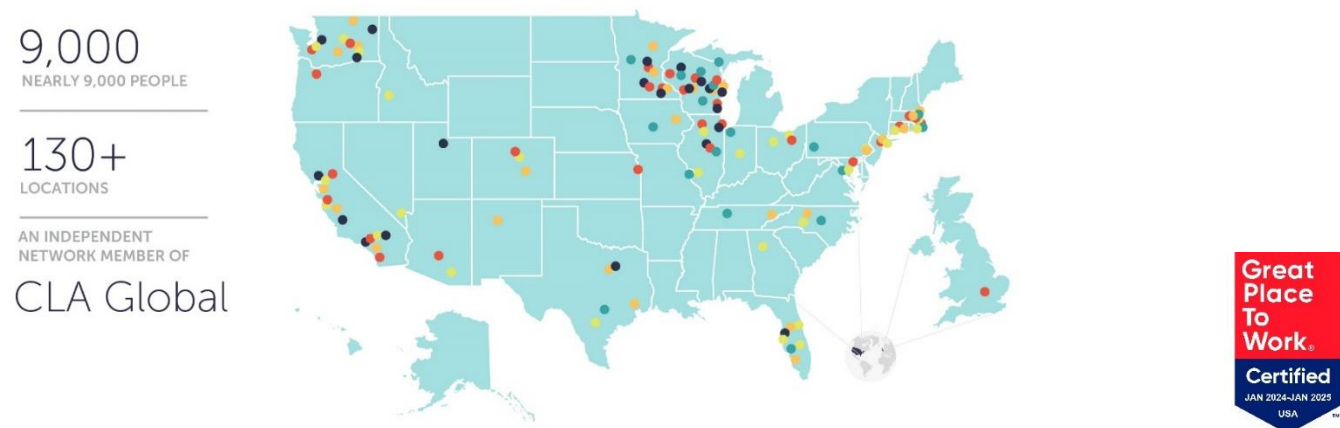
# 3.) Firm Qualifications and Experience

## Firm overview and size

### Create opportunities

CLA exists to create opportunities for our clients, our people, and our communities through industry-focused wealth advisory, digital, audit, tax, consulting, and outsourcing services. Our broad professional services allow us to serve clients more completely — from startup to succession and beyond.

Our professionals are immersed in the industries they serve and have specialized knowledge of their operating and regulatory environments. With nearly 9,000 people in more than 130 U.S. locations and a global vision, we promise to know you and help you.



### It takes balance™

With CLA by your side, you can find everything you need in one firm. Professionally or personally, big or small, we can help you discover opportunities and bring balance to get you where you want to go. CLA has been recertified as a Great Place to Work in January 2024.

### Size of firm’s governmental audit staff

With more than 600 professionals dedicated to our state and local government practice, CLA has one of the largest governmental audit and consulting practices in the country and brings extensive experience providing a variety of such services to state and local government entities. Our state and local government team serves more than 4,200 governmental engagements nationwide, including numerous cities, counties, municipalities, states and state agencies, and school boards. In addition, we perform single audits for hundreds of organizations annually, ranking top in the nation for the number of single audits performed by any CPA firm.

### Office location assigned to manage the engagement

Our firm matches the necessary skill set to an engagement before considering the geographic location of the staff. Assigning team members who specialize in working with similar clients can provide the Component Units higher-quality services and allows us to complete the engagement in a more efficient and effective manner with little interruption to your staff.

The Component Units will be served by an industry-specialized engagement team located in our Minneapolis, Minnesota office.



# Number and nature of professional staff to be employed on this engagement

The table below provides a breakdown by staff level and denotes full- or part-time status of the engagement team that will serve the Component Units. This team has extensive experience working with clients similar to the Component Units. The teams assigned to each entity, would consist of the following make up. .

Level of Staff	Full-Time Staff	Part-Time Staff
Principal/Signing Director	1	1
Director/Manager	1	0
Senior	1	0
Associate	2-3	0
<b>Total</b>	<b>5-6</b>	<b>1</b>

## Quality control procedures and peer review report

In the most recent peer review report, dated November 2022, we received a rating of *pass*, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided in the *Appendix*. ***This quality review included a review of specific government engagements.***

In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm’s operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA’s quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA’s rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in the *Uniform Guidance*.



## State and local government experience

You can benefit from a close personal connection with a team of professionals devoted to governments. Our goal is to become familiar with all aspects of your operations — not just the information needed for the year-end audit so that we can offer proactive approaches in the areas that matter most to you:

- Finding new ways to operate more effectively and efficiently
- Responding to regulatory pressures and complexities
- Maintaining quality services in the face changing budgetary priorities
- Providing transparent, accurate, and meaningful financial information to stakeholders, decision-makers, and your constituents



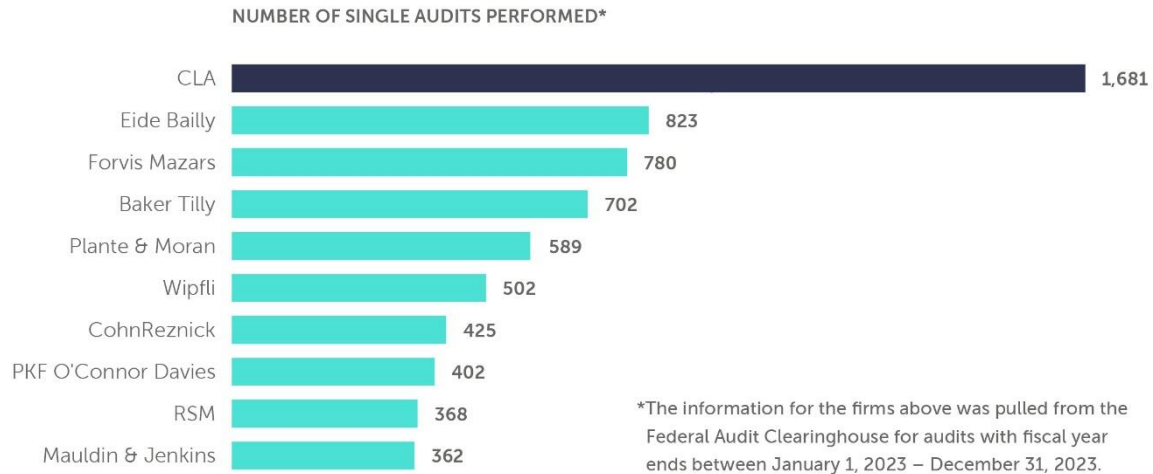
## Airport and transportation experience

The financial and legal compliance requirements that government officials face daily create complexities and service issues within a distinctive operational and regulatory environment. We have worked with numerous transportation-related clients, each with diverse characteristics and specific individual needs. CLA professionals have the knowledge, experience, and bandwidth to successfully assess, plan, and manage the Component Units' engagement in all areas deemed necessary within the RFP.

## Single audit experience

### CLA performs the largest number of single audits in the United States

**We audited nearly \$229 billion dollars in federal funds expended in 2023.** The chart below illustrates CLA's experience in serving organizations that receive federal funds and demonstrates our firm's dedication to serving the government and nonprofit industry.



It is more important than ever to find qualified auditors who have significant experience with federal grants specific to the Component Units and can enhance the quality of the Component Units' single audit. Therefore, the single audit will be performed by a team of individuals who are managed by personnel who specialize in single audits in accordance with OMB's *Uniform Guidance* and who can offer both knowledge and quality for the Component Units. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

*You'll need an audit firm experienced in performing single audits and a familiarity with the specific programs in which you are involved and will benefit from CLA's experience in this area.*

### Single Audit Resource Center (SARC) award

CLA received the [Single Audit Resource Center \(SARC\) Award](#) for Excellence in Knowledge, Value, and Overall Client Satisfaction. SARC's award recognizes audit firms that provide an outstanding service to their clients based on feedback received from an independent survey.

The survey queried more than 10,920 nonprofit and government entities about the knowledge of their auditors, the value of their service, and overall satisfaction with their 2023 fiscal year-end audit. The SARC award demonstrates CLA's dedication to serving the government and nonprofit industry and maintaining the most stringent regulatory requirements in those sectors.



## Deep industry connections

CLA actively supports industry education as a thought leader and industry speaker. We focus on supporting the educational needs of the industry through nationally sponsored trade events. Our team of professionals is sought after, both as educators and as experienced speakers who are invited to speak and teach at major professional events by leading trade associations, including those shown here.

We are also actively involved in and/or are members of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- AICPA’s State and Local Government Expert Panel
- AICPA’s Government Audit Quality Center (GAQC)
- Government Finance Officers Association (GFOA)
- Special Review Committee for the GFOA’s Certificate of Achievement for Excellence in Financial Reporting (Certificate) Program
- Association of Government Accountants

Our involvement in these professional organizations, combined with various technical services we subscribe to, allows us to be at the forefront of change in the constantly changing government environment. We take our responsibility for staying current with new accounting pronouncements, auditing standards, other professional standards and laws and regulations seriously.

## Insight to strengthen your organization

When you’re ready to go beyond the numbers to find value-added strategies, we offer resources to help you respond to challenges and opportunities including:

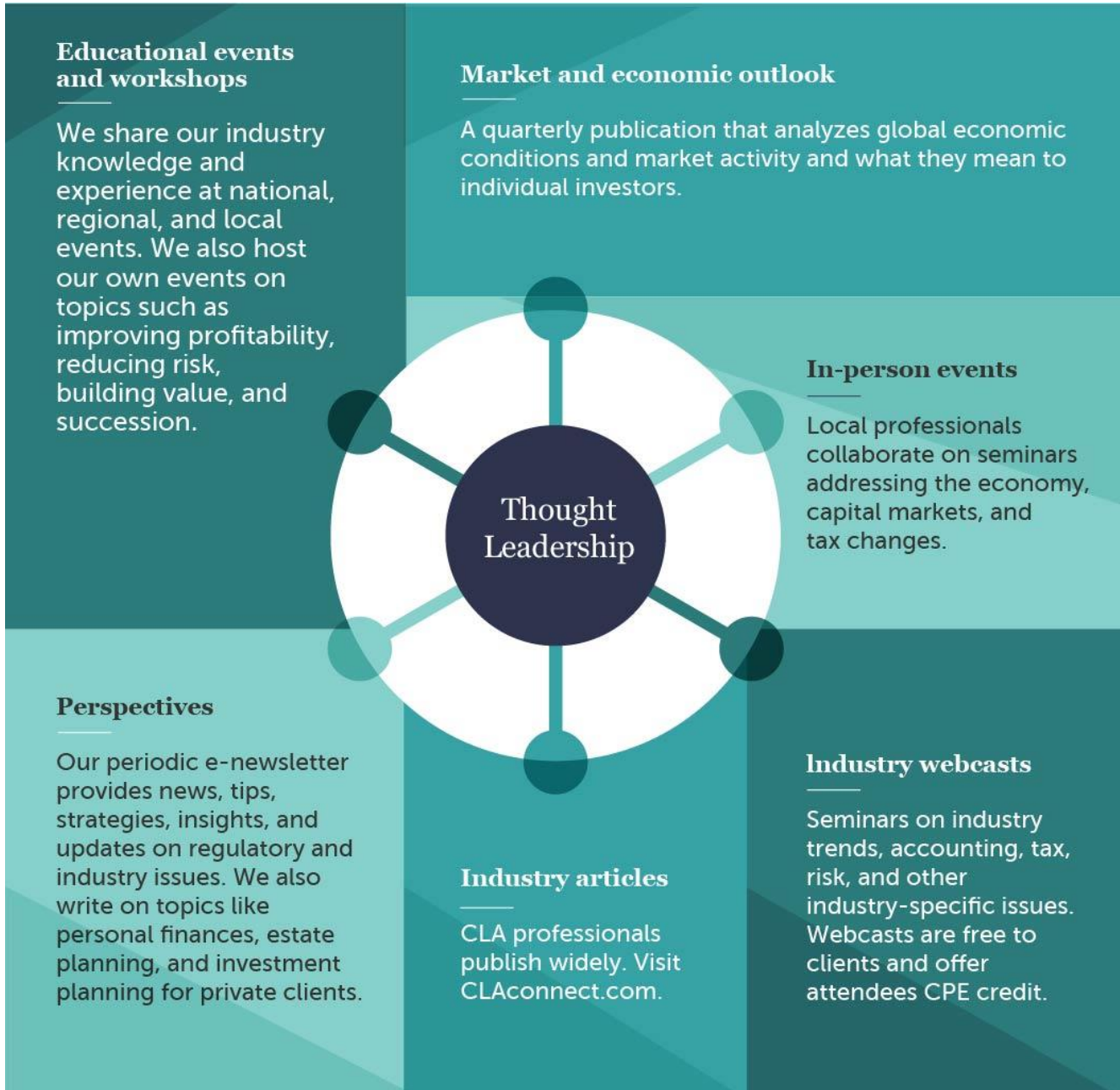
- [National webinars](#) — Access complimentary professional development opportunities for your team.
- [Articles and white papers](#) — Stay current on industry information as issues arise.

***Curious:*** *We care, we listen, we get to know you.*



## Thought leadership

CLA goes beyond the numbers and offers value-added strategies. Rest assured, you will hear from us throughout the year. We send periodic email publications and host webcasts to keep clients and friends of the firm informed of relevant industry updates. Below are just a few of the resources we offer. You can register for our webcasts and find our extensive resource library on our website, [CLAconnect.com](https://www.claconnect.com).



## Support at every turn

With [dedicated services specific to state and local governments](#), you have access to guidance on all aspects of your operations.

- [Audit](#), review, and compilation of financial statements
- Compliance audits (HUD, OMB Single Audits)
- [Cybersecurity](#)
- [Enterprise risk management](#)
- [Forensic accounting, auditing, and fraud investigation](#)
- Fraud risk management
- [Grant compliance](#)
- Implementation assistance for complex Governmental Accounting Standards Board (GASB) statements
- [Internal audit](#)
- [Outsourced business operations](#)
- [Performance auditing](#)
- [Purchase card \(p-card\) monitoring and analytics](#)
- [Risk assessments](#)
- Strategic, financial, and operational consulting
- [Telecom management services](#)



# 4.) Partner, Supervisory, and Staff Qualifications and Experience

The true value in working with our team is developing a personal and professional relationship with leaders who understand your industry, challenges, and opportunities — with the full support of an entire CLA family behind them.

Meet your service team below. Detailed biographies can be found in the *Appendix*.

Engagement Team Member	Role	Years' Experience	Licensed in Minnesota
Christopher Knopik, CPA, CFE <i>Principal</i>	<b>Engagement principal</b> – Christopher Knopik will have overall engagement responsibility including planning the engagement, developing the audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year. Christopher Knopik is responsible for total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team.	21+	✓
Mary Reedy, CPA <i>Principal</i>	<b>Technical principal</b> – Mary will provide technical insight and oversight of the Duluth Airport Authority’s engagement.	19+	✓
Troy Gabler, CPA <i>Manager</i>	<b>Engagement managers</b> – Troy and Ezra will act as the lead managers on the engagement. In this role, they will assist the engagement principal with planning the engagement and performing complex audit areas. They will perform a technical review of all work performed and be responsible for the review of the annual comprehensive financial report and all related reports.	9+	✓
Ezra Koetz, CPA <i>Manager</i>		7+	✓
<b>Additional staff</b> – We will assign additional staff to your engagement based on your needs and their experience providing services to similar clients.			

**Collaborative:** Support from a responsive local team complemented by national resources. We consider the whole of your organization, bringing innovative teams to the table.





## Continuity of service

We are committed to providing continuity throughout this engagement. It is our policy to maintain the same staff throughout an engagement, providing maximum efficiency and keeping the learning curve low. With a solid, steady engagement team, each year brings the additional benefits of trust and familiarity. We are also flexible in exploring alternative strategies to non-mandatory rotation policies.

In any business, however, turnover is inevitable. If and when it happens, we will provide summaries of suggested replacements and will discuss re-assignments prior to finalizing. We have a number of qualified staff members to provide the Entities with quality service over the term of the engagement.

CLA is committed to maintaining high staff retention rates, which we believe are a strong indicator of service quality. High retention rates also indicate that our staff members have the resources they need to perform their tasks and maintain a positive work/life balance.

## Principal and manager involvement

Your engagement principal and manager will be heavily involved in the oversight of your engagement and will be available to meet with you and continue conversations throughout the year. Our intent is to meet on a periodic basis to discuss audit results and future engagements and assist the Entities with upcoming changes, challenges, or new pronouncements.



# 5.) Similar Engagements with Other Entities

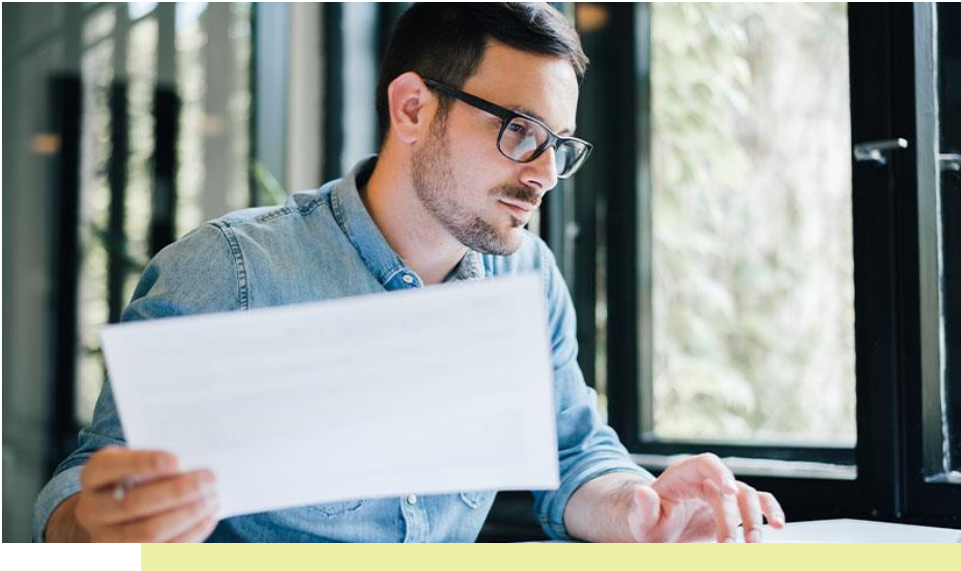
The below table lists the five most significant engagements that CLA has performed within the last five years that are similar to the engagement described in this RFP ranked by total hours.

Client Name	Scope of Work	Total Hours	Client Contact	Engagement Team
Scott County (Transitioned from OSA 3 years ago to CLA)	Audit of financial statements	700	Rachel Brennan 952-496-8168 RBrennan@co.scott.mn.us	Chris Knopik Troy Gabler Ezra Koetz
Three Rivers Park District	Audit of financial statements	650	Howard Koolick 763-559-6734 Howard.Koolick@threeriversparks.org	Chris Knopik Troy Gabler
Brainerd Airport	Audit of financial statements and passenger facility charges	400	Steve Wright 218-825-2166 stevenwright@brainerdairport.com	Mary Reedy
Minnesota Sports Facilities Authority	Audit of financial statements	150	Michelle Hoffman 612-598-7352 Michelle.hoffman@msfa.com	Chris Knopik Troy Gabler



# 6.) Working Paper Retention and Access to Working Papers

Workpapers are maintained for at least seven years and will be available for examination by authorized representatives of the committee, internal audit staff, and representatives of regulatory personnel, subject to professional ethics requirements.



# Ability of the Firm to Complete Scope of Work

## Understanding of the work to be performed

CLA understands the audit services associated with this RFP are for the following entities:

- Duluth Transit Authority (DTA)
- Duluth Entertainment and Convention Center Authority (DECC)
- Duluth Airport Authority (DAA)
- Spirit Mountain Recreation Area Authority (SMRAA)

The following reports are to be issued:

- Independent auditor's report on the basic financial statements.
- Independent auditor's report on internal controls over financial reporting based on an audit of financial statements performed in accordance with Governmental Auditing Standards.
- Independent auditor's report on compliance and other matters based on an audit of financial statements performed in accordance with Governmental Auditing Standards.
- Independent auditor's report on internal control pursuant to the Minnesota Legal Compliance Audit Guide for Cities.
- Independent auditor's report over compliance for major federal programs in accordance with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- Independent auditor's report (opinion) on compliance with requirements applicable to each major federal program in accordance with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- Independent auditor's report (opinion) on compliance regarding passenger facility charge compliance in accordance with the Federal Aviation Administration's Passenger Facility Charge Audit Guide for Public Agencies. This requirement is associated with the DAA only.
- A summary of auditor's results and a schedule of findings and questioned costs, if any, required by OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards



In addition to the audit services described above, the entities are requesting the following additional services:

- Preparation of all required basic financial statements.
- Preparation of the notes to the financial statements.
- Preparation of additional required supplementary information, notes to the required supplementary information, and additional supplementary information as needed. Please refer to the publicly available reports previously issued for details on the report composition and schedules for each entity.
- Preparation of the schedule of expenditures of federal awards (DTA and DAA only)
- Data entry on the Federal Audit Clearing House (DAA and DTA only – component units will do final certification) in relation to federal funds.
- Electronic version of complete audit report will be provided to each component unit. The component units will have the right to distribute and print as needed.

## Timeline

Count on clear communication and regular updates.

### Proposed work plan

Per our discussions we have designed a plan that meets your needs and key deadlines. In our planning meeting, we'll discuss this timeline with you in greater detail and adjust as appropriate.

We will need final trial balances and all requested audit workpapers from the initial request list at least 60 days prior to expected issuance date.

<b>December/January</b>	Pre-interim work Review prior year workpapers Request initial planning documents from the Component Units
<b>December</b>	Initial planning meeting
<b>January/February</b>	Interim audit work begins
<b>March</b>	Field audit work begins
<b>April</b>	Draft reports
<b>May</b>	Presentation to the Component Units
<b>Ongoing</b>	Planning and update meetings

***Reliable:*** Look for us to respond in hours, not days. We strive to deliver service that exceeds your expectations.

## Easing the transition

We recognize that a move to a new firm presents an opportunity as well as a challenge. Over our 60-year history, we have transitioned many clients and have a collegial and professional relationship with many firms. We have many clients over the years that have transitioned to CLA from the Minnesota Office of the State Auditor and have enjoyed the working relationship we have with them and audit experience. Included as a reference is Scott County, Minnesota which was transitioned from the Minnesota Office of the State Auditor to a CLA client for the December 31, 2021, audit.



## The CLA seamless assurance advantage (SAA)

SAA is an innovative approach to auditing that utilizes leading technologies, analytics, and audit methods to help solve client problems and create a seamless experience.



### A different approach

SAA is unlike any conventional audit process. SAA does not depend on physical location. It reduces the time our professionals spend on site, creates fewer disruptions, enables more efficient use of resources (yours and ours), and allows for more impactful interactions with your people.



### Insights through analytics

CLA uses strategic data analysis to evaluate whole data sets to gain a deeper understanding of your organization. Insights that were once impossible can now come into focus to help you measure performance, enhance strategic decision making, and understand your competitive opportunities.

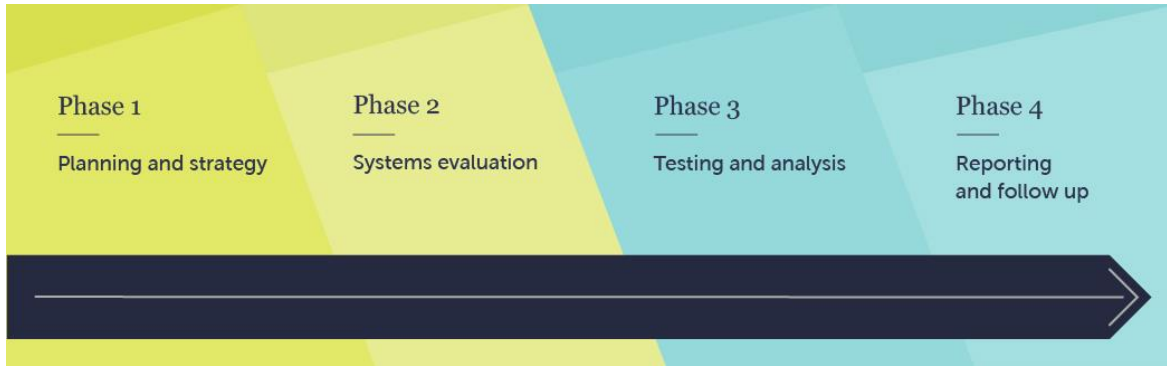


### Effective technology

CLA embraces technologies that help solve client problems and create a seamless experience. Assurance Information Exchange (AIE) is a web-based application developed by CLA to digitally request and obtain audit documents through a secure and efficient online portal.



## Financial statement audit approach



### *Phase 1: Planning and strategy*

The main objective of the planning phase is to identify significant areas and design efficient audit procedures.

- Conduct an entrance meeting – Chris Knopik, Mary Reedy, and staff will meet with the personnel from each entity to agree on an outline of responsibilities and time frames
  - Establish audit approach and timing schedule
  - Determine assistance to be provided by the Component Units personnel
  - Discuss application of generally accepted accounting principles
  - Address initial audit concerns
  - Establish report parameters and timetables
  - Progress reporting process
  - Establish principal contacts
- Gain an understanding of your operations, including any changes in organization, management style, and internal and external factors influencing the operating environment
- Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations
- Determine the likelihood of effective Information Systems (IS) - related controls
- Perform a preliminary overall risk assessment
- Confirm protocol for meeting with and requesting information from relevant staff
- Establish a timetable for the fieldwork phase of the audit
- Determine a protocol for using TeamMate Analytics and Expert Analyzer (TeamMate), our data extraction and analysis software, to facilitate timely receipt and analysis of reports from management
- Compile an initial comprehensive list of items to be prepared by the Component Units, and establish deadlines

We will document our planning through:

- **Entity profile** — This profile will help us understand each entity’s activities, organizational structure, services, management, key employees, and regulatory requirements.
- **Preliminary analytical procedures** — These procedures will assist in planning the nature, timing, and extent of auditing procedures that will be used to obtain evidential matter. They will focus on enhancing our understanding of the financial results and will be used to identify any significant transactions and events that have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit.

- **General risk analysis** — This will contain our overall audit plan, including materiality calculations, fraud risk assessments, overall audit risk assessments, effects of our IS assessment, timing, staffing, client assistance, a listing of significant provisions of laws and regulations, and other key planning considerations.
- **Account risk analysis** — This document will contain the audit plan for the financial statements, including risk assessment and the extent and nature of testing by assertion.
- **Prepared by client listing** — This document will contain a listing of schedules and reports to be prepared by the Component Units personnel with due dates for each item.
- **Assurance Information Exchange (AIE)** — CLA uses a secure web-based application to request and obtain documents. This application allows clients to view detailed information, including due dates for all items CLA is requesting. Clients can attach electronic files and add commentary directly on the application.

The audit engagement will be planned under the direction of the engagement leader and in-charge. We will clearly communicate any issues in a timely manner and will be in constant contact as to what we are finding and where we expect it will lead.

Using the information we have gathered and the risks identified, we will produce an audit program specifically tailored to the Component Units that will detail the nature and types of tests to be performed. We view our programs as living documents, subject to change as conditions warrant.

### *Phase 2: Systems evaluation*

We will gain an understanding of the internal control structure of each entity for financial accounting and relevant operations. Next, we will identify control objectives for each type of control material to the financial statements, and then identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. Finally, we will determine the nature, timing, and extent of our control testing and perform tests of controls. This phase of the audit will include testing of certain key internal controls:



- Electronic data, including general and application controls reviews and various user controls
- Financial reporting and compliance with laws and regulations

We will test controls over certain key cycles, not only to gather evidence about the existence and effectiveness of internal control for purposes of assessing control risk, but also to gather evidence about the reasonableness of an account balance. Our use of multi-purpose tests allows us to provide a more efficient audit without sacrificing quality.

Our assessment of internal controls will determine whether each entity has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets
- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements

We will finalize our audit programs during this phase. We will also provide an updated prepared by client listing based on our test results and anticipated substantive testing.



During the internal control phase, we will also perform a review of general and application IS controls for applications significant to financial statements to conclude whether IS general controls are properly designed and operating effectively.

Based on our preliminary review, we will perform an initial risk assessment of each critical element in each general control category, as well as an overall assessment of each control category. We will then assess the significant computer-related controls.

For IS-related controls we deem to be ineffectively designed or not operating as intended, we will gather sufficient evidence to support findings and will provide recommendations for improvement. For IS controls we deem to be effectively designed, we will perform testing to determine if they are operating as intended through a combination of procedures, including observation, inquiry, inspection, and re-performance.

### *Phase 3: Testing and analysis*

The extent of our substantive testing will be based on results of our internal control tests. Audit sampling will be used only in those situations where it is the most effective method of testing.

After identifying individually significant or unusual items, we will decide the audit approach for the remaining balance of items by considering tolerable error and audit risk. This may include (1) testing a sample of the remaining balance; (2) lowering the previously determined threshold for individually significant items to increase the percent of coverage of the account balance; or (3) applying analytical procedures to the remaining balance. When we elect to sample balances, we will use TeamMate to efficiently control and select our samples.



Our workpapers during this phase will clearly document our work as outlined in our audit programs. We will provide the Component Units with status reports and be in constant communication with the Component Units to determine that all identified issues are resolved in a timely manner. We will hold a final exit conference with the Component Units to summarize the results of our fieldwork and review significant findings.

### *Phase 4: Reporting and follow up*

Reports to management will include oral and/or written reports regarding:

- Independent Auditors' Report
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (as applicable)
- Management Letter (as applicable)
- Written Communication to Those Charged with Governance, which includes the following areas:
  - Our responsibility under auditing standards generally accepted in the United States of America
  - Changes in significant accounting policies or their application
  - Unusual transactions
  - Management judgments and accounting estimates

- Significant audit adjustments
- Other information in documents containing the audited financial statements
- Disagreements with the Component Units
- The Component Units' consultations with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit
- Fraud or illegal acts

Once the final reviews of working papers and financial statements are completed, our opinion, the financial statements, and management letter will be issued.

The Component Units will be given a draft of any comments we propose to include in the management letter. Items not considered major may be discussed verbally with management instead of in the management letter. Our management letter will include items noted during our analysis of your operations.

We will make a formal presentation of the audit results to those charged with governance, if requested.

### Elevating with artificial intelligence (AI)

CLA is committed to harnessing cutting-edge technology to enhance client service. We may use AI to enhance your audit engagements. This can include:

- **Research and document drafting:** CLA professionals may use CLAgpt, our secure, proprietary tool to ask questions and make requests of generative AI trained on several CLA-specific resources.
- **Document summarization:** We may use CLA Family Assistant to help extract and summarize information relevant to our audits, including minutes review, leases, debt agreements, and other document types.
- **Invoice extraction:** CLA may use AI tools to extract relevant fields from invoices and other documents.



When AI is used, the work is supervised by CLA professionals who verify results before making final decisions. Client information remains confidential when working with these tools.

## Single audit approach

OMB's *Uniform Guidance* (2 CFR Part 200) affects how federal grants are managed and audited and impacts every organization that receives federal assistance. Grant compliance can be a confusing topic and many of our clients rely on their federal funding as a major revenue source, so it is important that they understand what these changes mean to their organization. As a leader in the industry, CLA professionals are available to provide guidance and tools tailored to the Component Units' needs, and to assist in compliance with these rules.

The AICPA clarified auditing standard, AU-C 935 "Compliance Audits", requires risk-based concepts to be used in all compliance audits including those performed in accordance with 2 CFR Part 200. Our risk-based approach incorporates this guidance.

We conduct our single audit in three primary phases, as shown, below:



### *Phase 1: Risk assessment and planning*

The risk assessment and planning phase encompasses the overall planning stage of the single audit engagement. During this phase, we work closely with the Component Units' management to determine that programs and all clusters of programs are properly identified and risk-rated for determination of the major programs for testing. We also review the forms and programs utilized in the prior year to determine the extent of any changes which are required.

We accomplish this by following the methodology below:

- Determine the threshold to distinguish between Type A and B programs, including the effect of any loans and loan programs
- Utilizing the preliminary Schedule of Expenditure of Federal Awards, we can identify the Type A and significant Type B programs (25% of Type A threshold) in accordance with the Uniform Guidance
- Identify the programs tested and the findings reported for the past two fiscal years. Determine and document the program risk based on the past two single audits
- Prepare and distribute Type B program questionnaires to determine risk associated with Type B programs
- Determine the major programs to be tested for the current fiscal year based on the previous steps
- Based on our determination of the major programs, we obtain the current year compliance supplement to aid in the determination of Direct and Material Compliance requirements, and customize the audit program accordingly
- Determine the preferred methods of communication during the audit

### *Phase 2: Major program testing*

We determine the programs to be audited based on the risk assessment performed in the planning phase. We perform the audit of the programs in accordance with UG.



To accomplish this, we perform the following:

- Schedule an introductory meeting and notify the Component Units' management of the major programs for the current fiscal year
- Plan and execute the testing of the expenditures reported on the Schedule of Expenditures of Federal Awards
- Perform tests of compliance and internal controls over compliance for each major program identified
- Schedule periodic progress meetings to determine that schedules are adhered to and identify issues as they arise
- Conduct entrance and exit conference meetings with each grant manager

### *Phase 3: Final assessment and reporting*

We re-perform the steps noted in the preliminary assessment and planning stage once the final Schedule of Expenditures of Federal Awards is received to determine if additional major programs were identified.

Based on the final determination of the programs we perform the following:

- Identify Type A and significant Type B programs which were not previously identified
- Re-assess the risk and determine if we are required to audit additional programs
- Perform compliance testing at the entity wide level related to procurement and cash management requirements
- Perform testing to validate the status of prior year findings for those programs not selected for audit.
- Prepare the Schedule of Findings and Questioned Costs
- Conduct exit conference with the Component Units' management to review drafts of required reports:
  - Independent Auditors' Report on Internal Control over financial reporting and on compliance and other matters based on an audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
  - Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

Throughout the single audit, we maintain communication through periodic progress meetings with those designated by the Component Units. These meetings will be on a set schedule, but as frequently as the Component Units determines. During these meetings, we discuss progress impediments and findings as they arise.

## Communication process

Effective communication is critical to a successful engagement. This includes weekly status meetings where observations, potential exceptions, and leading practices are discussed. To avoid surprises at the end of the engagement, we discuss and document our observations, clarify fact patterns, and confirm management’s understanding and agreement with our findings.



CLA adheres to all auditing standards related to reporting observations, recommendations, and findings. All significant deficiencies and material weaknesses will be reported to the audit committee/governance in writing. Best practices, observations, and other matters will be reported to management in a management letter that can be used as a tool to track the implementation of our recommendations.

**Report to those charged with governance** — In addition to observations and recommendations, we will inform the audit committee of:

- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments and passed adjustments, if any
- Disagreements with management, if any
- Management consultation with other accountants, if any
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit, if any

We are sensitive and understanding of the fact that we report to those charged with governance, and our audit professionals maintain objectivity and independence in issuing audit opinions. If we identify significant fraud, illegal acts, or significant delays during the audit process, we will alert the audit committee timely.

Information related to overall fiscal health or other concerns of your organization observed during audit testing will be presented in the exit presentation and as part of the management letter. We will also help you create opportunities for improvement through recommendations and suggestions for strengthening your policies, accounting procedures, and processes.

## Data analytics

In addition to standard auditing methodology, a distinguishing aspect of CLA’s audit services incorporates the power of data analytics to multiply the value of the analyses and the results we produce for clients. CLA’s data methodology is a six-phase, systematic approach to examining an organization’s known risks and identifying unknown risks. Successful data analysis is a dynamic process that continuously evolves throughout the duration of an engagement and requires collaboration of the engagement team.

Data analytics are utilized throughout our audit process, our Risk Assessment, Data Analytics and Review (“RADAR”) is a specific application of general ledger data analytics that has been implemented on all audit engagements. RADAR is an innovative approach created



and used only by CLA that aims to improve and replace traditional preliminary analytics that were being performed.

The phases in our data analytics process are as follows:

### 1. Planning

In the planning stage of the engagement, the use of data analysis is considered and discussed to determine that analytics are directed and focused on accomplishing objectives within the risk assessment. Areas of focus, such as journal entries, cash disbursements, inventory, and accounts receivable are common.

### 2. Expectations

We consider the risks facing our client and design analytics to address these risks. Through preliminary discussions with management and governance, we develop and document expectations of financial transactions and results for the year. These expectations will assist in identifying anomalies and significant audit areas in order to assess risk.

### 3. Data acquisition

Sufficient planning, a strong initial risk assessment, and an adequate understanding of your systems will serve as the foundation necessary to prepare our draft data request list. We will initially request information in written format and conduct follow-up conversations helping CLA practitioners share a mutual understanding of the type of data requested and the format required. If there are going to be any challenges/obstacles related to obtaining data, or obtaining data in the preferred format, they will generally be discovered at this point.

### 4. Technical data analysis

Technical analysis of the data requires the skillful blend of knowledge and technical capability. Meaningful technical analysis provides the engagement team with a better understanding of the organization. The additional clarity assists the engagement team to better assess what is “normal” and, in turn, be better suited to spot anomalies, red flags, and other indications of risk. Analytics generally fall into five categories, each looking into the data set in a different way and deployed with a different purpose.



### 5. Interpret results and subsequent risk assessment

Trends and anomalies will be identified through the performance of the above referenced analytics. Comments regarding the interpretation of those trends and anomalies will be captured. When trends are identified, they are reconciled against expectations. For anomalies identified, the approach to further audit procedures will be considered.

### 6. Response and document

The last process is to capture responses and determine that our procedures are properly documented. Abstracts, charts, or summaries of both trends and anomalies are retained in audit documentation to support our identification of risks. Our analysis can be tailored and customized to help analyze an array of information, including client-specific and proprietary data. Key benefits of data analytics include:

- Built-in audit functionality including powerful, audit specific commands and a self-documenting audit trail

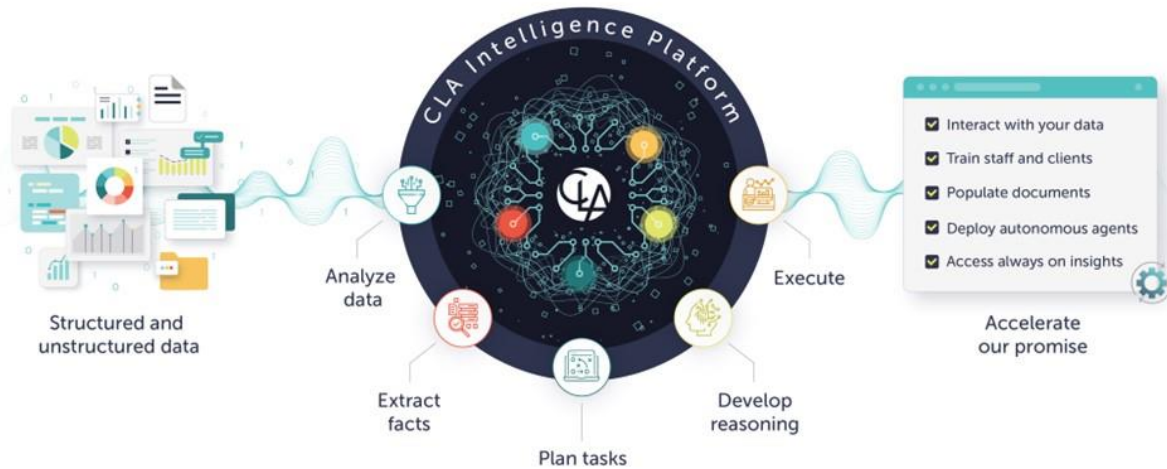
- 100% data coverage, which means that certain audit procedures can be performed on entire populations, and not just samples
- Unlimited data access allows us to access and analyze data from virtually any computing environment
- Eliminates the need to extrapolate information from errors (a common effort when manually auditing data) and allows for more precise conclusions

The below figure illustrates typical data analytics scenarios.



## CLA Intelligence Platform: Digital services and generative AI

Let us help you harness cutting-edge technology to transform the way your teams work and uncover deeper business and financial insights.



Digital transformation is no longer optional, it's a necessity. With CLA, you'll find a [comprehensive suite of capabilities](#) spanning automation and integration, data analytics, software, and cybersecurity — offering you new opportunities to navigate and thrive in the digital age.

By leveraging digital product solutions and services, you can improve your business operations and achieve big goals, whether that's streamlining processes, enhancing customer experiences, embracing generative artificial intelligence (AI), or driving innovation. We help you put digital solutions in place to:

Drive growth and profitability	Drive more value from software	Gain efficiencies and quality
Improve employee experience and retention	Make data-driven decisions	Make your data work for you
Manage security more effectively	Put the power of AI in your hands	Reduce cyber and other threats

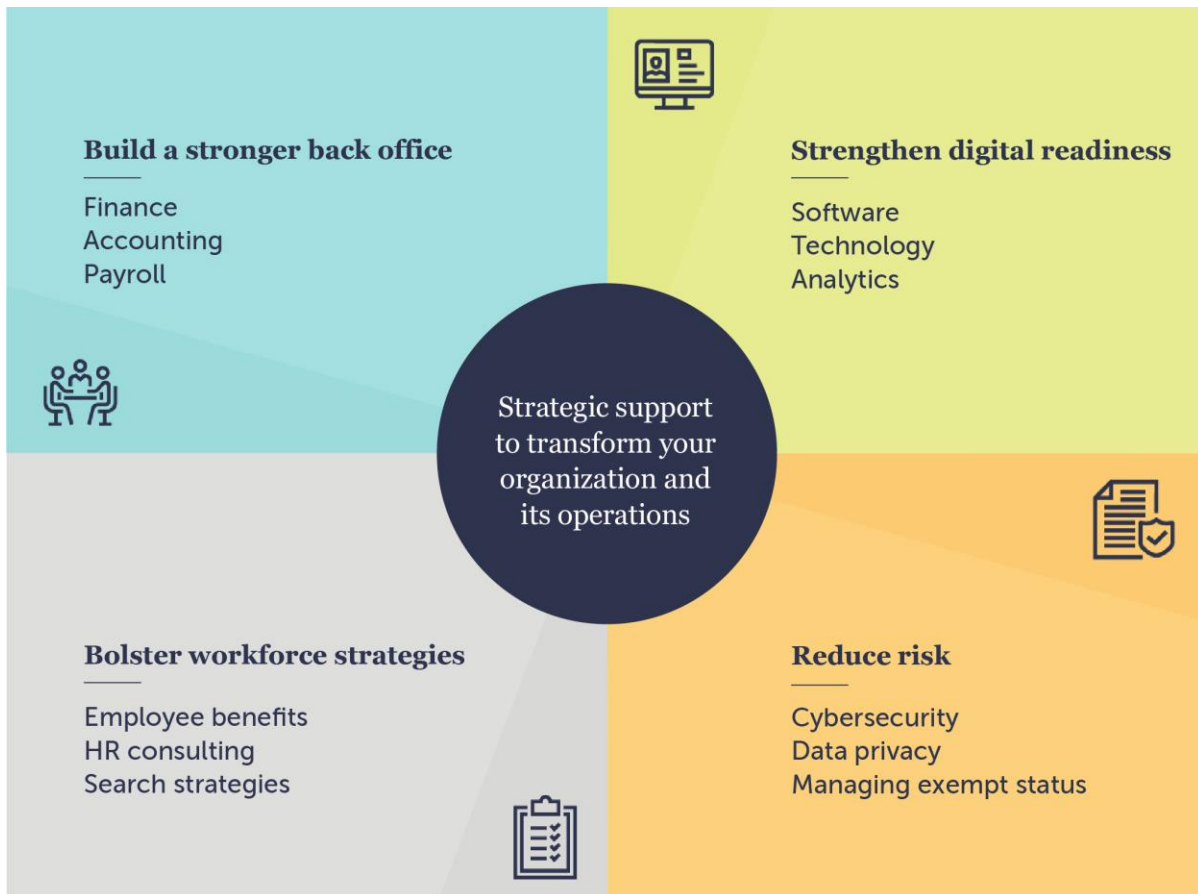




## Consulting and outsourcing

An organization that is strong across functional areas can turn business challenges into opportunity. As human resources compliance issues become increasingly complex, organizations need flexibility to expand and contract to meet rapidly changing business needs.

CLA can help you manage your day-to-day operations so you can focus on what you do best — serve the people of Duluth. Whether you need a team to become an extension of yours or simply want resources to lean on, we have the experience to offer relevant guidance and services customized and scaled to your needs — even as those needs change.



# Appendix

## A. Your service team biographies





# Christopher Knopik, CPA, CFE

## CLA (CliftonLarsonAllen LLP)

Principal  
Minneapolis, Minnesota

612-397-3266  
christopher.knopik@CLAconnect.com



### Profile

Christopher is a principal at CLA and has more than 20 years of public accounting experience. He works exclusively with state and local government clients (including colleges and universities, cities, towns, counties, special districts, and state agencies) and has extensive experience with Uniform Guidance single audits of federal grant programs.

### Technical experience

- State and local government experience
- Higher education
- Single audit under Uniform Guidance

### Education and professional involvement

- Bachelor of science in accounting from Bemidji State University, Bemidji, Minnesota
- Certified Public Accountant, Minnesota, Texas, and Hawaii
- Oregon Municipal Auditor
- American Institute of Certified Public Accountants
- Minnesota Society of Certified Public Accountants
- Minnesota Government Finance Officers Association
  - Executive Board, At-large member
  - Education Committee
  - Social Committee
- Minnesota Office of the State Auditor – Audit and Reporting Group
- Association of Certified Fraud Examiners
- National Association of College and University Business Officers
- Certified Fraud Examiner

### Speaking engagements

- March 2024, March 2022, March 2020, March 2018, March 2017, March 2016, March 2015, March 2014 – CliftonLarsonAllen Government Training Academy



## Key relevant clients

- City of Stillwater, Minnesota (ACFR Award)
- City of Mahtomedi, Minnesota (ACFR Award)
- City of Lakeville, Minnesota (ACFR Award)
- Dakota County, Minnesota (ACFR Award)
- Carver County, Minnesota (ACFR Award)
- Three Rivers Park District (ACFR Award)
- Sherburne County, Minnesota (ACFR Award)
- Minnesota Zoo
- Minnesota Sports Facilities Authority (ACFR Award)
- Minnesota Public Facilities Authority
- Minnesota State Colleges and Universities
- West Virginia University
- West Virginia University – Parkersburg
- West Virginia University Research Corporation
- West Virginia State University
- Southwestern Oregon Community College
- Auxiliary and ancillary organizations of Eastern Washington University
- St. Paul Public Schools
- Hopkins Public Schools
- Eastern Carver County Public Schools
- Roseville Public Schools
- Legislative Coordinating Commission
- Minnesota Office of the Legislative Auditor



# Mary L. Reedy, CPA, CGFM

**CLA (CliftonLarsonAllen LLP)**

Principal  
St. Cloud, Minnesota

320-203-5534  
mary.reedy@CLAconnect.com



## Profile

Mary is a principal in the public sector group and has been with the firm since 2005. She works exclusively with state and local government clients (including cities, towns, counties, schools, and special districts) and has extensive experience with Uniform Guidance single audits of federal programs.

## Technical experience

- State and local government

## Education and professional involvement

- Bachelor of science in accounting from Bemidji State University, Bemidji, Minnesota
- American Institute of Certified Public Accountants
- Minnesota Municipal Clerks and Finance Officers Association
- Minnesota Society of Certified Public Accountants
- Certified Public Accountant
- Certified Government Financial Manager
- Minnesota Association of School Business Officials conference (speaker)
- MN School Districts internal training
- CLA Local Government Training Academy (Speaker)

## Key relevant clients

- Brainerd Airport
- Ashby Public Schools
- Battle Lake Public Schools
- Brainerd Public Schools
- Brandon-Evansville Public Schools
- Park Rapids Public Schools
- Osakis Public Schools
- Lake Superior Public Schools
- Monticello Public Schools
- North Branch Public Schools



- Waconia Public Schools
- West Central Area Schools
- Pine River Public Schools
- Glacial Hills Elementary Schools
- Glencoe-Silver Lake Public Schools
- Aitkin Public Schools
- Minnewaska Area Schools
- Underwood Public Schools
- International Falls Public Schools
- TrekNorth Junior and Senior High School
- Housing & Redevelopment Authorities: Brainerd, Crosby, Owatonna, Austin, Crow Wing, Eau Claire, Chippewa County
- Fire Reliefs: Alexandria, Ironton, Onamia, Ideal, Nisswa, Longville, Backus, Pine River and Sauk Centre
- Sewer District: Garrison, , Serpent Lake
- Utilities: Aitkin, Brainerd, Glencoe, Sauk Centre, Grand Rapids, and Madelia
- Cities: Brainerd, Crosby, Garrison, Crosslake, Onamia, Ortonville, Rice Lake, Aitkin, Owatonna, Brandon, Deerwood





# Troy Gabler, CPA

## CLA (CliftonLarsonAllen LLP)



Manager  
Minneapolis, Minnesota

763-516-7742  
troy.gabler@CLAconnect.com

### Profile

Troy joined the firm in January 2016 and has experience working in the public sector industry. Nearly all of his time is focused on clients that report under the GASB standards. Troy's assurance experience includes cities, counties, fire reliefs, public schools, charter schools, and higher education Institutions.

### Technical experience

- State and local government entities

### Education and professional involvement

- Bachelor of science in accounting and minor in finance from St. Cloud State University, St. Cloud, Minnesota
- Certified Public Accountant in the state of Minnesota
- American Institute of Certified Public Accountants
- Minnesota Government Finance Officers Association

### Key relevant clients

- City of Marine on St. Croix, Minnesota
- City of Coon Rapids, Minnesota (ACFR Award)
- City of Stillwater, Minnesota (ACFR Award)
- Three Rivers Park District (ACFR Award)
- Isanti County, Minnesota (ACFR Award)
- Carver County, Minnesota (ACFR Award)
- Scott County, Minnesota (ACFR Award)
- Minnesota Office of the Legislative Auditor
- Minnesota Legislative Coordinating Commission
- Minnesota Sports Facilities Authority (ACFR Award)





# Ezra Koetz, CPA

## CLA (CliftonLarsonAllen LLP)

Manager  
Minneapolis, Minnesota

612-376-4790  
ezra.koetz@CLAconnect.com

### Profile

Ezra is a manager with more than seven years of experience working exclusively with state and local government clients, including cities, counties, public schools, charter schools, fire reliefs, special districts and local government investment pools. He has extensive experience with audits under Generally Accepted Governmental Auditing Standards (GAGAS), AICPA Audit Standards and the Uniform Guidance for federal grant programs.

### Technical experience

- State and local government audits
- GASB Standards and implementation
- The Uniform Guidance and federal single audit requirements
- ACFR preparation

### Education and professional involvement

- Bachelor of arts in public accounting and Spanish from Gustavus Adolphus College, St. Peter, Minnesota
- Certified Public Accountant, Minnesota and Washington – (CPA Certification #32389 and #55355)
- American Institute of Certified Public Accountants
- Minnesota Government Finance Officers Association

### Relevant clients

- Sherburne County (GFOA Certificate Program – ACFR)
- Isanti County (GFOA Certificate Program – ACFR)
- City of Lakeville (GFOA Certificate Program – ACFR)
- Saint Paul Public Schools (ASBO Certificate Program – ACFR)
- Hopkins Public Schools (ASBO Certificate Program – ACFR)
- City of Delano
- Shakopee Public Utilities

[CLAconnect.com](https://www.claconnect.com)

CPAS | CONSULTANTS | WEALTH ADVISORS

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Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





## B. Peer review report



## Report on the Firm's System of Quality Control

To the Principals of CliftonLarsonAllen LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the "Firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards, may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The Firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the Firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; and examinations of service organizations (SOC 1<sup>®</sup> and SOC 2<sup>®</sup> engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

### Opinion


In our opinion, the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. CliftonLarsonAllen LLP has received a peer review rating of *pass*.

*Cherry Bekaert LLP*

Cherry Bekaert LLP  
Charlotte, North Carolina  
November 18, 2022

C. Forms and addenda

**APPENDIX A - PROPOSAL COVER SHEET  
CITY OF DULUTH  
RFP# 24-AA08**

<b>Bidder Information:</b>	
Bidder Name	CLA (CliftonLarsonAllen LLP)
Mailing Address	220 South Sixth Street, Suite 300 Minneapolis, MN 55402-1436
Contact Person	Christopher Knopik
Contact Person's Phone Number	612-397-3266
Contact Person's E-Mail Address	christopher.knopik@CLAconnect.com
Federal ID Number	41-0746749
Authorized Signature	
Name & Title of Authorized Signer	Christopher Knopik, Principal
Email of Authorized Signer	christopher.knopik@CLAconnect.com



between \$1 million and \$5 million  
 between \$10 million and \$15 million

between \$5 million and \$10 million  
 above \$15 million

17. Identify any conditions (e.g., pending litigation, planned office closures, impending merger, etc.) that may impede the proposed firm or organization's ability to complete the work. None.

18. Please provide a Proof of Responsibility Statement for each subcontractor or supplier providing goods or services in excess of fifty thousand dollars (\$50,000.00) listed in the bid or proposal. No subcontractors will be used.

Warranty:

The Contractor,

- (i) if it is a corporation, is duly incorporated, organized, validly existing and in good standing as a corporation under of the laws of the jurisdiction of its incorporation;
- (ii) if it is a partnership, non-profit organization, individual or sole proprietorship, is duly organized and validly existing under the laws of the jurisdiction in which it was organized;
- (iii) is duly qualified and in good standing under the laws of each jurisdiction where its existing ownership, lease, or operation of property in the conduct of its business requires, and
- (iv) has the power and legal right to conduct the business in which it is currently engaged and
- (v) attests that the execution, delivery and performance of the Contract does not and will not violate any provision of any applicable existing law, regulation or of any order, judgment, award or decree of any court or government applicable to the Contractor or the charter or by-laws of the Contractor or any mortgage, indenture, or other obligation.

Signed:

Type text here



Title Principal

**Small or Disadvantaged Business Enterprise, Veteran-owned Business (including Service-Disabled Veteran Business Enterprises)**

1. Is the Contractor's firm or organization registered as a Small Business under the Small Business Administration's 8(a) Business Development Program, HUBZone business, or other development program through the SBA? No  Yes \_\_\_\_ (If yes, please provide a copy of the registration.)


2. Is the Contractor's firm or organization certified or registered as a Small Business, a Disadvantaged Business Enterprise, or a Veteran-owned business (including Service-Disabled Veteran-owned business) by a government agency authorized to certify or register the above noted entities?

No \_\_\_\_ Yes \_\_\_\_ (If yes, please provide details and copies of the applicable registration or certification.)

The Contractor agrees to take all necessary steps to ensure that DBEs have the opportunity to compete for and perform work under this Contract.

The Contractor or Subcontractor shall not discriminate on basis of race, color, national origin or gender in the performance of this contract. Contractor shall carry out applicable requirements of 49 C.F.R. Part 26 in the award and administration of U.S. DOT assisted contracts. Failure by the Contractor or Subcontractor to carry out these requirements is a material breach of the contract, which may result in the termination of this contract or such other remedy as the DTA deems appropriate.

Signed this 29 day of October, 2024:

  
\_\_\_\_\_

Title Principal

## DTA REQUIRED CERTIFICATES

### **CERTIFICATE A – DEBARRED BIDDERS**

Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters:

The Contractor shall comply and facilitate compliance with U.S. DOT regulations, “Nonprocurement Suspension and Debarment,” 2 C.F.R. part 1200, which adopts and supplements the U.S. Office of Management and Budget (U.S. OMB) “Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” 2 C.F.R. part 180. These provisions apply to each contract at any tier of \$25,000 or more, and to each contract at any tier for a federally required audit (irrespective of the contract amount), and to each contract at any tier that must be approved by an FTA official irrespective of the contract amount. As such, the Contractor shall verify that its principals, affiliates, and subcontractors are eligible to participate in this federally funded contract and are not presently declared by any Federal department or agency to be: each contract at any tier that must be approved by an FTA official irrespective of the contract amount. As such, the Contractor shall verify that its principals, affiliates, and subcontractors are eligible to participate in this federally funded contract and are not presently declared by any Federal department or agency to be:

- a) Debarred from participation in any federally assisted Award;
- b) Suspended from participation in any federally assisted Award;
- c) Proposed for debarment from participation in any federally assisted Award;
- d) Declared ineligible to participate in any federally assisted Award;
- e) Voluntarily excluded from participation in any federally assisted Award; or
- f) Disqualified from participation in any federally assisted Award.

By signing and submitting its bid or proposal, the bidder or proposer certifies as follows:

The certification in this clause is a material representation of fact relied upon by the Duluth Transit Authority. If it is later determined by the Duluth Transit Authority that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to the Duluth Transit Authority, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 2 C.F.R. part 180, subpart C, as supplemented by 2 C.F.R. part 1200, while this offer is valid and throughout the period of any contract that may arise from this offer.

The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

Christopher Knopik, Principal

\_\_\_\_\_  
Print Name and Title



\_\_\_\_\_  
Signature

## CERTIFICATE B - LOBBYING RESTRICTIONS

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

t, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

ure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

SIGNED \_\_\_\_\_ 

CLA (CliftonLarsonAllen LLP)

FIRM NAME \_\_\_\_\_





**CERTIFICATE D - FEDERAL TAX LIABILITY AND RECENT FELONY CONVICTION**

FTA MA(29) February 7, 2022 Sec (G)

The undersigned certifies, to the best of his or her knowledge and belief, that it

- (A) Does not have any unpaid Federal tax liability that has been assessed for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and
- (B) Was not convicted of the felony criminal violation under any federal law within the preceding 24 months.

The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

SIGNED 

FIRM NAME CLA (CliftonLarsonAllen LLP)



**Purchasing Division**

Finance Department

Room 120  
411 West First Street  
Duluth, Minnesota 55802

218-730-5340

purchasing@duluthmn.gov

**Addendum 1  
Solicitation 24-AA08  
RFP for Audit Services**

This addendum serves to notify all bidders of the following changes to the solicitation documents:

The following questions asked are answered below in *italics*.

- 1. Are separate proposals requested for each of the four entities? Or should all be encompassed in one proposal?** *All entities can be included in a single proposal.*
- 2. Can you please confirm the due date? The RFP cover page and website list 11/5, but page 3 of the RFP lists 10/31.** *The cover page and website are correct. Proposals are due on November 5, 2024.*
- 3. Typically, do all three component units with the 12/31 year-end get audited at the same time? Or are they operated more like three separate audits? I understand its separate audits I'm just curious if its typically 3 different timeframes/teams or all one team doing all of them at the same time and what the component units are used to from an audit perspective.** *All three 12/31 year-end components (DTA, DECC, DAA) have historically been audited by the Duluth Office of the Minnesota Office of the State Auditor (OSA). The OSA office crew is relatively small and typically works on these audits during relatively the same time frame. There may be some staff overlap on the three audits.*
- 4. What is the reason for seeking bids for audit services?** *All four entities contained in the RFP are presented as component units in the City of Duluth's Annual Comprehensive Financial Report (ACFR). The City's ACFR has an issuance deadline of 6/30 for continuing disclosure requirements related to debt issuance and for participation in the GFOA's Certificate of Achievement for Excellence in Financial Reporting. The primary reason for seeking bids is to find a firm that can complete the component unit audits in a timely manner, while providing good service, so that they can be incorporated into the City of Duluth's ACFR. It is a burden for the City's accounting staff to have component unit opinion dates in June that need to be incorporated into the City's report right before*

the 6/30 deadline. In addition, the audits performed by the Minnesota Office of the State Auditor have taken longer than the component units desired. We believe there will be time and cost savings on the audits if they are consolidated into a shorter timeframe. Have audits start and stop and span several months is not efficient for the auditor or the auditee.

5. **Please describe any quality or timeliness issues that the entities have had with the current auditor, if any.**

DAA: The final audit information was not meeting the requirements of the City for their financial reporting. There has not been a schedule/date that was firm to stick to the last couple of years. Having a firmer schedule will help with DAA audit preparation and planning.

DTA: Meeting the cities' deadline

SMRRA: Early start collecting documents and, sometimes, scheduling site visits, both of which are good. However, follow-up work stretched out over months and months and months, so we never were able to "wrap up" our time with the auditor. In addition, the time between us providing responses and their follow-up frequently dragged on, making it difficult to maintain the thread of conversation. Entrance conference scheduled with management and board after audit was essentially complete; exit conference scheduled short time thereafter, wasting time of all participants.

DECC: Prior audits were completed over a period of several months. There were several starts and stops with information requests spread out over a prolonged period.

6. **Have the entities experienced any turnover in key accounting positions in 2024?**

DAA: We had a current employee transition into an accounting role in January of 2024.

DTA: Yes – new Finance Director.

SMRRA: Yes. Finance Director of last 3.5 years resigned. Replacement has been on board for less than two months.

DECC: The Duluth Entertainment and Convention Center (DECC) was working with an independent contractor for accounting support. The agreement has since ceased.

7. **What financial accounting system do the component units rely upon? Is it the same system as the City of Duluth? Are there any accounts (cash, debt, AP, etc.) that are centralized through the City of Duluth?** The City of Duluth manages the cash for the component units. Each component unit has a "pooled cash" balance with the City. The City does not maintain detailed transaction level accounting records for the component units. The detailed records are contained within each component units' accounting

system. When the component units issue AP or payroll disbursement, the City transfers funds to the component unit bank accounts to fund the transactions.

DAA: The DAA uses Netsuite Oracle. This is not the same as the City of Duluth. All transaction data is entered into the DAA accounting system. The City of Duluth holds the DAA funds in their pooled cash account and records incoming and outgoing funds. The City informs the DAA when funds are received for the DAA to receipt in against a receivable balance. The DAA provides check/payment registers to the City of Duluth to record lump sum payments going out.

DTA: DTA uses Dynamics

SMRAA: SMRRA uses Great Plains.

DECC: The DECC uses the Momentus software. It is not the same system as the City of Duluth. The DECC's operating cash account is part of the City of Duluth. The DECC also has a Ticket Office account and a Flex account that are separate.

8. **What were the total audit fees charged for the last two (2) fiscal years? Do the fees include any out of scope billings? Fees are listed below and do not include any out of scope billings.**

DAA: 2022: \$33,335.50

2023: \$30,287.00

DTA: 2022: \$48,027

2023: \$48,571

SMRAA: FY22: \$34,404

FY23: billing not finalized

DECC: 2022: \$45,219.50

2023: \$41,852

9. **What were the estimated audit hours for the 2023 engagements? If unknown, please provide the number of auditors and number of days auditors have typically been on-site/remote (preliminary and final fieldwork).**

DAA: Financial Audit Services (Director, Senior, Auditor, Standards & Procedures Review, Audit Manager Review): 101.5+169.5=271

Single Audit Services (Director, Senior): 19+31.5=50.5

Total Hours combined: 321.5

DTA: 539 hours

SMRAA: 393 hours for FY 2022

DECC: 489 hours

10. **Do the entities prefer the audits to be conducted in person, remote, or hybrid?**

DAA: DAA has most recently had the audits be conducted in a hybrid manner. Auditors have come in and gone through the walk-throughs and any required in-person portions of the audits and the conducted the remainder of the audit remotely. This works for us.

DTA: Hybrid

SMRAA: Hybrid seems to work because field work allows for questions to be answered immediately rather than via email.

DECC: Hybrid is preferred.

11. **In order to meet the report issuance deadlines of April 30 and August 31, when will the records and trail balances be ready to audit?**

DAA: March 31<sup>st</sup>

DTA: Beginning of February

SMRAA: Maximum of two months post fiscal year end or June 30; goal is 45 days or less.

DECC: Beginning January, internal controls may be audited. Beginning March, various workpapers and a preliminary trial balance subject to change will be available. Final trial balance and remaining workpapers will be ready by April 1. If this proposed timeline does not allow for an April 30 report issuance, please provide an alternate timeline to meet the April 30 deadline.

12. **Where PERA is applicable, do the entities record their respective activity or rely on the auditors to record?**

DAA: DAA Staff Finance Director has been preparing the journal entries for the GASB 68 requirement. Typically, we ask the auditor to review the information we put together for accuracy.

DTA: PERA not applicable

SMRAA: Spirit Mountain records its activity

DECC: The DECC has relied on the auditors to record PERA. Additionally, the DECC may request assistance from the auditors to record OPEB.

The questions and answers below are specific to each entity identified at the top of the list of questions.

DAA only questions:

1. For the DAA, what types of approved projects are the PFC's being applied towards (equipment, debt service, facilities, etc.)?

*PFCs have been approved and are being applied towards equipment, debt service and facilities.*

*A current quarterly report could be provided to show what PFC applications are currently open and what the projects were.*

2. Has the DAA encountered any significant or unusual difficulties over the past two (2) years with the financial audits and/or audits under Uniform Guidance (with the current auditors, financial records, compliance with laws and regulations, etc.)?

*The DAA has not encountered any significant difficulties. Implementation of the new GASB requirements (87/96) have been complicated to implement and manage*

3. Does the DAA expect any significant turnover in key accounting positions during the contract term (retirement, etc.)? Are there any significant accounting positions currently open that would impact the audit? If the answer is yes to either question, please describe.

*There could be a retirement or turnover in a position within the next few years, but there is no known or confirmed turnover during the contract term. There are no open significant accounting positions.*

4. Were any audit adjustments proposed by the auditors during the 2023 audit of the DAA? If so, what was the nature of the adjustments?

*The only adjustment proposed was regarding COVID relief funds, which are no longer an issue as funds have been fully utilized. This was documented through notes of the financial statements*

5. Has the Authority recently received any Records of Decision from the FAA?

*No*

6. What do you consider to be the Authority's biggest fiscal challenge at this time?

*Inflation on airport contracts and supplies has been substantial over the last several years. DAA reviews rates annually to ensure that costs can be covered.*

*Capital project costs are significant and the DAA must be able to cash flow projects while awaiting reimbursement from MnDOT and the FAA.*

*DAA is working to achieve full funding of an Air Traffic Control Tower replacement.*

7. The RFP notes that the DAA is requesting the auditors to prepare the schedule of expenditures of federal awards for the DAA. What types of support are provided to the auditors to accomplish this non-audit service?

*DAA staff provides grant documents as well as a spreadsheet which shows all payments made on each project by grant.*

8. Does the DAA prepare their own MD&A, or is assistance being requested from the auditors?

*The DAA prepares our own MD&A. Typically the auditor has just reviewed this for us.*

9. Are there policies and procedures that document controls over the financial operations for the DAA regarding areas such as parking revenues, concessions, airline receipts, disbursements, etc?

*We do have procedural documents/narratives which document controls over financial operations for the DAA.*

*Parking revenues are collected by credit card and recorded based on the monthly statement. Concessions are report to the DAA and invoiced to the appropriate concessionaire. Payments are made by check or ACH. Airline payments are received by check or ACH*

10. What tools or software does the DAA use to account for its lease activity?

*LeaseQuery*

11. Were SBITAs evaluated as part of the 2023 audit, and if so, were they determined to not be material?

*SBITAs were evaluated as part of the 2023 audit and determined to not be material.*

12. The 2023 financials discuss several ongoing and anticipated capital initiatives. Are the significant capital projects administered by the State of MN on behalf of the DAA? Or, is the funding from the State and Federal governments provided to the DAA to contract and administer the projects in-house?

*The DAA contracts for the design and construction of the capital projects. The DAA has a contract with an engineering firm (SEH) who administered most of the capital projects and construction management. The funding received by MnDOT and the FAA is received as a reimbursement after pay applications have been signed off and approved by all contractors, SEH and DAA Operations Director, and payment has been made to the contractor.*

#### DTA only questions:

1. Does the blended component unit have its own set of accounting records? Or is all of the activity intermingled with that of the DTA? Is there a separate fund or anything delineating the activities of ATE Management? (Appears to only be payroll and cash for payroll).

*No. Separate financial statements are not prepared.*

2. How many major programs has DTA historically had? Is that anticipated to change with new funding?

*2023: one major program – Federal Transit Cluster comprised of ALN#'s 20.507 and 20.526*

*2022: one major program – Federal Transit Cluster comprised of ALN#'s 20.507 and 20.526*

*2021: one major program – Federal Transit Cluster comprised of ALN#'s 20.507 and 20.526*

3. Does DTA require an AUP related to its NTD report?

*No, DTA does not since this information comes from the audited financial statements*

4. Were any audit adjustments proposed by the auditors during the 2023 audit of the DTA? If so, what was the nature of the adjustments?

*Yes, journal entries to adjust grant receivables recorded as revenue*

5. Has management evaluated the impact of implementing GASB 100?

*Yes, the discussion has been had. DTA will be open to further changes as recommended by the auditors*

#### SMRAA only questions:

1. Has management evaluated the impact of implementing GASB 96?



*Our prior finance director was aware of it and had had discussions with our auditor. Not certain if new finance director, who has been on the job for less than two months, is aware*

2. Are there any future plans for expansion or significant construction projects? If so, how will those be funded?

*Yes. A \$26 million infrastructure reinvestment initiative that will include demolition of a portion of the main chalet, significant renovation of the existing portions and an addition, as well as a new chairlift to replace two aging ones. Construction is estimated to start in 2025, although the chairlift likely won't be installed until 2027.*

*Project will be funded by a \$13 million general fund appropriation by the State of Minnesota in 2022 and a \$13 million local match. The local match will come from bonds likely to be issued in fall 2025; the City of Duluth will make 50% of the bond payment and Spirit Mountain will be responsible for 50% of the bond payment.*

*The debt associated with the project will be issued by the City. The management of the project, including the \$13M state appropriation and payment of contractors, will be managed by the City.*

3. Is any debt anticipated to be issued by SMRAA?

*Spirit will not issue any debt on its own*

4. Were any audit adjustments proposed by the auditors during the 2023 audit of the SMRAA? If so, what was the nature of the adjustments?

*None*

5. Why is the normal time note its due August 31 but for the first year, it won't be due for a full year after until April 30, 2025? Did they have turnover, or are they behind in current audits?

*SMRRA has a 4/30 fiscal year end and the 2023 audit is complete. The 4/30/24 audit report is what will be included in the City's 12/31/24 audit report as a component unit. The 4/30/24 audit would be in the first audit under this RFP. Because of the timing and the fact that the 4/30/24 audit report is in the City's 12/31/24 audit report we are allowing extra time for the first transition year.*

*SMRAA's 4/30/25 audit report will be including in the City's 12/31/25 audit report. The goal after the 4/30/24 audit report is to have it completed 4 months after fiscal year-end so that the audit does not drag on longer than needed and so that it will be completed in a timely manner in relation to SMRRA's fiscal year-end.*

#### **DECC only questions:**

1. Was the public purpose finding in the report remedied during 2024? Did the entity properly meet public purpose spending of items and require itemized receipts for the travel and expense policy? It looks like they fixed all of the recommendations from the 2022 audit with the exception of the items noted in the one finding in 2023.

*The DECC is currently revising applicable policies and updated procedures to align with the public purpose compliance measures as articulated in our 2023 audit report. We expect to have updates to all applicable policies by 12/31/2024.*

2. How are capital asset records maintained for the center?

*An excel spreadsheet is maintained to track capital assets.*

3. Are there any future plans for expansion or significant construction projects? If so, how will those be funded?

*In 2023, the DECC was awarded \$5,000,000 in state legislative appropriation (bonding) funds toward the completion of capital improvement projects. Projects are commencing in 2024 and 2025.*

4. Is any debt anticipated to be issued by DECC?

*The DECC has two capital leases: 2022 Curling Club Ice Plant Lease and 2024 Scoreboard Lease. Additionally, a line of credit from the City of Duluth will provide bridge funding to complete the 2023 state legislative appropriation (bonding) capital improvements.*

5. Were any audit adjustments proposed by the auditors during the 2023 audit of the DECC? If so, what was the nature of the adjustments?

*2023 proposed audit adjustments:*

- *Remove equipment from capital assets and/or finance purchase*
- *Adjust current portion of the financed purchase and adjust finance purchase payable*
- *Show net investment in capital assets*
- *Record CY change in net position*
- *Adjust PERA balances to YE balances*
- *Adjust SBITA's to the balance outstanding*
- *Show current portion of subscription liability and leases receivable*
- *Remove receivable closed out in PY, remove older advanced deposits, adjust receivables to actual*


Please acknowledge receipt of this Addendum by including a copy of it with your proposal. The pages included will not count toward any page limitation, if any, identified in the RFP.

Posted: **October 23, 2024**



**Purchasing Division**  
Finance Department

Room 120  
411 West First Street  
Duluth, Minnesota 55802

 218-730-5340

 [purchasing@duluthmn.gov](mailto:purchasing@duluthmn.gov)

**Addendum 2**  
**Solicitation 24-AA08**  
**RFP for Audit Services**

This addendum serves to notify all bidders of the following changes to the solicitation documents:

The following provides clarification on a previous answer:

- 1. The DAA Trial Balance and reports would not be available until 3/31, but the issuance would be 4/30. That is a very aggressive, hard to hit timeframe, The others say beginning of March or beginning of February which makes far more sense for an April 30<sup>th</sup> issuance. Is this something that could be discussed?** *Beginning January, internal controls may be audited. Some work papers may be available in February. Beginning March, various workpapers and a preliminary trial balance subject to change will be available. Final trial balance and remaining workpapers will be ready by March 31<sup>st</sup>. If an earlier deadline is required to meet the April 30<sup>th</sup> report issuance, please provide an alternate timeline.*

Please acknowledge receipt of this Addendum by including a copy of it with your proposal. The pages included will not count toward any page limitation, if any, identified in the RFP.

Posted: **October 23, 2024**



November 5, 2024

COPY

Proposal to provide professional  
audit services to:

## City of Duluth, Minnesota

### Cost Submittal

Prepared by:

**Christopher Knopik, CPA, Principal**  
christopher.knopik@CLAconnect.com  
Direct 612-397-3266

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CPAS | CONSULTANTS | WEALTH ADVISORS

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Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



RFP Number 24-AA08					
Audit Services for City of Duluth Component Units					
Cost Submittal					
Audit Services for Fiscal Year-Ended*	Duluth Transit Authority	Duluth Entertainment and Convention Center Authority	Duluth Airport Authority	Spirit Mountain Recreation Area Authority	
2024	51,000	45,050	32,000	32,000	
2025	52,500	46,500	33,000	33,000	
2026	54,000	47,750	34,250	34,250	
<b>Total</b>	<b>157,500</b>	<b>139,300</b>	<b>99,250</b>	<b>99,250</b>	
* - 12/31 for DTA, DECC, and DAA					
- 4/30 for SMRAA					

Below is a breakdown by level for each component unit for the first year under audit.

Entity	Associate Hours	Senior Hours	Manager Hours	Principal Hours	Total Hours	Total Fee
Duluth Airport Authority	126	60	35	25	246	\$32,000
Duluth Transit Authority	204	97	60	35	396	451,000
Duluth Entertainment Convention Center	180	85	55	30	350	\$45,050
Spirit Mountain Recreational Area	126	60	35	25	246	\$32,000
Standard Hourly Rates	\$110-\$175	\$175-\$225	\$225-\$300	\$350-\$650	-	-
Discounted Hourly Rates for audit services	\$100	\$125	\$165	\$245	-	-



Our fixed-fee quote is designed with an understanding that:

- Entity personnel will provide documents and information requested in a timely fashion.
- The operations of your organizations do not change significantly and do not include any future acquisitions or significant changes in your business operations.
- There are not significant changes to the scope, including no significant changes in auditing, accounting, or reporting requirements.

### Out-of-pocket expenses

Please note that these are firm-fixed fees and include out-of-pocket costs associated with the engagement such as local travel. We understand that clients do not want fee surprises; our fee and billing practices reflect this understanding. Our invoices include a 5% Client Technology and Client Service fee. The fees included in the tables above include this fee, however it will be split and shown separately on the invoices.

### Additional services

For any additional work, it is our practice to bill for actual hours incurred at an hourly rate applicable to the professional completing the project at hand. If additional work is requested outside of the scope of requested services, we will discuss with you our proposed fee for additional services before we begin the project. Any such additional work agreed to between the entities and CLA shall be performed at the below rates.

Level	Current Hourly Rate
Principal/Signing Director	\$350-\$650
Manager/Director	\$225-\$300
Senior	\$175-\$225
Associate	\$110-\$175

### Complimentary registration to our Annual Government Training Academy

As a sign of commitment to executing the joint audit approach, we will offer complimentary registration to our Annual Government Training Academy held the first Friday in March each year, during the term of this contract. This will be extended to any employee of any of the component unites that will attend. CLA will be responsible for issuing the CPE certificates. The training subjects include areas such as updates or developments in GAAP, GAAS, GAS, federal program requirements, or other related topics.

### Manner of payment

CLA understands that progress payments will be made on the basis of hours of work completed during the course of the engagement incurred in accordance with the firm's dollar cost proposal. CLA understands that interim billing will cover a period of not less than a calendar month. We understand that payment of final billing will be held pending delivery of the final reports.





December 17, 2024

### ***Statement of Work - Audit Services***

This agreement constitutes a statement of work ("SOW") under the agreement for professional services ("Contract") dated December 10, 2024, or superseding APS, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Duluth Airport Authority ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended December 31, 2024.

Christopher G. Knopik, CPA, CFE is responsible for the performance of the audit engagement.

#### **Scope of audit services**

We will audit the financial statements of the business-type activities, which collectively comprise the basic financial statements of Duluth Airport Authority, and the related notes to the financial statements as of and for the year ended December 31, 2024.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

#### **Nonaudit services**

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.
- Preparation of the required supplementary information (RSI).
- Preparation of the supplementary information.

#### **Audit objectives**

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in

the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (the Guide). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinions.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards* and the Guide. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The



paragraph will also state that the report is not suitable for any other purpose. The Guide report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. The report will state that the report is not suitable for any other purpose. If during our audit we become aware that the entity is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

As part of our audit, we will also perform the procedures and provide the report required by the Minnesota Legal Compliance Audit Guide for Political Subdivisions.

It is our understanding that our auditors' report will be included in your annual report which is comprised of the introductory section and that your annual report will be issued by in conjunction with the Auditors' report. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Auditor responsibilities, procedures, and limitations**

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* and the Guide.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Revenue recognition
- Management override of controls

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant

to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

### **Management responsibilities**

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

You are responsible for the design, implementation, and maintenance of effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of

fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we may report.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for the preparation of other information included in your annual report. You agree to provide the final version of such information to us in a timely manner, and if possible, prior to the date of our auditors' report. If the other information included in your annual report will not be available until after the date of our auditors' report on the financial statements, you agree to provide written representations indicating that (1) the information is consistent with the financial statements, (2) the other information does not contain material misstatements, and (3) the final version of the documents will be provided to us when available, and prior to issuance of the annual report by the entity, so that we can complete the procedures required by professional standards. Management agrees to correct material inconsistencies that we may identify. You agree to include our auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we

receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

### **Responsibilities and limitations related to nonaudit services**

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

### **Use of financial statements**

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or

other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

### **Engagement administration and other matters**

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Minnesota Office of the State Auditor, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies or electronic versions of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the the Minnesota Office of the State Auditor. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could

impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

*Government Auditing Standards* require that we make our most recent external peer review report publicly available. The report is posted on our website at [www.CLAconnect.com/Aboutus/](http://www.CLAconnect.com/Aboutus/).

### **Fees**

Our professional fee is \$32,000.00, this fee includes all expenses (including travel, report production, word processing, postage, internal and administrative charges, etc.) and the technology and client support fee of five percent (5%) of all professional fees billed. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered as work progresses and are payable on presentation. Note, the invoices rendered by CLA will include the audit fee and the technology and client support fee separately, but will not exceed the agreed upon amount of \$32,000.

### **Unexpected circumstances**

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

### **Changes in accounting and audit standards**

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

### **Predecessor auditor communications**

You agree to provide us permission to communicate with the predecessor auditor and to authorize the predecessor auditor to respond fully to our inquiries regarding any matters that will assist us in finalizing our engagement acceptance. You agree to authorize the predecessor to allow us to review their audit documentation, thereby providing us with information to assist us in planning and performing the engagement. You will be responsible for any fees billed by the predecessor auditor related to our review of their workpapers and our inquiries. You further acknowledge that our final acceptance of the engagement is subject to the completion of those inquiries and evaluation of the responses.

**Agreement**

We appreciate the opportunity to provide the services described in this SOW related to the Contract. All terms and provisions of the Contract shall apply to these services. The Contract terms and agreement will supersede this agreement where any terms may contradict each other. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

Sincerely,

**CliftonLarsonAllen LLP**

**Response:**

This letter correctly sets forth the understanding of Duluth Airport Authority.

**CLA**  
CliftonLarsonAllen LLP

**Client**  
Duluth Airport Authority

---

Christopher G. Knopik, Principal

Authorized Signer





# MEMORANDUM

**To:** Duluth Airport Authority Board of Directors

**From:** Mark Papko,

**Date:** December 10<sup>th</sup>, 2024

**Re:** Summary of Contractor Selection Process

The Duluth Airport Authority (DAA), owners and operators of the Duluth International Airport, requested proposals for comprehensive Airport Janitorial Services. The scope of services is outlined within the attached request for proposal document.

The following is a timeline of key dates:

Request for Proposal Issued	September 9 <sup>th</sup> , 2024
Mandatory Pre-Bid Meeting	October 3 <sup>rd</sup> , 2024
Deadline to Submit Questions	October 9 <sup>th</sup> , 2024
Deadline for SOQ Submissions	October 18 <sup>th</sup> , 2024
In-person Interviews for Top 3 Ranked Firms	November 19 <sup>th</sup> , 2024
Final Contract Award	December 2024

The DAA received 8 written proposals, of which only 6 were qualified (2 were received past the acceptance date). The grading criteria for the firm's written proposal is shown below:

1. **Business Qualifications and Experience:** Proposer's successful experience providing this type of business service at campuses of similar size, general experience of the company, and/or experience of the individuals who have management responsibilities. 20%
2. **Financial Ability:** Proposer's financial condition and ability to obtain adequate financing to perform specifications as defined herein. 10%
3. **Operations Plan:** Proposer's ability to effectively provide local management to oversee operation of the janitorial service and building maintenance on a day-to-day basis and type, quantity and quality of services provided. The operations plan will include individual work plans for each staff member defining roles and responsibilities. 15%

4. Quality of References: Proposer's operations at similar sized locations and the quality of other reference checks received from other sources by the Airport. 20%
5. Cost of Service: Proposer's quoted price based on the value of service offered within the cost structure. 25%
6. General Bid Compliance: Proposer's compliance with respect to all sections of the request for bid. 10%

After the written submissions were reviewed, the DAA invited the top three firms to interview in front of the selection committee. Based on final scoring of the combined written and in-person interview the selection committee selected Marsden, Inc to move forward for final selection and contract award.

For questions regarding this procurement action please contact the undersigned.

Mark Papko, A.A.E

Director of Operations

**SERVICE AGREEMENT  
BY AND BETWEEN**

**MARSDEN CENTRAL, L.L.C  
AND  
DULUTH AIRPORT AUTHORITY**

This agreement (“Agreement”) between the Duluth Airport Authority, the governmental authority organized and existing under the Laws of Minnesota, 1969 Chapter 577, hereinafter referred to as “Authority”, and Marsden Central, L.L.C, hereinafter referred to as “Marsden”, with offices located at 4511 W. 1st St Suite 5 Duluth, MN 55807.

WHEREAS, Authority desires to enter into an agreement with Marsden to provide Janitorial Services;

WHEREAS, Authority issued a Request for Proposals (the “RFP”) for Janitorial Services (the “Services”);

WHEREAS, Marsden is in the business of providing Janitorial Services to its customers;

WHEREAS, Marsden submitted a Response to the RFP (the “Proposal”) and has represented itself as fully capable of providing the Services to its customers and that it is qualified and willing to perform the services set forth in the RFP;

WHEREAS, based on the Proposal the Authority has selected Marsden as the successful proposer and wishes to engage Marsden to provide the Services;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto agree as follows:

Authority and Marsden hereby agree to the following terms and conditions:

A. Services. Marsden shall provide the following Services:

Janitorial services described in more detail on the Proposal attached to this Agreement as Exhibit B and incorporated by reference.

B. Rates/Price and Payment for Services. The rates (the “Rates”) for the Services are outlined in Exhibit B. The total amount payable under this agreement shall not exceed Seventeen Thousand Five Hundred Ninety Dollars and One Cent (\$17,590.01) unless the contract is modified by formal amendment. Marsden shall be paid for the Services within thirty (30) days of the Authority’s receipt of an invoice.

C. Base Term. The base term (“Base Term”) of this Agreement shall be for twelve (12) months commencing on March 1, 2025, through midnight February 28, 2026, unless otherwise terminated as provided herein.

D. Option Term. Authority and Marsden mutually reserve the right to exercise four (4) additional one (1) year option terms (“Option Term”) beyond the Base Term provided that Marsden provides notice to the Authority of its interest in exercising an Option Term ninety (90) days before the expiration of Base Term or Option Term. The Authority will provide a written response of its mutual interest in exercising the Option Term within thirty (30)

calendar days from the date of receipt of Marsden's written notice of interest in exercising the Option Term.

- E. Termination. Either party may terminate this Agreement at any time prior to the end of the Base Term or any Option Term due to the other party's material breach of any of its obligations hereunder, which breach has not been cured to the non-breaching party's reasonable satisfaction within a reasonable time, not to exceed ten (10) business days, after receipt of written notice specifying such breach. In addition, during the Option Term of this Agreement, either party may terminate this Agreement upon ninety (90) days prior written notice to the other party.
- F. Representations and Warranties. Marsden represents and warrants that:
- a. Marsden shall perform its respective duties in a professional and diligent manner in the best interests of Authority and in compliance with all applicable laws.
  - b. Marsden and all personnel to be provided by it hereunder have sufficient training and experience to perform the duties set forth herein and are in good standing with all applicable licensing requirements.
- G. Insurance.
- a. Marsden shall obtain and maintain for the Term of this Agreement the following minimum amounts of insurance from insurance companies authorized to do business in the State of Minnesota.
    - i. Workers' compensation insurance in accordance with the laws of the State of Minnesota.
    - ii. Commercial General Liability and Automobile Liability Insurance with limits not less than **\$1,500,000** Single Limit, shall be in a company approved by the Authority; and shall provide for the following: Liability for Premises, Operations, Completed Operations, Independent Contractors, and Contractual Liability. Umbrella coverage with a "form following" provisions may make up the difference between the commercial general and auto liability coverage amounts and the required minimum amount stated above.
    - iii. Professional Liability Insurance in an amount not less than \$1,500,000 Single Limit; provided further that in the event the professional malpractice insurance is in the form of "claims made," insurance, Marsden hereby commits to provide at least 60 days' notice prior to any change to the Professional Liability Insurance policy or coverage; and in the event of any change, Marsden agrees to provide the Authority with either evidence of new insurance coverage conforming to the provisions of this this paragraph which will provide unbroken protection to the Authority, or in the alternative, to purchase at its cost, extended coverage under the old policy for the period the state of repose runs; the protection to be provided by said "claims made" insurance shall remain in place until the running of the statute of repose for claims related to this Agreement.
    - iv. **Authority and City of Duluth shall be named as Additional Insured** under the Commercial General Liability and Automobile Liability. Marsden shall also provide evidence of Statutory Minnesota Workers' Compensation Insurance. Marsden to provide Certificate of Insurance evidencing such coverage with notice to Authority of cancellation in accordance with the provisions of the underlying insurance policy included. The Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Marsden's interests and liabilities.
  - b. Certificates showing Marsden is carrying the above described insurance in the

specified amounts shall be furnished to the Authority prior to the execution of this Agreement and a certificate showing continued maintenance of such insurance shall be on file with the Authority during the term of this Agreement.

- c. The Authority shall be named as an additional insured on each liability policy other than the professional liability and the workers' compensation policies of the Marsden.
- d. The certificates shall provide that the policies shall not be cancelled during the lift of this Agreement without advanced notice being given to the Authority at least equal to that provided for in the underlying policy of insurance.
- e. Except as provided for in Section 8.a.iv above, Marsden hereby commits to provide notice to Authority at least 30 days in advance of any change in the insurance provided pursuant to this Section 8 or in advance of that provided for in the underlying insurance policy or policies whichever is longer. For the purposes of Section 8 of this Agreement, the term, "changed", shall include cancellation of a policy of insurance provided hereunder and any modification of such policy which reduces the amount of any coverage provided thereunder below the amounts required to be provided hereunder or otherwise reduces the protections provided under such policy to Authority

H. Indemnification. To the fullest extent permitted by law, Marsden agrees that it shall defend, indemnify, and hold harmless the Authority, its officers, employees, and agents, past or present, from and against any and all claims including but not limited to claims for contribution or indemnity, demands, suits, judgments, costs, and expenses (including attorneys' fees) asserted by itself or any person or persons including agents or employees of the Authority of Duluth or the Marsden by reason of death or injury to person or persons or the loss or damage to property arising out of, or by reason of, any act, omission, operation or work of the Marsden or its employees while engaged in the execution or performance of services under this Agreement. Said obligations to defend, indemnify, and hold harmless shall include, but not be limited to the obligation to defend, indemnify, and hold harmless the Authority in all matters where claims of liability against the Authority arise out of, relate to, are attributable to, are passive or derivative of, or vicarious to the negligent, intentional, or wrongful acts or omissions of the Marsden, including but not limited to the failure to supervise, breach of warranty, the failure to warn, the failure to prevent such act or omission by Marsden, its employees, or its agents, and any other source of liability. Said obligations to defend, indemnify, and hold harmless shall be triggered upon the assertion of a claim for damages against Authority. On ten days' written notice from the Authority, the Marsden shall appear and defend all lawsuits against the Authority growing out of such injuries or damages. Marsden shall not be required to indemnify Authority for amounts found by a fact finder to have arisen out of the sole negligent or intentional acts or omission of the Authority unless Marsden should fail to comply with its insurance obligations in this contract to the detriment of Authority, in which case the Marsden shall indemnify, defend, and hold harmless the Authority for any and all amounts except amounts attributed to intentional, willful or wanton acts of the Authority. This Section, in its entirety, shall survive the termination of this Agreement if any amount of work has been performed by Marsden. Nothing in this provision shall affect the limitations of liability of the Authority as set forth in Minnesota Statutes Chapter 466.

**Marsden understands this provision may affect its rights and may shift liability and specifically agrees to the same.**

- I. Claims. Marsden waives the right to make any claim whatsoever against any officer, agent or employees of the Authority for, or on account of, anything done, or omitted to be done, in connection with the drafting or ratification of this contract. In addition, if it is determined

that this contract was not drafted or ratified in conformity with Minnesota or federal law, or City of Duluth ordinance or charter provisions, or if the contract includes obligations that are void as to Minnesota or federal law or City of Duluth ordinance or charter provisions, the Marsden agrees to raise no defense and make no claim against the Authority on the basis of ratification, laches, estoppel, or implied contract. **Marsden understands this provision may affect its rights and may shift liability and specifically agrees to the same.**

J. Data, Records and Inspection.

- a. The Authority agrees that it will make available all pertinent information, data and records under its control for Marsden to use in the performance of this Agreement, or to assist Marsden wherever possible to obtain such records, data and information.
- b. All customer addresses and other data or customer information provided to Marsden by the Authority pursuant to this Agreement will be confidential and will not be released by Marsden without prior authorization from the Authority.
- c. Records shall be maintained by Marsden in accordance with requirements prescribed by the Authority and with respect to all matters covered by this Agreement. Such records shall be maintained for a period of six (6) years after receipt of final payment under this Agreement.
- d. Marsden will ensure that all costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.
- e. Marsden shall be responsible for furnishing to the Authority records, data and information as the Authority may require pertaining to matters covered by this Agreement.
- f. Marsden shall ensure that at any time during normal business hours and as often as the Authority may deem necessary, there shall be made available to the Authority for examination, all of its records with respect to all matters covered by this Agreement Marsden will also permit the Authority to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

K. Independent Contractors. The parties agree that they are independent contractors, and no agency, partnership, employment or joint venture arrangement shall be deemed to exist by virtue of this Agreement, performance hereunder or otherwise. No employee or independent contractor of Marsden shall be deemed to have any employment or independent contractor relationship with Authority by virtue of this Agreement or performance hereunder, and such individuals shall have no claim against Authority for any employee benefits offered to employees of Authority.

L. Assignment. Marsden may not assign this agreement. Authority may assign this Agreement without the prior written consent of Marsden.

M. Amendment; Entire Agreement. This Agreement embodies the entire understanding of the parties and there are no other agreements or understandings, written or oral, in effect between parties relating to the subject matter hereof. This Agreement may be amended or modified only by an instrument signed by the parties.

- N. Applicable Law. This Agreement, together with all of its paragraphs, terms and provisions is made in the state of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.
- O. Non-Discrimination. Marsden acknowledges that the Authority is required by the FAA under the terms of certain agreements between the Authority and the United States of America relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the grant or receipt of federal funds for the development of the Airport, to include in this Agreement certain required contract provisions, attached as Exhibit A hereto (the "Required Federal Provisions"). Marsden agrees to comply with the Required Federal Provisions and, where applicable, include the Required Federal Provisions in each of its subconsultants without limitation or alteration.
- P. Laws, Rules and Regulations. Marsden agrees to observe and comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota, the Federal Aviation Administration and the Authority with respect to their respective agencies which are applicable to its activities under this Agreement.
- Q. Subordination. This Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States of America or the State of Minnesota relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.
- R. Force Majeure. Neither party shall be liable for any failure of or delay in performance of its obligations under his Agreement to the extent such failure or delay is due to circumstances beyond its reasonable control, including, without limitation, acts of God, acts of a public enemy, fires, floods, wars, civil disturbances, sabotage, accidents, insurrections, blockades, embargoes, storms, explosions, labor disputes, acts of any governmental body (whether civil or military, foreign or domestic), failure or delay of third parties or governmental bodies from whom a party is obtaining or must obtain approvals, franchises or permits, or inability to obtain labor, materials, equipment, or transportation. Any such delays shall not be a breach of or failure to perform this Agreement or any part thereof and the date on which the party's obligations hereunder are due to be fulfilled shall be extended for a period equal to the time lost as a result of such delays.
- S. Severability. In the event any provision herein shall be deemed invalid or unenforceable, the remaining provision shall continue in full force and effect and shall be binding upon the parties to this Agreement.
- T. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.
- U. Captions. The captions contained in this Agreement are solely for convenience of reference and are not part of the Agreement and shall not be used in construing this Agreement or in any way affect the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth below.

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

**DULUTH AIRPORT AUTHORITY**

**MARSDEN CENTRAL, L.L.C**

By \_\_\_\_\_  
Its President

By \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_  
Its Secretary



## EXHIBIT A

### FEDERAL AVIATION ADMINISTRATION

Mandatory Contract Clauses  
Civil Rights Title VI Assurances  
49 USC § 47123

#### GENERAL CIVIL RIGHTS PROVISIONS

In all its activities within the scope of its airport program, Marsden agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

The above provision binds the Marsden and subconsultants from the bid solicitation period through the completion of the contract.

#### Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, Marsden, for itself, its assignees, and successors in interest (hereinafter referred to as the "Consultant") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, *et seq.*) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

### **Compliance with Nondiscrimination Requirements:**

During the performance of this contract, the Consultant, for itself, its assignees, and successors in interest (hereinafter referred to as the "Consultant"), agrees as follows:

- Compliance with Regulations:** The Consultant (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- Nondiscrimination:** The Consultant, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subconsultants, including procurements of materials and leases of equipment. The Consultant will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
- Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Consultant for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subconsultant or supplier will be notified by the Consultant of the Consultant's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
- Information and Reports:** The Consultant will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Consultant will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
- Sanctions for Noncompliance:** In the event of a Consultant's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:  
Withholding payments to the Consultant under the contract until the Consultant complies; and/or Cancelling, terminating, or suspending a contract, in whole or in

part.

- f. **Incorporation of Provisions:** The Consultant will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Consultant will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Consultant becomes involved in, or is threatened with litigation by a subconsultant, or supplier because of such direction, the Consultant may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Consultant may request the United States to enter into the litigation to protect the interests of the United States.



# Duluth Airport Authority

*Proposal for Janitorial Services  
24-4410*

**Prepared by Marsden Services**

Charlie Field

Office: 4511 W 1st St, Suite 5,  
Duluth, MN 55807

Cell: 651-308-8452

Email: [CField@marsden.com](mailto:CField@marsden.com)

[marsden.com](http://marsden.com)

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2024-10-18

Charlie Field  
Business Development Executive  
651-308-8452  
CField@marsden.com

Duluth Airport Authority  
Attn: John Graves  
4701 Grinden Dr  
Duluth, MN 55811

RE: *Duluth International Airport Janitorial Services*

Dear John,

Thank you for the opportunity to submit a bid package in response to the RFP for Janitorial Services for Duluth Airport Authority. At Marsden Services, we understand how important it is for Duluth Airport Authority (Airport) to provide a positive traveler experience while meeting TSA's requirements and operating cost-effectively. In order to accomplish these outcomes, Airport needs a janitorial partner who can deliver efficient and effective services provided by customer-focused teams. I am confident that Marsden can provide you with the TSA-vetted teams, comprehensive quality programs, and safety-focused services that are necessary to maintain the cleanliness, appearance, and security your facilities.

Enclosed you will find our proposal. If you would like additional information or have questions, please reach out to me. We look forward to your evaluation of our proposal and the opportunity to discuss a partnership between Marsden Services and Airport.

Sincerely,

Charlie Field  
Business Development Executive

# Executive Summary

Duluth is a thriving metropolitan city, and its airports reflect the dynamic culture of the city itself. We understand that Duluth Airport Authority (Airport) provides an important first impression of the city and as such, needs a janitorial partner who will help create a positive traveler experience.

Marsden provides an aviation-specific facility service program. In an airport environment, every aspect of operations must be done with a commitment to quality, security, and the traveler experience. We believe that these qualities are necessary in the facility service efforts of an airport as well. Our aviation service program was designed to provide our clients with clean, safe, and welcoming facility spaces for passengers, employees, and stakeholders alike.

## Key Program Components

Below are a few program highlights, which are described in detail later in this document. We look forward to meeting with you to discuss our entire program in more depth.

Component	Benefit	Description
<b>First Impressions Experience Program</b>	<i>Your Desired Experience Delivered the First Time</i>	<ul style="list-style-type: none"> <li>• Comprehensive, aviation-specific service program</li> <li>• Prioritizes traveler experience for positive first impressions</li> <li>• Staff trained to help direct travelers with questions</li> <li>• In-depth customer service training</li> <li>• Awareness and skills training to work in high-traffic areas</li> <li>• Professional appearance for all service teams</li> </ul>
<b>Aviation Service Program</b>	<i>True Value from Spend</i>	<ul style="list-style-type: none"> <li>• Each cleaning program individually built using best practices</li> <li>• Full service offering for all facility needs</li> <li>• Detailed job cleaning runs to ensure efficiencies</li> <li>• Flexible and trained staff respond to changing needs</li> </ul>
<b>TSA-Vetted, Full Work Resources</b>	<i>Peace of Mind from TSA-Compliant, Full Staff</i>	<ul style="list-style-type: none"> <li>• Stable workforce with low turnover</li> <li>• HR staff understands TSA security requirements</li> <li>• Tailored HR plan to accommodate security processes</li> <li>• Additional badged employees serve as flexible staff</li> <li>• Large staff resources ensure a fully-staffed account</li> </ul>



Component	Benefit	Description
Aviation Expertise	Confidence in Service Performance	<ul style="list-style-type: none"> <li>• 20+ years' experience in airport environments</li> <li>• Understand the specialized needs of airports</li> <li>• Experienced team supervisors on-site full-time</li> <li>• Established emergency response plans</li> </ul>
Advanced Technology and Innovation	100% Performance Transparency and Optimal Efficiency	<ul style="list-style-type: none"> <li>• Cloud-based QC system via mobile devices               <ul style="list-style-type: none"> <li>• Web platform tracks and reports metrics</li> <li>• Client receives immediate electronic responses</li> </ul> </li> <li>• Cleaning industry-specific ERP system               <ul style="list-style-type: none"> <li>• Technology-assisted labor management</li> <li>• Fully integrated financial, operations and workforce management</li> <li>• Streamlines processes and delivers complete picture</li> </ul> </li> <li>• Continuous R&amp;D: innovative products, tools, processes</li> </ul>
Sustainable Cleaning Program	Reducing Carbon Footprint	<ul style="list-style-type: none"> <li>• Our sustainable cleaning program uses:               <ul style="list-style-type: none"> <li>• Green cleaning methods</li> <li>• Green Seal Certified© cleaning products</li> <li>• Micro-fibers</li> <li>• CRI Green Label Certified© equipment</li> </ul> </li> <li>• LEED contributions:               <ul style="list-style-type: none"> <li>• For LEED-EB certification credits</li> <li>• Marsden experts help certification documentation</li> </ul> </li> </ul>

Please see below for our janitorial operations plan for the terminal and campus buildings.

*Proposed janitorial coverage with specific times, number of staff and days of coverage.*

## Operational Plan

Training Documents Attached

Proposed coverage from 6am-10pm daily with additional 6 hours for task/swing shift daily

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
FT Supervisor		8 hours 6am-2pm	8 hours 6am-2pm	8 hours 6am-2pm	8 hours 6am-2pm	8 hours 6am-2pm	
PT Lead	8 hours 6am-2pm						8 hours 6am-2pm
PT+ Cleaner		6 hours Swing	6 hours Swing	6 hours Swing	6 hours Swing	6 hours Swing	
PT Cleaner (x2)	8 hours 2pm-10pm	8 hours 2pm-10pm	8 hours 2pm-10pm	8 hours 2pm-10pm	8 hours 2pm-10pm	8 hours 2pm-10pm	8 hours 2pm-10pm
PT Cleaner (x2)	6 hours Swing						6 hours Swing
Total Hours	22 hours	22 hours	22 hours	22 hours	22 hours	22 hours	22 hours

*Every Marsden team represents hundreds of hours of training and education.*

*We investigate the best products, equipment, methods and cleaning systems, using the latest research and best practices to develop our training and quality assurance programs.*

## **New Associate Training**

Every new Marsden associate goes through a multi-step training process. The result is a workforce that is knowledgeable, efficient, consistent, and highly skilled.

**1**

### **Step One: Classroom Training**

*The first portion of the training program takes place at one of our offices. Classroom training focuses on company policies and procedures, associate "Right to Know" information, safe use of all products and equipment, and environmentally conscious cleaning techniques. There are test questions after each section to ensure comprehension.*

**2**

### **Step Two: Procedural Training**

*Associates receive one-on-one instruction during procedural training. During the hands-on training, a designated trainer works alongside the new associate. As they clean, the new associate is taught Teach Easy Cleaning Habits (TECH), Marsden's unique cleaning system.*

**3**

### **Step Three: Technical Training**

*The final stage in our training program is for associates begin their onsite technical training, which includes standardized cleaning methods, site-specific training, equipment training, periodic work training, safety protocols, human resources policies, and customer service training.*

## TECH System and Training

Marsden's Teach Easy Cleaning Habits (TECH) program is a proprietary system designed to ensure reliable quality standards. TECH teaches new associates our standard cleaning system as well as the specific scope of work for the account where the associate will be working.

### Why it matters



#### Consistency

TECH eliminates variables from one associate to the next, ensuring uniform performance.



#### Efficiency

TECH's best practice method for cleaning each area ensures time and energy are not wasted.



#### Ownership

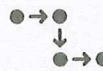
Associates understand their responsibilities and how their work contributes to the overall success of the team.

### How it works



#### Tasks

TECH specifies everything that needs to be done and the order in which to perform each task.



#### Route

Associates are taught the most efficient path and cleaning method for each area.



#### Supplies

TECH incorporates the best equipment and chemicals to use for each application.

In addition to the initial training programs, all of our staff are expected to complete ongoing training and annual refresher training courses. Our labor management software system has a compliance component to track training. Our system monitors and records that team members have received the proper training and certifications for their positions. The system automatically informs management of upcoming training due dates and provides alerts for past due items.



## Chemicals and Equipment

### *Proposed Chemicals and Equipment*

*Marsden plans to utilize EPA Approved green chemicals and Airport supplied equipment.*

### **Cleaning Chemicals**

- Please see attached for list of Certified Green Cleaning products Marsden plans to utilize at Duluth International Airport.

### **Equipment**

- Marsden plans to utilize airport supplied equipment. Marsden will operate and maintain equipment to airport standards.
- In addition to airport supplied cleaning equipment, please see attached "Robotics" document for more information on proprietary cleaning equipment Marsden is utilizing at other accounts of similar size. Marsden works with Developers to create customer solutions for our customers.
- This additional equipment is not included in our price, but would improve efficiency and lower operating costs. Please reach out if Duluth Airport Authority has additional questions about these items.

## Sustainability

We have been using green cleaning products for the past 20 years. Sustainability is part of our culture, and our plan is to use the following green products listed below from Spartan.

- Tri-base (neutral floor cleaner)
- Bio Renewable Glass Cleaner
- NABC
- Clean by PEROXY

**Our Always Clean. Always Green®** cleaning program brings our long tradition of safety and sustainability to a whole new level. Rather than making green a unique offering, we are committed to making it part of everyday life throughout all our operations. Each of our sites has been standardized to Green Seal certified cleaning products compliant with the U.S. Green Building Council's LEED Green Building Certification program.

By increasing our use of micro-fibers and CRI Green Label Certified equipment, we continue to improve the indoor environmental quality of the buildings we service. Our **Always Clean. Always Green®** cleaning system has repeatedly proven to meet the stringent requirements for LEED certification credits.

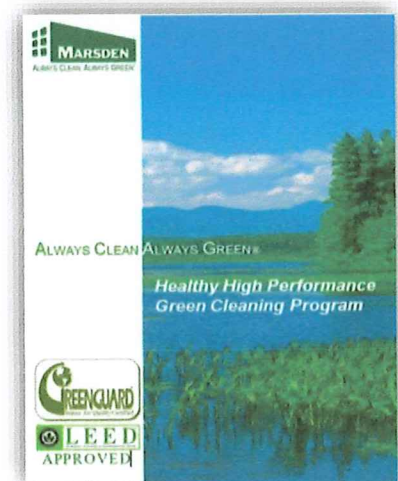
We have the understanding and experience to complete all required documentation for your facility to meet and maintain LEED certification.

We can assist you through:

- A proven LEED certified **Always Clean. Always Green®** cleaning system
- Use of micro-fibers and CRI Green Label Certified equipment
- Green Seal Certified & EcoLogo cleaning products at all sites
- Partnerships with vendors who are intimately involved in the lifecycle of their products to ensure environmentally responsible vertical integration
- APPA standards for quality and mobile apps on wireless devices to assure your facilities are clean
- Experience resulting in 21 LEED certified facilities



**Our Always Clean. Always Green®** healthy high-performance cleaning program in place at all our locations



has successfully earned cleaning-related credits in the U.S. Green Building Council's LEED-EB and LEED-NC Green Building Rating Systems. It has also qualified for GreenGuard Indoor Air Quality certification at multiple locations over the past several years. All our green cleaning procedures and training tools are outlined in our Green Cleaning Program Manual.

We have been using green cleaning products for the past 20 years. Sustainability is part of our culture. The cleaning chemicals we will use on campus are Green Seal Certified. The dispensing systems shown below are also sustainable. They save on packaging by allowing us to dispense concentrated cleaning chemicals.

**J-Fill System:**



**RTD (ready to dispense):**



## Green Cleaning Program

Facility operations can have a significant influence on the environment, which is why Marsden utilizes green certified chemicals in accordance with GS-37 and the use of energy-efficient equipment to our clients. We use environmentally preferable chemicals, apply green cleaning strategies, and follow sustainability and cleaning industry guidelines for consumables, tools, and equipment to provide our clients with a safer, healthier environment.

With our partnerships with national suppliers such as Home Depot Pro, Spartan, Tennant, EcoLab, and other cleaning chemical and equipment manufacturers, we have the ability and experience to obtain environmentally friendly cleaning products and utilize these on jobsites. Our green cleaning products and procedures have been proven to comply with the stringent criteria of the US Green Building Council's Leadership in Energy and Environmental Design (LEED) for Existing Buildings Operations and Maintenance (EBOM) certification program for achieving desired credit points. We have assisted numerous clients in their effort to achieve LEED certification. Marsden has also partnered with several clients to help them achieve their "Zero Waste" initiatives.

# ROBOTICS OVERVIEW

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Marsden has established a relationship with Cardinal Robotics to provide robotic equipment to our customers for cleaning and disinfection services. The following overview covers several important topics related to Marsden's deployment of robotic solutions.

- **Robotics Equipment**
  - **Softbank Vacuuming Robot**
  - **UVC Disinfecting Robot**
  - **T7 Autonomous Scrubber**
  - **Lucid Drone Cleaner**
- **Safety and Efficacy**

## Robotics Equipment

How they work...

### Softbank Vacuuming Robot

Softbank's "Whiz" is an autonomous vacuum sweeper that works on both hard flooring and carpets. It uses a trusted AI platform to deliver a higher quality clean with proof of performance.

This agile robot avoids people and other unexpected obstacles while following pre-determined routes. It cleans up to 15,000 square feet per charge and notifies the operator when it has completed its task. It can operate on multiple floors. The WhizConnect dashboard gives users near-time visibility into its production.



### Disinfection Robots

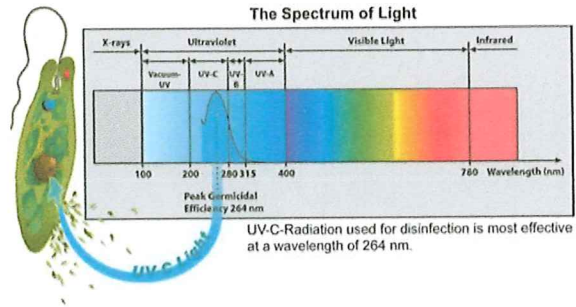
Cardinal currently has three disinfecting robotic products in the marketplace. The UV-C Zero, UV-C Tele and the UVC Robot. They vary in price and in their ability to work autonomously. Each of these equipment pieces needs to occupy an empty space for specified dwell time (appx 5-30 minutes). It is essentially a UV lamp on wheels that uses specific wavelengths of UV light to kill bacteria on surfaces.



# UV-C light kills viruses and bacteria

Ultraviolet Germicidal Irradiation (UVGI) is a disinfection method using UVC light to destroy bacteria's DNA structure leaving them unable to perform vital cellular functions.

Disinfection with UV-C light has been widely applied for past 90 years in medical spaces (surgery centers, hospitals) and food industry.



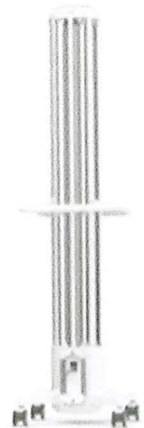
## UV-C Zero

The UV-C Zero is a manually operated unit. It requires a Marsden operator physically move it from room to room. This can be accomplished as part of an expanded scope of work for existing customers.

**Usage example:** A cleaner works room to room cleaning an office floor manually. Each time they finish a room they activate the UV-C Zero machine. The cleaner will post appropriate safety signage and then proceed the next space and complete their cleaning tasks while the UV-C Zero is disinfecting the prior space.

### UV-C Zero

- ❖ 1000 Watts of UV-C light
- ❖ 4 PIR (passive infrared sensors) to detect humans
- ❖ Integrated timer
- ❖ Back end app and reporting function
- ❖ Easy to maneuver and use



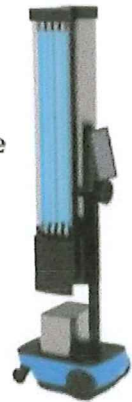
## UV-C Tele

The UV-C Tele is a remote-controlled robotic unit that is controlled via a smartphone/tablet and can work semi-autonomously. As with the UV-C Zero, this unit requires an operator.

**Usage Example:** A cleaner works room to room cleaning an office floor manually. Each time they finish a space they post the appropriate signage and activate the UV-C Tele machine. The machine will maneuver itself throughout the space (similar in operation to a robotic vacuum.) The cleaner will move onto the next space and complete their cleaning tasks while the UV-C Tele is disinfecting the prior space.

### UV-C Tele

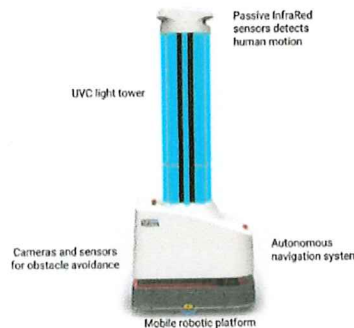
- ❖ 1400 Watts UV-C light
- ❖ Operator controls robot remotely
- ❖ Small footprint, easy to move
- ❖ Multiple safety sensors in-built (motion, heat etc.)
- ❖ Does not require pre-mapping of area
- ❖ Swappable battery allowing continuous use (no down-time)



## UVC Robot

The UVC Robot is a completely autonomous vehicle that utilizes motion sensors, human heat sensors, 3D depth cameras and LIDAR to maneuver. This unit can operate independently once proper mapping and guidance has been given. There is still a need for some human resources to post appropriate signage and ensure the robot can complete its tasks while preventing accidental human interaction. This robot can disinfect approximately 1,819 sq. ft per minute.

### Introducing autonomous UV-C robot



Full UV-C coverage of rooms, hallways and indoor spaces.

Fast, chemical free, hospital grade disinfection.

For: hotels, airports, hospitals, offices and warehouses.

Deployed 70+ countries. Won international awards

## Tennant t7 Autonomous Floor Scrubber

The Tennant T7 Autonomous Floor Scrubber is a fully automated hard floor robotic solution. The T7 is designed to work safely and efficiently alongside the cleaning staff, so they can focus on high value tasks.

The T7 is equipped with BrainOS technology. This AI is designed and tested to operating in complex, real-world environments while safely avoiding people and obstacles.

The T7 delivers a consistent cleaning experience through active learning and repeating. It can deliver performance reporting in real time to help track key performance indicators.



## **SAFETY & EFFICACY**

The Softbank Vacuuming Robot can safely operate around humans. Ideally, it is at it's safest and most effective at low traffic times. The Disinfectant Robotic equipment's safety is reliant on there being no human contact while the robot/unit is activated. There are several safety features built into the robotics to prevent safety breaches:

### Safety features: built-in

#### **In built robot safety features:**

- Motion sensor
- Human heat sensor
- 3D depth camera
- LIDAR sensor
- 5 step authentication protocol
- Tablet movement sensor

#### **Operating procedures:**

- Trained operators
- Area has been cleared
- Operators have UV-C goggles and required PPE
- Signage and barricades have been placed at entrances and exits

## *Caring for your workplace* ®

*We think and operate differently in the way we care for our client's workplaces. Serving in leadership roles for several industry associations, we learn early about the top issues and challenges effecting building environments and use that knowledge to better support our clients and care for their facilities.*

### **About Marsden Services**

Marsden was established in 1952 and today, we operate as a full-spectrum facility services provider. Every day, our associates support thousands of clients with quality-based, customer-focused solutions. We provide clients across the country with clean, safe, and healthy workplaces.

***We are building a culture of excellence, consistency, and a passion for finding new ways to raise the bar in how we are caring for your workplace.***



**Founded in 1952 in St. Paul, MN by Skip Marsden**



**350M sq ft of commercial space serviced every day**



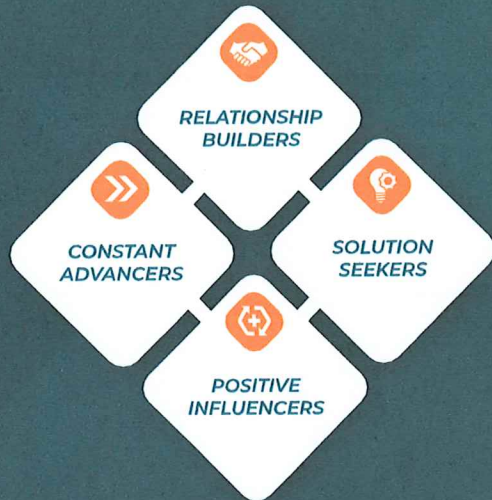
**Over 9,000 employees operating out of more than 55 office locations**



**5 service lines: Janitorial, Security, Mechanical, Emergency Services, and Facility Management**

Marsden provides clients with a unique combination of national strength and local presence. Despite our size, our focus is on the local markets. Each local Marsden management team is invested in its community and local clients, providing personalized service. Our local teams leverage our resources as a large organization – including technology, equipment, supplies, subject matter experts, and financial support – to better serve their clients. Through our combined national and local operations, we provide our clients with the strength of a large corporation and the individualized care of a small business.

## Our Core Values



### WE ARE RELATIONSHIP BUILDERS

Relationships drive everything we do, and we approach each relationship with empathy and integrity. We get to know and value the needs, motivations, goals, and priorities of everyone we work with, whether it's clients, associates, stakeholders, community partners, or vendors.

### WE ARE CONSTANT ADVANCERS

We strive for growth in every area of our business. We aim to operate profitably so that we can continue developing, expanding, and taking on new challenges. As we grow our business to better serve our clients, we encourage associates to grow in their careers and help them to develop professionally and personally.

### WE ARE SOLUTION SEEKERS

When we see a problem or a need, we find the solution. We're always searching for new ways to solve problems for our customers, our industry, and our community. This has led to expanding our service lines, implementing new technologies, deploying new products, and forming key partnerships.

### WE ARE POSITIVE INFLUENCERS

We are intentional about having a positive impact through our work. We create cleaner, safer, and healthier workplaces; we make our clients' jobs easier; we invest in an inclusive workplace and associate wellbeing; and we donate 10% of pre-tax profits to help support our community.

## Industry Associations

Marsden is actively involved in several industry associations, including the Building Service Contractors Association International (BSCAI); Building Owners and Managers Association International (BOMA); International Facility Management Association (IFMA); and the Cleaning Coalition of America. Marsden also holds a national APPA membership. By serving in leadership roles for these industry associations, we learn early about the top issues and challenges facing building environments and have first access to new best practices, technologies, and solutions for our clients.

**Marsden is one of the founding members of the Cleaning Coalition of America.**



Cleaning Coalition of America

Marsden is one of the founding members of the Cleaning Coalition of America (CCA). The CCA was established in 2020 to represent commercial cleaning companies and their employees. The CCA advocates on behalf of commercial janitorial workers, who are members of the essential services workforce and who play a vital role in keeping communities safe and healthy through important cleaning and disinfecting services.



*Marsden offers a full spectrum of facility services to keep your facility clean, safe, and healthy.*

*Facilities are complex environments, which is why Marsden provides integrated facility services. We support small and large businesses alike with comprehensive facility care. We get to know each of our clients individually and can provide a service package specific to their infrastructure and needs.*

## Marsden's Five Service Lines

Instead of having multiple vendors to support different aspects of your facility, with Marsden, you can have a single provider to take care of all your facility needs. Marsden offers a seamless experience for your facility services. We provide a variety of service offerings, which support all aspects of facility operations and are divided into our five service lines.





**MARSDEN**

Caring for Your Workplace®

# SPECIAL SERVICES

## The Marsden Difference

At Marsden we get to know each of our clients individually and will provide services that are tailored to your needs and your facility's unique environment. Our clients can rely on our:

- Carefully Vetted Teams
- Measurable Quality Control
- Comprehensive Training
- Local Support
- Appropriate Site Supervision
- Safety Culture
- Transparent Cost Controls

## National Strength

Marsden equips clients with a unique combination of national strength and local presence. Our local teams leverage our resources as a large organization to better serve our neighboring clients. Our clients benefit from the strength of a large corporation and the individualized care of a small business.

## Experienced Service Partner

Marsden has been serving clients for over 70 years, providing small and large business alike with well-maintained and welcoming facilities. Marsden has over 9,000 employees nationwide operating out of more than 55 office locations across the United States. Our teams service more than 350 million square feet daily.

Marsden has years of experience creating client-driven service programs to meet the specific needs of your facility. We provide specialized building care to thousands of clients through quality-based service solutions. Our customer-focused services allow us to provide you with a clean, safe, and healthy workplace.

## Our Services

-  Hard Floor Care
-  Carpet Cleaning
-  Window Cleaning
-  Sweeping & Stripping of Parking Structures
-  Concrete Sealing & Polishing
-  High Dusting
-  Upholstery Cleaning
-  Pressure Washing
-  Final Cleaning
-  Graffiti Removal
-  Dorm Cleaning
-  Event Cleanup/ Stadium Cleaning
-  Disaster Recovery/ Emergency Response

Marsden also offers comprehensive janitorial, day porter, security, and mechanical services for every area of your facility.



## ABOUT US

*Final Touch*

*Window Cleaning*

### **Improving Facilities**

Clean windows are an important part of a facility's appearance and atmosphere. Regularly cleaning windows extends their longevity, improves the aesthetics of a facility, and prevents the build up of dirt, pollutants, and hard water stains. Final Touch offers window cleaning services that are tailored to fit each client's facility environment and service scheduling needs.

### **Experienced Professionals**

Final Touch has over 60 years of experience in commercial window cleaning. Our window cleaning crew is comprised of extensively trained and skilled professionals.

Our professionals are experts in delivering safe services; our window cleaning program is OSHA certified and our teams receive annual safety training as well as the best available safety equipment.

#### Cleaning Services

Final Touch's cleaning solutions are reliable, safe, and client driven.

Our window cleaning services include:

- High rise window cleaning
- Exterior window cleaning
- Interior window cleaning
- Highlight window cleaning
- Caulking
- Glass restoration
- Chandelier cleaning



## **Extensive Programs**

Window washing is a skilled labor position that requires years of dedicated training. Final Touch has developed a proprietary training program for our window cleaners, which begins with an apprenticeship position. An apprentice is paired with a journeyman for at least the first two years, which amounts to approximately 1,500 hours of training.

During the first phase of training, the apprentice learns cleaning on the ground, with poles, and using short ladders. The second phase of training includes high ladder and lift cleaning. The third phase of training includes rope access, modular stage, and dedicated stage cleaning.

Most training is done on-the-job, ensuring comprehension and providing important hands-on experience.

## **Safety Program**

Window cleaning is inherently a high-risk service and our clients rely on us to mitigate these risks through our comprehensive safety programs. Continuous training is imperative to maintaining a culture of safety. All window cleaners receive an orientation safety training based on Final Touch's company-wide safety program, Safety360. Cleaners are also required to complete annual safety training and testing. Every year, our cleaners are required to pass a test on assisted rescue and self-rescue in order to be cleared to perform suspended work.

Final Touch also holds an annual orientation day in which we review all of the safety procedures and analyze the previous year's safety performance.

In addition to annual trainings, safety trainings are held every morning before the shift begins that cover at least one safety topic.

## **Key Benefits**

Final Touch provides window cleaning services performed by industry experts. In addition to our unique training and safety programs, Final Touch's services also provide the following benefits:

- Staffing Stability
- Customizable Schedules
- Quality Control
- Integrated Services



## Biographies

*Meet your Marsden team, comprised of leaders from our Home office in St Paul, MN to our local office in Duluth, MN.*

### **Mary Mortensen, President**

Mary joined Marsden in 2023 and currently serves as the President of Marsden Central. She has twenty-five years of experience in services and retail industries and brings a unique combination of experience in both Operations and HR leadership roles. She has a service-focused mindset and is experienced in strategic planning, implementation, and leading high performing teams. Mary has a BA in Business Administration and Marketing, Magna Cum Laude, from the University of MN Duluth.

### **Tom Flanagan, Vice President of Operations**

Tom is Vice President of Operations for Marsden Central, overseeing operations throughout Minnesota.

Tom has over 30 years' experience in the building services industry. Starting as an account manager and progressing to Vice President of Operations he has been involved with almost every type of facility, from office buildings both large and small to medical clinics, stadiums, industrial complexes, universities, and airports.

Tom is a Certified Healthcare Environmental Services Technician Facility Trainer (T-CHEST) through the Association for the Health Care Environment.



## Biographies cont.

*Meet your Marsden team, comprised of leaders from our Home office in St Paul, MN to our local office in Duluth, MN.*

### **Brent Koerper, Director of Operations – Outstates**

Brent joined Marsden in January of 2024 as the Director of Operations. He has twenty-five years of experience in retail service, sales, and operations. Over the past decade Brent has served in roles such as Regional Vice President, Zone Manager and Zone Operations Manager. He has a customer-focused mindset with experience in team development, strategic planning, and execution. Brent graduated with a BA degree in Business from the University of Wisconsin-River Falls.

### **Todd Niemi, Operations Manager – Duluth, MN**

Mr. Niemi currently manages and coordinates the overall operations of the North Eastern Minnesota Region. He has 3 Area Managers who report to him. His responsibilities include quality control inspections, budgets, staff supervision, all coordination of services for over 90 buildings, the development of new associate training tools along with marketing tools and material for RFP responses. Todd Niemi has over 20 years in the janitorial industry previously working for a national janitorial company managing the floor care maintenance program at 25 big box retail stores in Northern Minnesota, Wisconsin, North Dakota and Michigan. Todd first joined Marsden in 2016 as an Area Manager and was promoted to Operations Manager in 2018.

Education/Training: Dalco carpet and hard floor training, Clarke Product Knowledge School, Diversey BSC Training School



## Biographies cont.

*Meet your Marsden team, comprised of leaders from our Home office in St Paul, MN to our local office in Duluth, MN.*

### **Gunnar Swanson, Area Manager - Duluth**

Gunnar currently assists the Operations Manager with the overall operations of the Duluth/Superior and Cloquet areas. He started with Marsden as a Supervisor in 2021 and was promoted to Area Manager in 2022. His responsibilities include quality control inspections, staff supervision, and training for approximately 70 employees and 65 buildings. Before joining Marsden, he worked for another local janitorial company for over 10 years as a floater and project person. He is also knowledgeable in floor care, stripping and waxing and carpet cleaning.

### **Pam Shultz, Director of Quality Assurance**

Pam is a Marsden Veteran with 30+ years of experience working with Marsden. Pam worked her way up the company ladder eventually landing at Director of Operations for all Outstate Accounts, or accounts outside the Metro Area. Pam successfully ran operations at the Duluth Office for many years, developing great relationships and taking care of all her customers in the Duluth Area. Recently, Pam has stepped back from her Directors position and is now in charge of Customer Quality Assurance. In this role, Pam meets with customers weekly, monthly, and quarterly to assure our teams are staying on track and our customers are satisfied.

## Hear what others have to say about working with Marsden.

Reach out to the following current Marsden clients to learn more about how build relationships with our clients while we care for their workplaces.

### A&L Properties, Duluth MN

<b>Contact Information</b>	<b>Chad Roberts</b>
	<b>Facilities Manager</b>
	<b>218-355-1087</b>
	<b>Chad.Roberts@alproperties.us</b>
<b>Contact Information</b>	<b>Customer for 2 years</b>
	<b>Multiple Locations 200,000 SF +</b>
	<b>Provide Janitorial Services for nearly all of A&amp;L Properties throughout Duluth, MN including Duluth Technology Village (Class A Office) and Lakewalk Centers (Medical)</b>

### Miner's Inc. - Mesabi Mall - Hibbing MN

<b>Contact Information</b>	<b>Timothy Kleiman</b>
	<b>Property Manager</b>
	<b>218-729-5882</b>
	<b>tim.kleiman@miners-inc.com</b>
<b>Contact Information</b>	<b>Customer since 2014</b>
	<b>200,000 + SF</b>
	<b>Provide Janitorial and Special Services</b>

**Target Campuses (Corporate HQ)**

<b>Contact Information</b>	<b>Mitch Cavataio</b>
	<b>Associate Manager, HQ Building Operations</b>
	<b>612-356-3518</b>
	<b>mittchell.cavataio@target.com</b>
<b>Contact Information</b>	<b>Customer from 2001-Present</b>
	<b>1,000,000 SF + Cleaned every day, and Target Field</b>
	<b>Janitorial Services, Special Services, Window Cleaning Services</b>

**Transwestern - SPS Tower**

<b>Contact Information</b>	<b>Bob Traeger</b>
	<b>General Manager</b>
	<b>612-673-6741</b>
	<b>Bob.Traeger@transwestern.com</b>
<b>Contact Information</b>	<b>Customer for 20+ Years</b>
	<b>1,000,000 SF +</b>
	<b>Janitorial Services, Special Services</b>

**Ryan Companies - City Center**

<b>Contact Information</b>	<b>Ryan Strand</b>
	<b>General Manager</b>
	<b>612-884-7822</b>
	<b>Ryan.Strand@ryancompanies.com</b>
<b>Contact Information</b>	<b>Customer from 2017-Present</b>
	<b>1,600,000 SF</b>
	<b>Janitorial Services, Special Services</b>



# PRICING

## We believe in transparent pricing and strict cost controls.

The following outlines our pricing for Janitorial Services to care for Duluth Airport's facility, located at 4701 Grinden Drive, Duluth, MN 55811.

<b>Service</b>	<b>Price</b>
7x per Week Janitorial Services	\$17,590.01 per Month
<b>Total</b>	<b>\$17,590.01 per Month</b>

Pricing is effective starting on November 27, 2024. Prices are guaranteed through December 31, 2025, barring any significant, unforeseen changes in payroll taxes, healthcare, or government initiatives. Prices do not include sales taxes as they may apply.

Pricing covers the full building providing:

- Associates(s) labor
- Cleaning chemicals
- Equipment
- Fill-in coverage
- Local management team
- Corporate support
- Payroll-related taxes
- Worker's compensation
- General liability insurance

We usually bill for service around the 1st of each month.





**Service Estimate**

Customer Billing Information:	
Name:	John Graves
Company:	Duluth Airport Authority
Address:	4701 Grinden Dr Duluth, MN 55811
Phone:	218-625-7761
Email:	<a href="mailto:jgraves@duluthairport.com">jgraves@duluthairport.com</a>

Job Site Information	
Job #:	
Building:	Duluth Airport
Address:	4701 Grinden Dr Duluth, MN 55811
PO#:	

Does the job require certified payroll or prevailing wage?

Is the job to be scheduled during normal working hours? M - F 8:00 am - Midnight

If the job is a Final Clean, how many mobilizations are required?

**Detailed Scope of Work**

Brief Description	Hone and Polish	Terrazzo Floor Care	
Detailed Description of Work	Marsden Special Services will hone and polish all Terrazzo floor throughout Duluth Int. Airport with approved floor finishing system. Hone and Polish - will add charges to remove finish if necessary - \$3.04 per SF		PSF
Brief Description	Hard Floor Care	Strip and Re-coat	
Detailed Description of Work	Marsden Special Services will strip and re-coat (up to 4 coats seal/finish combination) all office and break room floors with airport approved floor finishing system. 0-645 SF - \$0.64 per SF 646-5,000 SF - \$0.60 per SF Over 5,000 SF - \$0.54 per SF		PSF
<b>Total (Tax Not Included):</b>			\$ -

**This quote is subject to the terms and conditions printed below.**

<b>Accepted By:</b>	_____	<b>Quote Submitted By:</b>	Charlie Field
	Printed Name		
<b>Title:</b>	_____	<b>Title:</b>	Business Development Executive
<b>Signature:</b>	_____	<b>Email Address:</b>	Cfield@marsden.com
<b>Date:</b>	_____	<b>Date:</b>	10/18/2024
			<b>Quote valid for 30 days</b>

1. It is the prime objective of Marsden Central L.L.C. to obtain maximum quality results. However, certain conditions such as fading, wear, dry rot, animal, human and other stains and spots, moth damage and other types of damage, are sometimes present in floor coverings and upholstered furniture. These conditions cannot always be remedied and while Marsden Central L.L.C. will endeavor, consistent with the preservation of the floor covering and/or furniture, to correct these conditions, it reserves the right, in its discretion, to determine the materials and methods to be used with respect to such conditions and no representations are made that the conditions will be remedied.
2. While the methods and materials employed by Marsden Central L.L.C. make shrinkage unlikely, shrinkage may occur in some instances due to conditions such as improper installations or tracking of the floor covering, atmospheric conditions or the nature of the fabric. Accordingly, Marsden Central L.L.C. will not be responsible for any shrinkage unless it has specifically assumed liability in writing for shrinkage.
3. The methods and materials employed by Marsden Central L.L.C. will not cause any damage to any floor covering or furniture which is in satisfactory condition and free from defects at the time of the performance of its work by Marsden Central L.L.C. Accordingly, it will be conclusively presumed that any damage to any floor covering or furniture which may appear after or as a result of the performance of its work hereunder by Marsden Central L.L.C. will be due solely to pre-existing defects in or other unsatisfactory conditions of the floor covering and furniture and Marsden Central L.L.C. shall not be responsible for such damage, unless the same has been caused by the negligence of the employees of the Company.
4. All cut pile fabrics will shade or crush. These conditions are apparent variations of color, caused by crushing of the pile resulting from normal use and are not stains or discolorations of the fabric. While Marsden Central L.L.C. will endeavor to restore the pile, no representations are made that the crushing or shading of the pile will be eliminated and Marsden Central L.L.C. will not be responsible for any such crushing or shading.
5. Marsden Central L.L.C. will not be responsible for rust marks resulting from the cleaning of the floor covering and/or furniture, if such marks have been occasioned by the presence of non-rustproof tacks or other fasteners in the floor covering and/or furniture.
6. In wet shampooing some wool, cotton, rayon or synthetic type floor coverings or upholstery fabrics, a slight loss of twist or fuzzing of the fibers may result due to the nature of the material or of the fibers. Accordingly, Marsden Central L.L.C. will not be responsible for any loss of twist or fuzzing of the fibers unless it has specifically assumed liability in writing for the same.
7. After completion of wet shampooing, protective coverings are placed under furniture to prevent the causing of rust marks from casters, or "bleeding" of dye or stain from the furniture by reason of contact with the wet carpet. Such protective covering should remain under the furniture for a minimum period of three full days and Marsden Central L.L.C. will not be responsible for any damage resulting from the removal of such protective coverings prior to the expirations of such period of time.
8. Marsden Central L.L.C. will not be responsible for any damage to furniture, antiques, bric-a-brac or other personal property unless such damage has been caused by the negligence of the employees of the Company.
9. Any claims of personal or property damage or of improper work must be made in writing by the customer to Marsden Central L.L.C. by registered mail within five (5) days after completion of the work; and upon failure to do so each and every such claim and the right to bring an action based thereon shall be deemed waived and released. No proceeding or action by the customer for the recovery of any claim arising on, out or by reason of this contract shall be maintained or sustainable in any court unless commenced within six months next after the occurrence of any claimed loss or damage.
10. All payments are due from the customer when billed by the Company within 30 days of the invoice date.
11. This estimate shall become effective when it has been accepted in writing by the customer or the customer's agent or when the customer or customer's agent has authorized the agreement between the customer and Marsden Central L.L.C. and may not be canceled, modified or changed except in writing, signed by both parties. No representation made by any employee or representative of the Company shall be binding upon the Company unless in writing and signed by a representative of the Company.
12. Attorney's Fees - In the event any suit, legal proceeding, or arbitration is brought for the enforcement of any of the provisions of this Agreement, the parties hereto agree that the prevailing party shall be entitled to recover from the other party reasonable attorney's fees, including attorney's for any appeal, and costs incurred in bringing such suit, proceeding or arbitration.



## Exceptions

*List any exceptions to the scope of work*

### **Exceptions -**

Marsden does not have any exceptions to the scope of work defined in attachment #1. Marsden will execute scope of work to Airports quality standards and will meet with facility manager if any efficiencies are discovered in attempt to pass cost savings along.

**Duluth Airport Authority**  
**Request For Bid**  
**Duluth International Airport Janitorial Services**

**I. INVITATION**

The Duluth Airport Authority, owners and operators of the Duluth International Airport, (hereinafter referred to as "Airport") are requesting bids for janitorial service.

The Airport is extending an invitation to qualified firms to submit a bid for janitorial and building maintenance services at the Duluth International Airport for a 1-year period with an option for four 1-year extensions. Yearly contract increases allowed according to verifiable costs in wages and supplies or by the Federal IDP (Implicit Price Deflator) whichever is greater and as negotiated 60 days before renewal anniversary date. The initial contract shall be effective February 15, 2025.

Proposer must have a minimum of 5 years of experience operating janitorial and building maintenance in buildings exceeding 100,000 square feet at one facility.

Responses to the Request for Bid will be accepted until 2:00 p.m., October 18th, 2024. There will be a mandatory pre-bid meeting on October 3rd, 2024 at 2:00pm in the Amatuzio Conference Room on the third floor of the terminal. It is the sole responsibility of the contractor to see that the sealed bid is received before the submission deadline. The contractor shall bear all risks associated with delays in the U.S. mail or delivery service. Late Bids will not be considered.

**II. REQUESTS FOR CLARIFICATION**

Any requests for clarification or additional information deemed necessary by any respondent to present a proper, bid must be submitted in writing electronically by October 9<sup>th</sup>, 2024, at 4:00pm as follows:

Email to:  
John Graves  
Airport Facilities Manger  
218-625-7761  
[jgraves@duluthairport.com](mailto:jgraves@duluthairport.com)

**III. FACILITY OVERVIEW**

The Duluth International Airport is a non-hub commercial service airport that services over 300,000 passengers annually. The Airport is currently served by Delta, United, Sun Country and various charters which provide service to Minneapolis, MN and Chicago, IL, and seasonally to Fort Meyers, FL.

The terminal was opened in January of 2013, it includes over 20,000 square feet of terrazzo floor, over 15,000 square feet of carpeted floor, 16 bathrooms, over 8,000 square feet of office space, parking lots and green space areas. Campus buildings include parking garages, maintenance garages, hangars, Air Traffic Control Building, office space and storage facilities.

**IV. CONTRACTOR RESPONSIBILITIES**

1. Successful Contractor shall be responsible for all day-to-day janitorial functions for the facilities located at the Duluth International Airport, for the term of the agreement.
2. Successful Contractor shall ensure that all required employees go through required security training and are properly badged to work in and around the Airport.
3. Successful Contractor will be responsible for keeping all public and defined private areas and facilities clean, sanitized, and free of debris and litter. Contractor will be able to meet most current applicable OSHA and CDC guidelines for cleaning and disinfecting.
4. Janitorial staff shall be uniformed, shall maintain a neat appearance and shall be courteous to customers at all times. Janitorial functions will be performed in a manner that is least disruptive to airport users. The Airport Facilities Manager will monitor janitorial operations and retains the right to insist upon the removal of any personnel who breach standards of courtesy or cleanliness.
5. Successful Contractor shall be responsible for the replacement, repair, maintenance and required cleaning chemicals for all janitorial equipment at the Airport for the term of the agreement.
6. Successful Contractor agrees to perform all ordinary and routine cleaning and defined project work on a regular ongoing basis as is needed at the Airport as described in Attachment 1. The Airport may, from time to time, direct changes in, additions to, or deletions from, the work to be performed as set forth in the aforesaid portion of Attachment 1 as the needs of the Airport may change. Directions for modifications of the janitorial schedule or of scheduled work may be given orally and be subsequently reduced to writing and given to the Contractor. Contractor will be given 30 days to comply with any staffing increase requests.
7. Successful Contractor agrees to provide adequate janitorial staff will be onsite from 5:00am through 10:00pm ensuring a clean and safe environment. The Executive Director reserves the right to retain current employees.
8. Successful Contractor will provide adequate badged backup personnel for vacation, sick days, emergency calls and to perform project work as required by the Airport. The Successful Contractor will have no less than 5 personnel badged by the Airport at all times.
9. Successful Contractor will meet with Airport representatives quarterly to review performance measures based on attachment #1.
10. Successful Contractor will provide a Duluth area office which is staffed on a full-time basis and has a resident manager and further agrees that it will have a resident manager or his designee available by phone on a twenty-four-hours a day, seven-days a week 365/6 days of the year basis for the purpose of procuring and providing backup or replacement personnel as well as other services called for in this request for Bid.
11. The Successful Contractor must be prepared to demonstrate a policy of non-discrimination at the time of entering into an Agreement with the Airport.

## **V. AIRPORT RESPONSIBILITIES**

1. The Airport shall furnish required information as expeditiously as necessary for the orderly progress of the Work, and the Contractor shall be entitled to rely upon the accuracy and completeness thereof.
2. Airport shall provide a carpet cleaner, a floor scrubber and a battery-powered vacuum/sweeper for floor maintenance.
3. Airport shall provide washroom paper products, such as toilet tissue and paper towels, and hand soap.

## **VI. BID FORMAT**

Bids shall be bound, numbered and tabbed consecutively with the following information enclosed within each section. Proposer shall submit one (1) original hard copy and one electronic (via USB stick/thumb drive).

1. Table of Contents
2. Executive Summary Cover Letter submitted on company's letterhead
3. Operational Plan - Each Proposer shall present a plan for janitorial operations for the terminal and campus buildings. This plan will include initial and ongoing training for contracted employees. This plan will include proposed janitorial coverage with specific times, number of staff and days of coverage.
4. Proposer shall furnish a complete listing of all proposed equipment and cleaning chemicals, including material safety data sheets, to be furnished. The listing shall name the equipment manufacturer, make and model number and the cost of each separate item. Additional equipment that will improve the efficiency or will lower operating costs will also be considered by the Airport.
5. Proposer shall include a history of the company's experience in general cleaning, building maintenance, window cleaning and a list of locations where the company is currently providing service comparable in size to the Duluth International Airport. The listing shall include contact persons and telephone numbers at locations of comparable or greater size to Duluth International Airport.
6. Include resumes of management team. Include operational and technology experience of the on and off-site management team.
7. Bids shall include a minimum of five (5) references from current janitorial customers. References shall include location, type of operation, contact name, and telephone number.
8. Bids shall include a monthly cost breakdown to accomplish all tasks defined in attachment #1. The breakdown of costs should include a revised monthly total (or methodology) if the proposer falls below minimum staffing/weekly coverage table.

9. Proposer shall list any exceptions to the scope of work defined in attachment #1. Exceptions will be considered, but the proposer assumes the risk of non-selection.

## **VII. INDEMNITY, INSURANCE AND OTHER REQUIREMENTS**

To the fullest extent permitted by law, the Contractor agrees that it shall defend, indemnify, and hold harmless the Duluth Airport Authority, its officers, employees, and agents, from and against any and all costs or expenses, claims or liabilities, including but not limited to, reasonable attorney's fees and expenses, whether asserted by Contractor or any third party. Said obligations to defend, indemnify, and hold harmless shall include, but not be limited to the obligation to defend, indemnify, and hold harmless the Duluth Airport Authority in all matters where claims of liability against the Duluth Airport Authority arise out of, relate to, are attributable to, are passive or derivative of, or vicarious to the negligent, intentional, or wrongful acts or omissions of the Contractor, including but not limited to the failure to supervise, breach of warranty, the failure to warn, the failure to prevent such act or omission by Contractor, its employees, or its agents, and any other source of liability. Said obligations to defend, indemnify, and hold harmless shall be triggered upon the assertion of a claim for damages against Duluth Airport Authority. On ten days' written notice from the Duluth Airport Authority of Duluth, the Contractor shall appear and defend all lawsuits against the Duluth Airport Authority of Duluth growing out of such injuries or damages. Contractor shall not be required to indemnify Duluth Airport Authority for amounts found by a fact finder to have arisen out of the intentional, willful, or wanton acts or omission of the Duluth Airport Authority. This Section, in its entirety, shall survive the termination of this Agreement if any amount of work has been performed by Contractor. Nothing in this provision shall affect the limitations of liability of the Duluth Airport Authority as set forth in Minnesota Statutes Chapter 466.

The Contractor understands this provision may affect its rights and may shift liability and specifically agrees to the same.

- a. Contractor shall comply with the following insurance obligations and shall provide the minimum amounts of insurance from insurance companies authorized to do business in the state of Minnesota and comply:
  - 1) Workers' compensation insurance in accordance with the laws of the State of Minnesota;
  - 2) Commercial General and Automobile Liability Insurance with limits not less than \$1,500,000 Single Limit, and twice the limits provided when a claim arises out of the release or threatened release of a hazardous substance. Such insurance shall be in a company approved by the Duluth Airport Authority; and shall provide for the following: Liability for Premises, Operations, Completed Operations, Independent Contractors, and Contractual Liability. Umbrella coverage with a "form following" provision may be utilized to meet the required minimum amount stated above. Such insurance shall indemnify Contractor and Duluth Airport Authority from all liability described in the Indemnification paragraphs above;
  - 3) Duluth Airport Authority shall always be named as Additional Insured under the Commercial General, and Automobile Liability Policies;
  - 4) Contractor to provide Certificate of Insurance evidencing all coverages required above. Such Certificate shall contain an unconditional requirement that the insurer must notify the Duluth Airport Authority without fail not less than 30-days prior to any cancellation, or 10 days prior to any non-renewal of the policy or coverages evidenced by said certificate, and shall further provide that failure to give such notice to Duluth Airport Authority will render any such change or changes in said policy or coverages ineffective as against the City. The use of an "Accord" form as

a certificate of insurance shall be accompanied by two forms – 1) ISO Additional Insured Endorsement (CG 2010 pre-2004); and 2) Notice of Cancellation Endorsement (IL 7002) or equivalent, as approved by the Duluth City Attorney's Office.

- b. The insurance required herein shall be maintained in full force and effect during the life of this Agreement and shall protect Contractor, its employees, agents and representatives from claims and damages including but not limited to personal injury and death and any act or failure to act by Contractor, its employees, agents and representatives in the negligent performance of work covered by this Agreement.
- c. Certificates showing that Contractor is carrying the above-described insurance in the specified amounts shall be furnished to the Duluth Airport Authority prior to the execution of this Contract and a certificate showing continued maintenance of such insurance shall be on file with the Duluth Airport Authority during the term of this Contract.
- d. The Duluth Airport Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Contractor's interests and liabilities. Nothing in this provision shall affect the limitations of liability of the Duluth Airport Authority as set forth in Minnesota Statutes Chapter 466.
- e. Proposer shall comply with all Federal, State of Minnesota, St. Louis County, City of Duluth, and all other applicable codes, laws, rules, regulations, standards, and ordinances, including but not limited to Occupational Safety and Health Administration (OSHA), the Federal Aviation Administration (FAA), the Transportation Security Administration (TSA), and all DAA rules, regulations, and orders governing the performance of work.

#### **VIII. BID SUBMITTAL**

Each bid must be submitted in a sealed envelope bearing the following information on the outside:

- 1. Name of Company
- 2. Address of Company
- 3. Address of Airport
- 4. The words "ATTN: DULUTH AIRPORT AUTHORITY - AIRPORT JANITORIAL SERVICES BID"

Bids must be delivered to the office of the Duluth Airport Authority, prior to deadline. It is the sole responsibility of the Proposer to see that the submittal is received before the deadline. The Proposer shall bear all risks associated with delays in the U.S. mail or delivery service. Late Bids will not be considered.

The Airport reserves the right to accept any bid that it deems the most advantageous, even though such bid may not offer the highest financial return. The Airport also reserves the right to reject any and all bids or to negotiate for modification of any bid.

Optional demographic information can be submitted to the DAA here: <https://duluthairport.com/compliance/>.

#### **IV. SELECTION CRITERIA**

All Bids will be thoroughly reviewed through a phased evaluation process which will evaluate the merits of the Bids received in accordance with the evaluation factors stated



herein and formulate a recommendation. One or more Proposers may be invited to make an in-person presentation before the Committee to demonstrate their capabilities. The Airport will select the bid that it believes most closely meets the objectives stated herein.

The following criteria will be considered in determining the successful Proposer:

1. Business Qualifications and Experience: Proposer's successful experience providing this type of business service at campuses of similar size, general experience of the company, and/or experience of the individuals who have management responsibilities. 20%
2. Financial Ability: Proposer's financial condition and ability to obtain adequate financing to perform specifications as defined herein. 10%
3. Operations Plan: Proposer's ability to effectively provide local management to oversee operation of the janitorial service and building maintenance on a day-to-day basis and type, quantity and quality of services provided. The operations plan will include individual work plans for each staff member defining roles and responsibilities. 15%
4. Quality of References: Proposer's operations at similar sized locations and the quality of other reference checks received from other sources by the Airport. 20%
5. Cost of Service: Proposer's quoted price based on the value of service offered within the cost structure. 25%
6. General Bid Compliance: Proposer's compliance with respect to all sections of the request for bid. 10%
  - i. While a numerical rating system may be used to assist the evaluation committee in selecting the competitive range and make an award decision, the decision is ultimately a business decision that will reflect an integrated assessment of the relative merits of the Bids.

## **X. MISCELLANEOUS INFORMATION AND CONDITIONS**

1. Statistical information contained in these documents is for informational purposes only. The Airport is not responsible for any inaccuracies or interpretations of said data.
2. The Airport reserves the right to postpone the Bid submittal due date and/or Agreement start dates.
3. The Airport reserves the right to evaluate the Successful Contractor within thirty (30) days of the initial contract and dismiss that Contractor if the performance of said Contractor does not meet the Airport's expectations. Furthermore the Airport reserves the right to terminate the contract with thirty (30) days' notice if at any time the Contractors performance drops below performance expectations agreed upon between the Successful Contractor and the Airport.

**ATTACHMENTS:**

1. Ordinary and routine cleaning, defined project work, and minimum staffing requirements.
2. Federal Aviation Administration Mandatory Language

**Attachment #1**

**Duluth Airport Authority  
Request For Bid  
Duluth International Airport Janitorial Services**

The work to be performed under this contract includes but is not limited to the following “routine services”. Frequency of service listed is the minimum amount required.

**Terminal Building:**

**Washrooms**

	<b>1st Floor Public</b>	<b>1st Floor Non-Public</b>	<b>2nd Floor Public</b>	<b>2nd Floor Non-Public</b>	<b>3rd Floor Public</b>	<b>Totals</b>
<b>Men's</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>9</b>
Toilets	2	2	6	2	2	14
Urinals	2		7		1	10
Sinks	3	2	9	2	2	18
<b>Women's</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>9</b>
Toilets	4	2	12	2	3	23
Sinks	3	2	9	2	2	18
<b>Unisex</b>	<b>1</b>	<b>1</b>	<b>1</b>			<b>3</b>
Toilets	1	1	1			3
Sinks	1	1	1			3

Three (3) times daily – Public Washrooms; Ground Floor, Second Floor Unsecured (Landside), Second Floor Secured (Airside) and Third Floor Office Areas:

- Empty trash receptacles
- Sanitize washroom fixtures
- Dust light fixtures
- Clean washroom mirrors
- Clean all countertops
- Refill soap, sanitizer, and paper dispensers from owners supply
- Spot clean toilet compartment walls
- Spot clean washroom walls
- Wet mop washroom floors
- Dust horizontal surfaces

Two (2) times weekly – Non-Public Washrooms; Airline Offices, Business Center, Customs and Boarder Protection

- Empty trash receptacles
- Sanitize washroom fixtures
- Dust light fixtures
- Clean washroom mirrors
- Clean all countertops
- Refill dispensers from owners supply
- Spot clean toilet compartment walls

- Spot clean washroom walls
- Wet mop washroom floors
- Dust horizontal surfaces

Two (2) times monthly – All Duluth Airport Washrooms:

- Scrub tile walls
- Scrub tile floors
- Polish all stainless steel

### **Non-Secure (Landside) Public Areas**

Two (2) times daily:

- Empty and wipe clean all garbage cans
- Empty and wipe clean all recycling cans
- Sweep all hard surfaced floors
- Scrub all hard surfaced floors
- Remove debris as needed
- Mop all hard surfaced edges that cannot be reached by the floor scrubber
- Spot mop spills as needed
- Wipe clean all elevator doors, door frames, control panels and walls
- Sweep all elevator floors
- Mop all elevator floors
- Spot clean doors, walls, windows and railings to include:
  - Hand rails, glass, steps and landings of the east and west stairways
  - Hand rails, glass, steps and landings of the east and west escalators
  - Window ledges within reach
- Vacuum all carpeted areas
- Spot clean carpet to remove spots
- Remove gum from carpet and floors as needed
- Dust vending machines, signs, radiator covers and fixtures throughout the landside area
- Sanitize public drinking fountains and clean drain holes
- Empty and wipe clean all garbage cans outside terminal and rental car lots
- Police front of terminal and parking areas for debris and garbage

One (1) time daily:

- Clean elevator door, door frame and vacuum door tracks
- Clean all entry doors and vacuum door tracks
- Clean and stock all janitor closets
- Spot clean carpets as necessary
- Spot clean windows as necessary
- Buff floors as needed

One (1) time weekly:

- Vacuum east and west entry vestibules
- Vacuum 2<sup>nd</sup> floor conference room
- Polish all stainless steel to include, but not limited to:
  - Walls
  - Baseboards
  - Radiators
  - Baggage carousels
- Sweep interior stairwells

### **Secure (Airside) Public Areas**

Two (2) times daily:

- Empty and wipe clean all garbage cans
- Empty and wipe clean all recycling cans
- Vacuum all carpeted areas
- Spot clean carpet to remove spots
- Remove gum from carpet and floors as needed
- Sanitize public drinking fountains and clean drain holes
- Spot clean gate seating
- Clean under gate seating

One (1) time daily:

- Clean and stock all janitor closets
- Vacuum gate departure areas and passenger boarding bridges
- Clean surface areas in jet bridges
- Spot clean windows as necessary

One (1) time weekly:

- Polish all stainless steel to include, but not limited to:
  - Walls
  - Baseboards
  - Radiators
  - Baggage carousels

### **Secure (Airside) Non-Public Areas**

One (1) time daily:

- Remove trash from tunnel
- Remove trash from Building Maintenance offices and break room
- Mop hallways

One (1) time monthly:

- Sweep tug tunnel interior

One (1) Quarterly

- Shampoo all carpeted areas

### **Third Floor Duluth Airport Authority and Transportation Security Agency Offices**

One (1) time daily:

- Remove gum from carpet and floors as needed
- Empty trash and recycling receptacles
- Spot mop floors to remove spills
- Clean and stock all janitor closets

One (1) time weekly:

- Empty recycling from copy room
- Dust unobstructed surfaces
- Vacuum all carpeted areas
- Spot clean carpet to remove spots
- Dust furniture
- Polish all stainless steel to include, but not limited to:
  - Walls
  - Baseboards

- Radiators

One (1) time yearly:

- Shampoo all carpeted areas
- Clean all windows inside and out
- Address all non-carpeted floor areas with treatment and recommendations for longevity.
- Address all wipeable surfaces, doorways, trim , walls, and vent coverings.

**Skywalk and Parking Garage**

One (1) time daily:

- Scrub skywalk floor
- Spot clean doors, walls, and windows
- Sweep and mop elevator and lobby areas

One (1) time weekly:

- Sweep and mop stairwells
- Police parking garage for rubbish and trash

**Air Traffic Control Tower**

One (1) time weekly:

- Empty trash receptacles
- Sanitize washroom fixtures
- Dust light fixtures
- Clean washroom mirrors
- Clean all countertops
- Refill soap, sanitizer, and paper dispensers from owners supply
- Spot clean toilet compartment walls
- Spot clean washroom walls
- Wet mop washroom floors
- Dust horizontal surfaces
- Mop and sweep all common areas on first floor east entry, stairs and east basement common areas

**Project Work (Propose Separately)**

- Refinish terrazzo flooring with Airport approved floor finishing system
- Refinish all office and break room floors Airport approved floor finishing system
- Any changes or addition to cleaning will be negotiated on a case by case basis

Minimum standard weekly coverage table: 154 hours – Coverage from 6am -10pm daily, 6 hours task/swing shift daily.

Monday	Tuesday	Wed	Thursday	Friday	Saturday	Sunday
#1: 6am-2pm	#1: 6am-2pm	#1: 6am-2pm	#1: 6am-2pm	#1: 6am-2pm	#1: 6am-2pm	#1: 6am-2pm
#2: 2-10pm	#2: 2-10pm	#2: 2-10pm	#2: 2-10pm	#2: 2-10pm	#2: 2-10pm	#2: 2-10pm
#3: 6 hours	#3: 6 hours	#3: 6 hours	#3: 6 hours	#3: 6 hours	#3 6 hours	#3 6 hours

## ATTACHMENT #2

### FEDERAL AVIATION ADMINISTRATION Mandatory Contract Clauses Civil Rights Title VI Assurances 49 USC § 47123 GENERAL CIVIL RIGHTS PROVISIONS

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964. The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

#### **Compliance with Nondiscrimination Requirements:**

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

**Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

**Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

**Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

**Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

**Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as

it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
- b. Cancelling, terminating, or suspending a contract, in whole or in part.

**Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

### **Mandatory Solicitation Clause**

#### **Title VI Solicitation Notice:**

The Duluth Airport Authority in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 USC §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, [select businesses, or disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in consideration for an award.

#### **Title VI List of Pertinent Nondiscrimination Acts and Authorities:**

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the



- programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
  - The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
  - Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
  - Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];
  - Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

**ACCESS TO RECORDS AND REPORTS**

The Contractor must maintain an acceptable cost accounting system. The Contractor agrees to provide the Owner, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

**NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL EMPLOYMENT OPPORTUNITY**

1. The Offeror’s or Bidder’s attention is called to the “Equal Opportunity Clause” and the “Standard Federal Equal Employment Opportunity Construction Contract Specifications” set forth herein.
2. The goals and timetables for minority and female participation, expressed in percentage terms for the Contractor’s aggregate workforce in each trade on all construction work in the covered area, are as follows:

**Timetables**

Goals for minority participation for each trade:	1%
Goals for female participation in each trade:	6.9%

These goals are applicable to all of the Contractor’s construction work (whether or not it is Federal or federally assisted) performed in the covered area. If the Contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the Contractor also is subject to the goals for both its federally involved and nonfederally involved construction.

The Contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a) and its efforts to meet the goals. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executive Order and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs (OFCCP) within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

4. As used in this notice and in the contract resulting from this solicitation, the "covered area" is **Minnesota, St. Louis County, Duluth.**

#### **BREACH OF CONTRACT TERMS**

Any violation or breach of terms of this contract on the part of the [*Contractor | Consultant*] or its subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement.

Owner will provide [*Contractor | Consultant*] written notice that describes the nature of the breach and corrective actions the [*Contractor | Consultant*] must undertake in order to avoid termination of the contract. Owner reserves the right to withhold payments to Contractor until such time the Contractor corrects the breach or the Owner elects to terminate the contract. The Owner's notice will identify a specific date by which the [*Contractor | Consultant*] must correct the breach. Owner may proceed with termination of the contract if the [*Contractor | Consultant*] fails to correct the breach by the deadline indicated in the Owner's notice.

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

#### **FAA BUY AMERICAN PREFERENCE**

The Contractor certifies that its bid/offer is in compliance with 49 USC § 50101, BABA and other related Made in America Laws,<sup>1</sup> U.S. statutes, guidance, and FAA policies, which provide that Federal funds may not be obligated unless all iron, steel and manufactured goods used in AIP funded projects are produced in the United States, unless the Federal Aviation Administration has issued a waiver for the product; the product is listed as an Excepted Article, Material Or Supply in Federal Acquisition Regulation subpart 25.108; or is included in the FAA Nationwide Buy American Waivers Issued list.

The bidder or offeror must complete and submit the certification of compliance with FAA's Buy American Preference, BABA and Made in America laws included herein with their bid or offer. The Airport Sponsor/Owner will reject as nonresponsive any bid or offer that does not include a completed certification of compliance with FAA's Buy American Preference and BABA.

The bidder or offeror certifies that all constructions materials, defined to mean an article, material, or supply other than an item of primarily iron or steel; a manufactured product; cement and cementitious

materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives that are or consist primarily of: non-ferrous metals; plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables); glass (including optic glass); lumber; or drywall used in the project are manufactured in the U.S.

#### Certification of Compliance with FAA Buy American Preference – Construction Projects

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with its proposal. The bidder or offeror must indicate how it intends to comply with 49 USC § 50101, BABA and other related Made in America Laws, U.S. statutes, guidance, and FAA policies, by selecting one of the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (i.e., not both) by inserting a checkmark (✓) or the letter “X”.

- Bidder or offeror hereby certifies that it will comply with 49 USC § 50101, BABA and other related U.S. statutes, guidance, and policies of the FAA by:
- a) Only installing iron, steel and manufactured products produced in the United States;
  - b) Only installing construction materials defined as: an article, material, or supply – other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives that are or consist primarily of non-ferrous metals; plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables); glass (including optic glass); lumber or drywall that have been manufactured in the United States.
  - c) Installing manufactured products for which the Federal Aviation Administration (FAA) has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing; or
  - d) Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

- a) To provide to the Airport Sponsor or the FAA evidence that documents the source and origin of the iron, steel, and/or manufactured product.
- b) To faithfully comply with providing U.S. domestic products.
- c) To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.
- d) Certify that all construction materials used in the project are manufactured in the U.S.

- The bidder or offeror hereby certifies it cannot comply with the 100 percent Buy American Preferences of 49 USC § 50101(a) but may qualify for a Type 3 or Type 4 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:
- a) To submit to the Airport Sponsor or FAA within 15 calendar days of being selected as the responsive bidder, a formal waiver request and required documentation that supports the type of waiver being requested.
  - b) That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination that may result in rejection of the proposal.
  - c) To faithfully comply with providing U.S. domestic products at or above the approved U.S. domestic content percentage as approved by the FAA.
  - d) To furnish U.S. domestic product for any waiver request that the FAA rejects.

- e) To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

**Required Documentation**

**Type 2 Waiver (Nonavailability)** - The iron, steel, manufactured goods or construction materials or manufactured goods are not available in sufficient quantity or quality in the United States. The required documentation for the Nonavailability waiver is

- a) Completed Content Percentage Worksheet and Final Assembly Questionnaire
- b) Record of thorough market research, consideration where appropriate of qualifying alternate items, products, or materials including;
- c) A description of the market research activities and methods used to identify domestically manufactured items capable of satisfying the requirement, including the timing of the research and conclusions reached on the availability of sources.

**Type 3 Waiver** – The cost of components and subcomponents produced in the United States is more than 60 percent of the cost of all components and subcomponents of the “facility/project.” The required documentation for a Type 3 waiver is:

- a) Completed Content Percentage Worksheet and Final Assembly Questionnaire including;
- b) Listing of all manufactured products that are not comprised of 100 percent U.S. domestic content (excludes products listed on the FAA Nationwide Buy American Waivers Issued listing and products excluded by Federal Acquisition Regulation Subpart 25.108; products of unknown origin must be considered as non-domestic products in their entirety).
- c) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly and installation at project location.
- d) Percentage of non-domestic component and subcomponent cost as compared to total “facility” component and subcomponent costs, excluding labor costs associated with final assembly and installation at project location.

**Type 4 Waiver (Unreasonable Costs)** - Applying this provision for iron, steel, manufactured goods or construction materials would increase the cost of the overall project by more than 25 percent. The required documentation for this waiver is:

- a) A completed Content Percentage Worksheet and Final Assembly Questionnaire from
- b) At minimum two comparable equal bids and/or offers;
- c) Receipt or record that demonstrates that supplier scouting called for in Executive Order 14005, indicates that no domestic source exists for the project and/or component;
- d) Completed waiver applications for each comparable bid and/or offer.

**False Statements:** Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the Federal Aviation Administration and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

\_\_\_\_\_

Date

\_\_\_\_\_

Signature

\_\_\_\_\_

Company Name

\_\_\_\_\_

Title

**Certification of Compliance with FAA Buy American Preference – Equipment/Building Projects**

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with their proposal. The bidder or offeror must indicate how they intend to comply with 49 USC § 50101, and other Made in America Laws, U.S. statutes, guidance, and FAA policies by

selecting one on the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (not both) by inserting a checkmark (✓) or the letter "X".

- Bidder or offeror hereby certifies that it will comply with 49 USC § 50101, BABA and other related U.S. statutes, guidance, and policies of the FAA by:
  - a) Only installing steel and manufactured products produced in the United States;
  - b) Only installing construction materials defined as: an article, material, or supply – other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives that are or consist primarily of non-ferrous metals; plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables); glass (including optic glass); lumber or drywall that have been manufactured in the United States.
  - c) Installing manufactured products for which the Federal Aviation Administration (FAA) has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing; or
  - d) Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

- a) To provide to the Airport Sponsor or FAA evidence that documents the source and origin of the steel and manufactured product.
  - b) To faithfully comply with providing U.S. domestic product.
  - c) To furnish U.S. domestic product for any waiver request that the FAA rejects.
  - d) To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.
- The bidder or offeror hereby certifies it cannot comply with the 100 percent Buy American Preferences of 49 USC § 50101(a) but may qualify for a Type 3 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:
  - a) To submit to the Airport Sponsor or FAA within 15 calendar days of being selected as the responsive bidder, a formal waiver request and required documentation that supports the type of waiver being requested.
  - b) That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination that may result in rejection of the proposal.
  - c) To faithfully comply with providing U.S. domestic products at or above the approved U.S. domestic content percentage as approved by the FAA.
  - d) To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

### **Required Documentation**

**Type 2 Waiver (Nonavailability)** - The iron, steel, manufactured goods or construction materials are not available in sufficient quantity or quality in the United States. The required documentation for the Nonavailability waiver is:

- a) Completed Content Percentage Worksheet and Final Assembly Questionnaire
- b) Record of thorough market research, consideration where appropriate of qualifying alternate items, products, or materials including;
- c) A description of the market research activities and methods used to identify domestically manufactured items capable of satisfying the requirement, including the timing of the research and conclusions reached on the availability of sources.

**Type 3 Waiver** – The cost of the item components and subcomponents produced in the United States is more than 60 percent of the cost of all components and subcomponents of the “item”. The required documentation for a Type 3 waiver is:

- a) Completed Content Percentage Worksheet and Final Assembly Questionnaire including;
- b) Listing of all product components and subcomponents that are not comprised of 100 percent U.S. domestic content (Excludes products listed on the FAA Nationwide Buy American Waivers Issued listing and products excluded by Federal Acquisition Regulation Subpart 25.108 (products of unknown origin must be considered as non-domestic products in their entirety).
- c) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly at place of manufacture.
- d) Percentage of non-domestic component and subcomponent cost as compared to total “item” component and subcomponent costs, excluding labor costs associated with final assembly at place of manufacture.

**Type 4 Waiver (Unreasonable Costs)** - Applying this provision for iron, steel, manufactured goods or construction materials, would increase the cost of the overall project by more than 25 percent. The required documentation for this waiver is:

- a) Completed Content Percentage Worksheet and Final Assembly Questionnaire from
- b) At minimum two comparable equal bidders and/or offerors;
- c) Receipt or record that demonstrates that supplier scouting called for in Executive Order 14005, indicates that no domestic source exists for the project and/or component;
- d) Completed waiver applications for each comparable bid and/or offer.

**False Statements:** Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the Federal Aviation Administration and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

\_\_\_\_\_

Date

\_\_\_\_\_

Signature

\_\_\_\_\_

Company Name

\_\_\_\_\_

Title

**CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED  
UNDER THE ACTIVITY, FACILITY OR PROGRAM**

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by (**Title of Sponsor**) pursuant to the provisions of the Airport Improvement Program grant assurances.

- A. The (grantee, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, “as a covenant running with the land”) that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.
- B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above Non-discrimination covenants, (**Title of Sponsor**) will have the right to terminate the (license,

permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.\*

- C. With respect to deeds, in the event of breach of any of the above Non-discrimination covenants, (***Title of Sponsor***) will there upon revert to and vest in and become the absolute property of (***Title of Sponsor***) and its assigns.\*

(\*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

### **Title VI List of Pertinent Nondiscrimination Acts and Authorities**

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, *et seq*) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, *et seq.*).

### **Compliance with Nondiscrimination Requirements:**

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:



2. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
3. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
4. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
5. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
6. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
  - a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
  - b. Cancelling, terminating, or suspending a contract, in whole or in part.
7. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

Bid Information Submitted as a matter of responsiveness:

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR § 26.53.

As a condition of responsiveness, the Bidder or Offeror must submit the following information with its proposal on the forms provided herein:

- 1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
- 2) A description of the work that each DBE firm will perform;
- 3) The dollar amount of the participation of each DBE firm listed under (1);
- 4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal
- 5) Written confirmation from each listed DBE firm that it is participating in the contract in the kind and amount of work provided in the prime contractor's commitment; and
- 6) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26. The documentation of good faith efforts must include copies of each DBE and non-DBE subcontractor quote submitted to the bidder when a non-DBE subcontractor was selected over a DBE for work on the contract.

**Bid Information submitted as a matter of responsibility:**

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR § 26.53.

As a condition of responsibility, every Bidder or Offeror must submit the following information on the forms provided herein within five days after bid opening.

- 1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
- 2) A description of the work that each DBE firm will perform;
- 3) The dollar amount of the participation of each DBE firm listed under (1);
- 4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal;
- 5) Written confirmation from each listed DBE firm that it is participating in the contract in the kind and amount of work provided in the prime contractor's commitment; and
- 6) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26. The documentation of good faith efforts must include copies of each DBE and non-DBE subcontractor quote submitted to the bidder when a non-DBE subcontractor was selected over a DBE for work on the contract.

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the [Insert Name of Owner] to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

**Contract Assurance (49 CFR § 26.13)**

The Contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

- 1) Withholding monthly progress payments;
- 2) Assessing sanctions;
- 3) Liquidated damages; and/or
- 4) Disqualifying the Contractor from future bidding as non-responsible.
- 5)

### **Prompt Payment (49 CFR § 26.29)**

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than [specify number of days, not to exceed 30] days from the receipt of each payment the prime contractor receives from [Name of recipient]. The prime contractor agrees further to return retainage payments to each subcontractor within [specify number of days, not to exceed 30] days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the [Name of Recipient]. This clause applies to both DBE and non-DBE subcontractors.

### **Termination of DBE Subcontracts (49 CFR § 26.53(f))**

The prime contractor must not terminate a DBE subcontractor listed in response to [include Solicitation paragraph number where paragraph 12.3.1, Solicitation Language appears] (or an approved substitute DBE firm) without prior written consent of [Name of Recipient]. This includes, but is not limited to, instances in which the prime contractor seeks to perform work originally designated for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or with another DBE firm.

The prime contractor shall utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless the contractor obtains written consent [Name of Recipient]. Unless [Name of Recipient] consent is provided, the prime contractor shall not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE.

[Name of Recipient] may provide such written consent only if [Name of Recipient] agrees, for reasons stated in the concurrence document, that the prime contractor has good cause to terminate the DBE firm. For purposes of this paragraph, good cause includes the circumstances listed in 49 CFR §26.53.

Before transmitting to [Name of Recipient] its request to terminate and/or substitute a DBE subcontractor, the prime contractor must give notice in writing to the DBE subcontractor, with a copy to [Name of Recipient], of its intent to request to terminate and/or substitute, and the reason for the request. The prime contractor must give the DBE five days to respond to the prime contractor's notice and advise [Name of Recipient] and the contractor of the reasons, if any, why it objects to the proposed termination of its subcontract and why [Name of Recipient] should not approve the prime contractor's action. If required in a particular case as a matter of public necessity (e.g., safety), [Name of Recipient] may provide a response period shorter than five days.

In addition to post-award terminations, the provisions of this section apply to preaward deletions of or substitutions for DBE firms put forward by offerors in negotiated procurements.

### **CLEAN AIR AND WATER POLLUTION CONTROL**

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 USC §§ 7401-7671q) and the Federal Water Pollution Control Act as amended (33 USC §§ 1251-1387). The Contractor agrees to report any violation to the Owner immediately upon discovery. The Owner assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceed \$150,000.

### **TEXTING WHEN DRIVING**

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving", (10/1/2009) and DOT Order 3902.10, "Text Messaging While Driving", (12/30/2009), the Federal Aviation Administration encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or subgrant.

In support of this initiative, the Owner encourages the Contractor to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Contractor must include the substance of this clause in all sub-tier contracts exceeding \$10,000 that involve driving a motor vehicle in performance of work activities associated with the project.

### **CERTIFICATION REGARDING DOMESTIC PREFERENCES FOR PROCUREMENTS**

The Bidder or Offeror certifies by signing and submitting this bid or proposal that, to the greatest extent practicable, the Bidder or Offeror has provided a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including, but not limited to, iron, aluminum, steel, cement, and other manufactured products) in compliance with 2 CFR § 200.322.

### **FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)**

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, et seq, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

The [*Contractor | Consultant*] has full responsibility to monitor compliance to the referenced statute or regulation. The [*Contractor | Consultant*] must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

### **TRADE RESTRICTION CERTIFICATION**

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror –

- 1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);
- 2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and
- 3) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC § 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR § 30.17, no contract shall be awarded to an Offeror or subcontractor:

- 1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR; or
- 2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list; or
- 3) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the

list of countries that discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

### **CERTIFICATION REGARDING LOBBYING**

The Bidder or Offeror certifies by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Bidder or Offeror, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

### **OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970**

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. The employer must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The employer retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (29 CFR Part 1910). The employer must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

### **PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT**

Contractor and Subcontractor agree to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act [Public Law 115-232 § 889(f)(1)].

## **CERTIFICATION OF OFFEROR/BIDDER REGARDING TAX DELINQUENCY AND FELONY CONVICTIONS**

The applicant must complete the following two certification statements. The applicant must indicate its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (✓) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

### **Certifications**

- 1) The applicant represents that it is ( ✓ ) is not ( ✓ ) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.
- 2) The applicant represents that it is ( ✓ ) is not ( ✓ ) a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

### **Note**

If an applicant responds in the affirmative to either of the above representations, the applicant is ineligible to receive an award unless the Sponsor has received notification from the agency suspension and debarment official (SDO) that the SDO has considered suspension or debarment and determined that further action is not required to protect the Government's interests. The applicant therefore must provide information to the owner about its tax liability or conviction to the Owner, who will then notify the FAA Airports District Office, which will then notify the agency's SDO to facilitate completion of the required considerations before award decisions are made.

### **Term Definitions**

**Felony conviction:** Felony conviction means a conviction within the preceding twenty four (24) months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the U.S. Code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 USC § 3559.

**Tax Delinquency:** A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

## **TERMINATION FOR CONVENIENCE (CONSTRUCTION & EQUIPMENT CONTRACTS)**

The Owner may terminate this contract in whole or in part at any time by providing written notice to the Contractor. Such action may be without cause and without prejudice to any other right or remedy of Owner. Upon receipt of a written notice of termination, except as explicitly directed by the Owner, the Contractor shall immediately proceed with the following obligations regardless of any delay in determining or adjusting amounts due under this clause:

1. Contractor must immediately discontinue work as specified in the written notice.
2. Terminate all subcontracts to the extent they relate to the work terminated under the notice.
3. Discontinue orders for materials and services except as directed by the written notice.
4. Deliver to the Owner all fabricated and partially fabricated parts, completed and partially completed work, supplies, equipment and materials acquired prior to termination of the work, and as directed in the written notice.
5. Complete performance of the work not terminated by the notice.
6. Take action as directed by the Owner to protect and preserve property and work related to this contract that Owner will take possession.

Owner agrees to pay Contractor for:

1. Completed and acceptable work executed in accordance with the contract documents prior to the effective date of termination;

2. Documented expenses sustained prior to the effective date of termination in performing work and furnishing labor, materials, or equipment as required by the contract documents in connection with uncompleted work;
3. Reasonable and substantiated claims, costs, and damages incurred in settlement of terminated contracts with Subcontractors and Suppliers; and
4. Reasonable and substantiated expenses to the Contractor directly attributable to Owner's termination action.

Owner will not pay Contractor for loss of anticipated profits or revenue or other economic loss arising out of or resulting from the Owner's termination action.

The rights and remedies this clause provides are in addition to any other rights and remedies provided by law or under this contract.

#### **TERMINATION FOR CONVENIENCE (PROFESSIONAL SERVICES)**

The Owner may, by written notice to the Consultant, terminate this Agreement for its convenience and without cause or default on the part of Consultant. Upon receipt of the notice of termination, except as explicitly directed by the Owner, the Contractor must immediately discontinue all services affected.

Upon termination of the Agreement, the Consultant must deliver to the Owner all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

#### **TERMINATION FOR CAUSE (CONSTRUCTION)**

Section 80-09 of FAA Advisory Circular 150/5370-10 establishes standard language for conditions, rights, and remedies associated with Owner termination of this contract for cause due to default of the Contractor.

#### **TERMINATION FOR CAUSE (EQUIPMENT)**

The Owner may, by written notice of default to the Contractor, terminate all or part of this Contract for cause if the Contractor:

1. Fails to begin the Work under the Contract within the time specified in the Notice- to-Proceed;
2. Fails to make adequate progress as to endanger performance of this Contract in accordance with its terms;
3. Fails to make delivery of the equipment within the time specified in the Contract, including any Owner approved extensions;
4. Fails to comply with material provisions of the Contract;
5. Submits certifications made under the Contract and as part of their proposal that include false or fraudulent statements; or
6. Becomes insolvent or declares bankruptcy.

If one or more of the stated events occur, the Owner will give notice in writing to the Contractor and Surety of its intent to terminate the contract for cause. At the Owner's discretion, the notice may allow the Contractor and Surety an opportunity to cure the breach or default.

If within [10] days of the receipt of notice, the Contractor or Surety fails to remedy the breach or default to the satisfaction of the Owner, the Owner has authority to acquire equipment by other procurement action. The Contractor will be liable to the Owner for any excess costs the Owner incurs for acquiring such similar equipment.

Payment for completed equipment delivered to and accepted by the Owner shall be at the Contract price. The Owner may withhold from amounts otherwise due the Contractor for such completed

equipment, such sum as the Owner determines to be necessary to protect the Owner against loss because of Contractor default.

Owner will not terminate the Contractor's right to proceed with the work under this clause if the delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such acceptable causes include: acts of God, acts of the Owner, acts of another Contractor in the performance of a contract with the Owner, and severe weather events that substantially exceed normal conditions for the location.

If, after termination of the Contractor's right to proceed, the Owner determines that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the Owner issued the termination for the convenience the Owner.

The rights and remedies of the Owner in this clause are in addition to any other rights and remedies provided by law or under this contract.

### **TERMINATION FOR CAUSE (PROFESSIONAL SERVICES)**

Either party may terminate this Agreement for cause if the other party fails to fulfill its obligations that are essential to the completion of the work per the terms and conditions of the Agreement. The party initiating the termination action must allow the breaching party an opportunity to dispute or cure the breach.

The terminating party must provide the breaching party [7] days advance written notice of its intent to terminate the Agreement. The notice must specify the nature and extent of the breach, the conditions necessary to cure the breach, and the effective date of the termination action. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this agreement.

a) **Termination by Owner:** The Owner may terminate this Agreement for cause in whole or in part, for the failure of the Consultant to:

1. Perform the services within the time specified in this contract or by Owner approved extension;
2. Make adequate progress so as to endanger satisfactory performance of the Project; or
3. Fulfill the obligations of the Agreement that are essential to the completion of the Project.

Upon receipt of the notice of termination, the Consultant must immediately discontinue all services affected unless the notice directs otherwise. Upon termination of the Agreement, the Consultant must deliver to the Owner all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

If, after finalization of the termination action, the Owner determines the Consultant was not in default of the Agreement, the rights and obligations of the parties shall be the same as if the Owner issued the termination for the convenience of the Owner.

b) **Termination by Consultant:** The Consultant may terminate this Agreement for cause in whole or in part, if the Owner:

1. Defaults on its obligations under this Agreement;
2. Fails to make payment to the Consultant in accordance with the terms of this Agreement;
3. Suspends the project for more than [180] days due to reasons beyond the control of the Consultant.

Upon receipt of a notice of termination from the Consultant, Owner agrees to cooperate with Consultant for the purpose of terminating the agreement or portion thereof, by mutual consent. If Owner and Consultant cannot reach mutual agreement on the termination settlement, the Consultant may, without prejudice to any rights and remedies it may have, proceed with terminating all or parts of this Agreement based upon the Owner's breach of the contract.



In the event of termination due to Owner breach, the Consultant is entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement and all justified reimbursable expenses incurred by the Consultant through the effective date of termination action. Owner agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

#### **VETERAN'S PREFERENCE**

In the employment of labor (excluding executive, administrative, and supervisory positions), the Contractor and all sub-tier contractors must give preference to covered veterans as defined within Title 49 United States Code Section 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 USC § 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

#### **PROHIBITION OF SEGREGATED FACILITIES**

(a) The Contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Employment Opportunity clause in this contract.

(b) "Segregated facilities," as used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

(c) The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Employment Opportunity clause of this contract.

#### **PROCUREMENT OF RECOVERED MATERIALS**

Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

- 3) The contract requires procurement of \$10,000 or more of a designated item during the fiscal year; or
- 4) The contractor has procured \$10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at [www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products](http://www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products).

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

- a) Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
- b) Fails to meet reasonable contract performance requirements; or
- c) Is only available at an unreasonable price.



**1. Infrastructure Renewal**

- a. Reconstruct Alpha Taxiway
  - i. Phase 5 Construction
  - ii. Phase 6 Design
- b. Reconstruct Midfield Ramp
  - i. Phase 3 Construction
- c. New Air Traffic Control Tower
  - i. Secure Federal and State Funding
  - ii. Based on Potential Funding Gap, Recommend to the Board Local Funding Options and Determine if Project will be Delayed
  - iii. Hangar 2 Demolition

**2. Support Economic Development**

- a. Position Blighted/Underperforming Property for Redevelopment
  - i. New Hangar Development
    - 1. Sign a land lease and development agreement with LifeLinkIII at North Business Development Area
    - 2. Design and construct a hangar for LifeLinkIII at North Business Development Area
  - ii. Support Cirrus Campus Expansion Consistent with the Airport Layout Plan (ALP)
    - 1. Support development and proper siting of engine runup hangar
    - 2. Support development and proper siting of a fuel calibration facility
    - 3. Support development and proper siting of relocated or expanded factory service center
    - 4. Support development and proper siting of manufacturing expansion
  - iii. Promote Preservation of Lake Superior College's Programs at the Duluth International Airport
- b. Position Select Green Space for New Development
  - i. Secure a FAA land release for Stebner property in support of Minnesota Power/Allete Development
  - ii. Sign a land lease with Minnesota Power/Allete for Stebner property

**3. Strengthen the Duluth Airport Authority's Cash Position**

- a. Strengthen Underperforming Revenue Streams
  - i. Audit revenue producing agreements
  - ii. Review the cost structure of underperforming revenues
  - iii. Identify advertising and sponsorship opportunities



1. Secure agreements for 2 newly identified spaces
- iv. Renegotiate and restructure the land lease for the Cirrus Innovation Center
- v. Conduct a request for proposal process for vending and Duluth International and Sky Harbor Airport(s)
- b. Pursue New Revenue
  - i. New Hangar Development
    1. Sign a land lease and development agreement with LifeLinkIII
    2. Design and construct a hangar for LifeLinkIII
    3. Support private hangar construction on Lot 8 at Sky Harbor Airport
  - ii. Secure a FAA land release for Stebner property in support of Minnesota Power/Allete Development
  - iii. Sign a land lease with Minnesota Power/Allete for Stebner property
- c. Sustain Priority Based Budgeting

#### **4. Strengthen/Grow Air Service**

- a. Add Daily Flights to a Western Hub on a Major Network Carrier
  - i. Leverage awarded SCASD grant to secure a network carrier to launch daily DEN service
- b. Add a Low-Cost or Ultra Low-Cost Carrier(s) to Fly Select Leisure Routes
  - i. Pursue 2 additional routes (1 year round and 1- seasonal)
  - ii. Support the Duluth Chamber Foundation's Community Air Carrier Incentive Package Development
- c. Strengthen Existing Carriers and Routes
  - i. Encourage airline partners to increase capacity especially in support of Great Lakes Cruising
  - ii. Advocate for Additional Capacity Especially During Spring Break and Summer Peaks
- d. Strengthen Customer Experience/Perception and Increase Air Service Marketing
  - i. Host a PreCheck registration event

#### **5. Staff Development/Team Growth/Structure/Process Improvement**

- a. Duluth Airport Authority becomes Sponsor of Its Airports
- b. Develop New Strategic Plan 2026-2030
  - i. Departmental Assessments distributed to the Board June 2025
  - ii. Presentations to the Board from key stakeholders May-August 2025
  - iii. Facilitated strategic plan board retreat August-September 2025
  - iv. New strategic plan Board approved no later than December 2025



## **DULUTH AIRPORT AUTHORITY**

- c. Strengthen Staff Cohesion
  - i. Annual Leadership Retreat
- d. Negotiate a New Collective Bargaining Agreement
- e. Conduct a FAR Part 139 Triannual Emergency Response Exercise with Regional Partners

VII. - I.

**Duluth Airport Authority  
DAA Board Packet Budget vs. Actual Summary  
From Jan 2024 to Oct 2024**

<b>UNAUDITED</b>							
Financial Row	Prior Year Actual (Jan 2023 - Oct 2023)	Current Year Actual (Jan 2024 - Oct 2024)	Budget Amount (Jan 2024 - Oct 2024)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2024 - Adjust 2024 )
<b>Ordinary Income/Expense</b>							
<b>Income</b>							
Non-Aeronautical Revenue	3,030,883	3,293,149	2,783,971	118.29%	262,266	509,178	3,270,423
Non-Passenger Aeronautical Revenue	1,447,633	1,463,404	1,447,648	101.09%	15,772	15,756	1,699,641
Passenger Airline Aeronautical Revenue	1,200,261	1,395,211	1,365,018	102.21%	194,950	30,193	1,626,676
<b>Total - Income</b>	<b>5,678,776</b>	<b>6,151,764</b>	<b>5,596,637</b>	<b>109.92%</b>	<b>472,988</b>	<b>555,128</b>	<b>6,596,739</b>
<b>Gross Profit</b>	<b>5,678,776</b>	<b>6,151,764</b>	<b>5,596,637</b>	<b>109.92%</b>	<b>472,988</b>	<b>555,128</b>	<b>6,596,739</b>
<b>Expense</b>							
Miscellaneous Expenses	79,171	199,818	80,542	248.09%	120,648	119,277	96,690
Personnel Compensation & Benefits	2,245,944	2,193,873	2,408,905	91.07%	(52,072)	(215,032)	3,015,668
Services and Charges	1,982,491	2,139,081	2,026,754	105.54%	156,590	112,327	2,433,958
Supplies	604,581	550,937	626,126	87.99%	(53,645)	(75,190)	767,463
<b>Total - Expense</b>	<b>4,912,187</b>	<b>5,083,709</b>	<b>5,142,327</b>	<b>98.86%</b>	<b>171,521</b>	<b>(58,618)</b>	<b>6,313,779</b>
<b>Net Ordinary Income</b>	<b>766,589</b>	<b>1,068,055</b>	<b>454,310</b>	<b>235.09%</b>	<b>301,466</b>	<b>613,746</b>	<b>282,959</b>
<b>Other Income and Expenses</b>							
<b>Other Income</b>							
Capital Contributions	2,400,321	0	0	0.00%	(2,400,321)	0	0
Non-Operating Revenue	731,659	610,936	568,750	107.42%	(120,723)	42,186	648,529
<b>Total - Other Income</b>	<b>3,131,980</b>	<b>610,936</b>	<b>568,750</b>	<b>107.42%</b>	<b>(2,521,044)</b>	<b>42,186</b>	<b>648,529</b>
<b>Other Expense</b>							
Non-Operating Expense	118,303	101,133	117,645	85.96%	(17,170)	(16,512)	141,174
<b>Total - Other Expense</b>	<b>118,303</b>	<b>101,133</b>	<b>117,645</b>	<b>85.96%</b>	<b>(17,170)</b>	<b>(16,512)</b>	<b>141,174</b>
<b>Net Other Income</b>	<b>3,013,677</b>	<b>509,803</b>	<b>451,105</b>	<b>113.01%</b>	<b>(2,503,874)</b>	<b>58,698</b>	<b>507,355</b>
<b>Net Income Exclusive of Project Expenses, Depreciation &amp; Amortization</b>	<b>3,780,266</b>	<b>1,577,859</b>	<b>905,415</b>	<b>174.27%</b>	<b>(2,202,407)</b>	<b>672,444</b>	<b>790,315</b>
<b>Projects/Grants</b>	<b>10,237,752</b>	<b>19,523,068</b>	<b>16,475,385</b>	<b>118.50%</b>	<b>9,285,316</b>	<b>3,047,684</b>	<b>19,770,462</b>
<b>Depreciation &amp; Amortization</b>	<b>(9,483,240)</b>	<b>0</b>	<b>(8,953,042)</b>	<b>0.00%</b>	<b>9,483,240</b>	<b>8,953,042</b>	<b>(10,743,651)</b>
<b>Net Income</b>	<b>4,534,778</b>	<b>21,100,927</b>	<b>8,427,757</b>	<b>250.37%</b>	<b>16,566,149</b>	<b>12,673,170</b>	<b>9,817,126</b>

- **Overall:** At the time this report was generated for the above period, the DAA is at an overall favorable variance budget vs actual of \$672k.
- **Operating Revenue:** Non-Aeronautical Revenue is \$509k over budget overall. Concessions revenues are \$74k over budget, parking revenues are \$208k over budget and customer facility charges are \$163k over budget. Rent is now showing under budget, due to the loss of rent from Hydrosolutions and Hermantown Hydraulics. Non-passenger aeronautical revenue is \$15k over budget due to increased rent and concessions. Security reimbursements are down over \$46k due to the loss of the TSA LEO reimbursement program. Aviation gas sales at Sky Harbor is down \$10k. Passenger Airline Aeronautical revenue is \$30k over budget due to increased landing fees. Operating Revenues are 555k over budget overall.
- **Operating Expenses:** Miscellaneous Expenses are \$119k over budget, mostly due to the North Business Development Area Buyout. Personnel Compensation and Benefits are \$215k under budget. Supplies are \$75k under budget. Services and charges are \$112k over budget due to increases in contract security, communications and technology and other professional services. Operating expenses are \$58k under budget overall.
- **Non-Operating Revenue:** Non-operating revenue is over budget by \$42k. Interest income is under budget by \$9k and PFCs are over budget by nearly \$95k. There was a loss on disposal of capital assets of \$43k.
- **Non-Operating Expenses:** Non-Operating Expenses are under budget by \$16k due to reduced interest expense as the line of credit has not been utilized in 2024.
- **Report Disclaimer:** The results of this report are expected to change slightly with delayed revenue and expense postings.
- **OPERATING POLICY #28 MINIMUM CASH BALANCE REPORTING BASED ON 2023 AUDITED FINANCIALS AS OF 12/10/2024:**
  - Minimum Cash Balance Goal: \$2,930,908 Current Balance: \$4,989,729 (does not include grants receivable)
  - Days Cash on Hand: 306 days currently vs 180 day benchmark (126 days OVER goal)

**Duluth Airport Authority**  
**Income Statement**  
**From Jan 2024 to Oct 2024**

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	\$31,760.00
Concession Revenue	
ATM	\$505.00
Car Rental Concession	\$567,759.83
Car Sharing Concession	\$272.13
Food & Beverage Concession	\$92,012.71
Lottery Concessions	\$1,070.09
Per Departure Fee	\$2,410.00
Per Passenger Fee	\$24,632.00
Services/Other	\$880.31
TNC Per Trip Fee	\$12,397.50
Vending	\$5,536.36
Total - Concession Revenue	\$707,475.93
Customer Facility Charges	\$361,712.00
Miscellaneous Revenues	\$108,388.07
Parking	\$1,486,333.64
Permits	\$6,668.20
Reimbursed Expenses	\$98,775.56
Rent	\$174,487.09
Sponsorship Income	\$38,000.00
State Aid	\$279,548.53
Total - Non-Aeronautical Revenue	\$3,293,149.02
Non-Passenger Aeronautical Revenue	
Aviation Gas	\$63,220.25
Concession Revenue	
Aeronautical Supplies	\$1,548.05
Aircraft Parking	\$4,817.25
Deicing	\$3,377.83
Flight Training/Tour Operations	\$24,507.15
Fuel Flowage Fees	\$101,221.10
Hangar Rent	\$4,533.83
Landing Fees	\$24,749.42
Mechanic	\$632.11
Misc Sales/Other	\$8,454.00
Total - Concession Revenue	\$173,840.74
Event Income	\$38,179.00
FBO Parking	\$550.00
Landing Fees	\$32,764.48
Ramp Fees	\$16,950.00
Rent	\$1,098,605.33
Security Reimbursement	\$36,274.26
Tie Downs	\$3,020.00
Total - Non-Passenger Aeronautical Revenue	\$1,463,404.06
Passenger Airline Aeronautical Revenue	
Landing Fees	\$319,613.42
Per Use Fee	\$3,539.05
Terminal Office/Space Rental	\$1,072,058.66
Total - Passenger Airline Aeronautical Revenue	\$1,395,211.13
<b>Total - Income</b>	<b>\$6,151,764.21</b>
Gross Profit	\$6,151,764.21
Expense	
Miscellaneous Expenses	\$199,818.34
Personnel Compensation & Benefits	

<b>Financial Row</b>	<b>Amount</b>
Benefit Administration Fees	\$244.80
Employer Contributions for Retirement	\$200,666.96
Employer Paid Insurance	\$369,041.10
Retiree Benefits	\$112,690.91
Wages & Salaries	\$1,489,650.13
Worker's Compensation	\$21,578.70
<b>Total - Personnel Compensation &amp; Benefits</b>	<b>\$2,193,872.60</b>
<b>Services and Charges</b>	
Advertising	\$1,100.97
Badging	\$5,395.90
Central Services Fee	\$64,960.00
Communications & Technology	\$252,774.71
Employee Development Services	\$62,233.72
Employee Physicals	\$2,073.00
Insurance	\$118,438.80
Marketing	\$166,258.10
Professional Services	\$433,215.94
Rentals	\$13,005.96
Repairs and Maintenance - Contractual/Services	\$454,921.58
Sponsorship Expenses	\$6,350.00
Transportation	\$2,477.99
Utility Services	\$555,874.65
<b>Total - Services and Charges</b>	<b>\$2,139,081.32</b>
<b>Supplies</b>	
Merchandise for Resale	\$57,178.27
Office Supplies	\$74,138.95
Operating Supplies	\$96,448.93
Repairs & Maintenance Supplies	\$323,170.50
<b>Total - Supplies</b>	<b>\$550,936.65</b>
<b>Total - Expense</b>	<b>\$5,083,708.91</b>
<b>Net Ordinary Income</b>	<b>\$1,068,055.30</b>
<b>Other Income and Expenses</b>	
<b>Other Income</b>	
Capital Contributions	
Grants	\$19,523,068.43
<b>Total - Capital Contributions</b>	<b>\$19,523,068.43</b>
<b>Non-Operating Revenue</b>	
Gain/Loss on Asset Disposal	(\$43,439.86)
Interest Income	\$175,092.56
Passenger Facility Charges	\$479,283.28
<b>Total - Non-Operating Revenue</b>	<b>\$610,935.98</b>
<b>Total - Other Income</b>	<b>\$20,134,004.41</b>
<b>Other Expense</b>	
Non-Operating Expense	
Interest Expense	\$101,132.71
<b>Total - Non-Operating Expense</b>	<b>\$101,132.71</b>
<b>Total - Other Expense</b>	<b>\$101,132.71</b>
<b>Net Other Income</b>	<b>\$20,032,871.70</b>
<b>Net Income</b>	<b>\$21,100,927.00</b>

**Duluth Airport Authority**  
**Balance Sheet**  
**End of Oct 2024**

Financial Row	Amount
<b>ASSETS</b>	
Current Assets	
Bank	\$4,436,270.67
Accounts Receivable	
Accounts Receivable - Restricted PFC	\$105,657.09
Accounts Receivable Billed	\$611,535.17
Accrued Receivable	\$21,520.30
Grants Receivable	\$6,014,611.31
ST Lease Receivable	\$29,630.33
Total Accounts Receivable	\$6,782,954.20
Other Current Asset	\$321,167.40
Total Current Assets	\$11,540,392.27
Fixed Assets	\$144,636,472.58
Other Assets	
Accumulated Amortization	(\$3,152,423.67)
Airport Planning Projects - Contributed	\$5,518,016.49
Airport Planning Projects - Invested	\$772,784.00
Deferred Outflows - OPEB	\$225,995.00
Deferred Outflows - Pension	\$408,765.00
LT Lease Receivable	\$2,229,714.06
Total Other Assets	\$6,002,850.88
Total ASSETS	\$162,179,715.73
<b>Liabilities &amp; Equity</b>	
Current Liabilities	
Accounts Payable	
Accounts Payable	\$326,427.19
Contracts Payable	\$1,391,433.69
Credit Cards Payable	(\$161.36)
Lottery Payable	\$4,585.72
Total Accounts Payable	\$1,722,285.24
Credit Card	\$3,641.00
Other Current Liability	
Accrued Interest	\$75,784.45
Accrued Sales Taxes Payable - All	\$15,713.45
Accrued Vacation	\$122,778.26
Deferred Inflows - Lease Asset	\$2,155,143.79
Deferred Inflows - OPEB Liabilities	\$435,328.00
Deferred Inflows - Pension	\$402,277.00
Loans Payable to City of Duluth	\$955,000.00
Unearned Revenue - Current	\$112,543.32
Unearned Revenue - Non Current	\$10,932.40
Total Other Current Liability	\$4,285,500.67
Total Current Liabilities	\$6,011,426.91
Long Term Liabilities	
LT Loans Payable to City of Duluth	\$3,210,000.00
Net Pension Liability	\$1,252,584.00
Total Other Post Employment Benefit Liability	\$3,056,943.02
Total Long Term Liabilities	\$7,519,527.02
Equity	
Contributed Equity	\$16,621,668.70
Retained Earnings	\$110,926,166.10
Net Income	\$21,100,927.00
Total Equity	\$148,648,761.80
Total Liabilities & Equity	\$162,179,715.73



## VII. - J.

**Duluth Airport Authority  
Duluth A/R Aging Report  
As of December 11, 2024**

<b>Customer</b>	<b>60 Days</b>	<b>90 Days</b>	<b>&gt;90 Days</b>	<b>Total</b>
	<b>Open Balance</b>	<b>Open Balance</b>	<b>Open Balance</b>	<b>Open Balance</b>
Aeronautical Radio, Inc.	\$0.00	\$0.00	\$0.00	\$172.46
AMSOIL	\$0.00	\$0.00	\$0.00	\$30,000.00
Apter, Abbot	\$0.00	\$0.00	\$0.00	(\$2,350.00)
Avis Rent A Car	\$0.00	\$0.00	\$0.00	(\$600.00)
Bellamy Bill	\$0.00	\$0.00	\$143.06	\$247.20
Brandt, Cody	\$0.00	\$0.00	\$0.00	\$51.00
Chad's Pad, LLC	\$0.00	\$0.00	\$0.00	\$502.90
Cirrus Design Corporation	\$979.24	\$0.00	\$0.00	\$32,909.23
City of Duluth	\$1,823.45	\$0.00	\$0.00	\$3,646.90
Civil Air Patrol	\$0.00	\$309.79	\$417.79	\$727.58
Cloose Brian	\$0.00	\$0.00	\$0.00	\$180.00
Cohen, Marc	\$0.00	\$0.00	\$0.00	\$51.00
Dal Santo, Frances M	\$0.00	\$0.00	\$0.00	(\$249.15)
Delta Airlines	\$0.00	\$0.00	\$0.00	\$42,587.62
DeSutter, Peter	\$0.00	\$0.00	\$0.00	\$51.00
Divine Carriers	\$0.00	\$0.00	\$685.60	\$685.60
Duluth Hangar, LLC	\$0.00	\$0.00	\$0.00	\$899.04
Dunker, Christopher L	\$0.00	\$0.00	\$8,853.20	\$8,853.20
Ellefson, Nicholas	\$0.00	\$0.00	\$0.00	\$745.00
Enbridge Energy, Inc.	\$0.00	\$0.00	\$0.00	(\$2,350.00)
Enterprise Leasing Company	(\$890.47)	\$96.00	\$0.00	(\$24,685.20)
Federal Aviation Administration	\$17,910.75	\$0.00	\$0.00	\$34,537.98
FEDEX Duluth C/O CBC Fisher Group	\$0.00	\$0.00	\$0.00	\$8,289.84
Galchus, Kurt	\$254.28	\$21.96	\$0.00	\$552.57
Gardonio, Michael	\$0.00	\$0.00	\$0.00	\$1,744.77
General Services Administration	\$0.00	\$0.00	\$0.00	\$5,725.48
Goritchan Boris	\$0.00	\$0.00	\$2,004.00	\$2,004.00
Griffith Evans	\$0.00	\$0.00	\$0.00	\$180.00
Hall John	\$0.00	\$0.00	\$0.00	\$312.67
Harris, Melissa	\$0.00	\$153.00	\$0.00	\$153.00
Hillman Colin	\$0.00	\$0.00	\$0.00	\$300.00
Hunstad, Nicholas	\$0.00	\$0.00	\$0.00	\$114.83
Jauss Aviation Inc.	\$0.00	\$0.00	\$0.00	\$300.00
K & D Auctions	\$0.00	\$0.00	(\$8,493.06)	(\$8,493.06)
KGM Contractors, Inc.	\$0.00	\$0.00	\$0.00	\$500.00
Kleen-Tech Services, LLC	\$0.00	\$0.00	\$0.00	\$729.97
Lake Superior College	\$0.00	\$0.00	\$0.00	\$34,468.27
Lake Superior Helicopters	\$0.00	\$0.00	\$0.00	\$6,071.60
Lucero Andrew	\$0.00	\$0.00	\$0.00	\$90.00
Luck, Rick	\$0.00	\$0.00	\$0.00	\$195.81
Lyft, Inc.	\$0.00	\$0.00	\$0.00	\$640.50
Minnesota Air National Guard	\$0.00	\$0.00	\$96,352.79	\$99,004.87

Minnesota Department of Transportation	\$34,675.42	(\$219,641.82)	\$1,098,176.38	<b>\$1,935,508.08</b>
Monaco Air Duluth	\$0.00	\$0.00	\$0.00	<b>\$5,115.49</b>
Mountain Air Cargo	\$0.00	\$0.00	\$0.00	<b>\$1,695.00</b>
National Weather Service	\$0.00	\$0.00	\$125.00	<b>\$125.00</b>
Northland Constructors, Inc.	\$0.00	\$0.00	\$0.00	<b>\$181.50</b>
Oakwells CR, LLC	\$120.00	\$0.00	\$0.00	<b>\$276.29</b>
Pfaltzgraff, George	\$0.00	\$0.00	\$0.00	<b>\$745.00</b>
Plucinak, Joseph	(\$736.00)	\$0.00	\$0.00	<b>(\$736.00)</b>
Rasier, LLC	(\$1,500.00)	\$0.00	\$0.00	<b>(\$2,215.50)</b>
Rogers, Alexander	\$254.28	\$0.00	\$0.00	<b>\$575.36</b>
RS&H	\$0.00	\$0.00	\$0.00	<b>\$2,839.82</b>
Safstrom Jon	\$0.00	\$153.00	\$0.00	<b>\$153.00</b>
Sun Country, Inc. dba Sun Country Airlines	\$0.00	\$0.00	\$0.00	<b>\$120.00</b>
The Landline Company	\$3,074.19	\$0.00	\$0.00	<b>\$6,142.26</b>
Thornton, Paul	(\$510.00)	\$0.00	\$0.00	<b>(\$510.00)</b>
unifi	\$0.00	\$0.00	\$4,662.00	<b>\$5,062.00</b>
United Airlines	\$0.00	\$0.00	\$0.00	<b>(\$1,758.39)</b>
Valentine, Ian	\$0.00	\$0.00	\$0.00	<b>\$51.00</b>
Wenzel, Ian	\$0.00	\$0.00	\$0.00	<b>(\$1,420.00)</b>
Winter, Detrich	\$0.00	\$0.00	\$0.00	<b>\$745.00</b>
WLSSD	\$0.00	\$0.00	\$0.00	<b>\$12,301.37</b>
<b>Total</b>	<b>\$55,455.14</b>	<b>(\$218,908.07)</b>	<b>\$1,202,926.76</b>	<b>\$2,244,494.76</b>

VII. - K.

Year to Date Airline Statistics

Month	DELTA					UNITED					SUN COUNTRY				
	2024 Enplanements		2024 Deplanements		Total	2024 Enplanements		2024 Deplanements		Total	2024 Enplanements		2024 Deplanements		Total
	Revenue	Non Rev	Revenue	Non Rev		Revenue	Non Rev	Revenue	Non Rev		Revenue	Non Rev	Revenue	Non Rev	
JAN	5,411	119	4,885	151	10,566	2,540	46	2,309	44	4,939	-	-	-	-	-
FEB	4,823	150	5,916	155	11,044	2,654	56	2,641	46	5,397	1,434	1	1,117	1	2,553
MAR	5,206	165	5,145	158	10,674	3,252	89	3,374	83	6,798	1,563	3	1,465	2	3,033
APR	5,260	211	5,125	214	10,810	4,013	103	4,232	102	8,450	947	-	1,184	1	2,132
MAY	5,493	165	5,959	171	11,788	3,969	145	4,418	125	8,657	177	4	177	4	362
JUN	6,907	167	7,040	178	14,292	3,915	128	4,047	109	8,199	-	-	-	-	-
JUL	7,761	196	8,393	217	16,567	5,180	120	5,167	122	10,589	-	-	-	-	-
AUG	8,882	215	8,769	228	18,094	6,346	160	6,405	163	13,074	-	-	-	-	-
SEP	7,796	156	7,118	177	15,247	6,238	100	6,062	114	12,514	-	-	-	-	-
OCT	7,590	213	7,158	209	15,170	5,991	160	6,200	154	12,505	-	-	-	-	-
NOV	6,346	156	6,346	156	13,004	5,031	109	4,997	106	10,243	-	-	-	-	-
DEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	71,475	1,913	71,854	2,014	147,256	49,129	1,216	49,852	1,168	101,365	4,121	8	3,943	8	8,080

Month	CHARTERS					2024 Total Passenger Data Including Charters							2023 - 2024 Difference		
	2024 Enplanements		2024 Deplanements		Total	2024 Enplanements			2024 Deplanements			Passengers	Enplanements	Deplanements	Total Passengers
	Revenue	Non Rev	Revenue	Non Rev		Rev	Non Rev	Total	Rev	Non Rev	Total				
JAN	182	-	180	-	362	8,133	165	8,298	7,374	195	7,569	15,867	(466)	(1,364)	(1,830)
FEB	-	-	-	-	-	8,911	207	9,118	9,674	202	9,876	18,994	(408)	(323)	(731)
MAR	181	-	217	-	398	10,202	257	10,459	10,201	243	10,444	20,903	(3,337)	1,896	(1,441)
APR	181	-	180	-	361	10,401	314	10,715	10,721	317	11,038	21,753	(79)	(17)	(96)
MAY	-	-	-	-	-	9,639	314	9,953	10,554	300	10,854	20,807	(712)	(458)	(1,170)
JUN	-	-	-	-	-	10,822	295	11,117	11,087	287	11,374	22,491	1,389	1,691	3,080
JUL	-	-	-	-	-	12,941	316	13,257	13,560	339	13,899	27,156	1,182	1,670	2,852
AUG	-	-	-	-	-	15,228	375	15,603	15,174	391	15,565	31,168	1,859	2,349	4,208
SEP	230	-	230	-	460	14,264	256	14,520	13,410	291	13,701	28,221	3,394	3,208	6,602
OCT	181	-	-	-	181	13,762	373	14,135	13,358	363	13,721	27,856	3,852	4,081	7,933
NOV	-	-	180	-	180	11,377	265	11,642	11,523	262	11,785	23,427	2,584	2,974	5,558
DEC	-	-	-	-	-	-	-	-	-	-	-	-	(8,306)	(8,412)	(16,718)
Total	905	-	901	-	1,942	125,680	3,137	128,817	126,636	3,190	129,826	258,643	952	7,295	8,247

## 2024 Landline Passengers

	Arrivals				Departures				2023 Grand		
	Revenue	Non-Rev	Seats (AU)	Total	Revenue	Non-Rev	Seats (AU)	Total	Grand Total	Total	Inc /Dec
January	446	13	1,104	459	732	17	1,104	749	1,208	2,206	(998)
February	614	13	1,150	627	703	16	1,150	719	1,346	2,064	(718)
March	638	13	1,242	651	693	20	1,242	713	1,364	2,266	(902)
April	613	11	1,058	624	685	6	1,058	691	1,315	2,328	(1,013)
May	659	16	1,012	675	522	16	1,012	538	1,213	1,601	(388)
June	601	13	1,196	614	519	7	1,196	526	1,140	1,558	(418)
July	578	15	1,196	593	740	10	1,196	750	1,343	1,879	(536)
August	495	13	1,196	508	644	8	1,196	652	1,160	1,697	(537)
September	318	12	828	330	366	4	828	1,198	1,528	902	626
October	383	3	1,104	386	554	10	1,104	1,668	2,054	1,083	971
November	503	12	1,058	515	478	1	1,058	1,537	2,052	1,190	862
December				-				-	-	1,616	-
	<b>5,848</b>	<b>134</b>	<b>12,144</b>	<b>5,982</b>	<b>6,636</b>	<b>115</b>	<b>12,144</b>	<b>9,741</b>	<b>15,723</b>	<b>20,390</b>	<b>(3,051)</b>