



Public Works Department

Alfredo Quintero Jr., EI, CFM, CGC, CCC
Public Works Director
ISA Certified Arborist

MEMORANDUM

Date: September 25, 2019

To: Rafael G. Casals, ICMA-CM, CFM, Town Manager

From: Selection Committee Members: Alfredo Quintero, Jr.-Committee Chair
Etienne Bejarano
Robert Daddario

Re: Selection of T.F.R. Enterprises, Inc. for RFP No. 19-09 Emergency Debris Road Clearing Services

Please be advised on July 30, 2019 at 10:00 AM the Public forum for the bid opening of RFP No. 19-09 Emergency Debris Road Clearing Services was held at Town Hall, in which eleven (11) Bidders were in attendance. Please see the contractor sign-in sheet labeled Attachment "I". At the bid opening three (3) bid packages were opened and publicly read. Please see Attachment "II" for bid opening results. The total bid amount for each package was based on one unit price for each bid item and the bids ranked as follows:

<u>Bidder's Name:</u>	<u>Total Bid Amount</u>
1. T.F.R. Enterprises, Inc.	\$ 19,158.40
2. Acosta Tractors, Inc.	\$ 30,048.50
3. DRC Emergency Services	\$ 36,844.75

In order to evaluate the "lowest responsive and responsible bidder", the Town of Cutler Bay Public Works Department performed an Engineering Value Analysis Spreadsheet (Attachment "III") using actual project quantities of the recent Hurricane Irma Event requiring Emergency Debris Road Clearing Services. The totals for the bids based on an actual quantity analysis ranked as follows:

<u>Bidder's Name:</u>	<u>Total Bid Amount</u>
1. T.F.R. Enterprises, Inc.	\$ 186,553.75
2. DRC Emergency Services	\$ 198,523.75
3. Acosta Tractors, Inc.	\$ 206,799.88





The Selection Committee Members met, September 25, 2019, at 10:00 a.m. to evaluate the proposals received in response to RFP #19-09. After tabulating each of the member's evaluations, the firms were ranked as follows:

<u>Bidder's Name:</u>	<u>Average Points Awarded</u>
1. T.F.R. Enterprises, Inc.	99.33 Points
2. DRC Engineering Services, Inc.	81.30 Points
3. Acosta Tractors	79.06 Points

Please see Attachment "IV" to find each member's evaluation criteria form, as well as ranking sheet with all of the committee member's scores.

Although the top three Companies qualified for the scope of work outlined in RFP#19-09, it is the Committee's formal recommendation to select **T.F.R. Enterprises, Inc.** to perform the Town's Emergency Debris Road Clearing Services.

The Department also performed the necessary reference check of the lowest responsive and responsible bidder (Attachment "V", Attachment "VI", and Attachment "VII").

COMMITTEE RECOMMENDATION:

The Committee recommends that **T.F.R. Enterprises, Inc.** is the "lowest responsive and responsible bidder" and should be awarded RFP No. 19-09 Emergency Debris Road Clearing Services based on their pricing, available work force, and project management.

ATTACHMENTS:

Attachment "I"-	Contractor Sign-In Sheet
Attachment "II"-	Bid Opening Results
Attachment "III"-	Engineering Value Analysis Spreadsheet
Attachment "IV"-	Evaluation Criteria Forms
Attachment "V"-	Reference Checks
Attachment "VI"-	Financial Statement
Attachment "VII"-	Insurance Certificates





RFP# 19-09
Mandatory Pre-RFP Meeting
Emergency Debris Road Clearing Services
Tuesday, July 30, 2019, 10 a.m.

Sign-In Sheet

Company Name: Ric-Man Construction, Inc.
Company Address: 420 Lincoln Rd, Suite 408, Miami Beach, FL
Representative: Victor Menocal
Telephone/Fax: 305-776-8181
E-mail: Vmenocal@ric-man.com

Company Name: Ceres Environmental Services, Inc.
Company Address: 6968 Professional Parkway East, Sarasota, FL
Representative: Donna Pick
Telephone/Fax: 941-358-6365
E-mail: donna.pick@ceresenv.com dawn.brown@ceresenv.com

Company Name: Metro Express Inc
Company Address: 9390 NW 109th. Medley FL 33178
Representative: Delio Trasobares
Telephone/Fax: 305-885-1330 / 305-885-1327
E-mail: delio@metroexpresscorp.com



RFP# 19-09
Mandatory Pre-RFP Meeting
Emergency Debris Road Clearing Services
Tuesday, July 30, 2019, 10 a.m.

Company Name: DRC Emergency Services
Company Address: 7578 15th Lane, Vero Beach, FL 32916
Representative: Jay Gunter
Telephone/Fax: 386 507 1011
E-mail: Jgunter@drcusa.com

Company Name: STM Services Inc.
Company Address: 9700 NW 79 Ave Hialeah Gardens FL 33016
Representative: Vaneza Rivera
Telephone/Fax: 305. 818. 2424
E-mail: Vrivera@stm-services.com

Company Name: CBS Construction
Company Address: 890 SW 145 Ave, Suite 106, Pembroke Pines, FL
Representative: Luciano Perera
Telephone/Fax: 305-827-2220 / 305-827-1121
E-mail: Lperera@cbconsult.com



RFP# 19-09
Mandatory Pre-RFP Meeting
Emergency Debris Road Clearing Services
Tuesday, July 30, 2019, 10 a.m.

Company Name: Phillips & Jordan
Company Address: 10201 Parkside Drive Suite 300 Knoxville, TN
Representative: Doug Jones
Telephone/Fax: 828-775-4761
E-mail: DJones@P&J.com

Company Name: Acosta Tractors Inc.
Company Address: 11986 NW 97th Ave, Hialeah Gardens
Representative: Sergio Zamudio
Telephone/Fax: 305-556-0473
E-mail: ESTIMATING@ACOSTATRACTORS.COM

Company Name: TFR Enterprises
Company Address: Lago Vista TX
Representative: Tiffany Falk
Telephone/Fax: 512-565-0710
E-mail: tiffany@TFRInc.com



RFP# 19-09
Mandatory Pre-RFP Meeting
Emergency Debris Road Clearing Services
Tuesday, July 30, 2019, 10 a.m.

Company Name: PAS Construction (Sut 429)
Company Address: 782 NW 42nd Miami FL 33126
Representative: Pedro E. Palaz (Sut 11/1/18)
Telephone/Fax: 786-371-8091
E-mail: PPalaz@Commvintl USA Comm

Company Name: Vista/Scape
Company Address: 17801 NW 137 Ave Miami FL 3308
Representative: Juan C Vila
Telephone/Fax: 305-362-2403
E-mail: JCV @ Vista/ScapeInc. com.

Company Name: _____
Company Address: _____
Representative: _____
Telephone/Fax: _____
E-mail: _____



RFP# 19-09
Mandatory Pre-RFP Meeting
Emergency Debris Road Clearing Services
Tuesday, July 30, 2019, 10 a.m.

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____



RFP# 19-09
Mandatory Pre-RFP Meeting
Emergency Debris Road Clearing Services
Tuesday, July 30, 2019, 10 a.m.

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____



RFP# 19-09
Mandatory Pre-RFP Meeting
Emergency Debris Road Clearing Services
Tuesday, July 30, 2019, 10 a.m.

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____



RFP# 19-09
Mandatory Pre-RFP Meeting
Emergency Debris Road Clearing Services
Tuesday, July 30, 2019, 10 a.m.

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____



RFP# 19-09
Mandatory Pre-RFP Meeting
Emergency Debris Road Clearing Services
Tuesday, July 30, 2019, 10 a.m.

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____



RFP# 19-09
Mandatory Pre-RFP Meeting
Emergency Debris Road Clearing Services
Tuesday, July 30, 2019, 10 a.m.

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

Company Name: _____

Company Address: _____

Representative: _____

Telephone/Fax: _____

E-mail: _____

TOWN OF CUTLER BAY
BID OPENING - RFP #19-09
EMERGENCY DEBRIS ROAD CLEARING SERVICES
THURSDAY, AUGUST 22, 2019 – 3:00PM

<u>NAME</u>	<u>ADDRESS</u>	<u>Total Bid Amt.</u>	<u>No. Copies Submitted</u>	<u>Bond</u>	<u>USB or CD</u>
T.F.R. Enterprises, Inc.	601 Leander DR Leander, TX 78641	\$19,158.40	1 O 3 C	YES	USB
Acosta Tractors, Inc.	11986 NW 97 AVE Hialeah Gardens, FL 33018	\$30,048.50	1 O 3 C	YES	USB
DRC Emergency Services	500 S Australian AVE Suite 600 West Palm Beach, FL 33901	\$36,844.75	1 O 3 C	YES	USB

EMERGENCY DEBRIS ROAD CLEARING SERVICES												
TOWN OF CUTLER BAY												
TOWN PROJECT NO. RFP # 19-09												
BID TABULATION												
ITEM	DESCRIPTION	TOTAL QUANTITY	UNIT		TFR Enterprises, Inc			Acosta Tractors, Inc			DRC Emergency Services	
					Unit Price	Cost		Unit Price	Cost		Unit Price	Cost
1	Mobilize & demobilize	1	LUMP SUM		\$0.00	\$0.00		\$ 5,731.50	\$ 5,731.50		\$ 2,500.00	\$ 2,500.00
2	Performance Bond (Bidder's cost for a \$500,000 Performance Bond, as stated in Section I, Item #13 (Page 9 of 92))	1	LUMP SUM		\$ 4,000.00	\$ 4,000.00		\$ 8,908.00	\$ 8,908.00		\$ 3,750.00	\$ 3,750.00
1	JD544 or equal, wheel loader w/bucket	142.5	HOURLY RATE		\$ 140.00	\$ 19,950.00		\$ 125.50	\$ 17,883.75		\$ 155.00	\$ 22,087.50
3	JD310 or equal TLB	81	HOURLY RATE		\$ 95.00	\$ 7,695.00		\$ 154.00	\$ 12,474.00		\$ 155.00	\$ 12,555.00
4	Excavator type hoe on rubber w/ grapple	81	HOURLY RATE		\$ 175.00	\$ 14,175.00		\$ 175.50	\$ 14,215.50		\$ 155.00	\$ 12,555.00
3	753 Skid Steer Loader w/bucket	339.5	HOURLY RATE		\$ 140.00	\$ 47,530.00		\$ 88.50	\$ 30,045.75		\$ 125.00	\$ 42,437.50
4	Water Truck (2000 Gallons)	23.25	HOURLY RATE		\$ 110.00	\$ 2,557.50		\$ 88.50	\$ 2,057.63		\$ 125.00	\$ 2,906.25
5	Single axle dump type truck, 5 / 12 CY	56.25	HOURLY RATE		\$ 165.00	\$ 9,281.25		\$ 104.00	\$ 5,850.00		\$ 100.00	\$ 5,625.00
6	Operating Manager	37.5	HOURLY RATE		\$ 60.00	\$ 2,250.00		\$ 105.00	\$ 3,937.50		\$ 90.00	\$ 3,375.00
7	Superintendent w/truck, phone & radio	117	HOURLY RATE		\$ 55.00	\$ 6,435.00		\$ 90.00	\$ 10,530.00		\$ 75.00	\$ 8,775.00
8	Foreman w/truck, phone & radio	542.75	HOURLY RATE		\$ 50.00	\$ 27,137.50		\$ 85.00	\$ 46,133.75		\$ 70.00	\$ 37,992.50
9	Chain & Hand Saw Operator	565	HOURLY RATE		\$ 55.00	\$ 31,075.00		\$ 48.50	\$ 27,402.50		\$ 45.00	\$ 25,425.00
10	Laborer & Flagman	251	HOURLY RATE		\$ 40.00	\$ 10,040.00		\$ 52.50	\$ 13,177.50		\$ 45.00	\$ 11,295.00
11	Project Manager / Haz-Mat Professional	80.5	HOURLY RATE		\$ 55.00	\$ 4,427.50		\$ 105.00	\$ 8,452.50		\$ 90.00	\$ 7,245.00
	Total Amount of Scenario					\$ 186,553.75			\$ 206,799.88			\$ 198,523.75

**Town of Cutler Bay****Public Works Department**

10720 Caribbean Blvd., Suite 105

Cutler Bay, Florida 33189

Phone: (305) 234-4262 Fax: (305) 234-4251

Website: www.cutlerbay-fl.gov

RFP #19-09
EMERGENCY DEBRIS ROAD CLEARING SERVICES
Evaluation Criteria
Final Committee Ranking

FIRM NAME	ETIENNE BEJARANO	ROBERT DADDARIO	ALFREDO QUINTERO	AVERAGE SCORE	
DRC EMERGENCY SERVICES	81.30	81.30	81.30	81.30	②
TFR ENTERPRISES INC.	100	100	98	99.33	①
ALCOSA TRACTORS	85.06	77.06	75.06	79.06	③



**Town of Cutler Bay
Public Works Department**

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Cutler Bay, Florida 33189
Phone: (305) 234-4262 Fax: (305) 234-4251
Website: www.cutlerbay-fl.gov

Bidder's Name: DRC Emergency Services

Committee Member: Etienne Bejarano

**RFP #19-09
EMERGENCY DEBRIS ROAD CLEARING SERVICES**

Evaluation Criteria

CATEGORIES	MAX POINTS	AWARDED POINTS
COST	70	51.30
PROPOSER QUALIFICATIONS	15	15
SCOPE OF SERVICES / PLAN	10	10
REFERENCES (RELEVANT EXPERIENCE)	5	5
TOTAL POINTS	100	81.30

Additional Notes:

Over 30 yrs experience. Very detailed Scope of Services. Great Action Plan Very well qualified w/
multiple Natural disasters handled. A lot of experience. Multiple Natural disasters operated
on. Great experience over the past 10 yrs. Really good references.



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Public Works Department

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 Website: www.cutlerbay-fl.gov

Bidder's Name: TFR Enterprises, Inc

Committee Member: Etienne Bejarano

RFP #19-09
EMERGENCY DEBRIS ROAD CLEARING SERVICES

Evaluation Criteria

CATEGORIES	MAX POINTS	AWARDED POINTS
COST	70	70
PROPOSER QUALIFICATIONS	15	15
SCOPE OF SERVICES / PLAN	10	10
REFERENCES (RELEVANT EXPERIENCE)	5	5
TOTAL POINTS	100	100

Additional Notes:

Great Qualifications, very detailed Scope of Services. Very well organized with a detailed structure chart. A ton of experience. Over 30 years. Nationwide references.



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Public Works Department

10720 Caribbean Blvd., Suite 105
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 Phone: (305) 234-4262 Fax: (305) 234-4251

Website: www.cutlerbay-fl.gov

Bidder's Name: Acosta Tractors, Inc

Committee Member: Etienne Bejarano

RFP #19-09
EMERGENCY DEBRIS ROAD CLEARING SERVICES
Evaluation Criteria

CATEGORIES	MAX POINTS	AWARDED POINTS
COST	70	65.06
PROPOSER QUALIFICATIONS	15	15
SCOPE OF SERVICES / PLAN	10	0
REFERENCES (RELEVANT EXPERIENCE)	5	5
TOTAL POINTS	100	85.06

Additional Notes:

Qualifications exceeded expectations. Over 40 years experience. Very good municipal experience.
 Municipal references no "Scope of Services" or plan.



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Public Works Department
 10720 Caribbean Blvd., Suite 105
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 Phone: (305) 234-4262 Fax: (305) 234-4251
 Website: www.cutlerbay-fl.gov

Bidder's Name: DRC

Committee Member: Robert Daddario

RFP #19-09
EMERGENCY DEBRIS ROAD CLEARING SERVICES

Evaluation Criteria

CATEGORIES	MAX POINTS	AWARDED POINTS
COST	70	51.30
PROPOSER QUALIFICATIONS	15	15
SCOPE OF SERVICES / PLAN	10	10
REFERENCES (RELEVANT EXPERIENCE)	5	5
TOTAL POINTS	100	81.30

Additional Notes:



Town of Cutler Bay
Public Works Department

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 Cutler Bay, Florida 33189
 Phone: (305) 234-4262 Fax: (305) 234-4251
 Website: www.cutlerbay-fl.gov

Bidder's Name: TFR

Committee Member: Robert Daddario

RFP #19-09
EMERGENCY DEBRIS ROAD CLEARING SERVICES

Evaluation Criteria

CATEGORIES	MAX POINTS	AWARDED POINTS
COST	70	70
PROPOSER QUALIFICATIONS	15	15
SCOPE OF SERVICES / PLAN	10	10
REFERENCES (RELEVANT EXPERIENCE)	5	5
TOTAL POINTS	100	100

Additional Notes:



**Town of Cutler Bay
Public Works Department**

10720 Caribbean Blvd., Suite 105

Cutler Bay, Florida 33189

Phone: (305) 234-4262 Fax: (305) 234-4251

Website: www.cutlerbay-fl.gov

Bidder's Name: Acosta

Committee Member: Robert Daddario

**RFP #19-09
EMERGENCY DEBRIS ROAD CLEARING SERVICES
Evaluation Criteria**

CATEGORIES	MAX POINTS	AWARDED POINTS
COST	70	65.06
PROPOSER QUALIFICATIONS	15	7
SCOPE OF SERVICES / PLAN	10	0
REFERENCES (RELEVANT EXPERIENCE)	5	5
TOTAL POINTS	100	77.06

Additional Notes:



Town of Cutler Bay
Public Works Department

10720 Caribbean Blvd., Suite 105
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 Phone: (305) 234-4262 Fax: (305) 234-4251
 Website: www.cutlerbay-fl.gov

Bidder's Name: DRC EMERGENCY SERVICES

Committee Member: ALFREDO QUINTERO

RFP #19-09
EMERGENCY DEBRIS ROAD CLEARING SERVICES
Evaluation Criteria

CATEGORIES	MAX POINTS	AWARDED POINTS
COST	70	51.30
PROPOSER QUALIFICATIONS	15	15
SCOPE OF SERVICES / PLAN	10	10
REFERENCES (RELEVANT EXPERIENCE)	5	5
TOTAL POINTS	100	81.30

Additional Notes:

PROVIDER PROVIDING CAPACITY LETTER. DRC TAKES EXCEPTION TO SECTION 12.15 PENALTIES

$$\frac{257,610.00}{351,500.00} = 0.7328$$

$$70 \times 0.7328 = 51.30 \text{ POINTS}$$



Town of Cutler Bay
Public Works Department

10720 Caribbean Blvd., Suite 105
 Cutler Bay, Florida 33189
 Phone: (305) 234-4262 Fax: (305) 234-4251
 Website: www.cutlerbay-fl.gov

Bidder's Name: TFR ENTERPRISES INC.

Committee Member: ALFREDO QUINTERO

RFP #19-09
EMERGENCY DEBRIS ROAD CLEARING SERVICES
Evaluation Criteria

CATEGORIES	MAX POINTS	AWARDED POINTS
COST	70	70
PROPOSER QUALIFICATIONS	15	13
SCOPE OF SERVICES / PLAN	10	10
REFERENCES (RELEVANT EXPERIENCE)	5	5
TOTAL POINTS	100	98

Additional Notes:

DID NOT PROVIDE A BONDING CAPACITY LETTER.

$$\frac{257,610.00}{257,610.00} = 1$$

$$70 \times 1 = 70 \text{ POINTS}$$



Town of Cutler Bay
Public Works Department

10720 Caribbean Blvd., Suite 105
 Cutler Bay, Florida 33189
 Phone: (305) 234-4262 Fax: (305) 234-4251
 Website: www.cutlerbay-fl.gov

Bidder's Name: ALCOSTA TRACTORS

Committee Member: ALFREDO QUINTERO

RFP #19-09
EMERGENCY DEBRIS ROAD CLEARING SERVICES

Evaluation Criteria

CATEGORIES	MAX POINTS	AWARDED POINTS
COST	70	65.06
PROPOSER QUALIFICATIONS	15	5
SCOPE OF SERVICES / PLAN	10	0
REFERENCES (RELEVANT EXPERIENCE)	5	5
TOTAL POINTS	100	75.06

Additional Notes:

THE PROPOSER QUALIFICATIONS DO NOT FOCUS ON EMERGENCY DEBRIS REMOVAL AND/OR EMERGENCY DEBRIS ROAD CLEARING SERVICES. I FOUND NO SCOPE OF SERVICES/PLAN IN THE SUBMITTAL. DURING HURRICANE IRMA ALCOSTA TRACTORS WERE A SUBCONTRACTOR UNDER DRG AND DID A GOOD JOB.

$$\frac{257,610.00}{277,165.50} = 0.9294$$

$$70 \times 0.9294 = 65.06 \text{ POINTS}$$



Public Works Department

Alfredo Quintero Jr., EI, CFM, CGC, CCC
Public Works Director
ISA Certified Arborist

REFERENCE CHECK

Contract: RFP #19-09 Emergency Road Clearing Services
BIDDER/PROPOSER COMPANY NAME: T.F.R. ENTERPRISES, INC.

Name of Person providing reference information:	Craig Duncan
Telephone Number:	210-632-2493
E-mail Address:	ccluncan@ecc.net
Reference Project Description/Name:	Hurricane Florence cleanup at Camp Cherry Point
Was the contractor the prime contractor or a subcontractor?	Subcontractor
Project Cost/Contracted Dollar Amount:	\$ _____

Please answer the following questions regarding services provided by the bidder/proposer listed above.

You may email your response to: Alfredo Quintero, Jr., Public Works Director at aquintero@cutlerbay-fl.gov or fax at (305) 234-4251

QUESTIONS:

1. Rate the level of commitment of the contractor to your project. Did the contractor devote the time and personnel necessary to successfully complete your project?

1 Lowest	2	3	4	5 Highest
----------	---	---	---	-----------

2. Rate the competence and accessibility of the personnel directing, supervising and performing the work on your project.

1 Lowest	2	3	4	5 Highest
----------	---	---	---	-----------

3. Rate the contractor's success at keeping you updated and informed about the progression of the project, particularly when special needs or problems arise.

1 Lowest	2	3	4	5 Highest
----------	---	---	---	-----------

4. Rate the contractor's success at completing tasks within the timeline established for completion of your project.

--	--	--	--	--





1 Lowest

2

3

4

5 Highest

5. Rate the contractor's success at completing your project within the contract price.

1 Lowest	2	3	4	5 Highest
----------	---	---	---	-----------

6. Rate the contractor's success at completing your project according to specifications and design standards.

1 Lowest	2	3	4	5 Highest
----------	---	---	---	-----------

7. Rate the accessibility of the contractor after completion of your project.

1 Lowest	2	3	4	5 Highest
----------	---	---	---	-----------

8. Rate the overall performance of the contractor on your project.

1 Lowest	2	3	4	5 Highest
----------	---	---	---	-----------

9. If you had a similar project to undertake in the future, would the contractor be considered to perform the work?

YES ☒ NO ☐

10. Description of the job performed (Scope of Work):

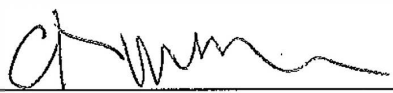
tree and debris removal and haul off

Additional Comments:





PERSON PROVIDING REFERENCE PLEASE PRINT NAME:	Craig Duncan
PLEASE PRINT TITLE:	Program Manager

SIGNATURE:  Date: 10.02.2019





Public Works Department

Alfredo Quintero Jr., EI, CFM, CGC, CCC
Public Works Director
ISA Certified Arborist

REFERENCE CHECK

Contract: RFP #19-09 Emergency Road Clearing Services
BIDDER/PROPOSER COMPANY NAME: T.F.R. ENTERPRISES, INC.

Name of Person providing reference information:	Brian Law Asst. Director City of Plantation
Telephone Number:	954-452-2536
E-mail Address:	blaw@plantation.org
Reference Project Description/Name:	Hurricane Irma
Was the contractor the prime contractor or a subcontractor?	T.F.R Ent. Inc.
Project Cost/Contracted Dollar Amount:	\$

Please answer the following questions regarding services provided by the bidder/proposer listed above.

You may email your response to: Alfredo Quintero, Jr., Public Works Director at aquintero@cutlerbay-fl.gov or fax at (305) 234-4251

QUESTIONS:

1. Rate the level of commitment of the contractor to your project. Did the contractor devote the time and personnel necessary to successfully complete your project?

1 Lowest	2	3	4	5 Highest

2. Rate the competence and accessibility of the personnel directing, supervising and performing the work on your project.

1 Lowest	2	3	4	5 Highest

3. Rate the contractor's success at keeping you updated and informed about the progression of the project, particularly when special needs or problems arise.

1 Lowest	2	3	4	5 Highest

4. Rate the contractor's success at completing tasks within the timeline established for completion of your project.

--	--	--	--	--





1 Lowest

2

3

4

5 Highest

5. Rate the contractor's success at completing your project within the contract price.

1 Lowest	2	3	4	5 Highest

6. Rate the contractor's success at completing your project according to specifications and design standards.

1 Lowest	2	3	4	5 Highest

7. Rate the accessibility of the contractor after completion of your project.

1 Lowest	2	3	4	5 Highest

8. Rate the overall performance of the contractor on your project.

1 Lowest	2	3	4	5 Highest

9. If you had a similar project to undertake in the future, would the contractor be considered to perform the work?

YES ☒ NO ☐

10. Description of the job performed (Scope of Work):

Locating house addresses and removing vegetation or C&D as needed for storm recovery

Additional Comments:





PERSON PROVIDING REFERENCE PLEASE PRINT NAME:	Brian A. Law
PLEASE PRINT TITLE:	Asst. Director City of Plantation

SIGNATURE: Brian A. Law **Date:** 9.30.19



T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
LEANDER, TEXAS

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
December 31, 2018, and 2017

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Van Houten & Associates, PC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Stockholder
T.F.R. Enterprises, Inc. and subsidiaries
Leander, Texas

We have audited the accompanying consolidated financial statements of T.F.R. Enterprises, Inc. and subsidiaries which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of income, equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of T.F.R. Enterprises, Inc. and subsidiaries as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Van Houten & Associates, PC

Round Rock, Texas
March 21, 2019

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 6,737,020	\$ 5,540,359
Investment	244,184	244,184
Accounts receivable - trade, net	21,958,329	15,854,928
Accounts receivable - retainage	40,400	14,255
Inventory	<u>213,929</u>	<u>264,319</u>
TOTAL CURRENT ASSETS	29,193,862	21,918,045
PROPERTY AND EQUIPMENT		
Land	7,139,325	7,139,325
Buildings	637,226	637,226
Office equipment	61,982	61,982
Leasehold improvements	305,853	305,853
Machinery and equipment	<u>13,258,857</u>	<u>12,114,287</u>
	21,403,243	20,258,673
Less accumulated depreciation	<u>(9,495,929)</u>	<u>(9,173,666)</u>
	11,907,314	11,085,007
OTHER ASSETS		
Accounts receivable - trade - long term, net	1,876,577	2,853,909
Loan cost net of amortization	<u>-</u>	<u>5,143</u>
TOTAL ASSETS	<u>\$ 42,977,753</u>	<u>\$ 35,862,104</u>

See notes to consolidated financial statements

	2018	2017
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable - trade	\$ 8,969,334	\$ 7,685,076
Accounts payable - retainage	430,094	1,004,827
Federal income taxes payable	1,561,037	958,893
State and local income taxes payable	997,770	235,269
Accrued expenses	577,694	633,471
Due to stockholder	71,918	662,641
Notes payable - current portion	168,882	564,691
TOTAL CURRENT LIABILITIES	12,776,729	11,744,868
LONG-TERM LIABILITIES		
Deferred income taxes	566,385	318,969
Accounts payable - trade - long term	2,261,125	2,161,125
Notes payable	824,843	4,222,640
EQUITY		
Common stock	500	500
Retained earnings	17,342,933	11,827,986
Partnership equity	10,154,327	6,571,297
Accumulated other comprehensive (loss)	(1,051,658)	(1,051,658)
Noncontrolling interest	102,569	66,377
TOTAL LIABILITIES AND EQUITY	\$ 42,977,753	\$ 35,862,104

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the years ended December 31, 2018 and 2017

	2018	2017
REVENUES		
Service contracts	\$ 68,675,894	\$ 31,162,962
Cost of contracts	<u>50,475,400</u>	<u>19,657,971</u>
GROSS MARGIN	18,200,494	11,504,991
OPERATING EXPENSES		
General and administrative	<u>5,200,632</u>	<u>3,872,197</u>
INCOME FROM OPERATIONS	12,999,862	7,632,794
OTHER INCOME (EXPENSE)		
Interest income	42,082	-
Interest expense	(168,442)	(329,525)
Miscellaneous income	9,728	36,766
Miscellaneous expense	-	(18,234)
Gain on sale of property and equipment	71,641	-
Gain on insurance proceeds	<u>-</u>	<u>65,477</u>
	<u>(44,991)</u>	<u>(245,516)</u>
INCOME BEFORE TAXES	12,954,871	7,387,278
PROVISION FOR INCOME TAXES		
Federal	2,572,516	958,893
Federal deferred expense	247,416	1,632,177
State	<u>997,770</u>	<u>235,269</u>
	<u>3,817,702</u>	<u>2,826,339</u>
NET INCOME	9,137,169	4,560,939
Net income attributable to noncontrolling interest	<u>36,192</u>	<u>1,703</u>
NET INCOME ATTRIBUTABLE TO CONTROLLING INTEREST	<u>\$ 9,100,977</u>	<u>\$ 4,559,236</u>

See notes to consolidated financial statements

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
For the years ended December 31, 2018 and 2017

	Common Stock Shares *	Amount	Retained Earnings	Partnership Equity	Accumulated Other Comprehensive (Loss)	Noncontrolling Interest	Total
Balances at January 1, 2017	1,000	\$ 500	\$ 7,440,326	\$ 6,402,721	\$ (1,051,658)	\$ 64,674	\$ 12,856,563
Net income	-	-	4,390,660	168,576	-	1,703	4,560,939
Dividends	-	-	(3,000)	-	-	-	(3,000)
Balances at December 31, 2017	1,000	500	11,827,986	6,571,297	(1,051,658)	66,377	17,414,502
Net income	-	-	5,517,947	3,583,030	-	36,192	9,137,169
Dividends	-	-	(3,000)	-	-	-	(3,000)
Balances at December 31, 2018	<u>1,000</u>	<u>\$ 500</u>	<u>\$ 17,342,933</u>	<u>\$ 10,154,327</u>	<u>\$ (1,051,658)</u>	<u>\$ 102,569</u>	<u>\$ 26,548,671</u>

* 10,000 shares authorized,
1,000 issued and outstanding
at \$.50 par value

See notes to consolidated financial statements

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income attributable to controlling interest	\$ 9,100,977	\$ 4,559,236
Net income attributable to noncontrolling interest	36,192	1,703
Net income	9,137,169	4,560,939
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	718,515	644,720
Amortization	5,143	1,033
Gain on sale of property and equipment	(71,641)	-
Accounts receivable, net	(5,152,214)	(4,358,269)
Refundable income taxes	-	731
Federal income taxes payable	602,144	958,893
State and local income taxes payable	762,501	235,269
Deferred income taxes	247,416	1,632,177
Inventory	50,390	181,236
Accounts payable	809,525	2,391,856
Accrued expenses	(55,777)	(74,195)
NET CASH PROVIDED BY OPERATING ACTIVITIES	7,053,171	6,174,390
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(1,756,795)	(248,691)
Proceeds from sale of property and equipment	287,614	-
NET CASH (USED) BY INVESTING ACTIVITIES	(1,469,181)	(248,691)
CASH FLOWS FROM FINANCING ACTIVITIES		
Stockholder loans	(590,723)	(58,946)
Dividends	(3,000)	(3,000)
Repayment of line of credit	-	(2,500,000)
Issuance of notes payable	-	1,500,000
Payments on notes payable	(3,793,606)	(926,478)
NET CASH (USED) BY FINANCING ACTIVITIES	(4,387,329)	(1,988,424)
INCREASE IN CASH AND CASH EQUIVALENTS	1,196,661	3,937,275

See notes to consolidated financial statements

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS – continued
For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,540,359</u>	<u>1,603,084</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 6,737,020</u></u>	<u><u>\$ 5,540,359</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year for:

Interest	\$ 168,442	\$ 329,525
Income taxes	\$ 2,205,641	\$ 120,346

See notes to consolidated financial statements

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations and Accounting

T.F.R. Enterprises, Inc. and subsidiaries ("the Company") is in the principal business of expedient disaster debris management, removal, reduction, recycling, and disposal services throughout the United States. Customers include federal agencies, municipalities, and private companies.

Basis of Consolidation

The consolidated financial statements include all accounts of T.F.R. Enterprises, Inc. (Enterprises) and its 99% majority owned subsidiaries T.F.R. Equipment, LP ("Equipment") and T.F.R. Realty, LP ("Realty"). The remaining 1% is owned by T&J Rowland Management, LLC, which is wholly owned by a trust established for the benefit of certain related parties.

Equipment is an operating entity formed to own heavy equipment which is primarily leased to the Company for use in the performance of its service contracts. Realty is an operating entity formed to own real estate. All of its income is derived from the Company.

All significant intercompany accounts and transactions have been eliminated in the consolidation.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers cash and short-term investments with original maturities of ninety days or less to be cash and cash equivalents.

Accounts Receivable

Accounts receivable are recognized on the basis of amounts billed, less payment received. The Company provides for uncollectable accounts receivable through the allowance method of accounting. Under this method, a provision for uncollectable accounts is charged to expense and the allowance account increased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectable are charged against the allowance account and recoveries of previously charged off accounts are added to the account. Receivables are considered past due based on how recently payments have been received.

Management has reserved against the receivables in the amounts of \$1,017,354 and \$713,477 as of December 31, 2018 and 2017. Bad debt expense was \$303,877 and \$887,664 for the years ending December 31, 2018 and 2017, respectively.

Property and Equipment

Property and equipment are recorded at cost and are depreciated over their estimated useful lives using the straight-line method for financial reporting. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments are capitalized and depreciated over their estimated useful life. When property and equipment is sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Property and Equipment – continued

Categories of assets and their useful lives are as follows:

Land	Indefinite
Buildings	40 years
Office equipment	5 - 10 years
Leasehold improvements	27 years
Machinery and equipment	5 - 10 years

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed.

Inventory

Inventory is stated at the lower of cost or net realizable value and is comprised of raw materials and finished goods, and primarily consists of mulch held for sale and tires used for heavy machinery and equipment. Cost is determined using the first-in, first-out method (FIFO).

Revenue Recognition

The Company recognizes revenue as it is earned and payment is reasonably assured. Expenses are recognized as they are incurred.

Use of Estimates

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

NOTE B – NOTES PAYABLE

Notes payable as of December 31, 2018 and 2017 consist of the following:

	2018	2017
Note payable to Volvo Financial Services, due in monthly installments of \$3,130, including interest at 2.90%, maturing April 30, 2019, and secured by equipment of the company.		
Note was paid in full subsequent to year end.	\$ 12,443	\$ 40,945

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B – NOTES PAYABLE – continued

	<u>2018</u>	<u>2017</u>
Note payable to Caterpillar Financial Services, due in monthly installments of \$4,994, including interest at 4.18%, maturing May 8, 2018, and secured by equipment of the company. Note was paid in full during the current year.	\$ -	\$ 15,033
Note payable to Caterpillar Financial Services, due in monthly installments of \$3,942, including interest at 0.00%, maturing February 8, 2018, and secured by equipment of the company. Note was paid in full during the current year.	-	7,536
Note payable to Frost Bank, due in monthly installments of \$10,429, including interest at 3.34%, maturing February 18, 2019, and secured by equipment of the company. Note was paid in full subsequent to year end.	20,480	142,879
Note payable to Frost Bank, due in monthly installments of \$2,679, including interest at 3.73%, maturing July 16, 2019, and secured by equipment of the company. Note was paid in full during the current year.	-	4,836
Note payable to Frost Bank, due in monthly installments of \$2,135, including interest at 3.87%, maturing September 22, 2018, and secured by equipment of the company. Note was paid in full during the current year.	-	18,885
Note payable to Frost Bank, due in monthly installments of \$3,654, including interest at 3.80%, maturing December 16, 2018, and secured by equipment of the company. Note was paid in full during the current year.	-	43,132
Note payable to Frost Bank, due in monthly installments of \$3,170, including interest at 3.42%, maturing January 5, 2018, and secured by equipment of the company. Note was paid in full during the current year.	-	3,034
Note payable to Bank of the West, due in monthly installments of \$10,803, including interest at 4.25%, maturing October 28, 2019, and secured by equipment of the company.	59,315	102,529

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B – NOTES PAYABLE – continued

	<u>2018</u>	<u>2017</u>
Note payable to Prosperity Bank, due in monthly installments of \$9,750, including interest at 6.60%, maturing September 25, 2028, and secured by the assets of the company.	\$ 901,487	\$ 969,589
Note payable to Prosperity Bank, due in monthly installments of \$15,751, including interest at 6.25%, maturing September 15, 2035, and secured by equipment of the company. Note was paid in full during the current year.	-	1,957,910
Note payable to Prosperity Bank, due in monthly installments of \$11,720, including interest at 4.75%, maturing September 23, 2032, and secured by equipment of the company. Note was paid in full during the current year.	<u>-</u>	<u>1,481,023</u>
	993,725	4,787,331
Less current maturities	<u>(168,882)</u>	<u>(564,691)</u>
	<u>\$ 824,843</u>	<u>\$ 4,222,640</u>

Aggregate maturities for the years subsequent to December 31, 2018 are as follows:

2019	\$ 168,882
2020	78,766
2021	82,672
2022	86,772
2023	91,075
Thereafter	<u>485,558</u>
	<u>\$ 993,725</u>

NOTE C – LINE OF CREDIT

The Company had a \$2,500,000 line of credit agreement with Frost Bank with a maturity on March 1, 2017 and interest at lenders prime rate plus 1.25 points. The terms provide for certain mutual covenants between the Company and Frost Bank. Minimum monthly payments are required in the amounts of all accrued interest. The line was secured by assets of the Company, stockholder and a related party. The line of credit was extended through September 2017 in which time was not renewed and paid in full.

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C – LINE OF CREDIT – continued

The Company has a line of credit agreement with Prosperity Bank with a maturity of November 29, 2020 and interest at the greater of 4.75 points prime rate plus .50 points. The original \$1,000,000 line availability was increased to \$4,250,000 in November of 2018. The terms provide for certain mutual covenants between the Company and Prosperity Bank. Minimum monthly payments are required in the amounts of all accrued interest. The line is secured by the assets of the Company, a stockholder, and a related party. As of December 31, 2018 and 2017, the outstanding balance was \$0 with \$4,250,000 and \$1,000,000 available to borrow, respectively.

NOTE D – INTERCOMPANY TRANSACTIONS

During the year ended December 31, 2018 and 2017, the Company rented its administrative offices, equipment storage and maintenance facility from Realty and equipment used in the performance of its contracts from Equipment. Rents paid during the year to Realty for the years ended December 31, 2018 and 2017 were \$2,190,420 and \$318,850, respectively. Rents paid during the years ended December 31, 2018 and 2017 to Equipment were \$2,045,493 and \$448,485, respectively. Currently there are no signed leases with either subsidiary. Therefore, no future minimum lease payments are required. Rates and frequencies are at the discretion of management and are not considered to have been made at arm's length.

NOTE E – FAIR VALUE MEASUREMENT

The generally accepted framework for measuring fair value provides a hierarchy for measuring both financial and nonfinancial assets and liabilities. The fair value of an asset is the price at which the asset could be sold in an orderly transaction between unrelated, knowledgeable, and willing parties able to engage in the transaction. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3 Unobservable inputs for the assets or liability that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table sets forth by level, within the fair value hierarchy, the Company's marketable securities at fair value as of December 31, 2018 and 2017.

	Cost	Level 1	Level 2	Level 3	Gross Unrealized Gain (Loss)
Investment in gold coins	\$ 244,184	\$ -	\$ -	\$ 244,184	\$ (1,051,658)

The level 3 investments are valued at the historical average sales price for individual coins. The valuation for unrealized gain or loss is presented on the balance sheet as accumulated other comprehensive income.

NOTE F – INCOME TAXES

The Company is taxed as a C-Corporation and accounts for income taxes where by deferred taxes are provided on temporary differences arising from assets and liabilities whose basis are different for financial reporting and income tax purposes.

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE F– INCOME TAXES – continued

Deferred taxes result primarily from timing differences in the recognition of net operating losses, allowance for doubtful accounts, and depreciation expenses for tax and financial reporting and from reporting for federal income tax purposes on the accrual basis method of accounting. Depreciation expense for financial reporting is computed using the straight-line method, however, for tax purposes, the modified accelerated cost recovery system (MACRS) is followed.

The components of current and deferred income tax expense at December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Provision (benefit) for current period:		
State and local income taxes	\$ 997,770	\$ 235,269
Federal income taxes	2,572,516	958,893
Deferred tax expense (benefit) related to:		
Federal income tax net operating loss carryforward	-	1,100,934
Allowance for doubtful accounts	(3,607)	(149,830)
Depreciation	251,023	681,073
	<u>247,416</u>	<u>1,632,177</u>
Total expense	<u>\$ 3,817,702</u>	<u>\$ 2,826,339</u>

The Company's total deferred tax assets and deferred tax liabilities are as follows:

	<u>2018</u>	<u>2017</u>
Deferred tax asset - Federal income tax net operating loss carryforward, allowance for doubtful accounts	\$ 153,437	\$ 149,830
Deferred tax asset (liability) - depreciation	\$ (719,822)	\$ (468,799)
	<u>\$ (566,385)</u>	<u>\$ (318,969)</u>

Management has determined there are no uncertain tax positions as of December 31, 2018 and 2017. Accordingly, there is no interest or penalties related to uncertain tax positions. If interest or penalties were to be incurred related to uncertain tax positions, such amounts would be recognized in general and administrative expense.

State and local income taxes are calculated based on the state or local tax code where revenues are earned, and expenses are incurred.

NOTE G – CONCENTRATIONS OF CREDIT RISK

For the year ended December 31, 2018, two government agencies and one company comprised seventy five percent of total revenues. As of December 31, 2018, two government agencies and one company comprised eighty one percent of total accounts receivable.

For the year ended December 31, 2017, two government agencies comprised forty four percent of total revenues. As of December 31, 2017, two government agencies comprised eighty seven percent of total accounts receivable.

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G – CONCENTRATIONS OF CREDIT RISK – continued

At various times throughout the years ended December 31, 2018 and 2017, the Company had deposits in excess of the FDIC limits. Management considers this risk to be mitigated by maintaining deposits at quality financial institutions.

NOTE H – CONTINGENT LIABILITY

As of December 31, 2018, one governmental agency under two contracts has an accounts receivable balance of \$2,881,574. Subsequent to year end and prior to the issuance of the financial statements \$291,521 in retainage balances were collected, and a formal suit was filed on one of the contracts in the state of Florida against the governmental agency and the engineering firm hired by the agency to oversee the work. It is the belief of the Company's management and legal representation that the remaining balance is reasonably likely to be collected, but in a time frame greater than one year and has chosen to reserve twenty seven percent of the remaining balance.

One subcontractor to the Company has an accounts payable balance of \$2,261,125 under a contract with a “pay if paid” provision. The subcontractor has informally agreed to await collection efforts and has executed a tolling agreement with the Company's surety to preserve their bond rights and forbear from filing suit. It is the belief of the Company's management and legal representation that the remaining balance is reasonably likely to be paid, but in a time frame greater than one year.

NOTE I – NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*. This update would require an entity to present deferred income tax assets or liabilities as a net long-term asset or net long-term liability. The previous presentation required a net presentation of current deferred tax assets or liabilities and non-current deferred tax assets or liabilities. The effective date for transition for entities other than public business entities is for annual periods beginning after December 15, 2017 with early adoption permitted. Management chose to early adopt this change in presentation as of the year ended December 31, 2017.

NOTE J – SUBSEQUENT EVENTS

Management has evaluated the activity of the Company through March 21, 2019, the date the financial statements were issued. With respects given to the legal matter mentioned in Note H, management concluded that there were no material subsequent events which required additional disclosure in these financial statements.

SUPPLEMENTARY INFORMATION

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
December 31, 2018

	T.F.R.	T.F.R.	T.F.R.		
	Enterprises, Inc.	Equipment, LP	Realty, LP	Eliminations	Consolidated
ASSETS					
CURRENT ASSETS					
Cash	\$ 6,624,146	\$ 111,606	\$ 1,268	\$ -	\$ 6,737,020
Investment	244,184	-	-	-	244,184
Accounts receivable - trade	21,958,329	-	-	-	21,958,329
Accounts receivable - retainage	40,400	-	-	-	40,400
Inventory	213,929	-	-	-	213,929
TOTAL CURRENT ASSETS	29,080,988	111,606	1,268	-	29,193,862
PROPERTY AND EQUIPMENT					
Land	-	-	7,139,325	-	7,139,325
Buildings	-	-	637,226	-	637,226
Office equipment	61,982	-	-	-	61,982
Leasehold improvements	305,853	-	-	-	305,853
Machinery and equipment	3,307,198	9,951,659	-	-	13,258,857
	3,675,033	9,951,659	7,776,551	-	21,403,243
Less accumulated depreciation	(2,893,471)	(6,398,456)	(204,002)	-	(9,495,929)
	781,562	3,553,203	7,572,549	-	11,907,314
OTHER ASSETS					
Accounts receivable - trade - long term, net	1,876,577	-	-	-	1,876,577
Investments in subsidiaries	2,904,102	-	-	(2,904,102)	-
TOTAL ASSETS	\$ 34,643,229	\$ 3,664,809	\$ 7,573,817	\$ (2,904,102)	\$ 42,977,753

See independent auditors' report on supplementary information

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET – continued
December 31, 2018

	T.F.R. Enterprises, Inc.	T.F.R. Equipment, LP	T.F.R. Realty, LP	Eliminations	Consolidated
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Accounts payable - trade	\$ 8,969,334	\$ -	\$ -	\$ -	\$ 8,969,334
Accounts payable - retainage	430,094	-	-	-	430,094
Federal income taxes payable	1,561,037	-	-	-	1,561,037
State and local income taxes payable	997,770	-	-	-	997,770
Accrued expenses	577,246	-	448	-	577,694
Due to stockholder	71,918	-	-	-	71,918
Notes payable - current portion	12,443	79,795	76,644	-	168,882
TOTAL CURRENT LIABILITIES	12,619,842	79,795	77,092	-	12,776,729
LONG-TERM LIABILITIES					
Deferred income taxes	566,385	-	-	-	566,385
Accounts payable - trade - long term	2,261,125	-	-	-	2,261,125
Notes payable	-	-	824,843	-	824,843
EQUITY					
Common stock	500	-	-	-	500
Retained earnings	20,247,035	-	-	(2,904,102)	17,342,933
Partnership equity	-	3,585,014	6,671,882	(102,569)	10,154,327
Accumulated other comprehensive (loss)	(1,051,658)	-	-	-	(1,051,658)
Noncontrolling interest	-	-	-	102,569	102,569
TOTAL LIABILITIES	19,195,877	3,585,014	6,671,882	(2,904,102)	26,548,671
AND EQUITY	\$ 34,643,229	\$ 3,664,809	\$ 7,573,817	\$ (2,904,102)	\$ 42,977,753

See independent auditors' report on supplementary information

T.F.R. ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF INCOME
For the year ended December 31, 2018

	T.F.R. Enterprises, Inc.	T.F.R. Equipment, LP	T.F.R. Realty, LP	Eliminations	Consolidated
INCOME					
Service contracts	\$ 68,675,894	\$ -	\$ -	\$ -	\$ 68,675,894
Rental income	-	2,045,493	2,190,420	(4,235,913)	-
TOTAL REVENUES	68,675,894	2,045,493	2,190,420	(4,235,913)	68,675,894
COSTS OF REVENUES					
Cost of contracts	51,991,361	-	-	(2,045,493)	49,945,868
Cost of rentals	-	513,547	15,985	-	529,532
TOTAL COSTS OF REVENUES	51,991,361	513,547	15,985	(2,045,493)	50,475,400
GROSS MARGIN	16,684,533	1,531,946	2,174,435	(2,190,420)	18,200,494
OPERATING EXPENSES					
General and administrative	7,367,260	18,539	5,253	(2,190,420)	5,200,632
INCOME FROM OPERATIONS	9,317,273	1,513,407	2,169,182	-	12,999,862
OTHER INCOME (EXPENSE)					
Interest income	42,082	-	-	-	42,082
Interest expense	(802)	(3,969)	(163,671)	-	(168,442)
Miscellaneous income	9,728	-	-	-	9,728
Gain on sale of property and equipment	(32,632)	104,273	-	-	71,641
	18,376	100,304	(163,671)	-	(44,991)
INCOME BEFORE TAXES	9,335,649	1,613,711	2,005,511	-	12,954,871
PROVISION FOR INCOME TAXES					
Federal	2,572,516	-	-	-	2,572,516
Deferred	247,416	-	-	-	247,416
State and local	997,770	-	-	-	997,770
	3,817,702	-	-	-	3,817,702
NET INCOME	5,517,947	1,613,711	2,005,511	-	9,137,169
Net income attributable to noncontrolling interest	-	-	-	36,192	36,192
NET INCOME ATTRIBUTABLE TO CONTROLLING INTEREST	\$ 5,517,947	\$ 1,613,711	\$ 2,005,511	\$ (36,192)	\$ 9,100,977

See independent auditors' report on supplementary information



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/4/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Higginbotham Insurance Agency, Inc. 1221 S. Mopac Expy., Suite 160 Austin TX 78746		CONTACT NAME: Raelyn Brannan PHONE (A/C No. Ext): 817-349-2315 FAX (A/C No): 817-347-6981 E-MAIL ADDRESS: rbrannan@higginbotham.net	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A : STARR SURPLUS LINES INS. CO.	
		INSURER B : Starr Indemnity & Liability Co.	
		INSURER C : Texas Mutual Insurance Company	
		INSURER D : Argonaut Insurance Company	
		INSURER E : The Travelers Lloyds Insurance Co	
		INSURER F :	

COVERAGES

CERTIFICATE NUMBER: 1754368813

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> BIPD Ded-\$5,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			1000066507181	12/31/2018	12/31/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Contractors Pollution \$ 1,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			1000199116181	12/31/2018	12/31/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OED <input checked="" type="checkbox"/> RETENTION \$ 50			1000337045181	12/31/2018	12/31/2019	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/ MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	0001209012 WC928228359384	1/1/2019 1/1/2019	1/1/2020 1/1/2020	<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
E	Leased/Rented Equipment Hired - Physical Damage			QT6808071X472TLC18 1000199116181	12/31/2018 12/31/2018	12/31/2019 12/31/2019	Limit - 700,000 Comp Deductible \$5,000 Collision Deductible Full Deductible \$250

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Texas Workers' Compensation Policy - 0001209012
 All Other States (incl California) - WC928228359384

The General Liability, Auto policies includes a blanket automatic additional insured provision that provides additional insured status to the certificate holder when required by written contract.

The General Liability policy contains a special endorsement with "Primary and Noncontributory" wording.

See Attached...

CERTIFICATE HOLDER

CANCELLATION

For Information only

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* * *

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

AGENCY CUSTOMER ID: TFREN

LOC #: _____

**ADDITIONAL REMARKS SCHEDULE**Page 1 of 1

AGENCY Higginbotham Insurance Agency, Inc.		NAMED INSURED T F R Enterprises Inc 601 Leander Drive Leander TX 78641	
POLICY NUMBER			
CARRIER	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

The General Liability, Auto and Workers' Compensation policy includes a blanket waiver of subrogation endorsement to the certificate holder only when there is a written contract between the named insured and the certificate holder that requires such status.

The General Liability policy includes an endorsement providing that 30 days notice of cancellation will be furnished to the certificate holder.

Umbrella is follow form