Docusign Envelope ID: B0B4E1F6-113D-442E-A89B-F20852A1901A

City of Jacksonville, Florida
Procurement Award Form (PAF)

Part 1: Form Type JPAC Award Request and Administrative Details

Goods and/or Services: Janitorial Services for City Locations RFP-15913-24

Requested Action/Authority:

Recommend approval to reject the bids of Anthony J. Manigault DBA Matrix Solutions 20/20, LLC and Boro Building & Property Services as non-responsive for not meeting minimum requirements in the solicitation. Recommend approval of award to the highest qualified bidder, JanCo. FS2, LLC dba Velociti Services for Janitorial Services for City Locations in the amount not to exceed $150,001.00.

Justification/Explanation:

In response to the solicitation for bids to provide Janitorial Services for City Locations, the Procurement Division received three (3) responses. This contract will be used for federally designated post-disaster relief as outlined in the RFP. Anticipated need is $150,001.00.

Legal Contract #:	TBD	Contract Date:	10/1/2024	Change Order/AMD #:	N/A	
PO/Release #:	TBD	Bid Date:	09/06/2024	Awarded Supplier:	JanCo FS2 dba Velociti Services	
Licenses Verified:	Yes	Effective Date:	09/26/2024	Basis of Award:	Highest Evaluated	
Federally Funded:	Yes	No. Invited:	255	Responses Received:	3	Attachments:
Solicitation:	RFP-NONCON 15913 - 24			Procurement Contract #:	POA - tbd	
Executed By:	Office of General Counsel					

PoP:Base:	One Time Project	Options:	n/a	Extension(s):	N/A
JSEB Rec.:	Encouragement	%:	0	Bonds Waived Pursuant To:	F.S. 255.05

Fund:	54101	Center:	155007	Acct:	534100	Proj:	000000	Activity:	00000000	$	150,001.00
Fund:		Center:		Acct:		Proj:		Activity:		$	
Fund:		Center:		Acct:		Proj:		Activity:		$	

New NTE/GMP:	$ 150,001.00	Contingent Amount:	$ 0.00	DMP/ODPO Amount:	$ 0.00

Using Agency/BU:	PWPB:PUBLIC_BUILDINGS			
Concurrence:	DocuSigned by: Roy Bibel FBA0E6E082164F6...	Title:	CHIEF OF PUBLIC BUILDINGS	9/20/2024
Concurrence:	DocuSigned by: Nina Sicka 1EFA223D5D23487...	Title:	DIRECTOR OF PUBLIC WORKS	9/20/2024
Concurrence:		Title:		
Concurrence:		Title:		

Initial DT

Initial DT

Procurement Analyst/Buyer:	Signed by: Warchol, LeeAnn 72F42AB443D04B7...	Chief of Procurement:	DocuSigned by: B19F1D517352456... 9/23/2024
Name:	Warchol, LeeAnn	Name:	Dustin L. Freeman

Part 2: JPAC Actions on Above Requests/Recommendations
All Award Actions Subject to Lawfully Appropriated Funds

Members Who Approve:	
Members Who Disapprove:	
Other Action:	

Date:

Part 3: Final Awarding Authority Action

Action:

Date:

Signature:

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PAF Instructions

Form Type: Select the type of award from the dropdown options. This form will be used for all Procurement awards (Administrative Awards and JPAC Requests).

Goods and/or Services: Enter a brief description of the types of goods and services included in the request.

Requested Action/Authority: Enter a brief description of the requested action or authority being sought. i.e.; *request permission to award to the lowest, responsive responsible bidder for ITB or award the highest ranked supplier for an RFP*.

Justification/Explanation: Enter a brief justification or explanation for the requested action. Use this box to add any additional information such as additional account strings, or other information essential for contract execution.

Legal Contract Number: Provide the existing City contract number if applicable. This will be the same number as your POA number.

Contract Date: Select the effective date for the contract using the calendar option in the form. Leave blank for contracts to become effective on the execution date.

Change Order/AMD #: Provide the applicable Change Order or Amendment number represented by this request.

Date: Enter the date of PAF submission.

Effective Date: Enter the effective date of requested authority and/or action.

Solicitation: Select the competitive procurement method used (1Cloud generated prefix), enter the 1Cloud generated numbering sequence, and 1Cloud generated fiscal year of solicitation

Basis of Award: Select from Lowest Price Technical Acceptable (LPTA), Highest Price Technical Acceptable (HPTA),

Procurement Contract #: This is your PO number. Select Type, Enter Number

PO/Release Number: Enter PO Release Number

Awarded Supplier: Enter Awarded Supplier Name

Federally Funded: Select yes or no from dropdown if Federal Funds will be used.

Responses Received: This is the number of responses received.

No Bids Received: The number of responses received that indicated supplier would not bid.

Executed By: Select whether executed by OGC or JPAC / Chief of Procurement

PoP Base: Select the Period of Performance for the initial period.

Options: Period for each renewal period i.e. one (1) two (2) year.

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Extensions: How many extensions have we preformed after the initial base period and option periods have been completed?

JSEB Goal: Select the percentage established by JSEB.

JESB Other: Select Encouragement or Set Aside Option

Bonds Waived Pursuant to: Select authority allowing bonds to be waived.

Funding Source: Fund/Center/Account/Project/Activity, all fields are required even if zeros.

New NTE/GMP: Enter the new total not to exceed the amount. Note, this should match the contract maximum indebtedness, if applicable**.**

Contingent Amount: If your agency requests an allowance for unforeseen additional expenses, then specify the amount of your requested increase and new NTE that represents the contingency allowance. This is over and above any quote.

DMP/ODPO Amount: Enter the total Direct Materials Purchase/Owner Direct Purchase Order amount for project.

Attachments: Name any attachments included as supplemental information to the PAF.

Using Agency/BU: This should be the requesting agency/requirement owner.

Concurrence: Electronic Signature

Title: Enter the title of person electronically signing form.

**Any fields where there is no data available, or no entry is required, either leave it blank or enter N/A. Any fields where there is known data, include for informational purposes. Any changes to an original award should contain the data that is being changed and any other relevant data required for JPAC review and approval.*

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Award Solicitation: Janitorial Services for City Locations

Solicitation	**RFP - Non-Construction 1591**	Responses Received	**3**	Invited Suppliers	**255**
Procurement BU	**COJ BU**	Active Responses	**1**	Will Participate	**29**
Close Date	**9/6/2024 10:00**	Shortlisted Responses	**1**	Responded	**3**
Solicitation Currency	**USD**				

Overview

		JanCo FS3 **Response: 431029**
Business Relationship		Spend Authorized
Supplier Site		
Supplier Contact		Harman, Tom
Response Status		Active
Shortlist Status		Included
Response Amount		0.01
Overall Rank		1
Total Award Amount		
Time of Response		9/6/2024 9:53
Response Valid Until		
Reference Number		
Note to Buyer		
Attachments		No
Requirements	(View Scoring Criteria)	
Requirement	**Target Value**	**JanCo FS3** **Response: 431029**
Total Score		**98.00**
1. Affirmation (Preliminary Response Stage)		
1. Type name and title of person submitting bid in the comments box.		a. Acknowledge
Comments		Tom Harman-District Manager
2. Type name of company in the comments box.		a. Acknowledge
Comments		Janco FS2
3. No Alterations: Bidder has not altered the original Solicitation Document in any way and further understands that any such alteration of the original solicitation document may result in reject of the bid.		a. Acknowledge

4.	Solicitation Silence: The Solicitation Silence policy is in effect for this solicitation and all communications related to this solicitation must be in writing to the designated procurement representative. Violations of the solicitation silence policy may result in the rejection/disqualification of the submission.		a. Acknowledge
5.	Legal authorization and solicitation specific minimum requirements: All bidders must be legally authorized to do business in Duval County and shall comply with all minimum requirements for this bid. Failure to submit evidence for meeting any of these requirements may be grounds for rejection. Vendor shall provide proof of applicable local business licenses and particulars such as specific licensure, experience on similar projects, years of expertise in the area etc.		a. Acknowledge
6.	Certification of No Conflict of Interest: Supplier certifies that no official or employee of the City or independent agency requiring the goods or services described in the specifications has a material financial interest in the Supplier's company. Supplier must complete and submit the attached Conflict of Interest Statement fully detailing any potential conflicts.		a. Contractor certifies that no official or employee of the City or independent agency requiring the goods or services described in the specifications has a material financial interest in the Contractor's company.
7.	Equal Business Opportunity Program: Pursuant to Part 6 of Chapter 126, Jacksonville Ordinance Code, the City of Jacksonville encourages the utilization and participation of Jacksonville Small and Emerging Businesses (JSEBs) in its contract awards based upon availability. It is the City's intent in adopting this program to reflect the philosophy with regards to enhancing participation of JSEBs in all areas of procurement.		a. Acknowledge

	Attachments		Yes
8.	Electronic Signature: I understand this acknowledgment serves as my electronic signature and has the same force and effect as my manual signature.		a. Acknowledge
	Attachments		Yes
2.	**General Requirements (Preliminary Response Stage)**		
1.	Scope of Services: The Procurement of the City of Jacksonville, Florida is currently accepting bids to obtain source(s) of supply for the item(s) or service(s) as outlined in the bid documents provided. See the attachment(s) for additional information. The City of Jacksonville, Public Buildings Division has a current requirement to obtain janitorial services for Federally designated post disaster relief as outlined in the bid documents provided for all City buildings and libraries. The basis of the award will be by evaluated criteria. The intent is to provide a blanket order to cover an initial twelve-month period with four one-year extensions. The Contractor shall provide service when contacted by the Public Buildings Contract Administrator and provide custodial services, including all labor and materials, to any city-owned or leased facility until notified to stop.		a. Acknowledge
	Attachments		Yes
2.	Specifications: Provide all items or services as identified on each line or identified below in accordance with all other Terms and Conditions specified herein. See the attachment(s) for additional information.		a. Acknowledge
	Attachments		Yes
3.	Bidders should submit or comply with the following requirements. Failure to submit any of these requirements		a. Acknowledge

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may be grounds for rejection. 1. The Contractor must submit its last annual financial statement with the respective bid. 2. The Contractor must provide at least three (3) verifiable references of cleaning experience on multi-story buildings demonstrating the ability to successfully clean over 1,000,000 square feet of office space or demonstrated experience in the cleaning of heavy commercial facilities of similar area or a combination of the two 3. Contractor must provide a list of contracts held for the previous thirty-six (36) months, including name, address, and telephone of a point of contact and dollar value of contract. The Contractor bidding must have been engaged in the business of performing commercial janitorial services for a minimum of thirty-six (36) consecutive months prior to bid opening date. 4. The Contractor must submit a list of all commercial grade equipment that will be used to perform the services as outlined in this bid. Bids will only be considered from Contractors which have suitable equipment to maintain this contract. List must include equipment type, model, and quantity owned by the company. Pre-award inspection of the company's equipment may be made prior to award.		

	Attachments		Yes
4.	Federal Funding: Complete and return all federal funding attachments.		a. Acknowledge
	Attachments		Yes
5.	Price Sheet: Please download the attached spreadsheet to enter prices and upload back. Please do not make any changes to the item descriptions or quantities indicated. See the attachment(s) for additional information.		a. Acknowledge
	Attachments		Yes
6.	Please review and acknowledge the attached requirements.		a. Acknowledge
	Attachments		Yes
7.	Please review and acknowledge the attached requirements.		a. Acknowledge
8.	To maintain comparability and facilitate the evaluation process, Responses shall be organized in the manner set forth below. Tab delineations for each of the sections would be helpful. The formal response to the RFP - Non-Construction. Each proposer will clearly indicate within the Cover Letter that your response is for the RFP. The RFP shall contain no more than thirty (30) single-sided, 1.5-spaced, 8½" by 11" pages, excluding appendices. The font style shall be Arial with a minimum font size of 11 points. The title page and a single-page cover letter will not be counted as part of the 30-page limit. A cover letter in excess of one page and any other information s ubmitted beyond that noted in the requirements will be counted as part of the 30- page limit. Any RFP exceeding these formal guidelines will b e rejected without being considered by the City. Provide proof of insurance, bonding capacity, and licens ing. Copies of these documents may be included as appendices and will not be counted against the 30- page limit. 1) Title Page: Include only RFP Title, RFP Number		a. Acknowledge

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1) Title Page: Include only RFP Title, RFP Number, Contractor's full name, address, phone number.

2) Cover Letter: Include only the following:

- Date of Letter.
- RFP Title and Number
- Bidder's full name, address and phone number.
- Names of the persons who will be authorized to make representations for the Bidder, their titles, addresses (including email address) and telephone numbers.
- Bidder's Federal Employer ID Number.
- Acknowledgement that (i) the Response is based on the terms set forth in the RFQ and all amendments thereto posted on City's website as of the date of the Response, and (ii) the Bidder will be responsible for monitoring City's website for subsequent amendments and for either maintaining, amending, or withdrawing the Response prior to the Response Due Date based on those subsequent amendments.
- Signature of Authorized Representative.

3) Required Forms. Attach all forms identified in requirements section. Examples of forms that may be required include:

- Business References. (if requested)
- Equal Business Opportunity Program Forms (if requested).
- Proposal Bond (construction phase)
- Insurance Agent Acknowledgment (construction phase)

4) Proof of Minimum Requirements. Responses will be accepted ONLY from companies meeting the minimum requirements in section of the RFP. Bidders must provide clear documentation that they meet the minimum requirements.

5) Statement of Qualifications. This portion of the Response will be used to provide the information City needs to evaluate how well the Contractor meets the criteria listed in the Evaluation Criteria. Failure to provide adequate information on any criterion will result in lower scores and could result in rejection of the Response as non-responsive. Please divide this portion of the Response into subsections that correspond to each of the listed criteria.

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	Attachments		Yes
3.	**Evaluation Criteria - Preliminary Response Stage (Prelimin**		
	Score		**98.00**
1.	Experience/Past Record of Performance - 30 Points Available - Provide a listing of current and past contracts held in performing janitorial services in a commercial setting for the past 36 consecutive months (include the name of the client, the volume of services provided and a point of contact/phone number).		a. Acknowledge
	Score		30.00
2.	Financial Responsibility - 10 Points Available - Provide evidence to demonstrate there is financial stability for purchasing equipment and materials and hiring personnel that will be required to perform the requested services. Contractor is also requested to		a. Acknowledge

	also requested to provide evidence of any and all legal proceedings, disciplinary or otherwise, in which the Contractor has been or is currently named as a party.			
	Score			10.00
3.	Competence - 30 Points - include evidence of technical, professional, education and training in performing janitorial services in all commercial settings, particularly those settings that cover multilevel office facilities of approximately 1,000,000 square feet or more. Provide evidence of adequate personnel. Provide the names and resumes of individuals to be assigned to this contract under a supervisory and/or management level.		a. Acknowledge	
	Score			28.00
4.	Price - 30 Points - *provide a monthly rate as indicated on the enclosed Bid Proposal Form (Form 1). The lowest monthly price will receive the maximum amount of points for price. All others will receive a point value based on the difference to the lowest price. Lowest monthly price receives maximum points. Next score is determined by: Lowest monthly Price/next lowest monthly price x 30pts = x pts*		a. Acknowledge	
	Score			30.00
4.	**Evaluation Criteria - Presentation Stage (Presentation Stag**			
	Score			**0.00**
1.	**ORAL INTERVIEWS/PRESENTATIONS 30 Point Value** The Oral Interviews will have an additional value of thirty (30) points which will be added to the Preliminary Response Score. The three top ranked proposers from the Preliminary Response Scoring Process will be provided the criteria and scheduling information for the Oral Interviews. Final Ranking		a. Acknowledge	

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scheduling information for the Oral Interview. Final Ranking of the top three firms will be based upon the combination of scores combined from the Preliminary Response Scoring and the Evaluation of the Oral Interviews. -- Overall presentation regarding qualifications (10-pts), -- approach to and schedule for the project (10-pts), -- project organization and ability to deliver the best solution (10-pts).			
Score			0.00

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Award Solicitation: Janitorial Services for City Locations

Solicitation **RFP - Non-Construction 1591**	Responses Received **3**	Invited Suppliers **255**
Procurement BU **COJ BU**	Active Responses **1**	Will Participate **29**
Close Date **9/6/2024 10:00**	Shortlisted Responses **1**	Responded **3**
Solicitation Currency **USD**		

Lines

Number of Awarded Lines **0**
Number of Awarded Suppliers **0**

Total Award Amount

1 Janitorial Services for All City Locations. Please Put response price as $1.00 and attached Bid Shee

Line Type **Dollars**
Category Name **910.39 Janitorial/Custodial Services**

Start Price
Current Price
Estimated Total Amount

Award Amount
Savings
Savings

	Target Value	**JanCo FS3** **Response: 431029**
Business Relationship		Spend Authorized
Supplier Site		
Response Status		Active
Shortlist Status		Included
Rank		1
Line Pricing		
Response Price		0.01
Unit Price Savings		
Unit Price Savings Percent		
Award Decision		
Award		No
Award Amount		
Note to Buyer		
Attachments		No

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velociti™

RFP# 15913-24

Request for Proposal: Janitorial Services for the City of Jacksonville, Florida

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Section 1: Title Page

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RFP Title:

Bid Specifications for Janitorial Services for City Locations

Bid Number: 15913-24

JanCo FS 2, LLC dba Velociti Services

950 East Paces Ferry Road, N.E. Suite 2000

Atlanta, Georgia 30326

(844) 883-5624

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Section 2: Cover Letter

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Date: August 31, 2024

RFP Title: Janitorial Services for City Locations

Bid Number: 15913-24

Bidders full name, address and phone number:

JanCo FS 2, LLC dba Velociti Services

950 East Paces Ferry Road, N.E. Suite 2000

Atlanta, Georgia 30326

(844) 883-5624

Names of the persons who will be authorized to make representations for the Bidder, their titles, addresses (including email address) and telephone numbers.

Name	Title	Address	Phone number
Thomas Givens	President	950 East Paces Ferry Road, N.E. Suite 2000, Atlanta, Georgia 30326 thomas.givens@velocitiservices.com	678-314-2632
John Maynord	Chief Financial Officer	950 East Paces Ferry Road, N.E. Suite 2000, Atlanta, Georgia 30326 john.maynord@velocitiservices.com	423-326-9379

Bidder's Federal Employer ID Number: 87-2860887

I hereby acknowledge that (i) Velociti's response is based on the terms set forth in the RFP and all amendments thereto posted on City's website as of the date of the Response, and (ii) the Bidder will be responsible for monitoring City's website for subsequent amendments and for either maintaining, amending, or withdrawing the Response prior to the Response Due Date based on those subsequent amendments.

Signature of Authorize Representative:

Thomas Givens

President of Velociti Services

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Section 3: Required Forms

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Required Forms

3) Required Forms. Attach all forms identified requirements section. Examples of forms that may be required include.
   - Business References (Please refer to Section Four question 2: Minimum Requirements)
   - Equal Business Opportunity Forms (Not requested)
   - Proposal Bond (Please refer to the appendices section for Velociti's proposal bond)
   - Insurance Agent (Please refer to the appendices section for Velociti's Insurance Agent)

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Section 4: Proof of Minimum Requirements

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1. **The Contractor must submit its last annual financial statement with the respective bid.**
   Please refer to the appendices section for Velociti's last annual financial statement.

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2. **The Contractor must provide at least three (3) verifiable references of cleaning experience on multi-story buildings demonstrating the ability to successfully clean over 1,000,000 square feet of office space or demonstrated experience in the cleaning of heavy commercial facilities of similar area or a combination of the two.**

1. **City of Jacksonville**

   Contact: Frank Mashuda – Senior Facility Manager

   Email: fmashuda@coj.net

   Address: 555 West 44th Street, Jacksonville, Florida 32208

   Phone: 904-255-4333

   Square Footage: 2.7 million

   Summary of Work: Full Janitorial Services

2. **Baltimore Washington International Airport (BWI)**

   Contact: Brian Basener – Director of Operations

   Email : b_basener@fraport-usa.com

   Address: P.O. Box 413, Linthcium, Maryland 21040

   Phone: 410-859-9201

   Square Footage: 1 million

   Summary of Work: Full Janitorial Services

3. **Denver International Airport**

   Contact: Brandon J. Witherspoon

   Email: **Brandon.Witherspoon@flydenver.com**

   Address: 8500 Pena Blvd, Denver, Colorado 80249

   Phone: 303-342-2920

   Square Footage: 4 million

   Summary of Work: Full Janitorial Services

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3. **Contractor must provide a list of contracts held for the previous thirty-six (36) months, including name, address, and telephone of a point of contact and dollar value of contract. The Contractor bidding must have been engaged in the business of performing commercial janitorial services for a minimum of thirty-six (36) consecutive months prior to bid opening date.**

PNC

Keith Studt

Vice President, Operations Group Manager Sr

PNC Realty Services Operations

The PNC Financial Services Group

Two PNC Plaza, P2-PTPP-02-A

620 Liberty Avenue

Pittsburgh, PA 15222

Phone: (o) 412-762-2500 | (c) 412-287-3513 | (f) 412-705-0122

Email: Keith.Studt@pnc.com

Dollar Value of Contract: $14M+ annualized revenue

Point Park

Christopher Hill

Vice President of Operations

8th Floor Frontier Hall

201 Wood Street

Pittsburgh PA 15222

Phone: Office: 412-392-4707/Mobile: 412-295-9876

Email: chill@pointpark.edu

Dollar Value of Contract: $2.2M annualized revenue

CBRE – Centerpoint

Christal S. Deloach

Vice President, Property Management

1111 Louisiana Street, Suite 401

Houston, TX 77002

Phone : 713-207-6759

Email : Christal.deloach@centerpointenergy.com

Dollar Value of Contract: $1.6M annualized revenue.

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M&M Properties – TC Energy

Roger Ritter – Senior Property Manager

700 Louisiana, Suite 225

Houston, TX 77002

Phone: 713-510-3958/Mobile: 713-456-9950

Email: rrtter@mmprop.com

$1.6M annualized revenue

Transwestern – Bank of America

Tiffany McSwain - General Manager, Asset Services

800 Capital Street, Suite 1230

Houston, TX 77002

Phone: 713-270-0373

Email: tiffanymcswain@transwestern.com

Dollar Value of Contract: $1.6M annualized revenue

Kentucky

Brain Dyer - Manager Building Operations Branch

Finance & Administrative Cabinet

701 Holmes Street

Frankfurt, KY 40601

Phone: 502-782-0447/Mobile 502-330-7754

Email: brian.dyer@ky.gov

Dollar Value of Contract: $5M+ annualized revenue

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4. **The Contractor must submit a list of all commercial grade equipment that will be used to perform the services as outlined in this bid. Bids will only be considered from Contractors which have suitable equipment to maintain this contract. List must include equipment type, model, and quantity owned by the company. Pre-award inspection of the company's equipment may be made prior to award.**

Velociti's commercial grade equipment list is outlined below:

Serial Number	Equipment Brand	Model
US6803817P	Nilfisk	Viper
04100N5646	Prowler	Powr-Flite
04100N5642	Prowler	Powr-Flite
0810011148	Tornadovac	Tornado
100015-10214842	Tennant	Tennant
100015-10448823	Tennant	Tennant
900419-60018369	Tennant	Tennant
000111222333	Hepa Filtration	Chariot 2
111222333444555	Hepa Filtration	Chariot 2
1122334455	Hepa Filtration	Chariot 2
112233445566	Hepa Filtration	Chariot 2
FA05232	Taski	Swingo 1255 B
1122334455667	Powler	Powr-Flite
6677889900	Clarke	CFP
667788990011	Karcher	Commodore 20
123456789	BEXT	BEXT
12345678910	Karcher	Karcher
09876543321	MBS	MBS 1500
19L240	Sterile	Air vacuum
SU111007001024	Sanitaire	Upright Vacuum - TBC
19L1924	Sterile	Air Vacuum
030600037559	Hoover	Vacuum
0729006565	Sanitaire	Upright Vacuum - TBC
07290066234	Sanitaire	Upright Vacuum - TBC
R9PRC0FT8WM	Samsung	SM-T227U
R9PT302PJ2L	Samsung	SM-TZZ7U
112233445566a	Prowler	Powr-Flite
112233445566B	Powler	Powr-Flite
6677889900a	Readyt SPace	R-3

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Section 5: Statement of Qualifications

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1. **Experience/Past Record of Performance - 30 Points Available - Provide a listing of current and past contracts held in performing janitorial services in a commercial setting for the past 36 consecutive months (include the name of the client, the volume of services provided and a point of contact/phone number).**

PNC

Keith Studt

Vice President, Operations Group Manager Sr

PNC Realty Services Operations

The PNC Financial Services Group

Two PNC Plaza, P2-PTPP-02-A

620 Liberty Avenue

Pittsburgh, PA 15222

Phone: (o) 412-762-2500 | (c) 412-287-3513 | (f) 412-705-0122

Email: Keith.Studt@pnc.com

Dollar Value of Contract: $14M+ annualized revenue

Point Park

Christopher Hill

Vice President of Operations

8th Floor Frontier Hall

201 Wood Street

Pittsburgh PA 15222

Phone: Office: 412-392-4707/Mobile: 412-295-9876

Email: chill@pointpark.edu

Dollar Value of Contract: $2.2M annualized revenue

CBRE – Centerpoint

Christal S. Deloach

Vice President, Property Management

1111 Louisiana Street, Suite 401

Houston, TX 77002

Phone : 713-207-6759

Email : Christal.deloach@centerpointenergy.com

Dollar Value of Contract: $1.6M annualized revenue.

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M&M Properties – TC Energy

Roger Ritter – Senior Property Manager

700 Louisiana, Suite 225

Houston, TX 77002

Phone: 713-510-3958/Mobile: 713-456-9950

Email: rrtter@mmprop.com

$1.6M annualized revenue

Transwestern – Bank of America

Tiffany McSwain - General Manager, Asset Services

800 Capital Street, Suite 1230

Houston, TX 77002

Phone: 713-270-0373

Email: tiffanymcswain@transwestern.com

Dollar Value of Contract: $1.6M annualized revenue

Kentucky

Brain Dyer - Manager Building Operations Branch

Finance & Administrative Cabinet

701 Holmes Street

Frankfurt, KY 40601

Phone: 502-782-0447/Mobile 502-330-7754

Email: brian.dyer@ky.gov

Dollar Value of Contract: $5M+ annualized revenue

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1. **Financial Responsibility - 10 Points Available - Provide evidence to demonstrate there is financial stability for purchasing equipment and materials and hiring personnel that will be required to perform the requested services. Contractor is also requested to provide evidence of any and all legal proceedings, disciplinary or otherwise, in which the Contractor has been or is currently named as a party.**

JanCo FS 2, LLC, doing business as Velociti Services, is a Delaware limited liability company established in August 2021. It, along with its affiliates JanCo Facility Services, LLC and JanCo FS 3, LLC (collectively referred to as the "Company"), was formed to acquire certain assets, including single service and other specialized contracts. On November 30, 2021, the Company acquired these assets, including the contract for Various City Locations for the City of Jacksonville, Florida.

Velociti Services is part of the Argenbright Group, an American-owned and privately held family of companies that provides people-intensive and customer-focused business solutions to a variety of industries including, facility services, aviation services, commercial security, and government security. The Group was founded in 1979, by Atlanta-based entrepreneur Frank Argenbright, Jr. who started his career in the contract security industry. Frank launched his first company by borrowing $500 and successfully built that company into a $1.5 billion global operation. Frank serves as the company's executive chairman.

The Argenbright Group has a forty-plus year legacy of successfully operating service businesses comprised of large-scale service contracts like the City of Jacksonville contact. Our history of customers with similar contracts includes other major municipalities, Fortune 50 company headquarters, some of the largest property management companies in the US, major US airlines along with their hub airport facilities. As one of the operating companies of the Argenbright Group, with combined annual revenue in excess of $1.5 billion, we have unparalleled financial and operational expertise and financial responsibility for the continued successful operation of the new contract.

Personnel

Velociti recruiting efforts are led by a recruiting specialist who is assigned to support our southeastern region with specific emphasis on the City of Jacksonville account. This specialist reports to our Director of Talent Acquisition at our corporate support center. To ensure there are adequate staff to fill any vacancies or openings that may occur, we host regular job fairs which, ensures a steady pipeline of interested and qualified candidates to fill any opening that may become available. Our streamlined on-boarding process assures that the interview-to-assignment time frame is efficient and easy for job candidates, with newly recruited personnel hired and assigned to the contract as soon as all required background checks can be completed.

Having adequate personnel is also impacted by the way companies treat their front-line

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employees. Our associate-focused culture, comprehensive benefits package (including 401K), caring and highly respected management team, and a robust associate appreciation and recognition program gives Velociti a significant advantage over our competitors and other service organizations in attracting and retaining the most qualified candidates.

Litigation

The Company, from time to time, may be a defendant or plaintiff in legal actions generally incidental to its business. In February 2023, the Company filed a lawsuit in the Superior Court of the State of Delaware seeking damages and declaratory judgment against the sellers in the November 30, 2021, asset acquisition that formed the basis of the Company's operations. The sellers had previously filed suit against the Company related to unreleased escrow funds in the Court of Chancery of the State of Delaware. In June 2023, the Delaware Chancery Court dismissed the sellers' claims against the Company with leave for them to transfer the same claims to the Company's pending Superior Court action.

Although it is difficult to predict the ultimate outcome of any potential or threatened litigation, management believes any ultimate liability will not have a material adverse effect on the financial position or results of operations of the Company. In no case will the outcome of this matter have any impact on our ability to continue delivering services to the City of Jacksonville.

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2. **Competence - 30 Points - include evidence of technical, professional, education and training in performing janitorial services in all commercial settings, particularly those settings that cover multilevel office facilities of approximately 1,000,000 square feet or more. Provide evidence of adequate personnel. Provide the names and resumes of individuals to be assigned to this contract under a supervisory and/or management level.**

Our unique competitive advantage and core competence is the fact our Velociti team (and its predecessors) has served the City of Jacksonville with distinction since 2008. Under this contract, our team maintains with "dedicated perfection" 2,700,000 square feet across 71 buildings. In addition to general janitorial services, we provide a wide range of floor care services including waxing, scrubbing/buffing, recoating, and carpet cleaning and managing rubber, carpet, concrete, terrazzo, ceramic tile and VCT flooring.

Our team is proud to positively impact the image of the City of Jacksonville through our services that are highly public in nature and must meet the meticulous standards of the city's facilities management department.

Although our company was formed in 2021, we have in excess of 40-plus years of expertise in performing janitorial services in all commercial settings, especially in large, complex, and multi-level office facilities, as presented in several sections of this RFP response document. Many of the facilities spotlighted are more than one million square feet.

The Argenbright Holdings group of companies, which includes Velociti Services, is led by Executive Chairman, Frank Argenbright, who has a nearly 50-year legacy of providing solutions-oriented services to the airline industry where we provide maintenance, security, and cleaning services to some of the most iconic international carriers in the world including, Delta, American, United, Southwest and FedEx. These airline customers have been with Frank Argenbright and our family of companies since the group's inception. These partnerships required us to comply with complex customer and regulatory standards and mirror much of the work that this RFP outlines.

Our leadership team, many of whom have been with the Argenbright family of companies for nearly 20 years, is passionately dedicated to challenging the norms within the facility services industry and enacting the change needed to prepare our customers and their businesses "to be ready for tomorrow." Our leaders, at all levels, are not only experts in understanding the nuances of the cleaning, maintenance, and engineering business, they have a mindset of providing unmatched service to both our clients and our associates that provides a unique and meaningful service delivery model.

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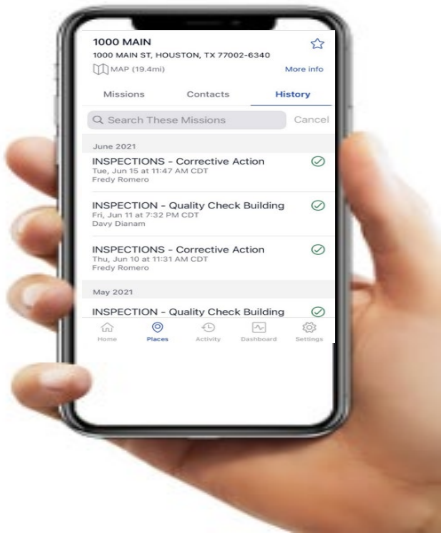
GoSpot-Check

Velociti Services uses GoSpot-Check, a Mobile App designed to allow our field personnel to collect and share site-level data in real time. The app includes geotagging, timestamping, date stamping, and sharing of photos of cleaning conditions at each building and contains a GPS tool to keep our service personnel within their geographic scope of work.



It also allows Velociti Services to attach instructions, guides, and training materials specifically related to the types of environments encountered through the course of service at each building. It provides project-related photos, instructions, and SLA information to our team members who provide services at each building and common area, so they know exactly what is expected of them.

Proactive Plan

Our quality assurance programs mirror a Six Sigma process. We use contract specifications and the collection of quantifiable data, which is gathered through both inspections and your input, then we measure and track our performance. The inspection process is a closed-loop process that allows Velociti Services management the ability to quickly contact employees, resolve issues and to communicate effectively with representatives by responding with results in real-time. We can quickly identify locations and services within each property that may need improvement and make the necessary adjustments before a larger issue arises.

Electronic Recordkeeping System

GoSpot-Check keeps a record of all inspections, reports, feedback, health/safety/environmental task responses and corrective actions from day one of use.

Along with inspections, GoSpot-Check also keeps a record of our safety reports and can have corrective actions generated for all these missions:

- Quality Control Inspections
- Annual HSE Risk Assessment
- Monthly First Aid and Eyewash Check
- Weekly Vehicle Check
- Deficiency Log
- Job Hazard Analysis training
- Uniform Issued

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On-The Job Initial Training

All Velociti team members must satisfactorily complete a comprehensive and supervised job certification process that includes class- room and on-the-job training modules over a two-week period. Process elements include detailed floor/area work plans, illustrated cleaning guides for each task and workplace safety protocols all under the umbrella of the requirements associated with our services agreement.

Areas of focus will include:

- The city of Jacksonville building/work area familiarization to include storage closets for equipment and supplies
- Job duties based on the City of Jacksonville Scope of Work document and performance expectations
- Correct use of equipment
- The City of Jacksonville security rules and procedures
- Trash and waste disposal
- Janitorial cleaning (surfaces, appliances, fixtures)
- QC inspections
- Desired end-result and acceptable defect rate

Standard Operation Procedure

To facilitate the above training, Velociti Services has developed a comprehensive collection of cleaning SOPs based on years of operating experience and the resources of select key vendors. The combination of the Velociti Services capabilities and the research and development of our key vendor partnerships offers state-of-the- art methods, tools, and chemistry.

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On-Going Training

Velociti Services will develop an annual training plan for every team member based on their duties and position that will include a blend of instructor/super- visor-led instruction, on-line courses and instructional guides and manuals. Depending on their position, team members receive between 8-20 hours of safety-related training annually (which occurs monthly) to include:

- Back Injury Prevention
- Chemical safety
- Suspicious Packages
- Violence in the Workplace
- Small Spill Response
- Heat Stress in the Workplace
- Hazard Communication
- Active Shooter: Run/Hide/Fight
- Bloodborne Pathogens
- Slips/Trips/Falls
- Personal Protective Equipment
- Lockout/Tagout
- Ladder Safety

Provide Evidence of Adequate Personnel

Presently, we are providing janitorial services for the City of Jacksonville where we are staffed (and have been) at the required level to perform all required and contract-specified tasks. Our staff includes 95 Velociti associates and 64 JSEB employees. We are proud of our high associate retention rate with many cleaners working for us since the contract's inception. Velociti recruiting efforts are led by a recruiting specialist who is assigned to support our southeastern region with specific emphasis on the City of Jacksonville account. This specialist reports to our Director of Talent Acquisition at our corporate support center. To ensure there are adequate staff to fill any vacancies or openings that may occur, we host regular job fairs which ensures a steady pipeline of interested and qualified candidates to fill any opening that may become available. Our streamlined on-boarding process assures that the interview-to-assignment timeframe is efficient and easy for job candidates, with newly recruited personnel hired and assigned to the contract as soon as all required background checks can be completed.

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Having adequate personnel is also impacted by the way companies treat their front-line employees. Our associate-focused culture, comprehensive benefits package (including 401K), a caring and highly respected management team, and a robust associate appreciation and recognition program gives Velociti a significant advantage over our competitors and other service organizations in attracting and retaining the most qualified candidates. Our values of diversity, caring, and putting our associates at the center of everything we do is a departure from other service companies. We treat our associates and JSEB partners with respect and dignity, letting them know how important their duties are in helping make Jacksonville SHINE!

Supervisory/Management Personnel

Tom Harman – District Manager

Tom is district manager for Velociti's business in Florida to include the City of Jacksonville where he oversees operational excellence, client satisfaction, associate work culture, and financial performance for those accounts under his responsibility. Tom is a highly accomplished and results-oriented professional with over 40 years of experience in the service industry. His previous positions include Vice President of Operations, Business Development Manager, Regional Manager and Account Manager for several large national service companies. Tom has a master's degree in business administration and is actively involved in the commercial real estate industry and a member of BOMA, ASIS, IAHSS, CAI and IFMA. He was also past chair of the International Association for Healthcare Safety and Security (IAHSS).

Deandre Moore – Account Manager

Deandre is a strategic professional with over 10 years of progressive experience directing daily operations, managing territory, evaluating sales metrics, and assessing customer demands. Deandre utilizes resources provided by internal systems which includes department communications, policies, and procedures in order to optimize project standards. With overall operations falling under Deandre, he has a proven proficiency in account management as well as team organization.

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3. **Provide a monthly rate as indicated on the enclosed Bid Proposal Form (Form 1). The lowest monthly price will receive the maximum amount of points for price. All others will receive a point value based on the difference to the lowest price. Lowest monthly price receives maximum points. Next score is determined by: Lowest monthly Price/next lowest monthly price x 30pts = x pts.**

TITLE:	Janitorial Services for City Locations	COST PER DAY	
BID NO.	15913-24		
ITEM	DESCRIPTION		
	Cleaning Cost Per SF Per Day		Total SqFt
	$0.0114	$ 30,125.68	$2,631,452

Business As Usual Weighted Average Cost Per SqFt Per Month	$0.0751
Business As Usual Weigthed Average Cost Per SqFt Per Day	$0.0034
Estimated Increased Labor Cost	$0.0009
Estimated Cost to Bring in Labor from Out of the Area	$0.0072
Emergency Cleaning Cost Per SqFt Per Day	$0.01144*

*Our weighted average hourly emergency rate is $65.73, which includes cleaner and management wages, technology, transport, lodging, and per diem for out of town staffing in emergency conditions. This $0.01144 price is an estimate based on existing services.

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Appendices

Docusign Envelope ID: B0B4E1F6-113D-442E-A89B-F20852A1901A

JSEB Forms

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JSEB FORM 1
CITY OF JACKSONVILLE SMALL & EMERGING BUSINESS PROGRAM

SCHEDULE OF JSEB SUPPLIER/ CONSULTANT/ SUBCONTRACTOR

NAME OF BIDDER Velociti Services

PROJECT TITLE Janitorial Services for City Locations

BID NUMBER 15913-24 TOTAL BASE BID AMOUNT Undetermined

For the purpose of the JSEB Project goals, all bids requiring CCNA will confirm the requirement on Form 1. However, the amount of the scope of service to be performed by the JSEB is not required until the agency has negotiated cost w/the selected firm.

Prior to the selected firm going before the PSEC committee for approval of the negotiated scope and fee package , the firm must list the JSEB vendor(s) and the amount for the scope of service to be performed by the JSEB(s).

***Please list all JSEB Suppliers**

NAME OF SUB FIRM	JSEB (Y/N)	TYPE OF WORK TO BE PERFORMED	TOTAL CONTRACT VALUE
F&R Professional Cleaning	Y	Janitorial Services	Undecided Contract

The undersigned acknowledges and agrees that, if any of the above-listed JSEBs are not, for any reason, properly certified with the City, in accordance with Ordinance 2004-602, at the time of bid opening, the same will not be counted toward meeting the participation percentage goal as defined herein.

The undersigned will enter into a formal Agreement with the JSEB Suppliers/Consultants/Subcontractors identified herein for work listed in this schedule, as well as any applicable alternates, conditioned upon execution of a contract with the City of Jacksonville. Under penalties of perjury I declare that I have read the foregoing conditions and instructions and the facts are true to the best of my knowledge and beliefs.

The designation of this project is: Encouragement_____ Participation __X__ Set Aside_____

Signature: _____ Title: President Date: 9/6/2024

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Signature of Prime Contractor

JSEB FORM 2

LETTER OF INTENT
TO PERFORM AS A SUBCONTRACTOR or SUB-CONSULTANT

F&R Professional Cleaning Inc.
(Name of JSEB Supplier/Consultant/Subcontractor)

Name of Project: Janitorial Services for City locations - Federal Funded during Emergencies

Bid Number: 15913-24

I, the undersigned, understand that the price below is representative of my intent to perform the scope of work attached. I further understand that this price is subject to increase or decrease due to the City of Jacksonville bid requirements. All work must meet the City of Jacksonville bid specifications.

*Total amount of work to be performed or materials to be supplied, including Sales Tax

*Scope of Work Attached

20% of each Job

$ undetermined structured contract

Renee Mary

President 8/28/24

Signature of JSEB Supplier/Consultant/ Subcontractor

Title

Date

* For solicitations that are not project specific, such as: misc. services, design build, etc.; "TBD" will not be accepted with the bid submittal on Form 1 and the Letters of Intent at minimum there should be a percentage of JSEB usage. For solicitations that are project specific you will be required to provide a dollar amount on Form 1 and on all Letters of Intent. "TBD" will not be accepted.

This form must be used for Letter of Intent.

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JSEB FORM 4
CITY OF JACKSONVILLE SMALL & EMERGING BUSINESS PROGRAM
JSEB GOOD FAITH EFFORT DOCUMENTATION

The intent of this form is to document the good faith effort attempts made by the apparent low bidder in soliciting JSEB firms to meet the JSEB project goal. Please note that the project goal will not be waived, and the contractor must make efforts to achieve the goal throughout the life of the contract.

Every work type where there is a certified JSEB, the apparent low bidder must submit the form as follows:

All information submitted on this form is subject to audit by the JSEB Office Date

Submitted: 9/6/2024 Bid Number: 15913-24 Agency: COJ Contractor Name: F&R Cleaning Services

Company Address: 2110 N. Pearl Street City: Jacksonville State: Florida Zip code: 32206 Phone: 904-434-1747

Goal Percentage: 20% of each job Commitment Percentage: _____ Unattained Percentage: _____

I certify that the information contained in this good faith effort documentation form is true and correct to the best of my knowledge. I further understand that any willful falsification, fraudulent statement, or misrepresentation will result in appropriate sanctions which may involve debarment and/or prosecution under applicable State and Federal laws.

Bidder/Authorized Representative Signature: _____

Representative Title: President Date: 9/6/2024

Witness: _____ Date: 9/6/2024

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Proposal Bond

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LOCKTON

UNCOMMONLY INDEPENDENT

August 26th, 2024

City of Jacksonville
Public Works Department
214 North Hogan Street
Jacksonville, FL 32202

RE: JANCO FS 2, LLC - Statement of Bonding Ability
Performance Bond for Janitorial Services for City Locations

To Whom it May Concern:

We understand you are considering a relationship with JANCO FS 2, LLC and have requested information concerning the company's surety bond program. The surety for JANCO FS 2, LLC is Berkley Insurance Company. Berkley Insurance Company is AM Best Rated A+ / XV. Berkley is licensed to write bonds in all fifty states, including Florida.

Berkley Insurance Company continues to support bid bonds, as well as performance and payment bonds for all of JANCO FS 2, LLC's bonding needs. Should JANCO FS 2, LLC be awarded the above captioned project, we are prepared to issue. Our support is conditioned upon completion of the underwriting process, including utilization of Berkley's standard performance bond form.

Any arrangement to provide final bonds is a matter between Berkley Insurance Company and JANCO FS 2, LLC and we assume no liability to third parties in relation to this letter.

We highly recommend JANCO FS 2, LLC to you. They are well managed, financed, and truly capable of meeting your requirements. No claims have ever been filed against bonds issued on behalf of JANCO FS 2, LLC. If you have any questions about this letter, do not hesitate to call.

Sincerely,

Stephen A. Vann
Surety Practice Leader
Lockton Companies, LLC - Southeast Series

LOCKTON COMPANIES
3280 Peachtree Road NE, Suite 1000, Atlanta, GA 30305-2450
404.460.3600
lockton.com

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Conflict of Interest

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CONFLICT OF INTEREST CERTIFICATE

Bidder must execute either Section I or Section II hereunder relative to Florida Statute 112.313(12). Failure to execute either section may result in rejection of this bid proposal.

SECTION I

I hereby certify that no official or employee of the City of independent agency requiring the goods or services described in these specifications has a material financial interest in this company.

Signature

Thomas Givens
Name of Official (type or print)

JanCo FS 2, LLC dba Velociti Services
Company Name

950 East Paces Ferry Rd. N.E. Suite 2000
Business Address

Atlanta, GA 30326
City, State, Zip Code

SECTION II

I hereby certify that the following named City officials(s) and/or employee(s) having material financial interest(s) (in excess of 5%) in this company have filed Conflict of Interest Statements with the Supervisor of Elections, 105 East Monroe Street, Jacksonville, Duval County Florida, prior to bid opening.

Name	Title of Position	Date of Filing

Signature

Name of Official (type or print)

Company Name

Business Address

City, State, Zip Code

PUBLIC OFFICIAL DISCLOSURE

Section 126.110 of the Purchasing Code requires that a public official who has a financial interest in a bid or contract make a disclosure at the time that the bid or contract is submitted or at the time that the public official acquires a financial interest in the bid or contract. Please provide disclosure, if applicable, with bid.

Public Official _____

Position Held _____

Position or Relationship with Bidder _____

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Insurance

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ACORD®

CERTIFICATE OF LIABILITY INSURANCE

12/1/2024

DATE (MM/DD/YYYY) 11/27/2023

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 have ADDITIONAL INSURED provisions or 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
Lockton Companies
3280 Peachtree Road NE, Suite #1000
Atlanta GA 30305
(404) 460-3600

CONTACT NAME:
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Zurich American Insurance Company	16535
INSURER B : American Zurich Insurance Company	40142
INSURER C : Everest National Insurance Company	10120
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
1501760
JanCo FS 3, LLC
Velociti Services
950 East Paces Ferry Rd NE
Suite 2000
Atlanta GA 30326

COVERAGES FS 3 - Velociti CERTIFICATE NUMBER: 18215073 REVISION NUMBER: XXXXXXX

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	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE / X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY / PRO-JECT / LOC OTHER:	N	N	GLO6406290-02	12/1/2023	12/1/2024	EACH OCCURRENCE	$ 2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 5,000,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 2,000,000
							GENERAL AGGREGATE	$ 10,000,000
							PRODUCTS - COMP/OP AGG	$ 4,000,000
								$
A	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY	N	N	BAP 6406291-02	12/1/2023	12/1/2024	COMBINED SINGLE LIMIT (Ea accident)	$ 2,000,000
							BODILY INJURY (Per person)	$ XXXXXXX
							BODILY INJURY (Per accident)	$ XXXXXXX
							PROPERTY DAMAGE (Per accident)	$ XXXXXXX
								$ XXXXXXX
A	X UMBRELLA LIAB / X OCCUR EXCESS LIAB / CLAIMS-MADE DED / RETENTION $	N	N	AUC 6884521-02	12/1/2023	12/1/2024	EACH OCCURRENCE	$ 10,000,000
							AGGREGATE	$ 10,000,000
								$ XXXXXXX
B A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N: N If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	N	WC 0911946 02 WC 1799356 02	12/1/2023 12/1/2023	12/1/2024 12/1/2024	X PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
C	Excess Liability	N	N	XC6EX00258-231	12/1/2023	12/1/2024	$15M Excess of $10M	

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

CERTIFICATE HOLDER

18215073
Evidence of Coverage

CANCELLATION

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

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Financial Statement

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the years ended December 31, 2023 and 2022

And Report of Independent Auditor

CONFIDENTIAL

Cherry Bekaert LLP
Your Guide Forward

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
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Report of Independent Auditor

To the Management and Members
JanCo Facility Services, LLC and Subsidiaries
Atlanta, Georgia

Opinion

We have audited the accompanying consolidated financial statements of JanCo Facility Services, LLC and Subsidiaries (collectively, the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 3, to the consolidated financial statements, the Company has open litigation with ISS Facility Services, Inc. (the "Seller") related to the final purchase price for the November 30, 2021 asset purchase acquisition. At this time, it is too early in the litigation and too much uncertainty exists for the Company to value its claims or potential counterclaims the Seller may assert. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Disclaimer of Opinion on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of the Company as a whole. The supplementary consolidating information, which is the responsibility of management, is presented for purposes of additional analysis of the consolidated financial statements and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Cherry Bekaert LLP

Atlanta, Georgia
April 23, 2024

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1,363,580	$ 127,156
Accounts receivable, net	27,992,877	27,662,642
Accounts receivable - related party	-	85,529
Prepaid expenses and other assets	2,907,410	2,055,076
Total Current Assets	32,263,867	29,930,403
Long-Term Assets:		
Property and equipment, net	5,588,974	1,103,952
Goodwill	36,060,000	36,060,000
Intangible assets, net	5,247,414	5,950,667
Operating lease right-of-use assets	839,794	1,056,549
Other assets, noncurrent	461,076	20,493
Total Long-Term Assets	48,197,258	44,191,661
Total Assets	$ 80,461,125	$ 74,122,064
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 8,107,465	$ 7,683,138
Accounts payable - related party	1,663,811	1,245,160
Accrued payroll	3,771,260	3,935,511
Accrued liabilities	1,611,635	2,703,859
Deferred revenue	-	88,004
Deferred purchase price due to seller	8,619,171	8,619,171
Current portion of operating lease liability	448,039	527,061
Current portion of finance lease obligations	1,248,786	-
Revolving line of credit, net of debt issuance costs	8,495,137	3,668,710
Current portion of related party note payable	1,500,000	-
Total Current Liabilities	35,465,304	28,470,614
Long-Term Liabilities:		
Related party note payable, net of current portion	-	1,500,000
Operating lease liability, net of current portion	489,384	521,356
Finance lease obligations, net of current portion	2,003,113	-
Total Long-Term Liabilities	2,492,497	2,021,356
Total Liabilities	37,957,801	30,491,970
Members' Equity:		
Additional paid-in capital	75,880,000	75,880,000
Accumulated deficit	(33,376,676)	(32,249,906)
Total Members' Equity	42,503,324	43,630,094
Total Liabilities and Members' Equity	$ 80,461,125	$ 74,122,064

The accompanying notes to the consolidated financial statements are an integral part of these statements.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Net service revenue	$ 163,499,338	$ 156,546,872
Cost of service revenue	140,286,350	132,626,982
Gross Profit	23,212,988	23,919,890
Selling, general, and administrative expense	22,135,623	26,827,903
Depreciation and amortization expense	1,555,629	2,845,448
Impairment loss on intangibles and goodwill	-	18,871,109
Noncash write-off of transition balance	-	3,554,694
Total Operating Expenses	23,691,252	52,099,154
Operating Loss	(478,264)	(28,179,264)
Other Income (Expense):		
Gain on disposal of property and equipment	83,553	-
Interest expense	(732,059)	(423,580)
Other Expense, Net	(648,506)	(423,580)
Net Loss	$ (1,126,770)	$ (28,602,844)

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The accompanying notes to the consolidated financial statements are an integral part of these statements.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

YEARS ENDED DECEMBER 31, 2023 AND 2022

	Additional Paid-In Capital	Accumulated Deficit	Total Members' Equity
Balance, January 1, 2022	$ 75,880,000	$ (119,417)	$ 75,760,583
Distributions to members	-	(3,527,645)	(3,527,645)
Net loss	-	(28,602,844)	(28,602,844)
Balance, December 31, 2022	75,880,000	(32,249,906)	43,630,094
Net loss	-	(1,126,770)	(1,126,770)
Balance, December 31, 2023	$ 75,880,000	$ (33,376,676)	$ 42,503,324

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The accompanying notes to the consolidated financial statements are an integral part of these statements.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Net loss	$ (1,126,770)	$ (28,602,844)
Adjustments to reconcile net loss to net cash flow from operating activities:		
Impairment loss on intangibles and goodwill	-	18,871,109
Noncash write-off of transition balance	-	3,554,694
Depreciation expense	861,234	945,869
Amortization of intangibles	703,253	2,607,333
Amortization of debt issuance costs	121,245	72,747
Amortization of operating lease right-of-use assets	757,235	724,570
Amortization of finance lease right-of-use assets	585,634	-
Gain on disposal of property and equipment	(83,553)	-
Change in assets and liabilities:		
Accounts receivable	(330,235)	(5,716,253)
Prepaid expenses and other assets	(852,334)	(1,991,193)
Accounts receivable - related party	85,529	(780,653)
Other noncurrent assets	(440,583)	(3,230)
Accounts payable	424,327	7,248,240
Accounts payable - related party	418,651	625,700
Accrued payroll	(164,251)	2,775,065
Accrued liabilities	(1,092,224)	(1,829,021)
Deferred revenue	(88,004)	88,004
Operating lease liabilities	(651,474)	(732,702)
Deferred purchase price due to seller	-	143,840
Net cash flows from operating activities	(872,320)	(1,998,725)
Cash flows from investing activities:		
Escrow released related to business acquisition, net	-	1,986,336
Proceeds from the sale of property and equipment	91,560	-
Purchases of property and equipment	(1,866,922)	(507,912)
Net cash flows from investing activities	(1,775,362)	1,478,424
Cash flows from financing activities:		
Draws on revolving line of credit, net	4,705,182	2,331,453
Payments on finance lease obligations	(821,076)	-
Proceeds from related party debt	-	1,500,000
Distributions to members	-	(3,527,645)
Net cash flows from financing activities	3,884,106	303,808
Net change in cash and cash equivalents	1,236,424	(216,493)
Cash and cash equivalents, beginning of year	127,156	343,649
Cash and cash equivalents, end of year	$ 1,363,580	$ 127,156

The accompanying notes to the consolidated financial statements are an integral part of these statements.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 591,027	$ 206,933
Supplemental disclosure of noncash financing activities:		
Operating right-of-use assets recognized upon adoption of ASC 842	$ -	$ 1,781,119
Operating right-of-use assets obtained in exchange for new lease liabilities	$ 540,480	$ -
Vehicles purchased under finance lease obligations	$ 4,072,975	$ -

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Description of business and summary of significant accounting policies

Nature of Business – JanCo Facility Services, LLC and Subsidiaries' (collectively, the "Company") consolidated financial statements include the consolidated accounts of JanCo FS 1, LLC; JanCo FS 2, LLC; JanCo FS 3, LLC; JanCo FS 4, LLC; JanCo FS Canada Corp; and JanCo Facility Services, LLC. As of December 31, 2023, the Company owns 100% of JanCo FS 3, LLC, JanCo FS 4, LLC and JanCo Canada Corp. JanCo FS 1, LLC and JanCo FS 2, LLC are not 100% owned by the Company but are consolidated as variable interest entities ("VIE") based on the Company's control. Neither JanCo FS 1, LLC nor JanCo Facility Services, LLC have had any activity as of December 31, 2023 and 2022 and, as such, they are not presented separately in the unaudited consolidating balance sheets supplementary schedule accompanying the audited consolidated financial statements.

JanCo FS 4, LLC and JanCo FS Canada Corp were formed during the year ended December 31, 2022. JanCo FS 4, LLC was formed for the purpose of hiring employees for the other entities. JanCo FS Canada Corp was formed to perform janitorial services in Canada.

On August 9, 2021, the Company was formed by Argenbright Holdings V, LLC ("Argenbright") for the purpose of carrying on any lawful business, purpose, or activity permitted to be conducted by a limited liability company under the Delaware Limited Liability Company Act.

The Company operates primarily in the custodial space of the facility services industry. In addition to custodial services, the Company provides certain specialized services such as maintenance, engineering, electrical, and bridge tendering to certain clients.

Basis of Accounting – The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Financial Accounting Standards Board ("FASB") has established the Accounting Standards Codification ("ASC") as the single source of authoritative U.S. GAAP.

Principles of Consolidation – The accompanying consolidated financial statements includes the accounts of the wholly-owned subsidiaries and the VIEs listed above. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Use of Estimates – The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – The Company considers all highly-liquid investment instruments with original maturities of three months or less to be cash equivalents.

Accounts Receivable – In the normal course of business, the Company extends payment terms to its customers. Accounts receivable is generally due under normal trade terms requiring payment within 30 to 60 days from the invoice date. Unpaid accounts receivable is non-interest bearing and are stated at the amount billed to the customer. Unbilled receivables represent revenues earned but not billed to the customer until future dates, usually within one month.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Description of business and summary of significant accounting policies (continued)

Accounts receivable consists of the following as of December 31, 2023 and 2022, respectively:

	2023	2022
Trade receivables	$ 24,768,256	$ 26,065,624
Unbilled trade receivables	3,449,448	2,048,344
Total accounts receivable	28,217,704	28,113,968
Less allowance for credit losses	(224,827)	(451,326)
Accounts receivable, net	$ 27,992,877	$ 27,662,642

The allowance for credit losses is based on the Company's assessment of the collectability of customer accounts receivable. In accordance with ASC Topic 326: *Financial Instruments - Credit Losses*, the Company makes ongoing estimates relating to the collectability of accounts receivable and records an allowance for estimated losses expected from the inability of its customers to make required payments. The Company establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a customer's ability to pay, and creditworthiness of significant customers. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable are written off when there is no reasonable expectation of recovery.

The following is a summary of the changes in the allowance for credit losses for the years ended December 31, 2023 and 2022:

Balance, January 1, 2022	$ 566,867
Provision for expected credit losses	-
Write-offs	(115,541)
Balance, December 31, 2022	451,326
Provision for expected credit losses	-
Write-offs	(226,499)
Balance, December 31, 2023	$ 224,827

Property and Equipment – Property and equipment is recorded at cost. Expenditures for major betterments and additions are charged to the asset accounts, while replacements, maintenance, and repairs which do not improve or extend the lives of the respective assets, are charged to expense as incurred. Depreciation is computed using the straight-line method over a period approximating the useful lives of the assets. Estimated useful lives of assets consist of the following:

Machinery, equipment and vehicles	3-5 years
Computer equipment	3-5 years
Software	3-5 years
Leasehold improvements	Lesser of life or lease term
Vehicles under finance leases	Lesser of life or lease term

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Description of business and summary of significant accounting policies (continued)

Impairment of Long-Lived Assets – Long-lived assets, such as property and equipment and intangible assets with definite lives, are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. When indicators of impairment are present, the Company evaluates the carrying amount of such assets in relation to the operating performance and future estimated, undiscounted net cash flows expected to be generated by the assets or underlying businesses or in relation to the estimated scrap value of the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of these assets exceeds the fair value of the assets. The assessment of the recoverability of assets will be impacted if estimated future operating cash flows are not achieved. During the year ended December 31, 2022, the Company determined the carrying value of its customer relationships exceeded its fair value and, therefore, recorded an intangible impairment charge. Key assumptions and inputs used in the fair value determination used by the Company were derived with the assistance of a third party valuation specialist and are considered significant estimates. Refer to Note 3 to the consolidated financial statements. For the year ended December 31, 2023, the Company determined there was no impairment of long-lived assets.

Goodwill – In accordance with ASC Topic 350, *Intangibles - Goodwill and Other*, the Company does not amortize goodwill. Goodwill is tested for impairment annually or more frequently if events or circumstances indicate the goodwill might be impaired. Such conditions may include an economic downturn or a change in the assessment of future operations. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. If management concludes it is more likely than not that the fair value of a reporting unit is less than its carrying amount, management conducts a quantitative goodwill impairment test. The impairment test involves comparing the fair value of the applicable reporting unit with its carrying value. The Company estimates the fair value of its reporting unit using a combination of the income, or discounted cash flows approach, and the market approach, which utilizes comparable companies' data. If the carrying amount of the reporting unit exceeds the reporting unit's fair value, management performs the second step of the goodwill impairment test. During the year ended December 31, 2022, the Company determined the carrying value exceeded its fair value and, therefore, recorded a goodwill impairment charge. Key assumptions and inputs used in the fair value determination used by the Company were derived with the assistance of a third party valuation specialist and are considered significant estimates. Refer to Note 3 to the consolidated financial statements. For the year ended December 31, 2023, the Company determined there was no impairment of goodwill.

Purchase Price Allocation – From time to time, the Company enters into material business combinations. In accordance with ASC 805, *Business Combinations*, the purchase price is allocated to the various assets acquired and liabilities assumed at their estimated fair value. Fair values of assets acquired and liabilities assumed are based upon available information and may involve the use of independent third parties to perform appraisals of tangible and intangible assets. Estimating fair values can be complex and subject to significant business judgment and most commonly impacts intangible assets, including those with indefinite lives. In valuing acquired assets and assumed liabilities, fair values are based on, but not limited to: future expected cash flows, discount rates, growth rates, attrition rates, royalty rates, current replacement cost for a similar capacity of certain property and equipment, and physical deterioration and obsolescence for a similar capacity of certain property and equipment.

Debt Issuance Costs – Debt issuance costs paid in connection with the Company's revolving line of credit are amortized over the life of the related debt. For the years ended December 31, 2023 and 2022, amortization expense was $121,245 and $72,747, respectively, and unamortized debt issuance costs as of December 31, 2023 and 2022 related to the revolving line of credit was $282,925 and $404,170, respectively. As there is $8,778,062 and $4,072,880 outstanding on the related line of credit as of December 31, 2023 and 2022, respectively, the debt issuance costs are netted with the outstanding line of credit in the accompanying consolidated balance sheets.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Description of business and summary of significant accounting policies (continued)

Deferred Revenue – Advanced collections for services are deferred and recorded as revenue in the period the services occur and the Company has completed the performance obligations, which is generally within one year. As of December 31, 2023 and 2022, the Company had $-0- and $88,004, respectively, of deferred revenue in the accompanying consolidated balance sheets.

Revenue Recognition – The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. The Company considers a contract with a customer to exist under ASC 606 when there is approval and commitment from the Company and the customer, the rights of the parties and payments terms are identified, the contract has commercial substance, and the collectability of consideration is probable. The Company also considers whether two or more contracts entered into with the same customer should be combined and accounted for as a single contract.

The Company evaluates each service deliverable contracted with the customer to determine whether it represents promises to transfer distinct goods or services under ASC 606. These are referred to as performance obligations. One or more service deliverables often represent a single performance obligation. This evaluation requires significant judgment and the impact of combining or separating performance obligations may change the time over which revenue from the contract is recognized. Customer contracts generally provide a set of integrated or highly interrelated tasks or services that are, therefore, accounted for as a single performance obligation. However, in cases where the Company provides more than one distinct good or service within a customer contract, the contract is separated into individual performance obligations, which are accounted for discretely. The Company recognizes revenue for each performance obligation identified within customer contracts when, or as, the performance obligation is satisfied by transferring the promised goods or services to the customer. Revenue may be recognized either over time or at a point in time.

Contracts may be modified to change the scope, price, specifications, or other terms within the existing arrangement. Contract modifications are evaluated by management to determine whether the modification should be accounted for as part of the original performance obligation(s) or as a separate contract. If the modification adds distinct goods or services and increases the contract value proportionate to the stand-alone selling price of the additional goods or services, it will be accounted for as a separate contract.

Contract modifications that do not include distinct goods or services are accounted for as part of the original performance obligation(s), with any impact on the transaction price or estimated costs at completion being recorded through a cumulative catch-up adjustment to revenue.

Revenue is generated from the sale of custodial related services to customers. Those services predominately contain a single delivery element, and revenue is recognized over time as the customer simultaneously receives and consumes the benefits of the services as they are being provided. The sales team typically does not use volume discounts, rebates, pay-to-play agreements, or other sales programs or forms of variable consideration to close new business. They compete solely on price and quality. If variable consideration is involved, the Company can only recognize such amount as revenue to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

The majority of the contracts the Company maintains with its customers are non-complex; however, they are prescriptive in the services they are responsible for providing and the related agreed-upon consideration. These contracts come in several different formats including fixed, time and material, and a combination of fixed and time and material.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Description of business and summary of significant accounting policies (continued)

The Company provides one single distinct and material performance obligation, which is to provide services with the necessary skillset, training, and equipment to perform the tasks required by the customer for a defined period of time. The services provided are substantially the same over the life of the contract and do not build upon each other. There are additional inconsequential or not distinct performance obligations, such as supplying equipment necessary to complete the required tasks, trainings, and ad hoc charges.

The Company has determined its performance obligations should be recognized on a monthly basis over time, as at least one of the following three "over time" criteria per ASC 606 are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset (for example, work in process) that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Further, as the Company bills on a monthly or more frequent basis, the Company has the right to consideration from its customers in an amount that corresponds directly with the value to the customer of the Company's performance completed to date. As such, the Company has elected the right to invoice practical expedient to recognize revenue based on amounts invoiced to the customer.

The Company has determined it acts as the principal when a third party is involved in providing goods or services to a customer. To make this assessment, the Company considered the following indicators of a principal provided by ASC 606:

- The entity is primarily responsible for fulfilling the promise to provide a good or service.
- The entity has inventory risk before the good or service is transferred.
- The entity has discretion in establishing prices.

Income Taxes – The Company has been organized as a limited liability company and is treated as a partnership for tax reporting purposes. As a result, the members will include the taxable income or loss in their respective tax returns and there is no provision for federal and most state income taxes reported in the Company's consolidated financial statements. A limited number of states tax at the entity level instead of the members.

Under U.S. GAAP guidelines, a tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded. The Company had no material uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements.

As of December 31, 2023 and 2022. the Company has accrued no interest or penalties related to uncertain tax positions.

Fair Value of Financial Instruments – The guidance for fair value measurements establishes the authoritative definition for fair value, sets out a framework for measuring fair value, and outlines the required disclosures regarding fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Description of business and summary of significant accounting policies (continued)

The guidance describes three levels of inputs that may be used to measure fair value:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 – Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and

Level 3 – Inputs to the valuation methodology are unobservable inputs in the situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Company uses financial instruments in the normal course of business, including but not limited to, cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses. The carrying values of these financial instruments approximate their respective fair values at the consolidated financial statements date due to the short-term maturity of these assets and liabilities.

During the year ended December 31, 2022, the Company had to consider fair value and make fair value assessments in relation to impairment analysis of intangible assets and goodwill.

Recently Adopted Accounting Pronouncements – In June 2016, FASB issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses* ("Topic 326"), and subsequently related amendments (ASU-2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, ASU 2019-11, and ASU 2022-02). This guidance replaces the existing incurred loss impairment guidance and establishes a single allowance framework for financial assets carried at amortized cost based on expected credit losses. The estimate of expected credit losses requires the incorporation of historical information, current conditions, and reasonable and supportable forecasts. The Company adopted this new standard with an effective date of January 1, 2023. The effect of this new standard did not have a material effect on the Company's consolidated financial statements and did not require a cumulative adjustment to members' equity.

Note 2—Property and equipment

A summary of property and equipment at December 31, 2023 and 2022 is as follows:

	2023	2022
Machinery, equipment, and vehicles, including vehicle finance leases of $4,072,915 and $102,232	$ 7,280,994	$ 2,095,775
Software	578,631	-
Computer equipment	184,646	39,385
Leasehold improvements	21,736	-
	8,066,007	2,135,160
Less accumulated depreciation	(2,477,033)	(1,031,208)
Property and equipment, net	$ 5,588,974	$ 1,103,952

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2—Property and equipment (continued)

Depreciation expense for the years ended December 31, 2023 and 2022 totaled $861,234 and $945,869, respectively, and is included in cost of service revenue and depreciation and amortization expense in the accompanying consolidated statements of operations.

Note 3—Goodwill and intangible assets

The following is a summary of the changes in the carrying amount of goodwill:

Balance, January 1, 2022	$ 36,059,439
Measurement period adjustments	6,699,170
Impairment loss	(6,698,609)
Balance, December 31, 2022	36,060,000
Balance, December 31, 2023	$ 36,060,000

On November 30, 2021, the Company acquired a North America based portfolio of single-service janitorial and specialized services businesses and certain customer contracts from ISS Facility Services, Inc. ("ISS") funded by equity contributions from Argenbright parent companies. The Company accounted for this transaction as an acquisition of a business. The initial total fair value of the consideration paid by the Company in the acquisition was $80,013,372 as of November 30, 2021.

During the measurement period subsequent to the date of the transaction, the Company updated certain estimates used in determining the appropriate value of net assets acquired. The revisions were based on updated purchase price allocation and updated information related to the facts and circumstances that existed as of the acquisition date.

Of the total fair value of the consideration paid, $11,250,257 was deposited in escrow related to unobtained consents from target accounts. During the year ended December 31, 2022, the Company received $1,986,336 from escrow related to these target accounts. The receipt of this consideration resulted in a reduction in existing goodwill and overall purchase price.

As part of the asset purchase agreement, the Company entered into a working capital adjustment of the purchase price with a net working capital target of $12,877,000 which excludes cash, debt, taxes, any insurance-related balances, and litigation related items. The net working capital adjustment has not been paid as of the date of this report due to ongoing litigation referred to below. The Company has recorded an estimate of $3,619,171 as of December 31, 2023 and 2022, and is included in deferred purchase price to seller on the accompanying consolidated balance sheets.

The deferred purchase price of $4,843,084 that was due to the seller by December 5, 2022 increased by $13,076 in the month of December 2021 and $143,840 for the year ended December 31, 2022 relating to interest expense. Because the final settlement is still in progress and because the amount would be insignificant, the Company has not accrued additional interest in 2023. The Company has not paid the deferred purchase price to the seller due to the ongoing litigation referred to below.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 3—Goodwill and intangible assets (continued)

On February 28, 2023, the Company filed a lawsuit in the Superior Court of the State of Delaware seeking damages and declaratory judgment against the Seller in the November 30, 2021 business combination that formed the basis of the Company's operations. The sellers asserted counterclaims related to unreleased escrow funds. The parties are currently briefing summary judgement, and too much uncertainty exists for the Company to value the Seller's counterclaims. The case is set to go to trial in November 2024.

During the year ended December 31, 2022, the Company determined that the carrying value of goodwill exceeded its fair value. This resulted primarily from customer contracts lost and additional cost of services impacting the Company. These resulted in changes in Management's projections which include lower revenue and earnings before interest, taxes, depreciation and amortization ("EBITDA") growth rates, and decreased cash flow projections. Due to the aforementioned changes, the Company recorded an impairment charge of $6,698,609, related to goodwill, which is included in the consolidated statement of operations for the year ended December 31, 2022.

During the year ended December 31, 2022, the Company determined that the carrying value of customer relationships exceeded its fair value. This was due to changes in overall economic conditions impacting the Company as well as loss in customers obtained in the acquisition on November 30, 2021. The changes in economic conditions and loss of customers resulted in changes in Management's projections which include lower revenue and EBITDA growth rates, and decreased cash flow projections. Due to the aforementioned changes, the Company recorded an impairment charge of $12,172,500, related to customer relationships, which is included in the consolidated statement of operations for the year ended December 31, 2022.

Definite-lived intangible assets at December 31, 2023 and 2022 are summarized as follows:

	December 31, 2023			
	Estimated Useful Life in Years	Gross Carrying Amount	Accumulated Amortization	Net Assets
Existing customer relationships	10	$ 7,927,500	$ (2,866,752)	$ 5,060,748
Tradename	0.33	800,000	(800,000)	-
Non-solicitation agreement	5	320,000	(133,334)	186,666
Total intangible assets		$ 9,047,500	$ (3,800,086)	$ 5,247,414

	December 31, 2022			
	Estimated Useful Life in Years	Gross Carrying Amount	Accumulated Amortization	Net Assets
Existing customer relationships	10	$ 7,927,500	$ (2,227,500)	$ 5,700,000
Tradename	0.33	800,000	(800,000)	-
Non-solicitation agreement	5	320,000	(69,333)	250,667
Total intangible assets		$ 9,047,500	$ (3,096,833)	$ 5,950,667

Amortization expense on intangible assets was $703,253 and $2,607,333, respectively, for the year ended December 31, 2023 and 2022.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 3—Goodwill and intangible assets (continued)

Estimated amortization expense for the next five years is as follows:

Years Ending December 31,		
2024	$	703,252
2025		703,252
2026		697,919
2027		639,252
2028		639,252
Thereafter		1,864,487
	$	5,247,414

Note 4—Revolving line of credit

On November 30, 2021, the Company entered into a credit agreement with U.S. Bank National Association. The credit agreement includes a revolving line of credit under which the Company with a borrowing base of $30,000,000 and is collateralized by substantially all assets of the Company. The revolving credit facility is scheduled to mature on November 30, 2026. The revolving line of credit is classified as a current liability on the accompanying consolidating balance sheets as of December 31, 2023 and 2022, due to the lenders ability to call the revolving line at any time. The revolving credit facility bears interest at a rate per annum equal to the Daily Term Secured Overnight Financing Rate ("SOFR") rate plus 1.6%. As of December 31, 2023, the interest rate on the revolving line of credit was 6.95%. Interest payments under this agreement are to be paid on the first business day of each month. As of December 31, 2023 and 2022, the Company had a balance of $8,778,062 and $4,072,880, respectively, outstanding on the revolving line of credit, which is netted with unamortized debt issuance costs of $282,925 and $404,170, respectively, in the accompanying consolidated balance sheets. As of December 31, 2023 and 2022, $21,221,938 and $25,927,120, respectively, was the maximum borrowing availability on the revolving line of credit. The line of credit contains a covenant that limits the fixed charge coverage ratio, as defined in the agreement, to a minimum of 1.00:1.00. The Company was not in compliance with this covenant as of December 31, 2023. The Company received a one-time waiver for the event of noncompliance and any future noncompliance through June 30, 2024. The waiver and first amendment to the November 30, 2021 credit agreement includes additional financial covenants requiring the Company to meet minimum monthly EBITDA in 2024 through June 30, 2024.

Note 5—Members' equity

Capital Contributions – The Member shall have the right, but shall not have any obligation whatsoever, to make any capital contributions.

Distributions and Liquidation – Discretionary distributions of capital can be made at any time as agreed upon by the Board of Managers. Upon dissolution of the Company, the Members shall wind up the Company's affairs and shall be authorized to distribute the proceeds to any creditor and then any excess proceeds to the Member.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 6—Leases

The Company leases certain office space and equipment, including vehicles. The Company determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified office space and equipment, including vehicles for a period of time in exchange for consideration. ROU assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses are factored into the determination of the lease term if it is reasonably certain that these options would be exercised by the Company. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. Certain Company lease agreements include variable payments. Variable lease payments not dependent on an index or rate primarily consist of common area maintenance charges and are not included in the calculation of the ROU asset and lease liability and are expensed as incurred. To determine the present value of lease payments, the Company uses the implicit rate when it is readily determinable. As most of the Company's leases do not provide an implicit rate, the Company has elected the practical expedient to utilize the risk-free discount rate to calculate lease assets and liabilities.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company does not have leases where it is involved with the construction or design of an underlying asset. The Company has no material obligation for leases signed but not yet commenced as of December 31, 2023. The Company does not have any sublease activities.

Practical Expedients Elected

- The Company elected the three transition practical expedients that permit an entity to: (a) not reassess whether expired or existing contracts contain leases, (b) not reassess lease classification for existing or expired leases, and (c) not consider whether previously capitalized initial direct costs would be appropriate under the new standard.

- The Company has elected the practical expedient not to recognize leases with terms of 12 months or less on the consolidated balance sheets and instead recognize the lease payments on a straight-line basis over the term of the lease and variable lease payments in the period in which the obligation for the payments is incurred. Therefore, short-term lease expense for the period does not reflect the Company's ongoing short-term lease commitments. For the years ended December 31, 2023 and 2022, lease expense of approximately $35,000 and $98,000, respectively, relates to leases with a remaining lease term of less than twelve months.

- The Company has elected to utilize the risk-free discount rate to calculate lease assets and liabilities.

As of December 31, 2023 and 2022, finance lease ROU assets of $4,072,915 and $102,232, respectively, are included in property and equipment, net in the accompanying consolidated balance sheets.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 6—Leases (continued)

Future minimum lease payments as of December 31, 2023 are as follows:

	Operating	Finance
2024	$ 459,513	$ 1,318,839
2025	258,339	619,049
2026	198,023	619,049
2027	41,646	617,163
2028	-	256,290
Total lease payments	957,521	3,430,390
Less interest	(20,098)	(178,491)
Present value of lease liabilities	$ 937,423	$ 3,251,899

Required supplemental information related to the Company's leases as of and for the year ended December 31, 2023 is as follows:

Operating Leases:	2023	2022
Leases expense, included in cost of service revenue	$ 912,625	$ 1,201,285
Leases expense, included in selling, general, and administrative expenses	491,469	472,650
Total operating lease expense	$ 1,404,094	$ 1,673,935
Finance Leases:		
Amortization expense, included in direct costs of service	$ 585,634	$ -
Interest expense, included in interest expense	58,577	-
Total finance lease expense	$ 644,211	$ -

Weighted average remaining lease term—operating leases	2.55 years
Weighted average remaining lease term—financing leases	4.44 years
Weighted average discount rate—operating leases	1.72%
Weighted average discount rate—financing leases	3.00%

Note 7—Commitments and Contingencies

Collective Bargaining Agreements – Approximately 33% and 39% of the Company's workforce is represented under the terms of collective bargaining agreements as of December 31, 2023 and 2022, respectively. The agreements have varying expiration dates in 2024 through 2027. The Company expects these agreements to be renegotiated and renewed on terms similar to the ones contained in the expiring agreements.

Litigation – The Company, from time to time, may be a defendant or plaintiff in legal actions generally incidental to its business. Although it is difficult to predict the ultimate outcome of any potential or threatened litigation, management believes any ultimate liability will not materially affect the consolidated financial position or results of operations of the Company.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 8—Related party transactions

On October 14, 2022, the Company entered into a promissory note with their parent company, Argenbright Holdings V, LLC, for borrowings of $1,500,000. The note requires all principal and accrued interest to be paid on or before the maturity date, which is October 14, 2024. The interest rate on the note is 1% per annum. As of December 31, 2023 and 2022, $1,500,000 remained outstanding.

As of December 31, 2023 and 2022, the Company owed $452,579 and $873,953, respectively, to Argenbright Holdings V, LLC, a parent of the Company for cash advances and expenses incurred on the Company's behalf. These amounts are included in the accounts payable – related party balance in the accompanying consolidated balance sheets.

As of December 31, 2023 and 2022, the Company owed $1,087,200 and $371,207, respectively, to AirCo Aviation Services LLC, a sister Company for expenses incurred on the Company's behalf. These amounts are included in the accounts payable – related party balance in the accompanying consolidated balance sheets.

As of December 31, 2023 and 2022, the Company owed $124,032 and $-0-, respectively, to AMH Services Private Limited, an affiliate with common ownership for expenses incurred on the Company's behalf. These amounts are included in the accounts payable – related party balance in the accompanying consolidated balance sheets.

On November 30, 2021, the Company entered into a Transition Services Agreement ("TSA") with ISS relating to the acquisition of target customer accounts. The agreement states that ISS will provide certain services for the Company including maintaining the operations of business functions including accounts payable, billing, finance administration, master data, operation team support, risk management, union, health safety and environmental, payroll, human resource, procurement, information technology, monthly reporting, subcontracting for certain customers, and other operational services for a monthly service fee of approximately $371,110.

The TSA was to terminate six months from the acquisition date, on May 31, 2022, with the option to extend for an additional three-month period. Effective March 30, 2022, the Company elected to extend the terms of the TSA for an additional three-month term, extending the services provided by the ISS under the TSA to August 31, 2022. The Company elected to terminate the TSA early with an effective date of July 31, 2022. The Company recorded a non-cash write-off during the year ended December 31, 2022 in the amount of $3,554,694 related to the customer payments collected under the TSA by ISS, but not yet remitted to the Company and such amount is recorded in the accompanying consolidated statements of operations.

On November 30, 2021, the Company entered into an Employee Lease Agreement (ELA) with ISS in which ISS will continue to employ all employees who are providing services to the target customer accounts as of transaction closing date and will lease such employees to the Company to provide those services. The Company has agreed to make scheduled payments of either $1,960,000 for weekly payroll runs, or $2,785,000 for bi-weekly payroll runs prior to each payroll check date. The agreement terminated in July 2022.

Note 9—Concentrations

The Company places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts held in financial institutions in the United States. There was an uninsured balance of $525,540 and $-0- as of December 31, 2023 and 2022, respectively.

As of December 31, 2023, no customers accounted for over 10% of the Company's total accounts receivable balance. As of December 31, 2022, one customer accounted for approximately 10% of the Company's total accounts receivable balance.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 10—Retirement plan

The Company has a 401(k) plan covering all employees excluding union employees, nonresident aliens, and highly compensated individuals. The Company makes discretionary match contributions for eligible employees who are the age of 21 or older and who have one month of service. For the years ended December 31, 2023 and 2022, the Company made matching contributions of approximately $134,000 and $61,000, respectively, which are included in selling, general, and administrative expense on the accompanying consolidated statements of operations.

Note 11—Subsequent events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 23, 2024, the date the consolidated financial statements were available to be issued.

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SUPPLEMENTARY INFORMATION

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET

DECEMBER 31, 2023

	JanCo FS 2, LLC	JanCo FS 3, LLC	JanCo FS 4, LLC	JanCo FS Canada Corp	Eliminations	Consolidated
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 211,157	$ 812,215	$ -	$ 340,208	$ -	$ 1,363,580
Accounts receivable, net	8,897,316	18,870,277	-	225,284	-	27,992,877
Intercompany receivable	8,929,006	234,534	378,499	-	(9,542,039)	-
Prepaid expenses and other current assets	1,794,398	960,084	28,893	124,035	-	2,907,410
Total Current Assets	19,831,877	20,877,110	407,392	689,527	(9,542,039)	32,263,867
Long-Term Assets:						
Property and equipment, net	182,311	5,406,663	-	-	-	5,588,974
Goodwill	11,750,000	24,310,000	-	-	-	36,060,000
Intangible assets, net	1,844,382	3,403,032	-	-	-	5,247,414
Operating lease right-of-use assets	752,935	86,859	-	-	-	839,794
Debt issuance costs, net (1)	161,489	121,436	-	-	-	282,925
Other assets, noncurrent	19,094	441,982	-	-	-	461,076
Total Long-Term Assets	14,710,211	33,769,972	-	-	-	48,480,183
Total Assets	$ 34,542,088	$ 54,647,082	$ 407,392	$ 689,527	$ (9,542,039)	$ 80,744,050
LIABILITIES AND MEMBERS' EQUITY						
Current Liabilities:						
Accounts payable	$ 3,323,482	$ 4,739,424	$ -	$ 44,559	$ -	$ 8,107,465
Accounts payable - related party	-	1,663,811	-	-	-	1,663,811
Intercompany payable	-	9,308,323	-	233,716	(9,542,039)	-
Accrued payroll	1,411,904	1,951,964	407,392	-	-	3,771,260
Accrued liabilities	1,428,262	177,255	-	6,118	-	1,611,635
Deferred purchase price due to seller	1,179,275	7,439,896	-	-	-	8,619,171
Current portion of operating lease liability	314,071	133,968	-	-	-	448,039
Current portion of finance lease obligations	6,989	1,241,797	-	-	-	1,248,786
Revolving line of credit (1)	6,925,131	1,852,931	-	-	-	8,778,062
Current portion of related party note payable	-	1,500,000	-	-	-	1,500,000
Total Current Liabilities	14,589,114	30,009,369	407,392	284,393	(9,542,039)	35,748,229
Long-Term Liabilities:						
Operating lease liability, net of current portion	417,237	72,147	-	-	-	489,384
Finance lease obligations, net of current portion	-	2,003,113	-	-	-	2,003,113
Total Long-Term Liabilities	417,237	2,075,260	-	-	-	2,492,497
Total Liabilities	15,006,351	32,084,629	407,392	284,393	(9,542,039)	38,240,726
Members' Equity:						
Additional paid-in capital	31,200,000	44,680,000	-	-	-	75,880,000
Members' equity (accumulated deficit)	(11,664,263)	(22,117,547)	-	405,134	-	(33,376,676)
Total Members' Equity	19,535,737	22,562,453	-	405,134	-	42,503,324
Total Liabilities and Members' Equity	$ 34,542,088	$ 54,647,082	$ 407,392	$ 689,527	$ (9,542,039)	$ 80,744,050

(1) Amounts are presented on a gross basis here but are netted on the consolidated balance sheets.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET

DECEMBER 31, 2022

	JanCo FS 2, LLC	JanCo FS 3, LLC	JanCo FS 4, LLC	JanCo FS Canada Corp	Eliminations	Consolidated
ASSETS						
Current Assets:						
Cash and cash equivalents	$ (10,841,573)	$ 10,898,205	$ (137,259)	$ 207,783	$ -	$ 127,156
Accounts receivable, net	10,633,517	16,589,958	-	439,167	-	27,662,642
Accounts receivable - related party	-	-	-	85,529	-	85,529
Intercompany receivable	11,235,597	188,222	126,304	-	(11,550,123)	-
Prepaid expenses and other current assets	1,209,710	816,473	28,893	-	-	2,055,076
Total Current Assets	12,237,251	28,492,858	17,938	732,479	(11,550,123)	29,930,403
Long-Term Assets:						
Property and equipment, net	154,109	949,843	-	-	-	1,103,952
Goodwill	11,750,000	24,310,000	-	-	-	36,060,000
Intangible assets, net	2,128,000	3,822,667	-	-	-	5,950,667
Operating lease right-of-use assets	323,803	732,746	-	-	-	1,056,549
Debt issuance costs, net (1)	191,668	-	-	-	-	191,668
Other assets, noncurrent	12,750	7,743	-	-	-	20,493
Total Long-Term Assets	14,560,330	29,822,999	-	-	-	44,383,329
Total Assets	$ 26,797,581	$ 58,315,857	$ 17,938	$ 732,479	$ (11,550,123)	$ 74,313,732
LIABILITIES AND MEMBERS' EQUITY						
Current Liabilities:						
Accounts payable	$ 3,135,031	$ 4,384,854	$ 6,226	$ 157,027	$ -	$ 7,683,138
Accounts payable - related party	-	1,245,160	-	-	-	1,245,160
Intercompany payable	-	11,361,901	-	188,222	(11,550,123)	-
Accrued payroll	686,641	3,237,158	11,712	-	-	3,935,511
Accrued liabilities	1,205,863	1,405,053	-	92,943	-	2,703,859
Deferred revenue	-	88,004	-	-	-	88,004
Deferred purchase price due to seller	1,179,275	7,439,896	-	-	-	8,619,171
Current portion of operating lease liability	229,628	297,433	-	-	-	527,061
Revolving line of credit (1)	-	3,860,378	-	-	-	3,860,378
Total Current Liabilities	6,436,438	33,319,837	17,938	438,192	(11,550,123)	28,662,282
Long-Term Liabilities:						
Long-term debt plus accrued interest - related party	-	1,500,000	-	-	-	1,500,000
Operating lease liability, net of current portion	90,397	430,959	-	-	-	521,356
Total Long-Term Liabilities	90,397	1,930,959	-	-	-	2,021,356
Total Liabilities	6,526,835	35,250,796	17,938	438,192	(11,550,123)	30,683,638
Members' Equity:						
Additional paid-in capital	31,200,000	44,680,000	-	-	-	75,880,000
Members' equity (accumulated deficit)	(10,929,254)	(21,614,939)	-	294,287	-	(32,249,906)
Total Members' Equity	20,270,746	23,065,061	-	294,287	-	43,630,094
Total Liabilities and Members' Equity	$ 26,797,581	$ 58,315,857	$ 17,938	$ 732,479	$ (11,550,123)	$ 74,313,732

(1) Amounts are presented on a gross basis here but are netted on the consolidated balance sheets.

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2023

	JanCo FS 2, LLC	JanCo FS 3, LLC	JanCo FS 4, LLC	JanCo FS Canada Corp	Consolidated
Net service revenue	$ 60,600,125	$ 102,263,273	$ -	$ 635,940	$ 163,499,338
Cost of service revenue	53,161,939	86,604,573	-	519,838	140,286,350
Gross Profit	7,438,186	15,658,700	-	116,102	23,212,988
Selling, general, and administrative expenses	7,883,665	14,246,705	-	5,253	22,135,623
Depreciation and amortization expense	248,102	1,307,527	-	-	1,555,629
Total Operating Expenses	8,131,767	15,554,232	-	5,253	23,691,252
Operating Income (Loss)	(693,581)	104,468	-	110,849	(478,264)
Other Income (Expense):					
Gain on disposal of property and equipment	7,386	76,167	-	-	83,553
Interest expense	(48,814)	(683,245)	-	-	(732,059)
Other Expense, Net	(41,428)	(607,078)	-	-	(648,506)
Net Income (Loss)	$ (735,009)	$ (502,610)	$ -	$ 110,849	$ (1,126,770)

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2022

	JanCo FS 2, LLC	JanCo FS 3, LLC	JanCo FS 4, LLC	JanCo FS Canada Corp	Consolidated
Net service revenue	$ 61,455,119	$ 94,331,866	$ -	$ 759,887	$ 156,546,872
Cost of service revenue	50,996,919	81,207,137	-	422,926	132,626,982
Gross Profit	10,458,200	13,124,729	-	336,961	23,919,890
Selling, general, and administrative expenses	10,203,647	16,581,582	-	42,674	26,827,903
Depreciation and amortization expense	1,359,376	1,486,072	-	-	2,845,448
Impairment loss on intangibles and goodwill	8,579,460	10,291,649	-	-	18,871,109
Noncash write-off of transition balance	1,541,096	2,013,598	-	-	3,554,694
Total Operating Expenses	21,683,579	30,372,901	-	42,674	52,099,154
Operating Income (Loss)	(11,225,379)	(17,248,172)	-	294,287	(28,179,264)
Other Expense:					
Interest expense	(81,609)	(341,971)	-	-	(423,580)
Other Expense, Net	(81,609)	(341,971)	-	-	(423,580)
Net Income (Loss)	$ (11,306,988)	$ (17,590,143)	$ -	$ 294,287	$ (28,602,844)

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF MEMBERS' EQUITY

YEARS ENDED DECEMBER 31, 2023 AND 2022

	JanCo FS 2, LLC	JanCo FS 3, LLC	JanCo FS 4, LLC	JanCo FS Canada Corp	Consolidated
Balance, January 1, 2022	$ 31,577,734	$ 44,182,849	$ -	$ -	$ 75,760,583
Distributions to shareholders	-	(3,527,645)	-	-	(3,527,645)
Net income (loss)	(11,306,988)	(17,590,143)	-	294,287	(28,602,844)
Balance, December 31, 2022	20,270,746	23,065,061	-	294,287	43,630,094
Net income (loss)	(735,009)	(502,610)	-	110,849	(1,126,770)
Balance, December 31, 2023	$ 19,535,737	$ 22,562,451	$ -	$ 405,136	$ 42,503,324

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

	JanCo FS 2, LLC	JanCo FS 3, LLC	JanCo FS 4, LLC	JanCo FS Canada Corp	Consolidated
Cash flows from operating activities:					
Net income (loss)	$ (735,009)	$ (502,610)	$ -	$ 110,849	$ (1,126,770)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:					
Depreciation expense	230,256	630,978	-	-	861,234
Amortization of intangibles	283,618	419,635	-	-	703,253
Amortization of debt issuance costs	30,179	91,066	-	-	121,245
Amortization of operating lease right-of-use assets	111,348	645,887	-	-	757,235
Amortization of finance lease right-of-use assets	27,831	557,803	-	-	585,634
Gain on disposal of property and equipment	(7,386)	(76,167)	-	-	(83,553)
Change in assets and liabilities:					
Accounts receivable	1,736,201	(2,280,319)	-	213,883	(330,235)
Prepaid expenses and other assets	(584,688)	(267,646)	-	-	(852,334)
Accounts receivable - related party	-	-	-	85,529	85,529
Intercompany receipts (payments)	2,306,591	(1,975,853)	(252,195)	(78,543)	-
Other noncurrent assets	(6,344)	(434,239)	-	-	(440,583)
Accounts payable	188,451	354,570	(6,226)	(112,468)	424,327
Accounts payable - related party	-	418,651	-	-	418,651
Accrued payroll	725,263	(1,285,194)	395,680	-	(164,251)
Accrued liabilities	222,399	(1,227,798)	-	(86,825)	(1,092,224)
Deferred revenue	-	(88,004)	-	-	(88,004)
Operating lease liabilities	(129,197)	(522,277)	-	-	(651,474)
Net cash flows from operating activities	4,399,513	(5,541,517)	137,259	132,425	(872,320)
Cash flows from investing activities:					
Proceeds from the sale of property and equipment	21,196	70,364	-	-	91,560
Purchases of property and equipment	(259,401)	(1,607,521)	-	-	(1,866,922)
Net cash flows from investing activities	(238,205)	(1,537,157)	-	-	(1,775,362)
Cash flows from financing activities:					
Draws on revolving line of credit, net	6,925,131	(2,219,949)	-	-	4,705,182
Payments on finance lease obligations	(33,709)	(787,367)	-	-	(821,076)
Net cash flows from financing activities	6,891,422	(3,007,316)	-	-	3,884,106
Net change in cash and cash equivalents	11,052,730	(10,085,990)	137,259	132,425	1,236,424
Cash and cash equivalents, beginning of year	(10,841,573)	10,898,205	(137,259)	207,783	127,156
Cash and cash equivalents, end of year	$ 211,157	$ 812,215	$ -	$ 340,208	$ 1,363,580
Supplemental disclosure of cash flow information:					
Cash paid for interest	$ 18,635	$ 572,392	$ -	$ -	$ 591,027
Supplemental disclosure of noncash financing activites:					
Operating right-of-use assets obtained in exchange for new lease liabilities	$ 540,480	$ -	$ -	$ -	$ 540,480
Vehicles purchased under finance lease obligations	$ 40,698	$ 2,841,812	$ -	$ -	$ 2,882,510

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JANCO FACILITY SERVICES, LLC AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

	JanCo FS 2, LLC	JanCo FS 3, LLC	JanCo FS 4, LLC	JanCo FS Canada Corp	Consolidated
Cash flows from operating activities:					
Net income (loss)	$ (11,306,988)	$ (17,590,143)	$ -	$ 294,287	$ (28,602,844)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:					
Impairment loss on intangibles and other assets	8,579,460	10,291,649	-	-	18,871,109
Noncash write-off of transition balance	1,541,096	2,013,598	-	-	3,554,694
Depreciation expense	222,877	722,992	-	-	945,869
Amortization of intangibles	1,931,833	675,500	-	-	2,607,333
Amortization of debt issuance costs	34,499	38,248	-	-	72,747
Amortization of operating lease right-of-use assets	307,281	417,289	-	-	724,570
Change in assets and liabilities:					
Accounts receivable	(2,051,766)	(3,225,320)	-	(439,167)	(5,716,253)
Prepaid expenses and other assets	(1,209,710)	(752,590)	(28,893)	-	(1,991,193)
Accounts receivable - related party	(340,256)	(354,868)	-	(85,529)	(780,653)
Intercompany receipts (payments)	(11,235,597)	11,173,679	(126,304)	188,222	-
Other noncurrent assets	1,250	(4,480)	-	-	(3,230)
Accounts payable	2,171,250	4,913,737	6,226	157,027	7,248,240
Accounts payable - related party	-	625,700	-	-	625,700
Accrued payroll	538,482	2,224,871	11,712	-	2,775,065
Accrued liabilities	(842,098)	(1,079,866)	-	92,943	(1,829,021)
Deferred revenue	-	88,004	-	-	88,004
Operating lease liabilities	(311,059)	(421,643)	-	-	(732,702)
Deferred purchase price due to seller	-	143,840	-	-	143,840
Net cash flows from operating activities	(11,969,446)	9,900,197	(137,259)	207,783	(1,998,725)
Cash flows from investing activities:					
Escrow released related to business acquisition, net	849,737	1,136,599	-	-	1,986,336
Purchases of property and equipment	(63,391)	(444,521)	-	-	(507,912)
Net cash flows from investing activities	786,346	692,078	-	-	1,478,424
Cash flows from financing activities:					
Draws on revolving line of credit, net	-	2,331,453	-	-	2,331,453
Proceeds from related party debt	-	1,500,000	-	-	1,500,000
Distributions to members	-	(3,527,645)	-	-	(3,527,645)
Net cash flows from financing activities	-	303,808	-	-	303,808
Net change in cash and cash equivalents	(11,183,100)	10,896,083	(137,259)	207,783	(216,493)
Cash and cash equivalents, beginning of year	341,527	2,122	-	-	343,649
Cash and cash equivalents, end of year	$ (10,841,573)	$ 10,898,205	$ (137,259)	$ 207,783	$ 127,156
Supplemental disclosure of cash flow information:					
Cash paid for interest	$ -	$ 206,933	$ -	$ -	$ 206,933
Supplemental disclosure of noncash financing activites:					
Operating right-of-use assets	$ 631,084	$ 1,150,035	$ -	$ -	$ 1,781,119
Operating lease liabilities	$ 631,084	$ 1,150,035	$ -	$ -	$ 1,781,119

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