



LOWER FLORIDA KEYS HOSPITAL DISTRICT BOARD

DUE DILIGENCE FACILITY CONDITION ASSESSMENT PROPOSAL

December 2, 2025



Cover Letter

CORPORATE OVERVIEW

SECTION 1

| | |
|--|---|
| A. Company Profile..... | 1 |
| B. Experience and Qualifications | 1 |
| C. Relevant Experience..... | 3 |
| D. Project Team Organization | 6 |

PROJECT SCOPE AND PROCESS

SECTION 2

| | |
|---|----|
| A. Technical FCA Plan and Approach..... | 7 |
| B. FCA Methodology | 11 |

PROPOSAL TERMS

SECTION 3

| | |
|-----------------------------|----|
| A. Project Fees..... | 16 |
| B. Project Schedule | 16 |
| C. Deliverable | 16 |
| D. General Provisions | 17 |
| E. Proposal Acceptance..... | 17 |

STREETWORKS



December 2, 2025

Erica Hughes Sterling, Esq.
Chair
Lower Florida Keys Hospital District Board
Key West, FL 33040

Dear Ms. Sterling:

ISES Corporation (ISES Corp) is pleased to submit the following proposal to provide a Due Diligence Facility Condition Assessment (FCA) for the Lower Florida Keys Hospital District Board. We are keen on this opportunity and confident that we are fully qualified to meet your needs.

Founded in 1987, ISES Corp is a leading provider of facilities management consulting and assessment services. As a privately held small business, we specialize in delivering high-quality FCAs that equip organizations with the data and tools to allocate capital resources efficiently. Recognized as a best-in-class provider, we deliver quantitative analyses of building conditions and develop long-term, flexible facilities renewal programs tailored to client needs and evolving circumstances.

Several key factors differentiate us from other firms that say they conduct FCAs.

- **Experience.** While other firms may claim to have conducted thousands of FCAs, we are the only firm that has continually provided this service for nearly four decades.
- **Thorough assessment.** Our professional assessors walk every building, from roof to basement, and each floor in between. They enter every single room unless it's locked. Facility inspections are conducted with sensitivity to the activities and needs of the building occupants. We only use a sampling method to collect FCA data when inspecting residences, like dormitories or apartments. Occupant privacy dictates that we evaluate several representative rooms selected by an escort.
- **Expertise.** Our senior leadership sets us apart. We employ individuals with senior-level facilities management experience. We know about your challenges because we've been in your shoes.
- **Service before software.** Some FCA providers originated as software developers who added facilities consulting services as an afterthought to enhance sales. Our primary focus has always been on providing FCAs, day in and day out.
- **Facility consulting foremost.** Other FCA providers are owned by international multimillion-dollar firms whose main emphasis is construction management and design engineering. ISES Corp was founded with the sole mission of providing FCAs. More than 38 years later, this remains our core business.

We thank you for considering our services for your facilities consulting needs.

Very respectfully,

A handwritten signature in blue ink, reading "Robert S. Gasaway".

Robert S. Gasaway

Associate Director, Business Development

A black and white photograph taken from a low angle looking up at several tall skyscrapers. The buildings are made of glass and steel, with many windows. The sky is visible between the buildings, with some clouds. The sun is shining from behind one of the buildings on the right, creating a bright lens flare effect. The overall composition is dramatic and emphasizes the height and scale of the urban environment.

CORPORATE OVERVIEW

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A. COMPANY PROFILE

ISES Corp is a facilities consulting firm that helps building portfolio managers make better capital planning and investment decisions by providing our clients with a wealth of detailed and accurate data about their buildings and a relational database to maintain the information. We offer an assortment of services to facility owners and managers, from small buildings to extremely large and complex ones. We specialize in condition assessments, operations analyses, and management studies.

Our roots in facility assessments trace back to 1980, when founder Edward Gee played a key role in the first comprehensive assessment of facility conditions conducted on a nationwide scale. The project was a survey of historical properties at more than 50 National Parks across the country. It resulted in the creation of the first computerized facilities condition database. This experience highlighted the need for large-scale condition assessment services, ultimately leading to the founding of ISES Corp. Since then, we have led the industry in developing this niche service into a comprehensive tool provided to many of the larger landlords nationwide. As we evolved, we expanded our offerings within facilities management, supplementing our core FCA services with additional consulting capabilities.

Today, ISES Corp is a 100% woman-owned family business, certified as a Small Disadvantaged Business (SDB) in the Federal Government's SDB program. Ed's daughters have taken on the reins to preserve and lead the family business legacy forward. Both are committed to Ed's guiding principles: *to provide quality professional services at a fair and reasonable cost*. They are honored to take responsibility for the business's success and the family's reputation.

B. EXPERIENCE AND QUALIFICATIONS

FCAs remain our cornerstone service, representing approximately 85% of ISES Corp's annual revenue. For nearly four decades, we have delivered FCAs for billions of square feet of facilities across healthcare and research institutions, higher education and K-12 facilities, federal, state, and local government entities, laboratories, and a broad range of private sector and institutional clients. Our experience spans hospitals and healthcare systems, research and clinical laboratories, outpatient and specialty care centers, and supporting medical infrastructure. Our work focuses on evaluating building systems, identifying safety and code compliance issues, and delivering reliable, actionable recommendations that support maintenance planning, capital budgeting, and long-term facility risk management.

ISES Corp is the only small business that has provided FCA services continuously for nearly 40 years. Each year, we inspect more than 2,000 facility assets totaling roughly 50 million gross square feet (GSF). Our staff consists of architectural and engineering assessors whose primary job function is FCA work. They are trained and supervised to ensure consistency, regulatory awareness, and high-quality technical results. Many have assessed thousands of facilities and bring decades of experience, including senior-level facilities management experience from major institutions across the country. New hires bring extensive industry experience, providing current insights into the operational and compliance demands of modern healthcare environments.

Our assessors are familiar with the specialized systems and environments found in healthcare facilities, including patient care areas, sterile environments, imaging suites, surgical and procedure spaces, laboratories, pharmacies, mechanical and central utility plants, medical gas systems, and infrastructure supporting life-safety and continuous operations. We

routinely evaluate both new construction and older buildings, including facilities with complex phasing, legacy systems, and operational constraints that require assessments to occur without disruption to patient care.

Representative healthcare-related facility types include:

- Acute care hospitals
- Outpatient clinics and specialty care centers
- Surgical and procedure suites
- Emergency departments
- Imaging and diagnostic areas
- Inpatient units and intensive care areas
- Research and clinical laboratories
- Central utility plants and infrastructure systems
- Pharmacies and sterile processing areas
- Behavioral health facilities
- Rehabilitation and therapy centers
- Veterinary and animal research facilities
- Mortuaries

ISES Corp delivers assessments that balance technical rigor, operational realities, regulatory requirements, and fiscal stewardship. Our process emphasizes responsiveness, clear communication, and coordination with facility stakeholders to ensure accurate, timely deliverables. We provide decision-makers with dependable data to support facility risk mitigation, capital planning, and long-term healthcare asset management.

The following is a list of comprehensive assessments that ISES Corp completed in the last three years.

- Agnes Scott College
- Alabama Association of REALTORS
- Atlanta Speech School
- Auburn University at Montgomery
- Berklee College of Music
- Bethlehem Lutheran Church
- Cal Poly Humboldt
- Cal Poly Maritime Academy
- Cal Poly Pomona
- Cal Poly San Luis Obispo
- Cal State Fullerton
- Cal State LA
- Cal State Long Beach
- Cal State Northridge
- Cal State San Bernardino
- Cal State San Marcos
- Caltech
- Carnegie Science
- Chapman University
- City of Douglasville, GA
- City of Forsyth, GA
- City of Lakewood, CA
- Clark Atlanta University
- Community Hospital Long Beach
- CSU Bakersfield
- CSU East Bay
- Duke University
- East Carolina University
- Emory Healthcare
- Emory University
- First Presbyterian Church of Chicago
- First Presbyterian Church of Houston
- Florida Atlantic University
- Florida League of Cities
- Florida State
- Fresno State
- Georgia Highlands College
- Georgia Tech
- Grace College
- Gulfstream Aerospace
- Ivy Tech CC
- Johns Hopkins University
- King County Library System, WA
- Langston University
- Los Alamos County, NM
- Michigan State
- Millcreek Township, PA
- Ministry Solutions Group
- Missouri Botanical Garden
- Missouri S&T
- Morehouse College
- Oakland CC
- Occidental
- Oklahoma State
- Palm Beach County School District
- Penn State
- Penn State Health
- Peralta CCD
- Philadelphia Public Schools
- Sacramento State
- San Diego State
- San Francisco State
- San José State
- Skirball Cultural Center
- Spelman College
- State of AL
- Stephens College
- Texas A&M
- The Broad
- The California State University Chancellor's Office
- The Museum of Flight
- Trine University
- Truckee Meadows CC
- UC Irvine
- UM-Dearborn
- UM-Flint
- University of Alabama

- University of Findlay
- University of Florida
- University of Georgia
- University of Houston System
- University of Missouri
- University of Missouri-Kansas City
- University of Missouri-St. Louis
- University of North Dakota
- University of North Georgia
- University of Notre Dame
- University of Oregon
- University of South Alabama
- University of Southern California
- University of Washington
- UTHealth Houston
- Valdosta State
- Valley Presbyterian Church
- Village of Schaumburg, IL
- VNA Health Care
- WashU Medicine
- Wellesley College
- WesternU
- Whitman College
- Yale University

C. RELEVANT EXPERIENCE

PROJECT DURATION

1995-Present

SIZE

200+ buildings, 15+ million GSF
3 campuses and 11 healthcare sites

SERVICES

- Facility Condition Assessments and Updates (incl. Utility Infrastructure, Elevators, and Hardscape)
- Equipment Inventory and Tagging
- Preventive Maintenance Planning
- Organizational Analyses
- Staffing Studies

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EMORY UNIVERSITY & HEALTHCARE



Emory University is one of our oldest and most prestigious clients. ISES Corp was first introduced to Emory in 1995 through a project to document the MIS needs of the Facilities Management Division (FMS).

Over the past three decades, ISES Corp has provided the standard condition assessment services for its facilities, utility infrastructure, and hardscape, as well as many specialized services. This wide range of services illustrates the diversity of our firm.

- CMMS implementation
- Business Process Review of the Facilities Management Division
- Utility Billing Process Review
- Preparation of as-built drawings in AutoCAD format
- Utility Master Planning (in support of a traditional facilities master plan effort)
- Operation of the Campus Planning/Construction Management Division on a temporary, outsourced basis (during a period of recruitment for new directors)

- Detailed Vertical Transportation studies
- Examinations of classroom technology
- Survey of facilities equipment for compliance with Y2K standards and protocol (primarily dealing with embedded microprocessors in facilities equipment)
- Solar power feasibility study

In the FCA field, ISES Corp has surveyed in excess of 200 buildings at Emory, with a combined total of over 15 million GSF, along with associated infrastructure and hardscape. One FCA effort included all food service facilities scattered throughout multiple buildings across the main campus. In 2024-25, we completed comprehensive FCA inspections for Emory Healthcare (a subsidiary of the University), which included 11 hospital campuses covering almost 7 million GSF. We also conducted FCAs for the two Emory Primate Center campuses, containing a total of 85 buildings and 660,000 GSF. ISES Corp has repeatedly demonstrated its corporate versatility in support of the University.

PROJECT DURATION

1991-Present

SIZE

17 buildings, 4.8 million GSF

SERVICES

- Facility Condition Assessments and Updates
- Elevator Condition Assessments
- FEMA Disaster Resistant University Assessments
- Environmental Assessment
- O&M Study

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UTHEALTH HOUSTON



ISES Corp began providing FCAs for the University of Texas Health Science Center at Houston (UTHealth) back in 1991. ISES personnel initially delivered FCA reports for 11 buildings and a comprehensive database of all facility renewal needs.

Following Tropical Storm Allison in July 2001, UTHealth contracted with ISES Corp to aid in evaluating facility damage throughout the campus. ISES was tasked to provide recommendations for how the campus could be reconstructed in a way that would prevent future catastrophic property destruction and reduce or eliminate long-term risk to people, property, and structures.

The initial success of the FCA process was such that UTHealth Houston has called upon ISES Corp multiple times to inspect facilities and update the FCA database

and capital renewal program. In 2022, we were asked to reinspect 15 facilities encompassing 3.9 million square feet. Facilities included the School of Dentistry, multiple research laboratories, a library, a 17-story twin-tower medical center and its parking garage, a former cyclotron facility, and a few trade buildings. Two years later, we assessed a large physicians' center and its parking garage. Then, in 2025, we evaluated their Recreation Center. Their customized AMS database is a compilation of capital needs used by UTHealth to manage long-term capital renewal needs associated with their facilities portfolio.

Over the years, ISES Corp has also conducted reviews of the Operations and Maintenance Department and assisted with management of its vertical transportation program.

PROJECT DURATION

1997-Present

SIZE

40 buildings, 4.7 million GSF

SERVICES

Facility Condition Assessments and Updates

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WASHU MEDICINE



ISES Corp first provided FCAs for the Washington University School of Medicine (WUSM) in St. Louis in 1997, inspecting 40 buildings totaling approximately 4.7 million GSF. Since then, our work has evolved alongside the institution's changing needs and facilities management goals.

Our initial engagement involved a traditional FCA approach. Over time, we refined our methodology and data-collection protocols to align with WashU Medicine's operational, financial, and strategic priorities. Key adaptations included separating renewal needs by funding responsibility (central vs. departmental), adjusting priority definitions to reflect planned facility replacement programs, and ultimately transitioning from conventional FCA surveys to a comprehensive component-based lifecycle replacement model.

Between 2016 and 2020, ISES Corp was retained to assess an additional 10 buildings. While a full reinspection of all WashU Medicine facilities is planned, the university is currently using our services to catalog and integrate new buildings as they come online. This ensures that all renewable components are

identified, documented, and incorporated into long-range capital and lifecycle planning from the outset. Since 2024, WashU Medicine has engaged our team to evaluate three of its newly constructed facilities. These assignments included the 625,000 GSF Neuroscience Research Building, the 657,000 GSF Siteman Cancer Center at Barnes-Jewish Hospital, and the six-floor expansion of the Lipstein BJC Institute of Health, located at the core of the medical campus.

D. PROJECT TEAM ORGANIZATION

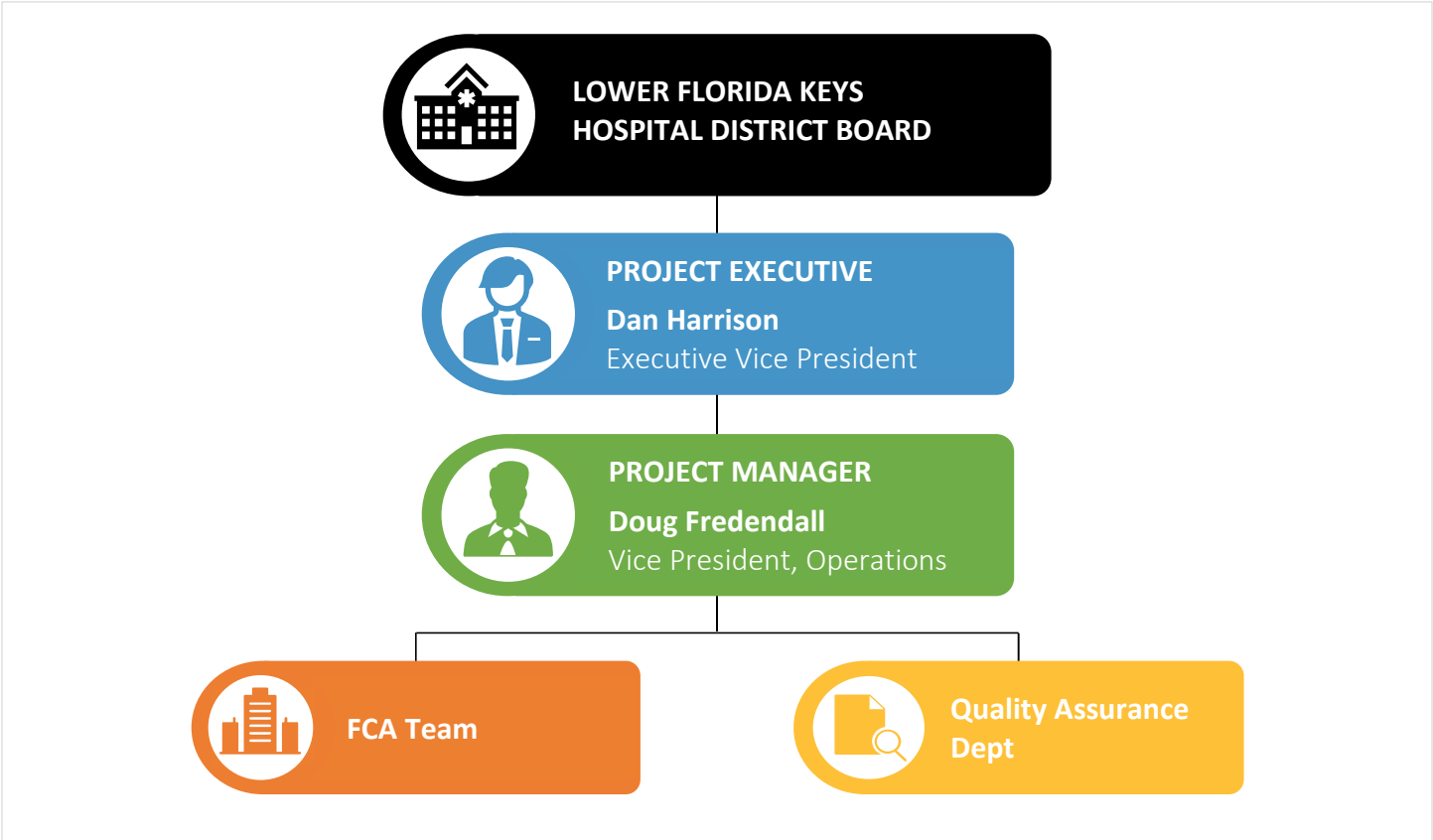


Figure 1. Organization of the proposed team.

PROJECT EXECUTIVE: Senior ISES Corp executive with overall responsibility for client satisfaction.

PROJECT MANAGER: Primary client contact who manages and coordinates ISES Corp’s client work on a day-to-day basis; responsible for team performance in technical execution, cost estimating, and meeting deadlines; communicates with your staff regularly to inform and provide updates on project execution.

FCA TEAM: Comprised of architectural and engineering assessors, this team reviews historical data, performs the inspections, interviews client staff, analyzes and enters data into AMS, and drafts FCA reports.

QUALITY ASSURANCE DEPARTMENT: ISES Corp team of technical editors who review, fact-check, and produce FCA reports.



PROJECT SCOPE AND PROCESS

Section 2

A. TECHNICAL FCA PLAN AND APPROACH

The following describes our process for conducting a comprehensive FCA for the Lower Florida Keys Hospital District Board, also referred to as LFKHDB or the client. The study will include one hospital facility asset, encompassing approximately 95,000 gross square feet (GSF), located at 5900 College Road in Key West, Florida.

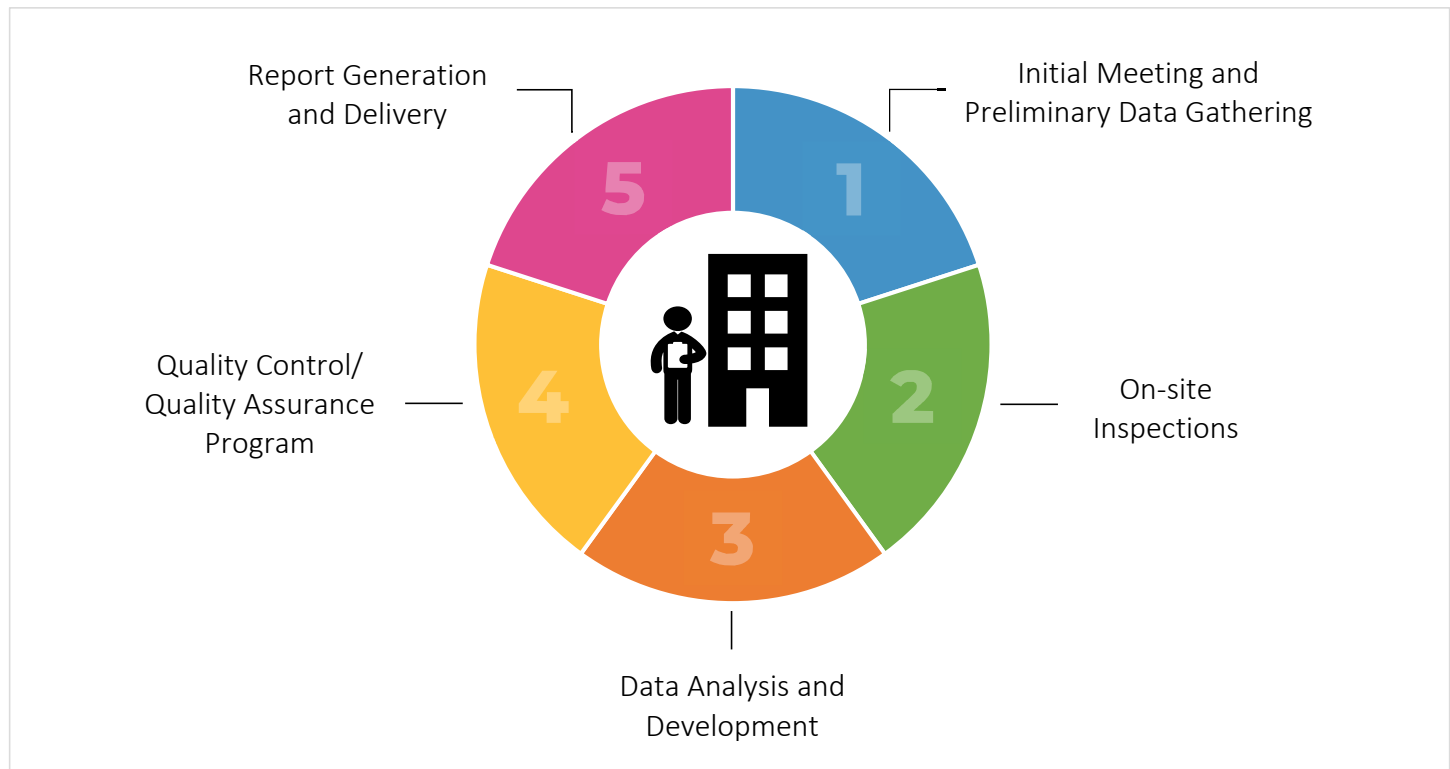


Figure 2. Steps in FCA process.

1. INITIAL MEETING AND PRELIMINARY DATA GATHERING

Upon receiving Notice to Proceed, the ISES Corp project manager (PM) carefully reviews the scope of work, as outlined in the proposal. They will then reach out to the LFKHDB contact to schedule the initial meeting (via an online meeting platform) to review the draft schedule and proposed project plan.

The discussion will include project responsibilities, scope of work, and deliverables. The PM will outline the FCA process and methodologies used to achieve the identified objectives. This will involve developing assessment standards to ensure the completeness of data gathered. Preliminary information will be requested to help the FCA team prepare for the onsite inspection. The PM will work with LFKHDB staff to determine the appropriate timing of additional meetings required throughout the process. LFKHDB leadership will have final review and approval of the proposed project plan and schedule before work starts.

We will also provide a project memorandum for review and approval by LFKHDB, which briefly explains the purpose of the assessment, what's to be included in the assessment, and the proposed schedule.

REQUEST FOR INFORMATION

The ISES PM will send a *Request for Information* workbook to help organize details for the upcoming project. This electronic packet includes contact information for both parties and questions about scheduling, facility access, building escorts/keys, parking, necessary permits and equipment, cost markups, as well as a draft outline of the agenda for the onsite kickoff meeting. Additionally, building-specific data and equipment information are requested for use during the site visit.

MAINTENANCE CONCERNS

The PM will also send a *Maintenance Concerns* workbook requesting information about ongoing maintenance problems so that your staff can easily convey issues regarding each building system. This allows trades/maintenance staff to provide input and notify ISES Corp of problems that might not be visible to our assessors during a typical walkthrough. Examples include roof leaks, basement wall leaks, HVAC control issues, or any other maintenance issues of concern.

CAD DRAWINGS

LFKHDB should provide good-quality, single-line space management drawings. ISES Corp will prepare PDF floor plans for the assessors to use during the physical inspection, as well as to help familiarize themselves with the facility they are inspecting.

REVIEW OF HISTORICAL DATA

The FCA team will review previous studies, warranty information, existing capital budget program information, capital project lists, building maintenance history, and any other building-specific reports (provided by the client) before the site visit. Previous recommendations are discussed with LFKHDB personnel for possible inclusion in the FCA. If applicable, the recommendations are verified during the physical inspection and used to construct renewal needs during report generation.

2. ON-SITE INSPECTION

KICKOFF MEETING

Before the onsite assessment begins, a kickoff meeting is held to review the work scope, ensure full understanding by all parties, calibrate expectations, and address housekeeping issues, such as security and building escorts. The onsite inspection team participates in the meeting, and additional LFKHDB contacts are invited as well to minimize any opportunity for misunderstanding and confusion. Clear expectations regarding the end product are articulated and recorded. Client documents are obtained for reference, if not already provided. The outcome of this discussion is communicated to the director of quality assurance to certify that the final deliverables meets your requirements.

ACCESS TO MAINTENANCE PERSONNEL

The visual nature of this inspection process requires close interaction with your operations and maintenance personnel. Many of the problems inherent in building systems are not visually apparent. This necessitates that ISES Corp assessors interview staff (and sometimes building occupants) to make sure that all known system problems are cataloged and identified. We will inquire about the property's significant historical repairs and replacements and their costs, level of preventive maintenance exercised, pending repairs and improvements, and frequency of repairs and replacements.

ISES Corp may also request their assistance to obtain basic information from local contractors or vendors concerning the cost of various repairs and renovations. This will ensure a higher degree of precision when estimating the cost of renewal needs. Working as a team with your personnel provides the most useful and accurate data.

INSPECTION PROCESS

Decades of practice have led ISES Corp to develop a standardized process of data collection that efficiently and effectively utilizes the time spent on site. The facility asset is evaluated by a two-person team consisting of highly trained architectural and engineering assessors. They will assess the various components and systems to determine what repairs or modifications may be necessary to restore the facility to an acceptable condition or a level defined by the client. The physical survey is visual and nondestructive. It is not a formal code review.

The FCA team typically starts on the roof, or the highest accessible level, and proceeds to the lowest level, inspecting each of the following property elements:

- Immediate building site (5' radius)
- Associated parking lot(s)
- Exterior structure and roofing
- Interior structure and finishes
- ADA compliance
- Fire/life safety
- Health-related issues
- HVAC
- Plumbing
- Electrical
- Vertical transportation

Exterior equipment obviously associated with a building, such as a pad-mounted chiller, transformer, or loading dock service lot, is also included in the assessment.

CODE COMPLIANCE

The ISES Corp FCA is an inspection of an existing facility to identify building system upgrades that could increase the facility's projected lifespan, decrease operating costs, or a combination of the two. ISES Corp is not functioning as a design architect, design engineer, or building code official. In conducting the FCA, ISES is not making an all-inclusive code compliance inspection. If building code violations are observed, they will be reported to the Owner.

All equipment and building components that can be accessed will receive a thorough visual inspection. The assessors will, for example, lift ceiling tiles in suspended ceilings and open access doors to reveal hidden equipment and building components that are integral to the survey. They will inspect all areas within designated facilities consistent with ASTM E2018-24 standards and in compliance with applicable NFPA and OSHA standards, ADA Accessibility Guidelines, as well as federal, state, and local codes and safety requirements.

It is important to note that any list of code violations is not exhaustive. If code violations exist, their correction is the responsibility of the professional who designed them, the party who constructed them, or the Owner's representative who approved them. If major remodeling or additions to existing spaces are contemplated, ISES' recommendations are contingent upon a registered design professional's certification that the modifications can be made in compliance with all applicable codes existing at the time of such remodeling or addition.

3. DATA ANALYSIS AND DEVELOPMENT

All information derived from the inspections and related data are stored in the ISES AMS database. It was designed in-house to manage FCA data and is the tool used daily by ISES Corp personnel for data development and report generation.

Following the onsite survey, the inspectors review and order their notes and photos. A narrative summary document is prepared describing current conditions and highlighting the building's major deficiencies. Renewal needs are constructed for recommended corrective action. The assessors will create an inventory of renewable components using associated lifecycle data. This is a record of installation dates, lifecycle information, and renewal costs based on industry-standard lifecycle expectancies and actual conditions. The inventory data is categorized by ASTM UNIFORMAT II classification codes and is used to produce a detailed year-by-year projection of cyclical renewal needs for a given facility asset.

COST ESTIMATING

All renewal needs are estimated using a cost library created and maintained by ISES Corp. The cost data is not limited strictly to published cost data indices. Our methodology allows our trained, experienced assessors to adjust useful life to reflect the actual conditions of the systems inspected. This provides more detailed data, resulting in realistic budget costs. Specific ranges for acceptable lifecycle extensions are defined by industry standards.

The estimated costs represent the correction of existing deficiencies and anticipated lifecycle failures within 10 years. These recommendations are to enhance user safety, mitigate liability, and bring the facility to modern standards without any anticipation of a change to facility space layout or function. They do not represent the cost of a complete facility renovation. Soft costs not represented include telecommunications, security, furniture, window treatment, space change, program issues, relocation, swing space, contingency, or costs that could not be identified or determined from the visual inspection and available building information.

Our replacement costs are based on using the most up-to-date materials and equipment. They include required ancillary items, which may include controls, valves, portions of piping and ductwork, asbestos removal (if visible), demolition, and additional factors if the replacement is in a difficult area of a facility. All costs are estimated and then indexed to local conditions, and markups are applied as the situation dictates. The cost library is regularly updated and quality-checked by a professional cost estimator. We are confident that our own embedded cost library provides more valuable data than RSMeans or other cost estimating processes.

4. QUALITY ASSURANCE/QUALITY CONTROL PROGRAM

The Quality Assurance/Quality Control (QA) department is an integral part of the project team organization. The primary goal of the QA Program is to confirm that all FCA data meets the requirements of the project scope and adheres to industry standards.

All assessment data is subject to the QA review process. The FCA data is verified at every checkpoint. QA specialists are trained to look for inconsistencies among the textual descriptions, recommendations, database entries, and digital photos. They have learned to look for key indicators that allow for rapid identification and correction of data entry and report summary errors. The QA specialists query the inspector directly when inconsistencies arise.

Our analysis of the data is informed by our experience providing thousands of condition assessments, ongoing updates to the QA department's training procedures, and other in-house training initiatives. While each building is unique, facility condition trends tend to replicate over time and across facility assets. Data that deviates significantly from established norms is readily identifiable by our skilled staff, and errors are caught before they are submitted to the client.

5. FCA REPORT GENERATION AND DELIVERY

The QA department is also tasked with compiling and producing the FCA report deliverable. QA specialists assemble all collected data (including summary narratives, database reports, digital photographs, and floor plans) into a comprehensive report. The report includes a narrative summary, methodology description, prioritized recommendations with cost estimates, a lifecycle component inventory, and reporting for the 10-year renewal needs using various data sorts for forecasting and planning. It will be similar in style to the sample FCA report previously sent to you. If good-quality, single-line space management drawings are provided, they will be included in the published report to record the building's footprint at the time of inspection. The report will be saved in PDF format and sent electronically. Throughout this process, our QA team ensures that every report meets the highest standards of accuracy, consistency, and quality.

B. FCA METHODOLOGY

1. 10-YEAR RENEWAL NEEDS

Renewal needs are developed to address anything that is currently deficient or expected to require attention within the next 10 years based on existing conditions, industry averages, and anticipated lifecycle failures. These recommendations are to enhance user safety, mitigate liability, or bring the facility to modern standards without any expectation of a change to the space layout or function. They replenish the lifecycle of existing components but do not include updates related to departmental space or program use changes, system replacements as a reaction to failure, or specialized program-related equipment. Routine minor facilities maintenance and repair activities are also excluded, as they are considered to be operating expenses. Examples include preventive maintenance, minor breakdown repairs, spot ceiling tile replacement, etc. All renewal needs are properly classified, prioritized, and

estimated for short- and long-range planning purposes. Renewal needs are divided into two main categories – *Nonrecurring* and *Recurring*.

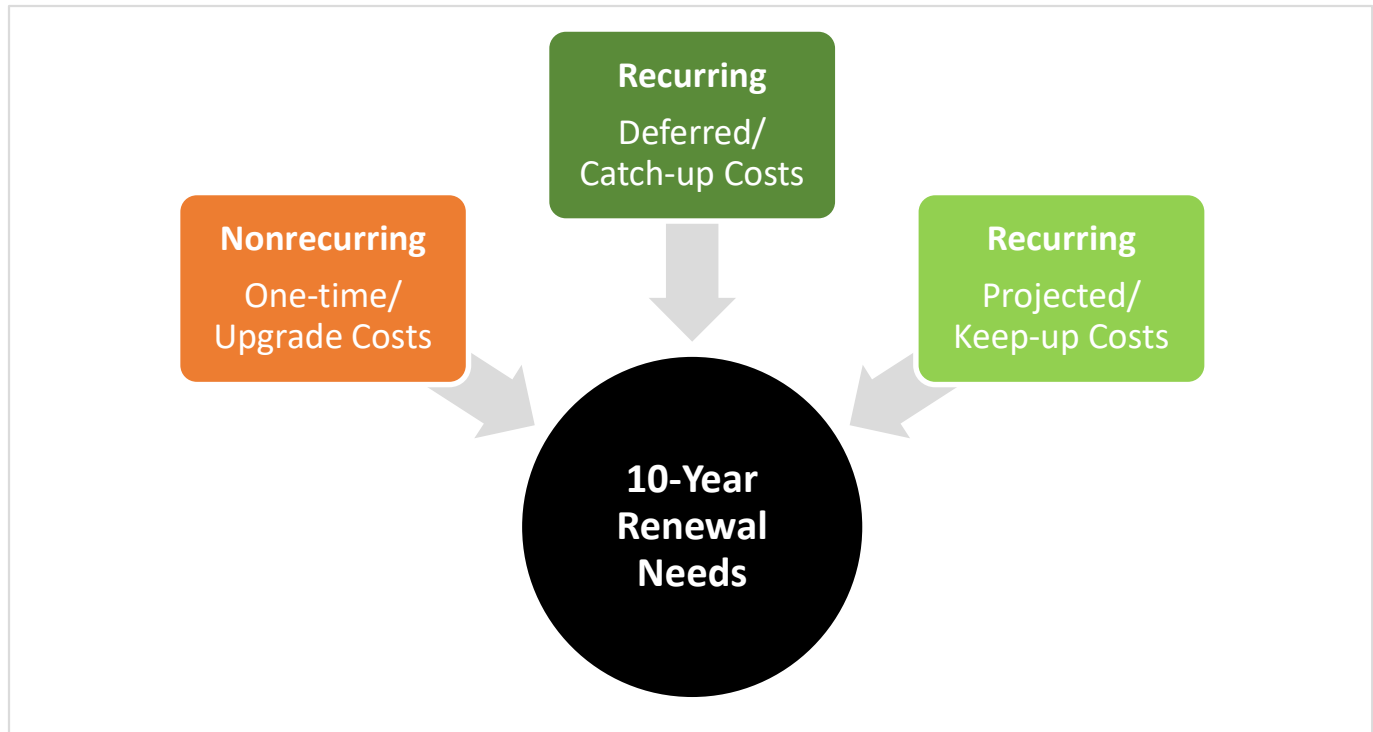


Figure 3. The three types of renewal needs and how they are classified.

2. NONRECURRING NEEDS

Nonrecurring needs are related to recommendations for one-time facility repairs and improvements. They typically consist of modifications or enhancements to accommodate accessibility, address fire/life safety deficiencies, or alter a building for a new use. They also include isolated deficiencies that could negatively affect the structure or systems and components within.

Nonrecurring needs are not recorded in the renewable components inventory. A project is created for the one-time correction of each deficiency. Projects have unique nonrecurring IDs, include estimated costs, and are categorized by system type, priority, and classification. These needs are classified as either *plant/program adaption* or *corrective action*. Examples include repair of building façade damage or a roof section and the installation of an ADA entrance ramp.

PLANT/PROGRAM ADAPTION

One-time costs required to adapt the physical plant to the evolving needs of the organization and to changing codes or standards. These are expenses beyond normal maintenance.

CORRECTIVE ACTION

Noncyclical repairs needed to correct random and unpredictable deficiencies. These recommendations are not related to aligning a building with codes or standards, but could affect building aesthetics, safety, or usability.

3. RECURRING NEEDS

Recurring needs are associated with cyclical replacement or renewal of major components and building systems. ISES Corp records the installation date, life expectancy, and associated renewal cost based on industry-standard life expectancies and actual conditions for each component. This creates a complete inventory of renewable components for each facility asset. These needs are either *deferred* or *projected* for renewal within the next 10 years. Examples include roofs, chillers, windows, finishes, and air handling units.

DEFERRED RENEWAL

Repairs or renewals, not accomplished as a part of normal maintenance or capital repair, which have accumulated to the point that facility deterioration is evident. These needs represent *catch-up* expenses. Further deferral could impair the proper functioning of the facility. Estimated costs include compliance with applicable codes, even when doing so requires expenses beyond those strictly necessary to carry out the repairs.

PROJECTED RENEWAL

Major regular facility maintenance, repairs, or renovations necessary to ensure components can reach or extend the end of their useful service life. These needs are considered *keep-up* costs. They include planned cyclical renewal efforts that will be due within the scope of the FCA. Examples include chiller overhaul, repointing and sealing of masonry, roof repairs instead of early replacement, etc.

4. RENEWAL NEED PRIORITIZATION

All renewal needs are prioritized for corrective action within the next 10 years. Recurring needs are not prioritized individually, as the entire dataset is year-based. Each separate component has a distinct need year, rendering further prioritization unnecessary. Nonrecurring needs, on the other hand, are assigned priorities to indicate the criticality of the recommended work. The priorities for nonrecurring needs are defined as follows.

NONRECURRING PRIORITIZATION

PRIORITY 1 – HIGH

Items in this category include:

- correcting a cited safety hazard
- stopping accelerated deterioration
- returning a facility to normal operation

PRIORITY 2 – MEDIUM

Items in this category include:

- repairs to prevent further deterioration
- improvements to facility approach/entry and access to goods and services (DOJ ADA Title III, priorities 1 and 2)
- correction of potential safety hazards

PRIORITY 3 – LOW

Items in this category include:

- improving access to restrooms and other amenities (DOJ ADA Title III, priorities 3 and 4)
- bringing a facility into compliance with current building codes as legacy clauses expire
- increasing usability following an occupancy or use change
- actions that are recommended but not required by code

PRIORITY SUBCLASS

Subset ratings can be assigned to Accessibility needs based on the four Department of Justice (DOJ) priority rankings for planning readily achievable barrier removal projects.

- DOJ1 – Accessible approach and entrance
- DOJ2 – Access to goods and services
- DOJ3 – Access to restrooms
- DOJ4 – Any other necessary measures

5. CONDITION METRICS

CURRENT REPLACEMENT VALUE (CRV)

Calculated by prorating the base cost per GSF according to building size and type (e.g., theater, research lab, classroom, etc.). The RSMeans Square Foot cost is used as the base number and is adjusted for size and local area city cost indices. Modifiers are added for construction markups, professional fees, construction/project oversight, and demolition of the existing structure. CRV is based on replacement with current construction standards for the facility type, not original design parameters.

Traditional methods of calculating CRV don't consider the historic significance of a structure. Replacement of a historic structure would only occur in the event of a catastrophic loss of the building. In such occurrences, the cost to construct a modern facility that meets your architectural standards is calculated, rather than attempting to mimic the historical construction style that has been lost.

Cost factors and their applications can be changed readily without impacting project scope or cost, as long as the change is made before report publication.

FACILITY CONDITION INDEX (FCI)

Relative measure for an objective comparison of building conditions. It is derived by dividing *Deferred Renewal Needs* by *Current Replacement Value*.

FACILITY CONDITION NEEDS INDEX (FCNI)

Lifecycle cost comparison against all buildings for identifying worst-case/best-case building conditions. It is a ratio of *10-Year Renewal Needs* (including Deferred Renewal) to the *Current Replacement Value*.

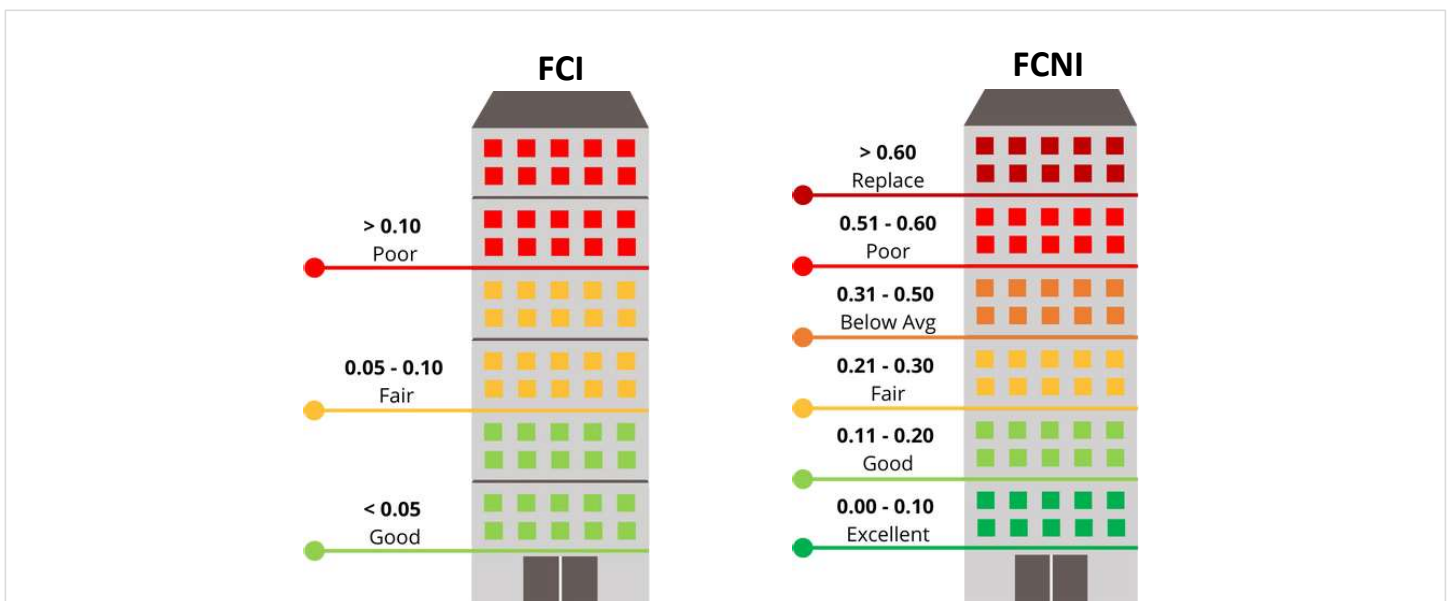


Figure 4. Differences between FCI and FCNI.



PROPOSAL TERMS

SECTION 3

A. PROJECT FEE

The fee for ISES Corp to perform the services described herein for LFKHDB is as follows:

1. BASE BID

Site FCA survey, report development, and all expenses (transportation, lodging, meals, office support, etc.).

Total Fixed Fee..... \$24,500

2. PAYMENT SCHEDULE

Monthly progress payments are expected for services rendered or person-days expended to date. An Activity Report will be submitted with each invoice. Terms are net 30 days or sooner, per submitted invoice. Credit card payments will incur a 3.75% surcharge where state law permits.

This proposal is submitted in accordance with ISES Corp's GSA MAS Facilities Services schedule, **GS-21F-0045W**. Prompt payment terms are ½ percent for Net 20 days. Please include these terms in submitted Purchase Orders. Prompt payment terms cannot be negotiated out of the contractual agreement in exchange for other concessions.

B. PROJECT SCHEDULE

An inspection schedule will be coordinated with LFKHBD after written receipt of Notice to Proceed (NTP). The report will be delivered within 60 days of NTP.

C. DELIVERABLES

The following items shall be provided as part of this project:

1. PROJECT EXECUTION PLAN AND SCHEDULE

2. COMPREHENSIVE FCA REPORT

Documentation includes:

- Methodology description
- Building summary and representative photo(s)
- Narrative for each building system describing conditions encountered
- Defined renewal needs for all captured deficiencies and projected 10-year needs, estimated costs for repair/renewal, and prioritization and classification for short- and long-range planning purposes
- Summary reports with various data sorts for forecasting future renewal needs
- CRV, FCNI and FCI metrics

- Inventory of renewable components with associated lifecycle data and renewal costs
- Photographs of captured deficiencies
- CAD (if provided by client) to record the building's footprint at the time of inspection

The report will be delivered electronically. Printed, bound hard copies can be provided for an additional fee.

D. GENERAL PROVISIONS

1. All work is to be held in confidence by ISES Corporation and its personnel.
2. The client will make available to ISES personnel any existing drawings and documents on facilities included in this assessment.
3. This proposal is valid until December 31, 2025.
4. The client is to provide an appropriate working environment, including provision of escort or keys and parking arrangements.
5. All legal expenses and fees incurred for the collection of invoices will be at the client's expense.
6. The contract may be terminated by either party by issuing a 30-day written notice stating termination of said services.
7. Should services be requested during the term of this project that extend beyond the scope of this proposal, such work shall be performed at the client's request as an addition to the basic agreement. Such work will be quoted and billed separately. Such work shall be approved, and the cost for it agreed on by the client or its designated representative prior to performance.
8. When travel has been scheduled with the concurrence of the client and is then subsequently canceled by the client, travel expenses incurred will be invoiced at cost in addition to previously quoted lump sum fees.

E. PROPOSAL ACCEPTANCE

Thank you for considering ISES Corp for this project. If the terms of this proposal are acceptable, kindly indicate your approval by signing in the space provided below and returning a digital copy for our records. Please don't hesitate to reach out if you have any questions. You may reach me at 770.674.3102 or robg@isescorp.com. We look forward to the opportunity to work with you.

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ISES CORPORATION

LOWER FLORIDA KEYS HOSPITAL DISTRICT BOARD



Robert S. Gasaway

Associate Director, Business Development

December 2, 2025

Name: _____

Title: _____

Date: _____