

COMPANY DEEP-DIVE

Vice President at Florida East Coast Realty Believes Proactive Maintenance Saves Costs Amid Rising Coastal Concrete Expenses

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EXPERT PERSPECTIVE

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Summary

The client is conducting research on concrete building restoration in the Florida market, specifically in relation to recent legislation. The Vice President of Property Management at Florida East Coast Realty provides background information on their role and involvement with the company, emphasizing the cost-saving benefits of proactive maintenance. They discuss maintenance schedules and costs, mentioning that concrete work is 2 to 3 times more expensive on the coast compared to inland areas. They also mention the process of hiring concrete restoration contractors and the upcoming 2024 deadline for milestone structural integrity reports. The Vice President explains the requirements and criteria for selecting construction companies, prioritizing reputation and quality of work. They rate Restore highly but advise against using Coast To Coast. The Vice President confirms that they prioritize working with the best companies, regardless of project size.

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EXPERT BIO

INTERVIEW TRANSCRIPT

Client ⏴ 00:00:00

Thanks for joining us today. We're doing research on concrete building restoration in the Florida market, especially in the light of the recent legislation that was passed on the Florida Condo Safety Act or the Surfside undertaking Condo Safety Act.

And we're just trying to get a better understanding of how that impacted the industry and the utilization of concrete building restoration providers. I don't know, do you have anything to start? If not, we can just get going into the question. To begin, could you just talk a little bit about your background, your role and your involvement with your current company?

Expert ⏴ 00:00:35

My background is I've been in the industry for over 30 years. I started out in the industry as a condominium unit owner. I got my license as a Community Association Manager shortly thereafter. And I've been in the industry -- I've been a licensed manager within the state of Florida, manager -- Community Association Manager since '07. I also have my broker's license within the state of Florida.

And I also teach the community association management course at Gold Coast Professional Schools. So individuals that want to get their community association manager license within the State of Florida, go through a required 16-hour course, and I'm one of the instructors at one of the schools, Gold Coast Professional Schools.

In my role as the Vice President for Property Management at Florida East Coast Realty. I'm in-charge of the entire portfolio for the company. It's a privately held company, owns marinas, warehouses, multi-family, single-family, vacant land, parking garages, condominiums. So we develop and manage our own properties. Footprint for the company is Florida, Vegas, and New York.

Client ◎ 00:01:36

That makes sense. And for the -- in the state of Florida, how many of those properties that you just mentioned are condo units?

Expert ◎ 00:01:43

Condominium units. We have about 10,000 in our portfolio.

Client ◎ 00:01:47

Great. And that's in just Florida specifically? Or is that the entirety of New York, Vegas, and Florida?

Expert ◎ 00:01:55

That's Florida. That's Florida.

Client ◎ 00:01:57

Great. And are there any areas within Florida where you guys are really focused on condos? Are just like geographically in Florida, and where are they?

Expert ◎ 00:02:07

Geographically in Florida, we are based out of Miami, and they are based in Miami, in the Brickell area, Coral Gables, and in the Omni area.

Client ◎ 00:02:14

Now it would be helpful to understand a lot of this project is really focused on the Florida Condo Safety Act. So I would appreciate kind of some commentary from you on before this legislation was passed, what did the use case look like for when you're using -- when you're going to go trying to do a concrete restoration provider, and they may come in with waterproofing and painting and those additional sources as well. But what is the use case for when those guys are going to come into one of your condo units?

Expert ◎ 00:02:42

We -- I'm one of those crazy people that actually has a preventive maintenance program in place, and we follow the manufacturer's development method. We're one of the few.

Client ◎ 00:02:50

Whoa. This is rare.

Expert ◎ 00:02:52

And we follow the manufacturer's recommendation. Yes. Yes, it is rare. It is very rare. Again, I've been in the industry for 30 years, so I know what to expect and what not to expect. So I actually -- we try to do it. We try to look at everything in advance. We have the reserve study. We actually do the reserve study even though the State of Florida does not require a reserve study. What they require now is the SIRS and the milestone inspection.

Client ◎ 00:03:18

Yes.

Expert ◎ 00:03:19

But before the only two counties that we're doing the required -- what used to be called the 40-year recertification with Miami-Dade and Broward, West Palm Beach and instituted theirs after the building collapsed in Surfside after Champlain Towers South collapsed.

Client ◎ 00:03:32

Yes.

Expert ◎ 00:03:32

So what we have done on all the properties is we try to do preventative maintenance. So I try to bring them in ahead of time. Most of the paints require a seven-year application, still right now has a 10-year warranty.

And so while it's fairly new on the market, we're still testing it out and whatnot. More and more buildings are using the Sto product, the Lotus product, which allows 10-year applications. There's actually a community in South Florida, that's actually now requiring because of what the state has done. Aventura is actually requiring all the buildings to be painted every 10 years.

So depending on -- it doesn't even depend on what paint you're using, it has to be painted maximum 10 years. So they're not even waiting for the building, and now this is -- in addition to what the state is saying now Aventura, the city of Aventura, and this is recently, this is within the last six months. The city of Aventura is requiring other buildings to be painted ahead of time.

So with that said, I know that's a long answer to your question that I may not have answered. But what I try to do is I try to do it ahead of time. So we do the reserve study both on residential and on the commercial side.

Client ◎ 00:04:35

Yes.

Expert ◎ 00:04:36

And we actually use the reserve study. There are two types of reserves. You either have the straight line or the component reserve, or you have the pooled reserve. I prefer the pooled reserve, and now the State of Florida is requiring through the service, it's a straight-line reserve study.

So we try to use the reserve study as a guide to start the process and then what we do is, we engage professionals, either the paint manufacturer, whichever paint we may use. If it's Benjamin Moore, we call the Benjamin Moore rep. If it's Sto, we call the Sto rep, and then we ask them to come out to the building and then look at building and spec it out after we have a professional engineer.

Client ◎ 00:05:11

Got it.

Expert ◎ 00:05:11

We actually hire a professional engineer to do a survey of the property. Again, very rare before the two bills, both what happened in 2022 and the Glitch Bill that happened last year. So we try to get ahead of it. So hopefully then now I've answered your question. If I haven't, please let me know.

Client ◎ 00:05:28

Yes. You definitely answered my question. My follow-up to that would be, I do think you got -- it sounds like you guys do it differently than a lot of other condos in the state. I guess could you speak to the advantages from a financial perspective of saying, is this a cost-saving mechanism to keep yourself down on the damage curve over time by doing work every seven years instead of doing major work every 20 years? Could you touch upon what you'd expect to spend if you did it over 20 years versus what you spend on a seven-year case to see if it is working?

Expert ◎ 00:06:01

Definitely, Definitely, to save money, you do it ahead of time. You do it ahead of time. Most of our buildings are waterfront. The only thing, the intercostal is beautiful to look at, but it's very expensive, so salt will eat up paint. Salt would eat up paint. Salt would eat up your car, so we know this. We know this living in South Florida. I've lived here since '74.

And I recommend and people listen that we do it ahead of time. So we do it, to your point, the answer is yes, as a cost-saving mechanism because it's going to be a lot -- it's going to be less expensive today than it is going to be tomorrow even before COVID.

Client ◎ 00:06:36

If you were to take an estimate and saying, "All right, maybe it will cost us \$1 every seven years. So after 20 years, say we spent \$3 on this work." Instead, if you hadn't done any work for those

first 20 years, and you were just to do it at the 20-year mark, how much might you expect it to cost, I guess? And I know this is totally off the top, but I was wondering if you had an estimate.

Expert ◎ 00:07:02

The answer is -- wow, that's a great question. I will be honest and say the answer is I don't know. The reason I say that and the caveat that I add to that is because when you do concrete restoration work, a hairline fracture -- when you see a hairline fracture, it may just be a hairline fracture, but if you start carrying away, and you don't know what's behind that. It may be deeper.

I was looking today, I was looking at one of our water fountains and I'm just like, "Well, hold on, we have a hairline fracture on this fountain right below the rim, and there's some calcium flowing out of it. Why hasn't the property manager seen this before then?" Here I am visiting the property, and I haven't visited the property in a while, but I'm just like, "Well, there's a problem."

So again, the answer to your question is -- the answer is I don't know how much it's going to cost. I know that it's going to be more expensive later on. So what we do is to avoid that, we look at our properties. We have our respective property managers on site. But what we like to do is we like to do a site visit every three months to look at it from a different perspective, from a different set of eyes and that's sort is twofold.

Number one is to make sure that the manager is doing what they're supposed to be doing, and then number two, to have another set of eyes on the property to make sure that the managers didn't miss anything. And it happens. It happens. We know that, but we try to share the tools with the manager to make sure that our buildings are maintained properly.

Client ◎ 00:08:20

If you think about -- do you only have properties on kind of that East Coast of Florida?

Expert ◎ 00:08:24

We have on the East Coast of Florida. We have some on the West Coast of Florida as well on Southern Florida. That's where the majority of the portfolio lies, yes.

Client ◎ 00:08:33

All right. So I guess, if you ever compare those two coasts, is there a difference in terms of the amount of concrete work or the amount of damage taken on one coast versus the other coast from the ocean?

Expert ◎ 00:08:45

East Coast suffers more because of the wind stream. The Gulf is protected, so there's less damage, so a dirty -- I'll take a big brush, East Coast is more expensive than the West Coast in terms of concrete restoration and maintaining the building because of the wind.

Client ◎ 00:08:59

Then I guess we're thinking about this maintenance schedule, and they're coming in every seven years. On a like per unit basis on a condo, what might you expect to spend on that seven-year basis for concrete work specifically?

Expert ◎ 00:09:11

For concrete work specifically, it all depends on the building itself and where it is -- its proximity to the coast. Of course, when you're on the water, it's going to be more expensive versus when you're inland inside the county, it's going to be less expensive. But I -- if you're asking for a dollar amount, I would say it's probably two to 3x more expensive on the coast than it is outside the coast.

Client ◎ 00:09:32

And so then what might you expect to spend on a coastal property like on a per unit basis roughly every seven years.

Expert ◎ 00:09:39

On a coastal property -- on a per unit basis, okay. So give me a second while I do some rough calculation in my head.

Client ◎ 00:09:46

Yes. No worries.

Expert ◎ 00:09:48

We did a \$20 million on 400 units.

Client ◎ 00:09:51

So it sounds like \$50,000?

Expert ◎ 00:09:53

Yes. Yes, on average.

Client ◎ 00:09:56

And that was on a -- that's every year. That's what might you expect to spend every seven years.

Expert ◎ 00:10:02

That was on a job that wasn't done correctly. So what happened -- and I say not done correctly because that property when we took over, it was 17 years before it was painted by us. So we'll split

that.

Client ◎ 00:10:12

I guess off the top of my head, it seems like then if it's every -- if you're doing \$20 million every seven years, that'd be like maybe \$60 million over 20 years. But I thought it sounded like this large project was \$50,000 per unit. So it almost sounded like it was more expensive to be done on an ongoing basis. I guess what am I missing there?

Expert ◎ 00:10:35

It was more expensive because it hadn't been done.

Client ◎ 00:10:37

And that \$20 million to \$22 million every seven years, is that right?

Expert ◎ 00:10:43

Every seven years.

Client ◎ 00:10:44

Thank you. Yes, that's helpful just in terms of an estimate, trying to estimate.

Expert ◎ 00:10:49

You're welcome.

Client ◎ 00:10:50

And that's the coastal ones that you might be -- that's quite a bit more expensive one here.

Expert ◎ 00:10:55

That's the coastal. Yes.

Expert ◎ 00:10:57

Yes, yes.

Client ◎ 00:10:58

I guess, could you talk to me a little bit about these concrete restoration contractors? How does this work? How do you -- how does it come to be that you bring one of these guys on the site to

do this work? Walk me through how this originally starts the identification process?

Expert ⏴ 00:11:14

The first step is hiring a PE, a professional engineer, and it's harder and harder to do that now with what the state has done because the State of Florida does not. The State of Florida and maybe, I'm getting ahead of myself, but just bear with me for a second. State of Florida says, everybody needs to have either the milestone and the SIRS by 2024, the entire state. There is not enough licensed architects and engineers in the State of Florida to get this done by 2024. So that's stuff, number one.

But what we do is we identify an engineer that we've worked with in the past, and the engineer will spec out the building. They will give us what we need to do for the building. From there, we invite five, generally three to five concrete restoration companies to come out, and the concrete restoration companies are -- they'll come on out, and we'll do a walk-through, and we'll schedule a walk-through, one walk-through. And if you don't attend the walk-through, you're not even in the game anymore.

So we get the engineer, the engineer would draw the spikes. We bring in the company if we do the walk-through and the companies would have two weeks to four weeks to present their bids based on the specifications by the engineer. Once that's completed, we've achieved the bids and the engineer will do a simple matrix, if you would, side-by-side comparison, line item.

And then we -- once that's done, we would speak to the individual companies to fine-tune their pencil, to sharpen their pencil on the different line items, and then we select the one that's seen the best fit for that particular project.

Client ⏴ 00:12:36

That makes sense. And when you're finding these three to five bidders, are you -- is it a structural engineer specifically that's finding these potential builders? Or are you also involved in the process of sourcing these providers?

Expert ⏴ 00:12:50

We are involved in their process as well. It's a combination there of, because, again, we've been doing this for a small period of time, we've been doing it for 60 years. So we have a few contractors that we work with, but we also invite the professional engineer to bring some folks because we don't know everybody, so it's always good to throw some new names in the mix.

Client ⏴ 00:13:09

And then -- all right. So it was my understanding that you guys are suggesting some people, the engineering firms bring some people to bid. And then is the -- you're kind of presenting it to the Board, who's doing their interviews and the Board or whoever is owning the building makes that final decision. Is that accurate?

Expert ⏴ 00:13:28

That's correct. Yes, sir.

Client ⏴ 00:13:30

Good. And now you mentioned earlier that these professional engineers are in demand. Something I've heard in passing is that there's a bunch of -- these new laws led to -- it's no longer a requirement for a professional engineer to necessarily sign off on the compliance issues for the milestone structural integrity reports. And instead, you can have a professional in your own company and their staff can sign off for them. Is this something you run into, and you think might be an issue? Or is this not something you run into?

Expert ⏴ 00:14:01

We -- the answer is we don't -- we're not going to run into that issue because we do -- we either have a professional engineer to sign and seal the documents, or we use an architect.

Client ⏴ 00:14:10

And then a follow-up to that is you mentioned the 2024 date. Have you -- do you have any insight into whether you think that date is going to kind of remain steadfast in 2024?

Expert ⏴ 00:14:21

Yes.

Client ⏴ 00:14:21

Or if that date is going to end up being pushed back kind of in the future?

Expert ⏴ 00:14:25

We are hoping that it gets pushed back. Do I have insight if it's going to be pushed back, the answer is I don't know, if it's going to be pushed back or not. I say that it might. It might. And the reason why I say this is because it will take something similar. Actually, it's a little bit -- well, no, it's similar because I think of it as a life safety item.

If you go to the State of Florida and we look at life safety, State of Florida originally required to have buildings over three feet, not three feet -- excuse me, three stories or 75 feet in height, need to be fully sprinklered as of December 31, 2016. 2016 was the original date for the buildings to either be retrofitted for sprinklers or that they voted to forgo the retrofit, and they decided not to have the sprinklers. So that was -- the original date was 2016, December 31, 2016.

State of Florida has kicked the can from 2016 to 2020, and now we've pushed it to 2024. 2024 is around the corner, but buildings -- the State of Florida found out from everybody that was yelling and screaming, "Hey, there's no way in God's green Earth, we're going to be able to do it because it's so expensive." We saw it recently as, let's say, about two months ago, there was one of the

associations over at Century Village that had a meeting. I think there were 400 people trying to attend the meeting.

There were 200 inside the club room when it reached capacity, the Board had to close the room, and then there were still 200 people outside yelling and screaming while the Board was trying to conduct its business and say, "Hey, we're having a special assessment because we need a roof replacement, and we need to get a roof replaced because the insurance company won't give us a churn unless we get the roof replaced."

So I hope that it gets pushed back because, as I alluded to during my initial interview -- my initial meeting, I foresee as both a licensed Community Association Manager and as a broker in the State of Florida, if we don't do something about it, if legislative does not do something about it to push back the December 31, 2024 deadline, we will have not as bad as a market crash in the condominium market as we did in 2007, 2008, but it will happen.

The single-family homes I don't foresee having an issue, but in reference to the condominium market, I foresee definitely, definitely having a huge impact. And the reason I say that is because we have a lot of folks that are retired that are on fixed income and that cannot afford any type of special assessment. And that's what the State of Florida is basically pushing on condominium owners within the entire State of Florida to do that before 2024.

Client  00:16:46

Yes. I mean totally understood. I think that makes a lot of sense. It seems like a lot of people are going to be struggling with that. When you think about your criteria to decide who you want to work with for concrete restoration purposes. And I know you guys -- I know that you have people on retainer or people that you used in the past. But could you walk me through some of those key selection criteria about what distinguishes these providers and what makes you want to work with a few in particular?

Expert  00:17:16

We look for companies that have at least 10 years in business, and then we also look for companies that have a bonding ability at that minimum \$20 million. So those are hard, do not pass go. We need at least someone who's been in the business for 10 years and someone that's bonded for at least \$20 million. That.

Client  00:17:32

And when you say bonded, has done work -- has done \$20 million worth of work, done that large of a project?

Expert  00:17:39

Right, can be bonded, can have an insurance bond because what we do is we require all our properties to have those three bonds, the payment bond, the bid bond, and the -- bear with me for a second, my brain just went black. The bid bond, the payment bond, and the payment bond

for insurance.

So if the company should go belly up, we can be able to call. We are able to call the insurance company and say, "Hey, listen, ABC is that hasn't been here for two weeks for whatever reason, we need to send XYZ." So we need someone that -- a company that's bondable up to a minimum \$20 million.

Client ➔ 00:18:12

So those are the threshold requirements. Are there any other than when you're looking at the different bids, what in your mind -- is there anything else to add there to like key selection criteria to distinguish people?

Expert ➔ 00:18:24

We definitely do reference checks on company, so we'll do reference checks with other associations or other companies that have worked with these individual companies. So in addition to those criteria, we do reference checks.

Client ➔ 00:18:35

And then I guess -- and from your perspective, what are the Board's key function criteria? So theoretically, every bid that you put up has already passed the milestone threshold for what you guys are willing to work with these people? What has been the -- from your perspective, what is the Board going to be deciding upon?

Expert ➔ 00:18:53

Who can do it the cheapest, which is the stupidest thing but that -- I'm being honest. They're always like, "Who can do the cheapest?"

Client ➔ 00:18:59

Yes.

Expert ➔ 00:19:00

I'm like, in Spanish, we have a saying, "Lo barato sale caro." You buy cheap, it's going to be more expensive because you keep on buying the same product, not once but three times. So we recommend that you don't go with the cheapest. We recommend that you go with the middle. You don't go with the cheapest. You don't go with the most expensive. You go in the one -- the sweet spot in the center.

Client ◎ 00:19:21

Yes, I understand that. I guess, who have you -- what your concrete providers have you used in the past? Or which ones are you most familiar with in the area of Florida?

Expert ◎ 00:19:33

In the past.

Client ◎ 00:19:33

Yes.

Expert ◎ 00:19:34

Yes. In the area, we -- there's a whole bunch. There's -- we use ABC Construction. We do DDS Condo (sic) [DSS Condo]. There's down here in Miami, there's Restore or Restore Construction. There's Coast To Coast. And then on a national level, there's SPS, Structural Preservation Systems, so those are a few other companies down here.

Client ◎ 00:19:56

Great. That's super helpful. And then would we be able to just go into a little like I guess, feedback on some of -- the ones that we've like heard of, and that we're interested in are like Restore's one that's come up a lot, and we've gotten feedback on them. Would you be able to provide like additional feedback on them as well? We have some questions, but related to the strength, difficulty -- sorry, areas of improvement and other things.

Expert ◎ 00:20:22

Yes, no. Definitely, definitely. What would you like to know about Restore?

Client ◎ 00:20:27

Great. So to start, I just have like a rating scale on a scale from one to seven, with seven being the best, one being the worst. So to start the first category is pricing.

Expert ◎ 00:20:39

Pricing, seven.

Client ◎ 00:20:40

Great. Quality of work?

Expert ◎ 00:20:42

seven.

Client ◎ 00:20:43

Great. Reputation?

Expert ◎ 00:20:45

seven.

Client ◎ 00:20:46

Great. Knowledge and expertise?

Expert ◎ 00:20:48

They know their stuff. They -- both of them, both of the owners know their stuff, so seven. There is two partners. I know them both.

Client ◎ 00:20:57

That's great. That's funny. So I'm assuming -- and then what would their customer service be? It sounds like it sounds good.

Expert ◎ 00:21:05

They are bar none. They're phenomenal. They are available 24/7. They are available 24/7. I have both -- I'm laughing because I have both of their cell phone numbers on my phone, and I use them.

Client ◎ 00:21:17

Really?

Expert ◎ 00:21:18

I've actually been one of their references on a couple of different properties.

Client ◎ 00:21:21

That's actually funny. Yes, that's not difficult to be able to talk to owners that usually have to with some of these companies we've heard.

Expert ◎ 00:21:29

Yes, yes, yes. I've worked with Juan Castro and Norge on multiple projects.

Client ◎ 00:21:34

Awesome. And then the last category, we have is breadth of services. If there's anything else they offer whether that's roofing, waterproofing, painting?

Expert ◎ 00:21:44

They've done -- they were actually -- most recently, they were actually a sub, but they've done roofing -- no, they haven't done roofing. They've done waterproofing, concrete restoration, expansion joints, my projects.

Client ◎ 00:21:57

Great. So -- and then I heard if you put that on a scale from one to seven, are you happy with that mix? Or do you think that they can do something additional?

Expert ◎ 00:22:06

What can they add to their mix? I would say no. I would say stick to your wheelhouse. I would keep the sweet spot that -- I mean, they know their stuff.

Client ◎ 00:22:14

Got it.

Expert ◎ 00:22:15

I would stick to that. I would stick to that because when you get wider, then cracks tend to form, so I would recommend you stick to what you know, and stay there.

Client ◎ 00:22:23

Great. That makes sense. And then what would be the likelihood for you to use them again on a scale of zero to 10?

Expert ◎ 00:22:31

10, 12. I recommend them. So I'd definitely, definitely use them again.

Client ◎ 00:22:36

That's awesome. And the -- what are some of their strengths, you would say?

Expert ◎ 00:22:41

There are strengths. They know the products. They're there when you need them. They're very responsive, so I would say their two top strengths would be their product knowledge and then responsiveness when issues come up because I've worked with them and there's been problems,

and they've both been very responsive, and they address the problem before it gets bigger. So again, product knowledge and responsiveness would be their top two strengths, if you would.

Client ◎ 00:23:03

Great. That makes sense. I appreciate that. And then could we also speak about Coast To Coast?

Expert ◎ 00:23:10

Sure. Great. So.

Client ◎ 00:23:12

Is there any additional -- I think that I've heard.

Expert ◎ 00:23:15

You know where I'm going with them.

Client ◎ 00:23:17

There's any additional feedback right away on them that they made you laugh? Like anything that you thought about them.

Expert ◎ 00:23:23

Coast To Coast, I would stay away from.

Client ◎ 00:23:25

Why? What makes you say that?

Expert ◎ 00:23:28

Restore's on one end of the spectrum. Coast To Coast is just -- they're not responsive. The -- while the owner Monty loves to fish, and he has his big boat and I've been on his boat and whatnot. While Monty knows his stuff, his son is not as -- number one, he's not as responsive and his knowledge is not at the same level as his dad, so I would definitely not recommend Coast To Coast if I were to be asked.

Client ◎ 00:23:49

Yes. That's definitely -- I would. That's funny.

Expert ◎ 00:23:53

I would not use them. I would tell them -- I would tell the person run and run like hell.

Client ◎ 00:23:58

Awesome. Again, can we just go through them, the ratings we went through on a scale of one to seven?

Expert ◎ 00:24:04

Sure. The other, one through seven? Sure. Let's go for it.

Client ◎ 00:24:09

Yes. Pricing?

Expert ◎ 00:24:10

They're -- it's way too expensive, one.

Client ◎ 00:24:13

Reputation?

Expert ◎ 00:24:14

one, zero, negative. Negative one?

Client ◎ 00:24:18

Yes. How about quality of work?

Expert ◎ 00:24:21

Quality of work, definitely, a negative seven that we had issues with them.

Client ◎ 00:24:25

So -- and then how is their knowledge and expertise?

Expert ◎ 00:24:28

No, it's not there.

Client ◎ 00:24:29

I can go and just list them all down as low.

Expert ◎ 00:24:32

It's off the scale. It's off the scale. Yes, yes. I mean I can tell you -- if you have time, I can tell you why I say all those things, but it is just something really ugly.

Client ◎ 00:24:42

That's super helpful. Going back to -- when we were talking about the bond requirements that you have for when you're looking at the provider, are there any other things that you consider when it comes to maybe, if it's a smaller scale project, or if it's a mid-rise building, or if it's like a high rise, does that come into a factor at all for like which companies you would -- which you would request to bid from?

Expert ◎ 00:25:04

Yes. We would always -- we would prefer to go with a company that has experience on the job and whatnot, especially since the State of Florida is requiring this. So the building was built wrong from the beginning. But I mean, it is a portion where like some people may not think it's life safety. It truly is life safety. So we would -- we take that very seriously and want to make sure that we only hire the best that's out there to do the work.

Client ◎ 00:25:26

That makes sense. That totally makes sense. Yes, it is about life safety. And is there -- I guess, with that -- so I guess for all size projects, then you're considering only the best companies? You're not factoring in like, "Okay, these projects a few million, or if it's this project greater than \$30 million. So we only want to work with a certain client or certain provider."

Expert ◎ 00:25:52

Yes, it doesn't matter if it's \$1 million or \$50 million. We want to make sure that we only work with the best that's out there.

Client ◎ 00:25:59

Great. That's super helpful.

Expert ◎ 00:26:02

I've done this, so many times. It's very painful when the general contractor is not there with you side by side.

Client ◎ 00:26:08

That makes sense. Well, I don't have any additional questions, so thanks for all your time and insights here. I really appreciate it.