



June 21, 2022

Via Certified Mail, Return Receipt Requested,  
First Class U.S. Mail and electronic mail

Ms. Yvette Zuluaga  
President  
The Stout Group, LLC  
10850 NW 138<sup>th</sup> Street  
Bay #3  
Hialeah Gardens, Florida 33018  
[jsanchez@thestoutgroup.com](mailto:jsanchez@thestoutgroup.com)

**Re: Notice to Terminate for Cause Contract for Annual Construction of General Stormwater Infrastructure, Invitation to Bid No.12504-613, Project No. 12220**

Dear Ms. Zuluaga:

This correspondence shall serve as your official notice of termination for cause the Contract for Project No. 12220 - Annual Construction of General Stormwater Infrastructure between The Stout Group, LLC ("Stout") and the City of Fort Lauderdale ("City") dated July 2, 2021, Contract No. 12504-613.

Pursuant to Article 7 – Payment Procedures, Section 7.6 of the Agreement, states as follows:

*7.6 The City shall make payment to the Contractor through utilization of the City's P-Card Program. The City has implemented a Purchasing Card (P-Card) Program utilizing the MASTERCARD and VISA networks. Purchases from this contract will be made utilizing the City's Purchasing Card. Contractor will receive payment from the purchasing card in the same manner as other credit card purchases. Accordingly, Contractor must presently have the ability to accept these credit cards or take whatever steps necessary to implement the ability before the start of the contract term, or contract award by the City. All costs associated with the Contractor's participation in this purchasing program shall be borne by the Contractor. The City reserves the right to revise this program as necessary.*

In addition, Section 7.7 of the Article provides:

*7.7 Contractor agrees to comply with all applicable state, federal and international laws, as well as industry best practices, governing the collection, access, use, disclosure, safeguarding and destruction of Protected Information.*



*Contractor and/or any subcontractor that handles credit card data must be, and remain, PCI compliant under the current standards and will provide documentation confirming compliance upon request by the City of Fort Lauderdale, failure to produce documentation could result in termination of the contract.*

The City is terminating the Agreement for cause for the following reason:

- Stout submitted its response to the aforementioned solicitation. The response, included among other documents, a Contract Payment Method form which bidders are required to complete and indicate which credit card payment method they prefer to use for payment. Stout responded to the requirement by indicating its preference to use MasterCard.
- Stout sought clarification from the City, and was provided with information about SunTrust, the City's P-Card Program Administrator's, role in the process.
- Since that time however, Stout has refused to cooperate with SunTrust or the City to take the steps necessary to be able to accept the MasterCard for payment.
- Stout has emphatically stated on September 30, 2021, that it "**WILL NOT**" accept the P-Card as payment, which, in essence, is a refusal to honor the terms of the Agreement.

Therefore, in accordance with Section 17.2.7, Stout violated a term of the Agreement and is in default. On July 5, 2022, the City Commission approved to termination of the Agreement.

We hope we can work together in the future.

If you have any questions, you may contact me via telephone at (954) 828-5677 or via email at [gmarcos@fortlauderdale.gov](mailto:gmarcos@fortlauderdale.gov).

Sincerely,

Glenn Marcos, CPPO, CPPB, FCPM, FCPA  
Chief Procurement Officer/Assistant Finance Director-Procurement and Contracts