

**DRAFT SUBJECT TO KPMG ENGAGEMENT ACCEPTANCE AND RISK REVIEW PROCESS
KPMG LLP Task Order**

December 30, 2020

Broward County
115 S. Andrews Avenue
Fort Lauderdale, FL 33301

Attention: Alan Cohen, Assistant County Administrator, Broward County
George Tablack, Chief Finance Officer, Broward County

PROPOSED SCOPE OF SERVICES FINANCIAL ADVISOR GOVERNMENT CENTER CAMPUS

The **Broward County, Florida** (hereinafter "County") for itself and also serving as agent for the City of Fort Lauderdale, and **KPMG LLP** (hereinafter "KPMG"), KPMG shall do, perform, and carry out in accordance with the applicable professional standards the following services relating to the Joint Government Center Campus (hereinafter "Project"):

Phase 1: Pre-Procurement Support – 1-2 months

Estimated cost: \$70,000

- 1) Review and comment on existing P3 procurement schedule and assist County in refining schedule considering: program objectives; decision milestones; work streams; and feedback from market soundings;
- 2) Conduct market sounding exercise with local and national infrastructure funds and real estate developers to discuss: commercial structure; risk transfer considerations; real estate market etc;
- 3) Support County staff in the development of briefing meetings for Administrator and Commissioners including development of presentation material (assume 2 meetings).

Phase 1 Deliverables

- Project management plan – this will set out key work streams and dependencies for KPMG's work as well as establishing cadence protocols for meetings and project updates
- Revisions to P3 procurement schedule
- Summary of market sounding findings

Phase 2: Request for Qualifications (RFQ) Phase – 3 months

Estimated cost - \$215,000

KPMG will assist the County with the following tasks related to the development of RFQ documents and RFQ submittal evaluations:

- 1) Assist the County develop its objectives and commercial structure for a draft RFQ;
- 2) Provide input to financial terms of the RFQ including evaluation criteria and weightings, pass/fail thresholds, financial capacity and experience requirements;
- 3) Assist draft and provide on-going comment on the RFQ;

- 4) Assist the County in RFQ response evaluations (assuming up to six responses) including evaluation factors to consider/guidelines and proposal clarifications;
- 5) Assist County in conducting financial capacity analysis and provide comment to the County – including review and commentary of financial statements; ratio analysis; industry benchmarking; analysis of credit rating reports; and media search; and
- 6) Attend the County’s RFQ development meetings and SOQ evaluation meetings as needed.

Deliverables

Input into evaluation guidelines and factors to consider
Financial capacity report on each bidding team
Prepare presentation of KPMG analysis for County staff, Administrator and Commissioners

Phase 3: Detailed Bid Development –10 months

Estimated cost: \$740,000

Request for Proposal (RFP)

KPMG will assist the County with the following tasks in support of RFP development, evaluations, contract negotiations, and pre-development support:

- 1) Help the County develop its objectives for a draft RFP including evaluation criteria and weightings including development of scoring methodology;
- 2) Provide input to the financial and commercial submission requirements of the RFP including working with the County’s legal counsel and external advisors to draft financial/commercial sections of the RFP documents including but not limited to the following: proposal security requirements; updated financial capacity requirements; financing plan requirements; financial price proposal requirements – including bid template forms; financial model requirements; and detailed cost data requirements;
- 3) Discuss with the County the financial criteria for the RFP including financial proposal requirements including development of factors to consider and evaluation guidelines;
- 4) Read and provide comment on drafts of the RFP documents;
- 5) Assist the County in responding to clarifications on the RFP documents;
- 6) Review and provide comment on the final version of the RFP documents;
- 7) Assist the County in reviewing bidder financial models and evaluation of responses to commercial/financial RFP bid submission requirements; and
- 8) Support County staff in briefing meetings on evaluation with Administrator and Commissioners including development of presentation materials.

Project Agreement Assistance

- 1) Help the County develop its objectives for a draft project agreement;
- 2) Work with the County’s legal advisors to help identify key terms in the project agreement to meet the County’s objectives and policy priorities;
- 3) Provide input on the specific financial and commercial terms within the project agreement, including payment mechanism, interest rate risk transfer, treatment of financial model, calculation of relief and compensation events and termination impacts;
- 4) Help the County with the development of the availability/performance criteria including coordination with County and its technical advisors to assist in development of O&M output specifications and link to payment mechanism; and
- 5) Provide support with respect to clarifications submitted on the project agreement.

Deliverables

- Draft financial and commercial bid submission requirements for RFP
- Input into evaluation guidelines and factors to consider
- Financial and commercial analysis report on RFP bid responses
- Payment mechanism principals paper

Phase 4: Financial and Commercial Close Support – 3 months
Estimated cost - \$175,000

- 1) Provide negotiation support to the County as it finalizes the project agreement with a preferred bidder – including financial analysis of key commercial and financial terms and finalization of payment mechanism to align with preferred bidder’s proposal;
- 2) Provide on-going support to financial close procedures with equity and lenders – including development of financial close protocol and benchmarking of financial interest rates at close; and
- 3) Attend meetings with the County to complete financial close.

Deliverables

- Financial closing protocol

Total estimated cost - \$1,200,000

The County may request through this engagement “option analysis” to develop quantitative and qualitative comparative analysis of delivery options eg DB and/or DBB with traditional municipal finance; P3 availability DBFOM; traditional lease; Design Build Finance. This is not included in estimated fees above and scope, deliverables and fees will be developed and agreed by mutual consent between County and KPMG at a future point in time.

Assumptions

- Site for development has been identified
- County will appoint staff project manager for development who will act as day to day point of contact for KPMG and will coordinate project schedule, meetings etc
- The County will be primarily responsible for the drafting and development of RFQ and RFP documents with KPMG’s assistance and input
- County will instruct and hire external legal and technical advisors with P3 experience who along with the County will be primarily responsible for development of the Project Agreement and Technical Specifications/Bid Submission Requirements, respectively
- Assumes 6-8 respondents to the RFQ
- Assumes 3 teams are short-listed to participate in RFP bidding stage
- Total assumed schedule is 18 months from issuance of RFQ to commercial/financial close
- Assumes a two-step procurement process with RFQ and RFP
- Excludes costs associated with work performed by municipal advisor PRAG

Professional Fees

As compensation for the services to be provided by KPMG within the Scope of Work, the County agrees to pay KPMG on a time and materials basis based on the following hourly fee schedule:

Partner/ Principal / Managing Director	\$576.00
Director / Senior Manager	\$515.00

Vice President / Manager	\$432.00
Associate / Senior Consultant	\$360.00
Analyst / Consultant	\$360.00
Administrative Staff	\$144.00

Professional fees for work under this Scope of Work are estimated to be \$1,200,000 for the services outlined above. The hourly rates do not include travel expenses which will be reimbursed separately.

KPMG and the County will endeavor to optimize the use of alternative methods of communication in lieu of in-person meetings, including telephone and video conferences and other cost conservative methods of meeting and communicating.

Fees and out-of-pocket expenses for the Scope of Work will be billed on a monthly basis. Services will be billed in increments of one-tenth of an hour. The County shall remit payment to KPMG within 30 days after receipt of an invoice for services rendered. The County acknowledges and agrees that KPMG's fees hereunder are not in any way contingent upon the specific results, outcomes or conclusions reached by KPMG.

Other Matters

In providing these services, KPMG will not undertake any role or view that could be considered public policy advocacy or lobbying.

KPMG is not providing any legal advice or counsel under this engagement letter. Without limiting the foregoing, KPMG is not providing any interpretation of any laws, regulations or contract provision that may be applicable to the County or that are otherwise related to the work hereunder. While KPMG personnel working on this project may, through experience or specialized training or both, be familiar with the general contractual environment in their capacity performing financial advisory or management consulting services, they will work under the direction of the County and its legal counsel regarding the specific legal, regulatory, and contractual requirements in which the County operates.

The County is aware that KPMG may provide assurance, tax and/or advisory services to potential vendors. At the point that the County identifies potential vendors for consideration, KPMG will perform an internal search for professional relationships with the potential vendors selected for RFP distribution by the County. KPMG will advise the County of the general nature of services provided to the potential vendor, as permitted. However, the County acknowledges that we are a large firm that is engaged by new clients on a daily basis and as a result, we cannot guarantee that following our initial relationship search, an engagement for a potential vendor under consideration will not be accepted somewhere else in our firm. Should any new information come to our attention, KPMG will promptly inform you.

KPMG's services as outlined in this engagement letter constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in

the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

It is understood and agreed that KPMG is not registered with the US Securities and Exchange Commission as a municipal advisor and that the County is not requiring KPMG to provide, and KPMG will not provide, any services to the County which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities.

The County represents to KPMG that the County has obtained all legal consents necessary to award this contract to KPMG without competition, and that award of this contract is made in accordance with all applicable law, regulations, rules, policies, and requirements.