

Statement of Work

This Statement of Work, dated September 24, 2021, (this "SOW"), is made by **Ernst & Young Infrastructure Advisors, LLC**, a Delaware limited liability company, ("we" or "EYIA") and the City of Fort Lauderdale, a Florida municipality, ("you", "the City" or "Client"), pursuant to the Agreement, dated July 14, 2021, (the "Agreement"), between EYIA and the City of Fort Lauderdale.

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the transaction advisory Services covered by this SOW and not to Services covered by any other Statement of Work pursuant to the Agreement. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the Agreement, and references in the Agreement to "you" or "Client" shall be deemed references to you.

Scope of services

We understand that you received an Unsolicited Proposal (the "Proposal") from Aqualia in September 2021 pursuant to Section 255.065, Florida Statutes, to construct and operate a regional water treatment facility via a public private partnership to replace the existing ageing Fiveash plant and are seeking EYIA's support to analyze the Proposal and its implications for the City's water infrastructure improvement strategy. In this context we will assist you in connection with the following:

Phase 1: Proposal evaluation

- Undertake a preliminary analysis of the relative commercial and financial merits, risks and opportunities associated with the Proposal and provide a summary and analysis of the Proposal comprising:
 - Key commercial value and risk propositions
 - Initial diligence of proposed pricing and key financial terms
 - Proposed contracting and delivery model
 - Indicative pros and cons of the Proposal
 - A list of financial and commercial clarification questions and/or requests for information for the City to issue to Aqualia to allow a more effective or comprehensive evaluation
- Attend clarification calls and meetings as necessary with the City and Aqualia
- Liaise with the City and its advisors to allow for the integration of the financial and commercial implications of the Proposal by the City's rate consultant into the City's rate model
- Coordinate the input of a third-party technical engineering advisor. The technical advisor will analyze the appropriateness of the proposed project design, operating model and performance outputs, relative to industry benchmarks, regulatory standards, and comparable projects, if any. The technical advisor will also assess and comment on the reasonableness of capital and operating cost estimates and assumptions underpinning the price proposal.
- Prepare draft and final reports and present to City staff and City Commission.

Phase 2: Comparative strategic analysis

- Assess the Proposal's value proposition (based on the key financial, commercial and technical characteristics established in Phase 1) in the context of the City's needs, priorities and constraints
- Assess the Proposal in the context of the alternative financing, contracting and procurement approaches potentially available to meet the City's needs and provide a qualitative and quantitative (to the extent practicable based on the data available) analysis of the pros and cons of alternative delivery models. Such analysis will be informed by the specifics of the City's capital needs, financial position and our understanding of precedent projects.
- Coordinate the input of a third-party technical engineering advisor selected by the City. The technical advisor will at a preliminary level consider the relative merits of alternative technical configurations and project scopes to meet the City's needs and compare these to the Proposal received.
- Consolidate and document the above comparative analysis and emerging project and transaction scoping and structuring considerations.
- Based on the above analysis, assist the City as it makes decisions with respect to (i) project scope; (ii) contracting and delivery structure; and (iii) procurement model
- Attend calls and meetings as necessary with the City and its technical advisors

For the avoidance of doubt, throughout Phases 1 and 2, EYIA is not undertaking diligence on the Proposer, nor advising you on the merits or otherwise of any specific transaction or providing any recommendations with regards the acceptance, rejection or otherwise of the Proposal or any other particular delivery approach.

Phase 3: Implementation support

Assist Client with the structuring and implementation of any procurement process emerging from Phase 2 as relevant, such support being subject to a more detailed statement of work agreed with Client at that time.

Restrictions

EYIA, as a member firm of EY, is restricted by law and auditor professional requirements from performing certain work for its audit clients. The scope of work and fee arrangements set out in this letter have been approved under EY's applicable independence requirements, and any additional services requested under this or other statements of work will be subject to the same such requirements.

Any projections or estimates used as inputs into our analysis will be based on third party data or based on defined assumptions. We will have no responsibility to evaluate or verify such information but shall state the source of the information we use.

Unless otherwise specifically stated, we will not verify the accuracy of data provided by you or other third parties and will not be responsible for any errors in outcome resulting from inaccurate or incomplete data provided by the Client or others.

Limitations on scope

We will not identify, address or correct any errors or defects in your computer systems, other devices or components thereof ("Systems"), whether or not due to imprecise or ambiguous entry, storage, interpretation or processing or reporting of data. We will not be responsible for any defect or problem arising out of or related to data processing in any Systems.

Your specific obligations

We draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the Agreement, as well as your management responsibilities under paragraph 6, your obligations under paragraph 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

We may provide you with sample tools and/or templates, based on our professional experience and industry leading practices, for your completion or customization in connection with your project. You will be responsible for completion, customization, implementation, use and effectiveness of these tools or templates, and we will have no obligation with respect thereto.

Specific additional terms and conditions

The Services are advisory in nature. EYIA will not render an assurance report or assurance opinion under the Agreement, nor will the Services constitute an audit, review or examination of any entity's financial statements or prospective financial statements in accordance with generally accepted auditing standards or other applicable professional standards.

None of the Services or any Reports will constitute any legal opinion or advice. Whilst we will review legal documents when required to do so in order to advise on their financial and commercial consequences, it will not be a legal review and your lawyers will retain responsibility for legal drafting. In order for us to carry out this review, you or your advisors will need to notify us of any changes made to the documentation, highlighting the particular clauses that require review. We assume no responsibility for the effects of any changes that are not notified to us.

We will not conduct a review to detect fraud or illegal acts, nor will we render any opinion as to the fairness or advisability of the proposed transaction or any other transaction.

In providing the Services, we also will utilize and rely on data and information from third party sources (including publicly-available information). We will have no responsibility to evaluate or verify such information.

Notwithstanding anything to the contrary in the Agreement or this SOW, except as to those of any EY Firms, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by their vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Compliance with U.S. immigration requirements may require EY to provide certain information to the U.S. Citizenship and Immigration Services ("USCIS") to confirm that EY employees on certain visas are, in fact, EY employees and not employees of Client or other clients of EY. This will include providing certain information regarding work locations to support compliance with the visa requirements. As such, EY may disclose to USCIS information regarding this SOW, including Client's identity and location, as well as redacted agreements. Upon providing this information, EY will request that USCIS keep any such information confidential. In further support of these legal requirements, the U.S. Department of Labor (DOL) regulations, at 20 CFR § 655.734(a)(1)(ii)(A), require the posting of notice of a Labor Condition Application (LCA) in instances where individuals holding H-1B visas will be working on Client's premises. EY and Client will work together to develop an appropriate notice as required.

EY resources will be operating at all times as an employee of and under the direction and control of EYIA's management, and all activities including supervision, hiring and firing decisions, and performance evaluations are controlled by EYIA. Client will not have the right to control EY resources, but will be responsible for directing our work and making all decisions derived from it. The Services do not include activities that involve participation in the management and decision making that are the responsibility of the Client.

EYIA and other EY Firms may render professional services to other clients in your industry. You agree that any EY Firm may provide the Services under this SOW, as well as services to other such parties, as long as the EY Team does not disclose to any other such team any confidential information relating to you [except as required by applicable law, regulation or professional obligation, subject to Subsection 255.065(15), Florida Statutes (2020), as may be amended or revised], in either case without your prior written consent.

The Services may involve our review of, or advice relating to, agreements to which you are a party with, or products produced by, a third party (an "EY Client") for which EYIA (or another EY Firm) performs, or has performed, services unrelated to the agreements or products. On behalf of yourself and your affiliates, you acknowledge and consent to our performance of such services for any EY Client, and agree that neither you nor your affiliates will make a claim that these circumstances present a conflict of interest, real or perceived, for us or any other EY Firm. If, however, our services for an EY Client directly relate or related to the agreements or products, we will seek the consent of both you and the EY Client to the continued performance of the Services. In any event, we confirm that, except as you and the EY Client otherwise agree in writing, your respective confidential or privileged information will remain confidential to that client in accordance with applicable professional standards.

We may subcontract a portion of the Services to one or more EY Firms and to subcontractors, including retired EY partners and/or principals, working under our direction who may communicate directly with you. EYIA, however, will remain solely responsible to Client for the performance of the Services.

Timetable

It is expected that the Phase 1 will be undertaken over a 4 week period from the time of your instruction to commence, subject to the relative complexity of the Proposal, stakeholder availability and timely exchange of information across the relevant parties

Phase 2 is expected to be delivered within a 4 week period, subject to similar caveats.

Phase 3 timing is currently uncertain and will depend on the agreed statement of work at that time

Contacts

You have identified Susan Grant as your contact with whom we should communicate about these Services. Your contact at EYIA for these Services will be Stephen Auton-Smith.

Fees and expenses

The General Terms and Conditions of the Agreement address our fees and expenses generally. Time incurred by EYIA in the provision of Services will be charged at the following rates:

EYIA level	\$/hour
Senior Managing Director / Managing Director	\$575
Senior Vice President / Director	\$520
Vice President / Manager	\$410
Senior Associate / Associate	\$345
Analyst	\$245
Global Analyst	\$170

Rates will be subject to 2.5% annual inflation from the anniversary of the Agreement.

This Statement of Work is subject to a not to exceed amount of \$95,000 for Phase 1. EYIA has budgeted 240 hours of staff time for Phase 1, but the City acknowledges that EYIA has received limited data as to the content, detail or quality of the Proposal as at the date of this Statement of Work, and the level of effort associated with Phase 1 is largely unknown. Should the estimated level of effort required to deliver the Services materially change, EYIA will advise the Client in a timely manner to discuss the scope and indicative budget as relevant. We will provide fee updates on a monthly basis.

The budgets for Phases 2 and 3 will be subject to subsequent agreement between EYIA and the City. For the avoidance of doubt, fees exclude the costs associated with third party technical advisor input.

In addition, you shall reimburse EYIA for expenses incurred in connection with the performance of the Services, including expenses such as travel, meals accommodations in accordance with the City's Travel Allowance and Subsistence Policy, and other reasonable expenses specifically related to this engagement, all of which shall not exceed \$4,999.

Billing and Payment

We will submit invoices on a monthly basis in arrears for actual hours and expenses incurred. Payment is due forty-five days following your receipt of our proper invoice.

You will provide a Purchase Order or other such details in a timely manner, should this be required by you for payment. Any delays in providing a Purchase Order or any information necessary for our invoicing will not affect the payment terms based on our invoice date.

You shall also pay all applicable taxes (including VAT and others imposed), except to the extent you are exempt, incurred in connection with the delivery of the Services or the Reports (except for taxes imposed on EY's income).

Your obligation to pay our fees and expenses is not contingent upon the results of the Services or the consummation of the proposed transaction.

In witness whereof, the parties have executed this SOW as follows:

City of Fort Lauderdale

By: [Signature]

Christopher J. Lagerbloom, ICMA-CM
City Manager

Approved as to form:

By: [Signature]

Sr. Assistant City Attorney

WITNESSES:

[Signature]
Signature

Madison Cleaves
Print Name

[Signature]
Signature

GAIL E. ASHLEY
Print Name

Ernst & Young Infrastructure Advisors, LLC

By: [Signature]

Print Name: STEPHEN AUTON-SMITH

Title: SENIOR MANAGING DIRECTOR

ATTEST:

(SEAL)

By: [Signature]

Print Name: Tuyen Mai

Title: Senior Managing Director

STATE OF New York :
COUNTY OF Dutchess :

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 22nd day of October, 2021, by Stephen Auton-Smith as Senior Managing Director for Ernst & Young Infrastructure Advisors, LLC, a Delaware limited liability company authorized to transact business in the State of Florida.

(SEAL)

Regina M. Wexler
Signature of Notary Public – State of New York

Regina M. Wexler
Print, Type, or Stamp Commissioned Name of
Notary Public

Personally Known _____ OR Produced Identification ✓

Type of Identification Produced Driver's License

REGINA M. WEXLER
Notary Public, State of New York
No. 01WE4944513
Qualified in Dutchess County
Commission Expires 11/21/2022

ACTION OF
ERNST & YOUNG INFRASTRUCTURE ADVISORS, LLC


July 1, 2019

The undersigned, being a Manager of Ernst & Young Infrastructure Advisors, a Delaware limited liability company (the "Company") duly appointed by Ernst & Young U.S. LLP, the sole member of the Company (the "Sole Member") pursuant to a unanimous written consent of the Sole Member dated August 28, 2014, and acting in accordance with Sections 18-402 and 18-407 of the Delaware Limited Liability Company Act and the limited liability company agreement of the Company, hereby consents to and adopts the following resolutions by written consent, effective as of the date first above written:

RESOLVED, that the Company does hereby authorize, appoint and constitute each of Mr. Mike Parker, Ms. Sue Lee, Mr. Tuyen Mai, Mr. Neil McMonagle, Mr. Jon Godsmark, Mr. Stephen Auton-Smith, Mr. Thomas Pelnik and Mr. Marc Powell as authorized signatories of the Company, each of them individually being vested with full legal authority to bind the Company to any agreement, contract, certificate, instrument or other document (including, without limitation, any contract for the Company to perform services on behalf of a client or potential client (any of the foregoing, a "Contract") on which his or her signature may appear on behalf of the Company with the title of "Authorized Signatory," as if such Contract were executed by all of the Managers on behalf of the Company; and it is further

RESOLVED, that any Contract executed on behalf of the Company by any of such individuals prior to the date hereof is hereby ratified and confirmed in all respects.

ERNST & YOUNG INFRASTRUCTURE ADVISORS, LLC

By: 

Name: Tom Rousakis

Title: Manager



COMMISSION AGENDA ITEM
DOCUMENT ROUTING FORM

RUSH!

Today's Date: 11/4/2021

2L

DOCUMENT TITLE: ERNST & YOUNG INFRASTRUCTURE ADVISORS, LLC – STATEMENT OF WORK (Next Spring Water Investments, LLC + Aguajalá)

COMM. MTG. DATE: 7/6/2021 CAM #: 21-0572 ITEM #: CP-4 CAM attached: ☒ YES ☐ NO

Routing Origin: CAO Router Name/Ext: J. Larregui/5106 Action Summary attached: ☒ YES ☐ NO

CIP FUNDED: ☐ YES ☒ NO

Capital Investment / Community Improvement Projects defined as having a life of at least 10 years and a cost of at least \$50,000 and shall mean improvements to real property (land, buildings, or fixtures) that add value and/or extend useful life, including major repairs such as roof replacement, etc. Term "Real Property" include: land, real estate, realty, or real.

1) Dept: Procurement Router Name/Ext: C. Rose/5141 # of originals routed: 2 Date to CAO: 11/2/2021

2) City Attorney's Office: Documents to be signed/routed? ☒ YES ☐ NO # of originals attached: 2

Is attached Granicus document Final? ☒ YES ☐ NO

Approved as to Form: ☒ YES ☐ NO

Date to CCO: 11/12/21

Paul G. Bangel
Attorney's Name

PGB/JL
Initials

3) City Clerk's Office: # of originals: 2 Routed to: Donna V./Aimee L./CMO Date: 11/12/2021

4) City Manager's Office: CMO LOG #: Nov 34 Document received from: _____

Assigned to: CHRIS LAGERBLOOM ☐ TARLESHA SMITH ☐ GREG CHAVARRIA ☐
CHRIS LAGERBLOOM as CRA Executive Director ☐

☐ APPROVED FOR C. LAGERBLOOM'S SIGNATURE ☐ N/A FOR C. LAGERBLOOM TO SIGN

PER ACM: T. Smith (Initial/Date) PER ACM: G. Chavarria (Initial/Date)

☐ PENDING APPROVAL (See comments below)

Comments/Questions: _____

Forward 2 originals to ☐ Mayor ☒ CCO Date: 11-15-21

5) Mayor/CRA Chairman: Please sign as indicated. Forward _____ originals to CCO for attestation/City seal (as applicable) Date: _____

6) City Clerk: Forward 2 originals to CAO for FINAL APPROVAL Date: _____

7) CAO forwards 2 originals to CCO Date: _____ (PLEASE SCAN IN COLOR)

8) City Clerk: Scan original and forwards 2 originals to: C. Rose/Procurement/Ext. 5141

11/15/2021

Attach _____ certified Reso # _____ ☐ YES ☒ NO

Original Route form to J. Larregui/CAO