

Statement of Work

This Statement of Work, dated **21 October 2021**, (this “SOW”), is made by **Ernst & Young Infrastructure Advisors, LLC**, a Delaware limited liability company authorized to transact business in the State of Florida, (“we” or “EYIA”) and the City of Fort Lauderdale, a Florida municipality, (“you”, “the City” or “Client”), pursuant to the Agreement dated **14 July 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 have received four Unsolicited Proposals (the “Proposal(s)”) from consortia (the “Proposers”) pursuant to Section 255.065, Florida Statutes (the “Statute”), to construct and operate a regional water treatment facility, and provide certain additional services, via a public private partnership to replace the existing ageing Fiveash plant. We understand that each of these four Proposals has been subject to separate evaluation, in accordance with the Statute (“Evaluation”), and you are now seeking EYIA’s support to prepare comparative analysis to support the City’s ranking of the Proposals, as required by the Statute. In this context we will:

- Reconfirm the City’s strategic priorities and objectives, via information / data from the City.
- Provide generic evaluation criteria and scoring models for the City’s consideration. The City will be responsible for the final determination of evaluation criteria.
- Advise and provide observations on the City’s evaluation criteria and scoring model. Such advice and observations will focus on project economics, rate impact, risk, and commercial deliverability factors, to the extent relevant.
- Using the results of each separate Evaluation, we will comment on the relative strength of each Proposal in the context of the City’s evaluation criteria and stated preferences, including but not necessarily limited to:
 - i. Key commercial value and risk propositions;
 - ii. Proposed pricing, impact on rates and key financial terms;
 - iii. Commitment and capacity to achieve the City’s technical objectives;
 - iv. Proposed contracting and delivery model.
- Prepare a list of financial and commercial clarification questions and/or requests for information for the City to issue to the Proposers if required to allow a more effective evaluation.
- Attend clarification calls and meetings as necessary with the City and Proposers, if required.
- Liaise with the City and its advisors to allow for the integration of the financial and commercial implications of the Proposals by the City’s rate consultant into the City’s rate model.

- As required by the City, coordinate the input of a third-party technical engineering advisor. The technical advisor will analyze the relative 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 on the ranking of Proposals for the City and City Commission.
- Advise the City in the preparation of an outline strategy and timetable for negotiating an interim and/or comprehensive agreement with the highest ranked Proposer.

For the avoidance of doubt EYIA is not undertaking diligence on the Proposers, 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 Proposals or any other particular delivery approach. The City will be responsible for the final determination of evaluation outcomes.

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 employees 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 (2021), 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

This SOW will be undertaken over a 5-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

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 \$60,000. EYIA has budgeted 240 hours of staff time, but the City acknowledges that the comparability of the Proposals is largely unknown at this point. 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.

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, and 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: 

Christopher J. Lagerbloom, ICMA-CM
City Manager

Approved as to form:

By: 

Sr. Assistant City Attorney

WITNESSES:

Ernst & Young Infrastructure Advisors, LLC

Madison Cleaves
Signature

Madison Cleaves
Print Name

Gail E. Ashley
Signature

GAIL E. ASHLEY
Print Name

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)

[Signature]
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

IL

DOCUMENT TITLE: ERNST & YOUNG INFRASTRUCTURE ADVISORS, LLC – STATEMENT OF WORK (Consortia)

COMM. MTG. DATE: 10/21/2021 CAM #: 21-0680 ITEM #: CP-1 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: 1

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/SC
Initials

3) City Clerk's Office: # of originals: 1 Routed to: Donna V./Aimee L./CMO Date: 11/12/2021

4) City Manager's Office: CMO LOG #: Nov 33 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 1 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 1 originals to CAO for FINAL APPROVAL Date: _____

7) CAO forwards 1 originals to CCO Date: _____ (PLEASE SCAN IN COLOR)

8) City Clerk: Scan original and forwards 1 originals to: C. Rose/Procurement/Ext. 5141

11/15/2021

Attach _____ certified Reso # _____ ☐ YES ☒ NO

Original Route form to J. Larregui/CAO