

AGENDA ITEM SUMMARY

Submitted By: Office of Financial Management & Budget
Submitted For: OFMB

1. Amendment No. 1 to Contract with Spectrum Municipal Services, Inc.
2. Contract for Financial Advisory Services (R2004-2238)

9/2/08
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	=====	=====	=====	=====	=====
# ADDITIONAL FTE	_____	_____	_____	_____	_____
POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No _____

Budget Account No.: Fund _____ Agency _____ Org. _____ Object _____

Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

We are satisfied with the services provided by the financial advisor and recommend approval of Amendment No. 1.

John A. Long 9/7/06
OFMB

Ann J. Jacob 9/7/06
Contract Dev. and Control

B. Legal Sufficiency:

Paul F. J. 9/7/06
Assistant County Attorney

This amendment complies with our review requirements.
At the time of our review the Amendment was not executed.

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

**AMENDMENT No. 1 to CONTRACT WITH
SPECTRUM MUNICIPAL SERVICES, INC.**

THIS AMENDMENT No. 1, dated this _____ day of _____, 2006, to the Contract dated October 19, 2004 (R-2004-2238), by and between Palm Beach County, a political subdivision of the State of Florida, by and through its Board of County Commissioners (the COUNTY) and Spectrum Municipal Services, Inc., (the CONSULTANT).

WHEREAS, the parties entered into the Contract under which the CONSULTANT has provided certain professional financial advisory services for the COUNTY's Office of Financial Management and Budget;

WHEREAS, in accordance with Article 2 of the Contract the parties entered into, which allows for the COUNTY the option to renew the Contract for one additional two-year period; and

WHEREAS, Spectrum Municipal Services, Inc., a Florida corporation, desires to continue the business of CONSULTANT under the Contract with the COUNTY;

NOW THEREFORE, in consideration of the mutual promises contained herein the parties agree as follows:

1. Contract with Spectrum Municipal Services, Inc. is renewed for additional period of November 10, 2006 through and including November 10, 2008 as that term is used in the Contract.

Except as expressly modified above, the Contract is hereby confirmed and remains in full force and effect.

IN WITNESS WHEREOF, the Board of County Commissioners of Palm Beach County, Florida has made and executed this Amendment No. 1 to the Contract on behalf of the COUNTY and CONSULTANT has hereunto set its hand the day and year above written.

ATTEST:

PALM BEACH COUNTY, FLORIDA
by its Board of County Commissioners

SHARON R. BOCK,
CLERK & COMPTROLLER

By: _____
Deputy Clerk

By: _____
Tony Masilotti, Chairman

WITNESS:

SPECTRUM MUNICIPAL SERVICES, INC.

By: _____
Signature

By: _____
President

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: _____
County Attorney

R2004 2238

CONTRACT FOR FINANCIAL ADVISORY SERVICES

This Contract is made as of the **OCT 19 2004** day of , 2004, by and between Palm Beach County, a Political Subdivision of the State of Florida, by and through its Board of Commissioners, hereinafter referred to as the COUNTY, and Spectrum Municipal Services, Inc., whose address is 357 Hiatt Drive, Palm Beach Gardens, FL 33418 authorized to do business in the State of Florida, hereinafter referred to as the CONSULTANT, whose Federal I.D. is 65-0967891.

In consideration of the mutual promises contained herein, the COUNTY and the CONSULTANT agree as follows:

ARTICLE 1 - SERVICES

The CONSULTANT'S responsibility under this Contract is to provide professional/consultation services in the area of Financial Advisory Services, as more specifically set forth in the Scope of Work detailed in Exhibit "A". The CONSULTANT'S representative/liaison during the performance of this Contract shall be Clark Bennett, telephone no. (561) 627-6064.

The COUNTY'S representative/liaison during the performance of this Contract shall be John A. Long, telephone no. (561) 355-2733.

ARTICLE 2 - SCHEDULE

The Contract shall be in effect from the date of approval by the County, through and including November 10, 2006 and may be renewed at the County's option for one additional two year period unless previously terminated in accordance with Article 5.

ARTICLE 3 - PAYMENTS TO CONSULTANT

- A. The COUNTY agrees to compensate the CONSULTANT in accordance with the fee proposal set forth in Exhibit B attached hereto and incorporated by reference herein. The total and cumulative amount of this contract shall not exceed the amount of funds annually budgeted for these services. Reimbursable expenses incurred during the course of performance of this contract, including, but not limited to, out-of-pocket expenses for express mail, and long distance telephone, and shall be itemized and invoiced separately. The COUNTY shall not reimburse the CONSULTANT for any travel costs incurred as a direct result of the CONSULTANT'S providing deliverables to the COUNTY in pursuance of the scope of work contained in Exhibit A, attached hereto and made a part hereof.

- B. Invoices received from the CONSULTANT pursuant to this Contract will be reviewed and approved by the COUNTY'S representative, indicating that services have been rendered in conformity with the Contract and then will be sent to the Finance Department for payment. Invoices will normally be paid within thirty (30) days following the COUNTY representative approval.
- C. All requests for payment of expenses eligible for reimbursement under the terms of this Agreement shall include copies of said receipts, invoices, or other documentation acceptable to the Palm Beach County Finance Department. Such documentation shall be sufficient to establish that the expense was actually incurred and necessary in the performance of the scope of work described in this Agreement. Long distance telephone calls shall identify the person(s) called, purpose of call, time and costs. Duplication charges shall describe the documents, purpose of duplicating, and rate charged. Any travel, per diem, mileage, meals or lodging expenses which may be reimbursable under the terms of this Agreement will be paid in accordance with the rates and conditions set forth in Section 112.061, Florida Statutes.

ARTICLE 4 - TRUTH-IN-NEGOTIATION CERTIFICATE

Signature of this Contract by the CONSULTANT shall also act as the execution of a truth-in-negotiation certificate certifying that the wage rates, over-head charges, and other costs used to determine the compensation provided for in this Contract are accurate, complete and current as the date of the Contract and no higher than those charged the CONSULTANT'S most favored customer for the same or substantially similar service.

The said rates and costs shall be adjusted to exclude any significant sums should the COUNTY determine that the rates and costs were increased due to inaccurate, incomplete or noncurrent wage rates or due to inaccurate representations of fees paid to outside consultants. The COUNTY shall exercise its rights under this Article 4 within three (3) years following final payment.

ARTICLE 5 - TERMINATION

This Contract may be canceled by the CONSULTANT upon sixty (60) days' prior written notice to the COUNTY'S representative in the event of substantial failure by the COUNTY to perform in accordance with the terms of this Contract through no fault of the CONSULTANT. It may also be terminated, in whole or in part, by the COUNTY, with or without cause, immediately upon written notice to the CONSULTANT. Unless the CONSULTANT is in breach of this Contract, the CONSULTANT shall be paid for services rendered to the COUNTY'S satisfaction through the date of termination. After receipt of a Termination Notice and except as otherwise directed by the COUNTY the CONSULTANT shall:

- A. Stop work on the date and to the extent specified.

- B. Terminate and settle all orders and subcontracts relating to the performance of the terminated work.
- C. Transfer all work in process, completed work, and other materials related to the terminated work to the COUNTY.
- D. Continue and complete all parts of the work that have not been terminated.

ARTICLE 6 - PERSONNEL

The CONSULTANT represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the COUNTY.

All of the services require hereinunder shall be performed by the CONSULTANT or under its supervision, and all personnel engaged in performing the services shall be fully qualified and, if required, authorized or permitted under state and local law to perform such services.

Any changes or substitutions in the CONSULTANT'S key personnel, as may be listed in Exhibit "A", must be made know to the COUNTY'S representative and written approval must be granted by the COUNTY'S representative before said change or substitution can become effective.

The CONSULTANT warrants that all services shall be performed by skilled and competent personnel to the highest professional standards in the field.

All of the CONSULTANT'S personnel (and all Subcontractors) while on County premises will comply with all COUNTY requirements governing conduct, safety and security.

ARTICLE 7 - FEDERAL AND STATE TAX

The COUNTY is exempt from payment of Florida State Sales and Use Taxes. The COUNTY will sign an exemption certificate submitted by the CONSULTANT. The CONSULTANT shall not be exempted from paying sales tax to its suppliers for materials used to fulfill contractual obligations with the COUNTY, nor is the CONSULTANT authorized to use the COUNTY'S Tax Exemption Number in securing such materials.

The CONSULTANT shall be responsible for payment of its own and its share of its employees' payroll, payroll taxes, and benefits with respect to this contract.

ARTICLE 8 - AVAILABILITY OF FUNDS

The COUNTY'S performance and obligation to pay under this contract is contingent upon an annual appropriation for its purpose by the Board of County Commissioners.

ARTICLE 9 - INSURANCE

- A. CONSULTANT shall, at it's sole expense, agree to maintain in full force and effect at all times during the life of this Contract, insurance coverages, limits, including endorsements, as described herein. The requirements contained herein, as well as COUNTY'S review or acceptance of insurance maintained by CONSULTANT are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by CONSULTANT under the contract.
- B. **Commercial General Liability:** CONSULTANT shall agree to maintain Commercial General Liability at a limit of liability not less than \$500,000 Each Occurrence. Coverage shall not contain any endorsement excluding Contractual Liability or Cross Liability unless granted by County's Risk Management Department. CONSULTANT shall agree this coverage shall be provided on a primary basis.
- C. **Business Automobile Liability:** CONSULTANT shall agree to maintain Business Automobile Liability at a limit of not less than \$500,000 Each Occurrence for all owned, non-owned and hired automobiles. In the event CONSULTANT doesn't own any automobiles, the Business Auto Liability requirement shall be amended allowing CONSULTANT to agree to maintain only Hired & Non-Owned Auto Liability. This amended requirement may be satisfied by way of endorsement to the Commercial General Liability, or separate Business Auto coverage form. CONSULTANT shall agree this coverage shall be provided on a primary basis.
- D. **Worker's Compensation Insurance & Employers Liability:** CONSULTANT shall agree to maintain Worker's Compensation Insurance & Employers Liability in accordance with Florida Statute Chapter 440. CONSULTANT shall agree this coverage shall be provided on a primary basis.
- E. **Professional Liability:** CONSULTANT shall agree to maintain Professional Liability, or equivalent Errors & Omissions Liability at a limit of liability not less than \$1,000,000 Per Occurrence. When a self-insurance retention (SIR) or deductible exceeds \$10,000, COUNTY reserves the right, but not the obligation, to review and request a copy of CONSULTANT'S most recent annual report or audited financial statement. For policies written on a "Claims-Made" basis, CONSULTANT warrants the Retroactive Date equals or precedes the effective date of this contract. In the even the policy is canceled, non-renewed, switched to an Occurrence Form, retroactive date advances; or any other event triggering the right to purchase a Supplemental Extended Reporting Period (SERP) during the life of this Contract, CONSULTANT shall agree to purchase a SERP with a minimum reporting period not less than three (3) years. CONSULTANT shall agree this coverage shall be provided on a primary basis.

- F. **Additional Insured:** CONSULTANT shall agree to endorse the COUNTY as an Additional Insured with a CG 2026 Additional Insured - Designate Person or Organization endorsement, or its equivalent, to the Commercial General Liability. The Additional Insured endorsement shall read "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents." CONSULTANT shall agree the Additional Insured endorsements provide coverage on a primary basis.
- G. **Waiver of Subrogation:** CONSULTANT shall agree by entering into this Contract to a Waiver of Subrogation for each required policy. When required by the insurer, or should a policy condition not permit an Insured to enter into a pre-loss agreement to waive subrogation without an endorsement, then CONSULTANT shall agree to notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which a condition to the policy specifically prohibits such an endorsement, or voids coverage should CONSULTANT enter into such an agreement on a pre-loss basis.
- H. **Certificate(s) of Insurance:** Immediately following notification of the award of this Agreement, CONSULTANT shall agree to deliver COUNTY a Certificate(s) of Insurance evidencing that all types and amounts of insurance coverages required by this Contract have been obtained and are in full force and effect. Such Certificate(s) of Insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage.
- I. **Umbrella or Excess Liability:** If necessary, CONSULTANT may satisfy the minimum limits required above for either Commercial General Liability, Business Auto Liability, and Employer's Liability coverage under Umbrella or Excess Liability. The umbrella or Excess Liability shall have an Aggregate limit not less than the highest "Each Occurrence" limit for either Commercial General Liability, Business Auto Liability, or Employer's Liability. The COUNTY shall be specifically endorsed as an "Additional Insured" on the Umbrella or Excess Liability, unless the Certificate of Insurance notes the Umbrella or Excess Liability provides coverage on a "Follow-Form" basis.
- J. **Right to Review:** COUNTY, by and through its Risk Management Department, in cooperation with the contracting/monitoring department, reserves the right to review, modify, reject or accept any required policies of insurance, including limits, coverages, or endorsements, herein from time to time throughout the life of this Contract. COUNTY reserves the right, but not the obligation, to review and reject any insurer providing coverage because of its poor financial condition or failure to operating legally.

ARTICLE 10 - INDEMNIFICATION

The CONSULTANT shall indemnify and save harmless and defend the COUNTY, its agents, servants, and employees from and against any and all claims, liability, losses, and/or cause of action which may arise from any negligent act or omission of the CONSULTANT, its agents, servants, or employees in the performance of services under this Contract.

The CONSULTANT further agrees to indemnify, save harmless and defend the COUNTY, its agents, servants and employees from and against any claim, demand or cause of action of whatsoever kind or nature arising out of any conduct or misconduct of the CONSULTANT not included in the paragraph above and for which the COUNTY, its agents, servants or employees are alleged to be liable.

ARTICLE 11 - SUCCESSORS AND ASSIGNS

The COUNTY and the CONSULTANT each binds itself and its partners, successors, executors, administrators and assigns to the other party of this Contract and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Contract. Except as above, neither the COUNTY nor the CONSULTANT shall assign, sublet, convey or transfer its interest in this Contract without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the COUNTY which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the COUNTY and the CONSULTANT.

ARTICLE 12 - REMEDIES

This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the contract will be held in Palm Beach County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

ARTICLE 13 - CONFLICT OF INTEREST

The CONSULTANT represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance or services required hereunder, as provided for in Florida Statutes 112.311. The CONSULTANT further represents that no person having any interest shall be employed for said performance.

The CONSULTANT shall promptly notify the COUNTY'S representative, in writing, by certified mail, of all potential conflicts of interest for any prospective business association, interest or other circumstance which may influence or appear to influence the CONSULTANT'S judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the CONSULTANT may undertake and request an opinion of the COUNTY as to whether the association, interest or circumstance would, in the opinion of the COUNTY, constitute a conflict of interest if entered into by the CONSULTANT. The COUNTY agrees to notify the CONSULTANT of its opinion by certified mail within thirty (30) days of receipt of notification by the CONSULTANT. If, in the opinion of the COUNTY, the prospective business association, interest or circumstance would not constitute a conflict of interest by the CONSULTANT, the COUNTY shall so state in the notification and the CONSULTANT shall, at its option, enter into said association, interest or circumstance and it shall be deemed not in conflict of interest with respect to services provided to the COUNTY by the CONSULTANT under the terms of this Contract.

ARTICLE 14 - EXCUSABLE DELAYS

The CONSULTANT shall not be considered in default by reason of any failure in performance if such failure arises out of causes reasonably beyond the control of the CONSULTANT or its subcontractors and without their fault or negligence. Such causes include, but are not limited to: acts of God; natural or public health emergencies; labor disputes; freight embargoes; and abnormally severe and unusual weather conditions.

Upon the CONSULTANT'S request, the COUNTY shall consider the facts and extent of any failure to perform the work and, if the CONSULTANT'S failure to perform was without it or its subcontractors fault or negligence, the Contract shall be revised accordingly; subject to the COUNTY'S rights to change, terminate, or stop any or all of the work at any time.

ARTICLE 15 - ARREARS

The CONSULTANT shall not pledge the COUNTY'S credit or make it a guarantor of payment or surety for any contract, debt, obligation, judgment, lien, or any form of indebtedness. The CONSULTANT further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Contract.

ARTICLE 16 - DISCLOSURE AND OWNERSHIP OF DOCUMENTS

The CONSULTANT shall deliver to the COUNTY'S representative for approval and acceptance, and before being eligible for final payment of any amounts due, all documents and materials prepared by and for the COUNTY under this Contract.

All written and oral information not in the public domain or not previously known, and all information and data obtained, developed, or supplied by the COUNTY or at its expense will be kept confidential by the CONSULTANT and will not be disclosed to any other party, directly or indirectly, without the COUNTY'S prior written consent unless required by a lawful order. All drawings, maps, sketches, programs, data base, reports and other data developed, or purchased, under this Contract for or at the COUNTY'S expense shall be and remain the COUNTY'S property and may be reproduced and reused at the discretion of the COUNTY.

The COUNTY and the CONSULTANT shall comply with the provisions of Chapter 119, Florida Statutes (Public Records Law).

All covenants, agreements, representations and warranties made herein, or otherwise made in writing by any party pursuant hereto, including but not limited to any representations made herein related to disclosure or ownership of documents, shall survive the execution and delivery of this Contract and the consummation of the transactions contemplated hereby.

ARTICLE 17 - INDEPENDENT CONTRACTOR RELATIONSHIP

The CONSULTANT is, and shall be, in the performance of all work services and activities under this Contract, an Independent Contractor, and not an employee, agent, or servant of the COUNTY. All persons engaged in any of the work or services performed pursuant to this Contract shall at all times, and in all places, be subject to the CONSULTANT'S sole direction, supervision, and control. The CONSULTANT shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the CONSULTANT'S relationship and the relationship of its employees to the COUNTY shall be that of an Independent Contractor and not as employees or agents of the COUNTY.

The CONSULTANT does not have the power or authority to bind the COUNTY in any promise, agreement or representation other than specifically provided for in this agreement.

ARTICLE 18 - CONTINGENT FEES

The CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT to solicit or secure this Contract and that it has not paid or agreed to pay any person, company corporation, individual, or firm, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Contract.

ARTICLE 19 - ACCESS AND AUDITS

The CONSULTANT shall maintain adequate records to justify all charges, expenses, and costs incurred in estimating and performing the work for at least three (3) years after completion of this Contract. The COUNTY shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at the CONSULTANT'S place of business.

ARTICLE 20- NONDISCRIMINATION

The CONSULTANT warrants and represents that all of its employees are treated equally during employment with regard to race, color, religion, disability, sex, age, national origin, ancestry, marital status, or sexual orientation.

ARTICLE 21 - AUTHORITY TO PRACTICE

The CONSULTANT hereby represents and warrants that it has and will continue to maintain all licenses and approvals required to conduct its business, and that it will at all times conduct its business activities in a reputable manner. Proof of such licenses and approvals shall be submitted to the COUNTY'S representative upon request.

ARTICLE 22 - SEVERABILITY

If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, to remainder of this Contract, or the application of such terms or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

ARTICLE 23 - PUBLIC ENTITY CRIMES

As provided in F.S. 287.132-133, by entering into this contract or performing any work in furtherance hereof, the contractor certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the 36 months immediately preceding the date hereof. This notice is required by F.S. 287.133(3)(a).

ARTICLE 24 - MODIFICATIONS OF WORK

The COUNTY reserves the right to make changes in Scope of Work, including alterations, reductions therein or additions thereto. Upon receipt by the CONSULTANT of the COUNTY'S notification of a contemplated change, the CONSULTANT shall, in writing: (1) provide a detailed

estimate for the increase or decrease in cost due to the contemplated change, (2) notify the COUNTY of any estimated change in the completion date, and (3) advise the COUNTY if the contemplated change shall effect the CONSULTANT'S ability to meet the completion dates or schedules of this Contract.

If the COUNTY so instructs in writing, the CONSULTANT shall suspend work on that portion of the Scope of Work affected by a contemplated change, pending the COUNTY'S decision to proceed with the change.

If the COUNTY elects to make the change, the COUNTY shall initiate a Contract Amendment and the CONSULTANT shall not commence work on any such change until such written amendment is signed by the CONSULTANT and approved and executed by the Board of County Commissioners for Palm Beach County.

ARTICLE 25 - NOTICE

All notices required in this Contract shall be sent by certified mail, return receipt requested, and if sent to the COUNTY shall be mailed to:

Director (or Debt Manager)
Office of Financial Management and Budget
Palm Beach County
301 North Olive Ave., 7th Floor
West Palm Beach, Florida 33401

with copy to:

County Attorney
Palm Beach County
301 N. Olive Ave., 6th Floor
West Palm Beach, Florida 33401

and if sent to the CONSULTANT shall be mailed to:

Spectrum Municipal Services, Inc.
357 Hiatt Drive
Palm Beach Gardens, Florida 33418

ARTICLE 26 - ENTIRETY OF CONTRACTUAL AGREEMENT

The COUNTY and the CONSULTANT agree that this Contract sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Contract may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto in accordance with Article 25 - Modifications of Work.

IN WITNESS WHEREOF, the Board of County Commissioners of Palm Beach County, Florida has made and executed this Contract on behalf of the COUNTY and CONSULTANT has hereunto set its hand the day and year above written.

ATTEST:

DOROTHY H. WILKEN, Clerk

By: Linda Coffey
Deputy Clerk



WITNESS:

Signature

Name (type or print)

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: Paul F. G.
County Attorney

APPROVED AS TO TERMS AND
CONDITIONS

By: Richard Roberts
Richard Roberts, Director

R2004 2238

PALM BEACH COUNTY

BOARD OF COUNTY COMMISSIONERS:

By: [Signature]
Chair

OCT 19 2004

CONSULTANT:

Spectrum Municipal Services, Inc.
Company Name

[Signature]
Signature

Clark D. Bennett
Typed Name

Managing Director
Title

PALM BEACH COUNTY
SCOPE OF FINANCIAL ADVISORY SERVICES

Exhibit A

The Financial Advisor must provide the full scope of advisory services and demonstrate experience in preparing and marketing a bond issue. The Consultant's key personnel are Clark Bennett and Jessica Savidge. The services should include, but are not limited to, the following:

- A. Review existing debt structure and financial resource to determine available borrowing capacity.
- B. Participate in developing the financial plan for the County's six year capital improvements program.
- C. Evaluate and recommend the use of alternative financing mechanisms and instruments, including, but not limited to privatization, certificates of participation, tax-exempt commercial paper and notes, vendor financing and interest rate swaps. Also, assist in negotiating the financial component of any such proposals implemented.
- D. Recommend appropriate financial structure for proposed projects and provide County with information about the structure of financing programs used by other issuers.
- E. Provide advice on terms and features of bonds, the economic benefit of bond insurance and on timing and marketing of bond issues.
- F. Recommend the necessary provisions and covenants to be contained in bond issues, including, but not limited to bond amounts, maturities, interest rates, redemption provisions, flow of funds, debt service coverage requirements, reserve funds, security pledges and conditions relating to the issuance of additional bonds.
- G. Assist County with preparation of cash flow forecasts for proposed issues addressing debt service requirements and sources of funding.
- H. Assist with validation proceedings and testifying as an expert witness on the offering.
- I. Preparation of Official Statement in conjunction with Bond Counsel in conformance with full disclosure guidelines.
- J. Arrange for widest possible distribution of Official Statement to Bond Underwriters and investors.

- K. Assist the County with the upgrading of its current credit rating and coordinate applications for future credit rating in order to obtain the highest possible credit rating.
- L. Negotiate interest rates proposed by the underwriters for the bonds as well as the underwriters compensation and expense expressed in terms of the gross underwriters discount.
- M. Evaluate the bond purchase agreement and recommend acceptance by the County.
- N. Assist the County in selecting trustees, paying agents and other financial intermediaries as necessary.
- O. Assist the County at Bond closing and coordinate printing, signing and delivery of Bonds.
- P. Advise the County on proposed and actual changes in tax laws and changes in financial markets that could affect the County's bond financing plans.
- Q. Provide monthly analysis of market conditions as they relate to future sales and advise County of prices of outstanding bonds.

PALM BEACH COUNTY
FEE PROPOSAL FOR FINANCIAL ADVISORY SERVICES
FROM SPECTRUM MUNICIPAL SERVICES
Exhibit B

- A. **Retainer Fee** - The FINANCIAL ADVISOR will be paid a \$24,000 annual retainer fee for financial advisory services rendered to the County which are not related to a specific bond issuance or other financing as described in paragraphs B and C. The retainer fee shall be paid monthly in arrears at the rate of \$2,000.

Financial advisory services covered by the retainer would include reviewing existing debt structure and financial resources to determine borrowing capacity; evaluating proposals from underwriters; evaluating and recommending alternative financing structures; and attending meetings with County Commissioners and County Staff and participating in conference calls with County Staff and other consultants related to any financing matter not described in paragraphs B and C.

- B. **Services Rendered for the Public Offering of Securities** - For any single issue of Bonds, Bond anticipation notes, lease obligations, certificates of participation, the conversion of variable rate obligations, the Financial Advisor shall be paid a fee equal to \$3.00 per \$1,000 principal amount of bonds on the first \$5,000,000 bonds issued; \$1.00 per \$1,000 principal amount of Bonds issued on the next \$15,000,000 Bonds issued; \$0.50 per \$1,000 principal amount of bonds on the next \$20,000,000 bonds issued; and \$0.25 per \$1,000 principal amount of Bonds issued in excess of \$40,000,000 bonds issued; provided, however, that the minimum fee for any such financing shall be \$15,000.

It is expressly understood that such fees shall be contingent upon the completion of any financing, and if for any reason a financing is not completed, there shall be no fee of reimbursement for expenses owing to the Financial Advisor.

- C. **Services Provided for Other County Financing Activities** - For Financial Advisory services provided for financing activities which do not result in the issuance of County Bonds (B above), the Financial Advisor shall be compensated at a rate of \$100 per hour. Any such services would include services provided in connection with the private placement of County debt, participation in pooled short term borrowing programs, bank loans, and tax anticipation notes. Prior written authorization from the Director of the Office of Financial Management and budget is required for these services.