

Financial Services  
Richard H. Hinds, Chief Financial Officer

**SUBJECT:** REQUEST AUTHORIZATION TO EXTEND THE CONTRACTUAL SERVICES AGREEMENT BETWEEN THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, AND PUBLIC FINANCIAL MANAGEMENT, INC., PURSUANT TO REQUEST FOR PROPOSALS NO. 029-KK10 – FINANCIAL ADVISOR

**COMMITTEE:** INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

**LINK TO STRATEGIC FRAMEWORK:** FINANCIAL EFFICIENCY/STABILITY

At the Board Meeting of April 14, 2010, the School Board awarded Public Financial Management, Inc. a contract, to provide independent financial advisory services in connection with the financing for the District's ongoing Capital Construction Program and other capital needs, for the Office of Treasury Management. The financial advisor will provide advice and assistance regarding the debt management program, long-term credit strategies, and coordination of financing/capital funding agreements.

The services include, but are not be limited to, the following debit issuances: general obligation bonds, certificates of participation, revenue anticipation notes, master equipment/technology leases, tax anticipation notes, forward purchases and remarketing agreements, debt refunding and restructuring, public private partnerships, and derivatives/swaps.

The award and the contract executed, pursuant to the Request For Proposals, was for an initial two-year period, with an option to extend for two (2) additional one-year periods. The District has been satisfied with the services provided by the vendor.

Public Financial Management, Inc., thru affiliate PFM Asset Management, LLC, will be providing additional services, pursuant to terms and conditions included in the Request For Proposals related to Other Financial Advisory Services. These services include advisory services related to use of derivatives, Escrow, Sinking Fund & other types of structuring and liquidation, and investment agreements services related to debt issued by the District. These services may be deemed investment advisory services under the federal securities law and, therefore, must be performed by affiliate, which is an investment advisor registered under the Investment Advisor Act of 1940.

The Treasury Advisory Committee approved the additional scope of services. Attachment A delineates all related fees, which have not increased.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida, **AUTHORIZE** the Superintendent of Schools to enter into an extension of the contractual services agreement, as provided by the current contract between The School Board of Miami-Dade County, Florida, and Public Financial Management, Inc., pursuant to Request For Proposals No. 029-KK10 – FINANCIAL ADVISOR, to provide independent financial advisory services in connection with the financing for the District's ongoing Capital Construction Program and other capital needs, for the Office of Treasury Management, effective July 1, 2012, through June 30, 2013, including extensions thereto, under revised terms and pursuant to the Attached Fee Schedule, as follows:

PUBLIC FINANCIAL MANAGEMENT, INC.  
300 SOUTH ORANGE AVENUE, SUITE 1170  
ORLANDO, FL 32801  
DAVID M. MOORE, MANAGING DIRECTOR

RHH/ae

## Financial Advisor Fee Schedule

<b>1</b>	<b>C.O.P./Lease Backed Financing</b>	<b>Fee</b>
	Fees per \$1,000 par value:	0.27
	Minimum fee per sale:	\$25,000
	Maximum fee per sale:	\$75,000
	Maximum expenses per sale:	\$5,000
	Fees for refunding per \$1,000 par value:	0.27
<b>2</b>	<b>G.O./Sales Tax Financing</b>	<b>Fee</b>
	Fees per \$1,000 par value:	0.20
	Minimum fee per sale:	\$20,000
	Maximum fee per sale:	\$75,000
	Maximum expenses per sale:	\$5,000
	Fees for refunding per \$1,000 par value:	0.20
<b>3</b>	<b>Short Term Financings RFP</b>	<b>Fee</b>
	Fees per \$1,000 par value:	0.25
	Minimum fee per sale:	\$10,000
	Maximum fee per sale:	\$30,000
	Maximum expenses per sale:	\$5,000
	<b>4</b>	<b>Master Equipment/Technology Leases</b>
Fees per \$1,000 par value:		0.25
Minimum fee per sale:		\$10,000
Maximum fee per sale:		\$30,000
Maximum expenses per sale:		\$5,000
<b>5</b>		<b>Additional Services</b>
	Service: QZCB per \$1000 par value	0.30
	Minimum Fee per sale	\$20,000
	Service: QZAB per \$1000 par value	\$10,000 per Issue
	Service: Hourly Rate (1)	\$250-\$200

(1) Separate fees will be negotiated in advance for additional services.

Derivative ServicesA. Swap/Derivative Product Fees - For Executed Transactions:

The Contractor shall be reimbursed based on a "Fee Per \$1 000 of Notional Amount" (as stated below) for each executed transaction, which shall include all costs associated for such Services. However, there will be a minimum and maximum fee set per transaction, as applicable. Descriptions of the Services to be provided are found in Section 3 of Appendix A.

Swap/Derivative Fees Per \$1 000 of Notional Amount:

Notional Amount	Fees per \$1000 of Notional Amount		
	Fixed to Variable	Variable to Fixed	Other Derivative Products (including basis swaps)
0-\$50,000,000	\$0.80	\$0.80	\$0.80
\$50,000,001-\$100,000,000	\$0.60	\$0.60	\$0.60
\$100,000,001-\$150,000,000	\$0.40	\$0.40	\$0.40
\$150,000,001 and over	\$0.10	\$0.10	\$0.10
Notwithstanding the fees stated above, the minimum and maximum fee paid per transaction shall be as stated below			
Minimum Fee per Transaction (in Dollars)	\$25,000	\$25,000	\$25,000
Maximum Fee per Transaction (in Dollars)	\$105,000	\$105,000	\$105,000

Notes for Section A Fees:

1. If the resulting total fee based on the "Fee Per \$ 1 000 of Notional Amount" times the "Notional Amount" is less than the "Minimum Fee Per Transaction", then the "Minimum Fee Per Transaction" shall be paid.
2. If the resulting total fee based on the "Fee Per \$ 1 000 of Notional Amount" times the "Notional Amount" is more than the "Maximum Fee Per Transaction", then the "Maximum Fee Per Transaction" shall be paid.
3. The fees above include normal administrative fees, such as telephone, mailing, faxes, copying charges, overnight mail, etc. The fees above, however, do not include out of pocket expenses related to travel expenses incurred in connection with an executed transaction. Actual and verified out of pocket expenses shall not exceed \$5000 per executed transaction, unless otherwise approved in writing and in advance by the Agency. Payment for Agency approved out of pocket expenses shall be paid by the Agency after the submission of an invoice in a form acceptable to the Agency. Contractor shall adhere to Section 1 1 2.061 of the Florida Statutes for travel expenses.

**B. Swap/Derivative Product Hourly Rate -- For Non-Executed Transactions and for Additional Services:**

The Agency shall pay the Contractor on an hourly basis for performed Services on Swap/Derivative products proposals that do not result in an executed transaction (see Section 3 of Appendix A), and for Additional Services (see Section 4 of Appendix A). The hourly rates for such services, as stated below, include all costs associated with performing such Services.

**1. Hourly Rates for Swap/Derivative Products Proposals That Did Not Result in an Executed Transaction and for Additional Services:**

Swap Advisor/Staff	Hourly Rate
Managing Director or Senior Managing Consultant	\$400
Consultant	\$200
Clerical	\$0.00

**2. Contractor's Policy for Billing Hourly Fees:**

The Contractor shall provide the Services described in Sections 3 and 4 of Appendix A and waive the hourly rates if the Agency executes at least one transaction per year of the contract term and renewal periods.

**Notes for Section B Hourly Rates:**

1. The hourly rates above include normal administrative fees, such as telephone, mailing, faxes, copying charges, overnight mail, etc.
2. The rates above, however, do not include out of pocket expenses related to travel expenses incurred in connection with proposals that do not result in an executed transaction.
3. Actual and verified out of pocket expenses shall not exceed \$5000 per each proposal not executed, unless otherwise approved in writing and in advance by the Agency.
4. Payment for Agency approved out of pocket expenses shall be paid by the Agency after the submission of an invoice in a form acceptable to the Agency. Contractor shall adhere to Section 11 2.061 of the Florida Statutes for travel expenses.
5. The key personnel who will be performing the Services in Section 3 of Appendix A shall also perform the Additional Services, as needed.
6. For fees indicated as \$0.00, the Contractor shall provide such Services at no charge.

Added

**Notes For Sections A and B Above:**

1. The Agency is exempt from all taxes (Federal, State, and Local). Tax Exemption Certificate furnished upon request.
2. All fees are fixed for the term of the contract, including renewal periods.