

Memorandum



Date: May 10, 2018

Agenda Item No. 2(B)2

To: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

June 5, 2018

From: Carlos A. Gimenez
Mayor

A blue ink signature of Carlos A. Gimenez, Mayor of Miami-Dade County, written over the name.

Subject: Response to Requests for Information and Recommendations Related to the Selection of a Procurement Process and Project Site for the Civil and Probate Courthouse Project

On April 10, 2018, the Board of County Commissioners directed the Administration to provide additional information to the Board in consideration of the County's selected procurement process and project site for the Civil and Probate Courthouse Project (Courthouse Project). As a result, this report includes: 1) an update on the status of the County's P3 Advisor, 2) clarifications of information provided by New Flagler Courthouse Development Partners (NFCDP), 3) a summary of the four submittals received in response to *RFQ-00820*, 4) an analysis of the advantages and disadvantages of each proposed procurement process, 5) the construction cost differentials and other cost considerations with the selection of either potential Courthouse Project site, and 6) a list of County leases to organizations that provide services to children and families as requested by Commissioner Heyman at the April 18, 2018 Public Safety and Health Committee meeting.

The Administration's ability to provide this information to the Board sooner has been constrained by the Cone of Silence and the confidentiality protections afforded to unsolicited proposals by Florida law and the County Code. Due to the scope of information provided and the complexity of the Courthouse Project, this report was developed by the County's internal P3 Working Group in collaboration with professional staff from the Internal Services Department, the Department of Regulatory and Economic Resources, the Department of Transportation and Public Works, and the County Attorney's Office.

Replacement P3 Advisor

As previously reported to the Board, the County has removed KPMG LLP (KPMG) from the Courthouse Project due to a self-reported breach of confidentiality related to its evaluation of the unsolicited proposal. Staff is working closely with the County Attorney's Office and the Inspector General to determine the appropriate course of action with respect to the County's contract with KPMG. The results of that evaluation will be reported to the Board through a separate report.

To secure a replacement advisor for the Courthouse Project, the County contacted BMO Capital Markets, Inc. (BMO), who was the second-ranked firm at the conclusion of the evaluation of *Request for Proposals No. RFP-00199*. Staff evaluated BMO's experience with traditional P3 procurements and unsolicited proposals and determined that BMO has the necessary qualifications to advise the County on the Courthouse Project. As a result, a contract was awarded under the County Mayor's delegated authority to allow BMO to immediately begin advising the County for this project. BMO has partnered with IMG Rebel, which is currently providing financial advisory services to the Citizens Independent Transportation Trust. A modification of BMO's contract will be presented for Board consideration in the coming weeks to engage BMO for the remainder of the Courthouse Project in order to avoid a re-procurement of these services, which will result in significant delays to the Courthouse Project.

Clarifications of Information Provided by NFCDP

NFCDP has communicated information to this Board in support of its unsolicited proposal that requires additional clarification. The table below addresses those statements to ensure that the Board's decisions with respect to the Courthouse Project are informed by all relevant information.

NFCDP Claim	County Analysis
Only two similar projects in the United States have used the County's two-step P3 procurement process. ¹	The County's two-step procurement process has successfully been used for 39 P3 projects that have reached financial close in the United States since 2008. For courthouse projects, the two-step procurement process was the selected procurement method for five jurisdictions.
The alternative procurement process proposed by NFCDP will be faster than the County's two-step process. ²	BMO was unable to identify industry precedent that supports NFCDP's claim that its process will be faster. While NFCDP's proposal estimates a procurement process being complete in 11 months, the average length of the procurement process for the precedent projects provided by NFCDP was 19 months. The NFCDP timeline does not appear to identify time for evaluation of proposals or Board approvals, and appears to underestimate the time needed for significant steps such as negotiations.
The alternative procurement process proposed by NFCDP will save the County approximately \$3 million in design costs. ³	The activities to be performed by the technical advisor will be substantially similar in either process. Thus, the alternative procurement process will not result in design cost savings for the County.
The alternative procurement process proposed by NFCDP is the preferred method of procurement being used to deliver similar projects. ⁴	NFCDP provided the County a list of 47 projects in the United States that have used the alternative procurement process, however 32 are not comparable as they were military and student housing projects. These projects are developed based on rental income and not through an annual availability payment by the public owner. Only two courthouse projects were listed that used this alternative procurement process, and both are in the early stages of procurement. The Travis County Courthouse example listed is not a P3.
The alternative procurement process will save the costs associated with the payment of stipends. ⁵	Stipend payments to the unsuccessful shortlisted proposers have not yet been considered or otherwise authorized by the Board for the Courthouse Project.

¹ Claimed by NFCDP in letter to the County dated April 20, 2018 and in public statements by a NFCDP representative at April 18, 2018 Public Safety and Health Committee meeting.

² Claimed by NFCDP in letters to the County dated April 20, 2018 and April 25, 2018 among other instances.

³ Claimed by NFCDP in letters to the County dated April 20, 2018 and April 25, 2018 among other instances.

⁴ Claimed in public statement by NFCDP representative at the April 18, 2018 Public Safety and Health Committee meeting.

⁵ Claimed by NFCDP in letter to the County dated April 20, 2018.

Procurement Process Considerations

In response to concerns expressed by the Board regarding the neutrality of KPMG's analysis, the County directed BMO to conduct an independent review of the County's existing two-step procurement process and the proposed alternative procurement process to determine the advantages and disadvantages of each. BMO's analysis is attached to this report as Attachment

1. BMO analyzed several relevant factors such as the impact on timing, project costs, risk allocation, transparency, and County control among other factors. BMO's assessment of each of these factors weighed heavily in favor of the County continuing with its existing two-step procurement process. A summary of the key points are contained below:

- **Timing:** While the alternative procurement process allows for the earlier selection of a preferred developer, the sustained competitive pressure in the County's existing two-step procurement process will at least offset early time losses and is likely to result in a faster overall implementation.
- **Costs:** The County's existing two-step procurement process is likely to decrease the overall project cost in comparison to the alternative procurement process due to the existence of sustained competitive pressure on equity and consideration of integrated lifecycle costing. However, the alternative procurement process will likely lead to lower transaction costs (one component of the total project cost) for both the County and the preferred developer.
- **Risk:** The County's existing two-step procurement process allows the County to transfer risks and uncertainties earlier to the private sector, which will result in gains from lifecycle costing and more efficient risk management in comparison to the alternative procurement process. The alternative procurement process is likely to result in less risk of time delays in the permitting process.
- **Transparency:** The alternative procurement process will result in the negotiation with a single bidder without sustained competitive pressure and is more likely to generate public concerns about transparency than the County's existing two-step procurement process.
- **Control:** The County's existing two-step procurement process provides a greater level of control to the County than the alternative procurement process, especially during the development of the project agreement.

The County's existing process has already yielded positive market interest from P3 developers. On May 2, 2018, the County received four submittals from potential development teams in response to RFQ-00820. A kick-off meeting for the evaluation took place on April 30, 2018 to provide the selection committee with ethics training and an orientation to the procurement process for this project. The first evaluation meeting is scheduled for May 16, 2018 and subsequent meetings will take place until the evaluation is complete, which is anticipated to be in June 2018. The solicitation remains under the Cone of Silence and a recommended shortlist is expected to be presented for Board consideration in the July Committee cycle. NFCDP chose not to submit its qualifications in response to the County's solicitation. A summary of the project teams that submitted responses is contained in the table below.

RFQ-00820 Submittals	
Respondent	Lead Team Members
Fengate Capital Management, Ltd.	Fengate Capital Management, Ltd.; Fentress Architects Ltd; Arquitectonica International Corp.; Hensel Phelps; Honeywell Solutions SES Corp.
M-S-E Judicial Partners, LLC	DLR Group; Suffolk Construction Co. Inc.; EllisDon Services, Inc.; EllisDon Facilities Services, Inc.; Jones Lang LaSalle Americas, Inc.

RFQ-00820 Submittals	
Plenary Group USA Concessions Ltd.	Plenary Group USA Concessions, Ltd.; Hellmuth, Obata; & Kassabaum (HOK); Tutor Perini Corp.; Johnson Controls, Inc.
Sacyr Infrastructure USA, LLC	Sacyr Infrastructure USA, LLC; Sacyr Construction SA; AECOM, Plaza Construction

The responses above validate the existence of market competition among large firms using the County's two-step procurement process. Canceling the process and instead issuing an alternative solicitation at this stage may result in a substantial risk of losing market interest for the project, which is necessary to ensure the affordability and ultimate success of the Courthouse Project. It would also likely result in a delayed procurement.

Site Selection Considerations

On April 10, 2018, the Board requested additional information from the County Mayor related to the estimated construction costs for the two sites under consideration for the Courthouse Project. The Internal Services Department's certified construction cost estimator completed an evaluation of both potential project sites and developed estimates based on each site's estimated buildable floor area, parking requirements, and the approximate height and square footage necessary to comply with the elements in the Civil and Probate Courts Master Plan. The estimate for the Flagler Site is based on current site conditions and does not include the proposed closure of NW 1 Avenue. A summary of the evaluation is contained in the table below.

Construction Cost Estimates		
	Children's Courthouse Site ¹	Flagler Site ²
Proximate Location	Adjacent to Existing Children's Courthouse	Across the Street from Historic Courthouse
Estimated Lot Size	42,000 square feet	25,000 square feet
Total Building Size	616,047 square feet	606,807 square feet
Building Height	332 feet, 23 stories	432 feet, 30 stories
Total Hard Construction Costs	\$247,410,417	\$253,344,200
Art in Public Places Costs	\$5,000,000	\$5,130,220
Total Base Construction Costs	\$280,710,417	\$287,021,450
Construction Cost Differential	\$6,311,033	

¹ The assumptions used include the setback requirements of City of Miami zoning, approximate building height, four courtrooms per floor for typical courtroom floor layouts, 80 secured parking spaces required to accommodate parking for the Children's Courthouse and the Civil and Probate Courthouse, and construction materials and labor costs estimated based on site conditions, total building square footage, and building height.

² The assumptions used for the Flagler Site include setback requirements in accordance with Miami-Dade County zoning, floor layouts with 3 courtrooms per floor for typical courtroom floor layouts, and 59 parking spaces required to accommodate parking for the Civil and Probate Courthouse only, and construction materials and labor costs estimated based on site conditions, total building square footage, and building height.

As a result of its evaluation, County staff estimated that the construction costs for the Courthouse Project would be approximately \$6.3 million higher if the Flagler Site was selected by the Board over the Children's Courthouse Site.

The above construction cost estimates represent one of several cost factors taken into consideration in determining the fiscal impact of selecting either site for the Courthouse Project. Other significant quantitative factors taken into consideration include the repayment of the Federal Transit Administration's (FTA) interest in the Flagler Site, which was purchased as part of the larger Metrorail acquisition with FTA funding assistance. Specifically, the FTA contributed 80 percent of the funds for the acquisition of the Flagler Site.

In a public-private partnership where the County retains ownership of the land but a private developer builds, operates, and maintains a courthouse facility on the site, the County anticipates either 1) making a one-time payment for the current market value of the property to Department of Transportation and Public Works or 2) making an annual ground lease payment to DTPW as required by the federal funding for as long as the site is used for non-transit purposes. This requirement has previously been imposed on similar property with an FTA interest such as the Overtown Transit Village and the Water and Sewer Douglas Road Building. Based on a preliminary and conservative staff estimate, the annual ground lease payment for the Courthouse Project would be approximately \$800,000 per year. The County may propose a lease payment below the market value, however, the terms of the ground lease and payment amount are subject to FTA review and approval. These restrictions do not apply to the Children's Courthouse Site, as the FTA did not contribute funding to the acquisition of that site.

Estimated Fiscal Impact of Selecting the Flagler Site	
Cost Consideration	Cost
FTA Interest in Flagler Site Buy Out (Proceeds to DTPW) ¹	\$16,000,000
Construction Cost Differential	\$6,311,033
Preliminary Fiscal Impact of Flagler Site Selection	\$22,311,033
Other Potential Fiscal Impacts²	
Relocation of the Art and Public Places Installation	
Relocation of the Americans with Disabilities Act Parking	
Replacement of the Service Access to the Cultural Center Plaza	
Preliminary Environmental Studies	
Potential Reduction of Market Value in the Remaining Portion of the Cultural Center Plaza - It is anticipated that the value of the remainder of the Cultural Center Plaza parcel will be diminished due to the removal of view corridors, which will be obstructed by the courthouse immediately to the east.	

¹These figures have been revised to reflect a total estimated value of the Flagler Site of \$16 million based on the site's pro-rata share of the Cultural Plaza's independently appraised value.

² The conditions listed in this section are expected to result in higher costs but the approximate impact could not be determined at this time.

Zoning Clarification

The Internal Services Department reviewed the relevant site information in collaboration with the Regulatory and Economic Resources Department. The property is platted as part of the larger Cultural Center Plaza, which is zoned "CI" Civic Institution and controlled by the City of Miami. However, the Flagler Site area is located within the Rapid Transit Zone, which is governed by Section 33C-8 of the Code of Miami-Dade County. As a result, it was determined the County has zoning jurisdiction over the Flagler Site. In comparison, the Children's Courthouse Site is zoned "CI" Civic Institution and is controlled by the City of Miami.

A replat or other subdivision approval may be necessary to separate the Flagler Site from the larger Cultural Center parcel in order to develop the site separately from the Cultural Plaza. If required, the platting process will require both City of Miami and County approval.

Alternative Uses of the Children's Courthouse Site

At the April 18, 2018 Public Safety and Health Committee, Commissioner Heyman requested the County Mayor or the County Mayor's designee to prepare a list of countywide leases for juvenile services for the purpose of determining if a separate juvenile facility could be constructed on the Children's Courthouse Site. The requested information is attached to this report as Attachment 2.

Recommendation

After a thorough review of both procurement processes and project sites for the Courthouse Project, I am recommending that the Board approve the following actions:

- Rejection of the unsolicited proposal, with notice of the County's intended decision to be provided to NFCDP in accordance with Section 255.065(15)(b)(1) of the Florida Statutes;
- Continuing the County's existing two-step P3 procurement process on an expedited basis; and
- Selection of the Children's Courthouse site as the site for the Courthouse Project.

Public-private partnerships, by their very nature, are complex infrastructure projects that require extensive due diligence to protect against the uncertainty of long-term financial and operational needs over the next 30 years. While the use of the P3 delivery method may result in a cost savings over traditional delivery methods for certain projects, P3 projects often require a financial commitment of public resources that approach or exceed \$1 billion dollars over the life of the contract term due to the magnitude and scope of the projects. While the expeditious completion of these projects is important, the protection of public resources is paramount.

As a result, every effort has been made to ensure that the County's decisions with respect to the Courthouse Project accomplish the following objectives: 1) delivery of a functional courthouse facility that meets the County's current and future needs at the lowest possible price, 2) mitigation of financial risks through the development of robust market competition and comprehensive contractual agreements, and 3) utilization of the most fair and transparent procurement process for proposers, stakeholders, and Miami-Dade County taxpayers.

The Board's acceptance of the unsolicited proposal is expected to be significantly more expensive than the procurement process already initiated by the County. The details regarding the financial impact of the unsolicited proposal continue to be confidential under Section 255.065(12) of the Florida Statutes and therefore cannot be disclosed to the public.

Notwithstanding the Administration's recommendation to reject NFCDP's unsolicited proposal, the private sector has not been deterred from submitting proposals for innovative ideas and solutions through the County's unsolicited proposal process. The County is currently undertaking an initial evaluation of two separate unsolicited proposals that were received in April 2018. A status update for those proposals, and future unsolicited proposals, will be reported to the Board as required by Ordinance 17-94.

Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners
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Should you require additional information, please contact Tara C. Smith, Director of the Internal Services Department, at 305-375-5893, or me directly.

Attachments

- c: Honorable Bertila Soto, Chief Judge, Eleventh Judicial Circuit
- Harvey Ruvlin, Clerk of the Courts
- Abigail Price-Williams, County Attorney
- Geri Bonzon-Keenan, First Assistant County Attorney
- Office of the Mayor Senior Staff
- Tara C. Smith, Director, Internal Services Department



New Civil and Probate Courthouse

Definition and Comparison of Procurement Processes

May 2018



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1. Executive Summary

For the past few months, Miami-Dade County (the "County") has been preparing a Two-Step Public-Private Partnership ("P3") Process for the New Civil and Probate Courthouse Project (the "Project"). The County started the procurement with the issuance of a Request for Qualifications ("RFQ") on January 31, 2018. The County is planning on shortlisting multiple integrated bidding teams following receipt and evaluation of submissions in order to continue the procurement with an interactive yet competitive process leading to committed proposals that are based on a single standardized P3 contract. Shortly before the release of the RFQ document, the County received an unsolicited proposal which was submitted under the County's P3 ordinance. The unsolicited proponent proposed to follow an Alternative P3 Process, in which the County will select a preferred respondent on the basis of experience and indicative pricing, after which both parties will jointly further develop and design the project and competitively procure the various project components and debt financing.

At the request of the County, the BMO-IMG Rebel Team (the "Team") conducted an independent review of the two procurement approaches. In its review, the Team was not mandated to evaluate other project delivery models, such as Design-Bid-Build ("DBB") and Design-Build ("DB"). The following table summarizes how the two approaches score on a number of key considerations.

Considerations	Two-Step P3 Process	Alternative P3 Process	Discussion
Timing			Although the Alternative P3 Process will allow the County to identify its preferred bidder faster and avoids iterative negotiations with multiple bidders, the Two-Step P3 Process will provide more competitive pressure for a timely overall development of the project. Both processes can leverage competitive pressure to achieve construction schedule optimizations. The Team expects that the sustained competitive pressure in a Two-Step P3 Process will at least offset early gains in identification of the preferred bidder and is likely to result in a faster overall implementation.
Costs			Although both processes will allow for competition on construction, O&M and debt pricing, the lack of sustained competitive pressure on equity and failure to consider integrated lifecycle costing under the Alternative P3 Process is likely to increase the overall project cost (in terms of future Availability Payments) to the County compared to the Two-Step P3 Process.
Risks			The Two-Step P3 Process allows the County to transfer risks and uncertainties earlier to the private sector compared to the Alternative P3 Process. Transferred risks include financing cost risks as well as cost overrun risks during the construction and operating period. Although transferring such risks early comes with a risk premium, it provides more scope and cost certainty for the County and is likely to be more than offset by efficiency gains from lifecycle costing and more efficient risk management.
Transparency			Although both processes can be structured to reduce the potential for impropriety and bias, the intrinsic challenges of negotiating with a single bidder without sustained competitive pressure are more likely to generate public concerns about transparency. Furthermore, the lack of outside review by lenders and their advisors reduces the likelihood that critical issues will be identified early.
Control			Under the Two-Step P3 Process, the County will be able to exert greater control than under the Alternative P3 Process, most importantly regarding the project agreement negotiations, because of the County's leverage that results from the competitive process.

Key: = More beneficial to County = Less beneficial to County

The assessment shows that both the Two-Step P3 Process and Alternative P3 Process can be implemented, have been used by other agencies in the past, and have their own strengths and weaknesses. In our professional opinion, the Two-Step P3 Process will allow the County to achieve a

competitive and transparent procurement within a defined time frame. In comparison, the Alternative P3 Process, while likely to reach a preferred proponent stage faster than the Two-Step P3 Process, will expose the County to a significant negotiating disadvantage with a parallel risk of delay caused by prolonged negotiations.

Short of starting a new RFQ process or procuring the project under a conventional non-P3 procurement method, the County can either decline the unsolicited proposal and continue the initiated Two-Step P3 Process or abort the Two-Step P3 Process and ask potential respondents to now prepare Request for Qualifications/Proposals ("RFQ/P") materials. The Team notes that because RFQ responses will be available to respondents' competitors under Freedom of Information ("FOI") rules (specifically Chapter 119 of the Florida Statute), cancelling the Two-Step P3 Process may result in reputational damage for the County and could discourage bidders to resubmit under either the relaunched Two-Step P3 Process or the Alternative P3 Process.

2. Introduction

2.1. SITUATION OVERVIEW AND APPROACH

- For the past few months, Miami-Dade County has been preparing a Two-Step P3 Process for the New Civil and Probate Courthouse. The County started the procurement with the issuance of a Request for Qualifications on January 31, 2018. The County is planning on shortlisting multiple integrated bidding teams following receipt and evaluation of submissions and continue the procurement with an interactive yet competitive process leading to committed proposals that are based on a single standardized P3 contract.
- Just prior to the release of the RFQ document, the County received a unsolicited proposal submitted under the County's P3 ordinance. The unsolicited proponent proposed to follow an Alternative P3 Process, in which the County will select a preferred respondent on the basis of experience and indicative pricing, after which both parties will jointly further develop and design the project and competitively procure the various project components and debt financing. Such Pre-Development Agreement ("PDA") approach often combines the solicitation document into a combined RFQ/P.
- The County has asked the BMO-IMG Rebel Team to provide an independent review of the two approaches. The Team has reviewed the procurement documentation for the Two-Step P3 Process for the New Civil and Probate Courthouse, the proposed Alternative P3 Process as outlined in the draft RFQ/P submitted by the unsolicited proponent, as well as State law and County ordinances.
- Our underlying approach is to evaluate both approaches for the key factors that we have found government entities have used when deciding between different procurement approaches. We would expect that, after reviewing our report, the County would decide which of these factors are their priorities and on that basis select the approach that scores best on those factors.
- To develop this analysis the report first introduces and defines both procurement processes (section 3) and then discusses the market experience with both approaches (section 4), followed by a detailed assessment of the key factors on the basis of our industry experience (section 5). The report concludes with a brief description of possible ways forward.

2.2. BACKGROUND TO THE REVIEW TEAM

- The BMO-IMG Rebel Team has provided advisory or financing services on over 100 P3 transactions in North America and Europe in every area of public-use infrastructure, from transportation infrastructure to water, waste and power utilities, social infrastructure and telecommunications. Many of these include the largest and first-of-their-kind projects in the United States. In addition to advising a number of private sector bidding teams on their P3 proposals, the Team is advising several local governments, including Howard County, MD on its courthouse P3, Washington, DC on the Daly Police Headquarters Building P3, and the City of San Francisco on a fiber-to-the-premises P3.
- The Team provides a full array of financial transaction support services, from market analyses and opportunity assessments to feasibility and valuation analyses, solicitation, evaluation and negotiation assistance. In addition to having served as transaction advisors for P3 procurements, we have also supported many public agencies in developing successful P3 policies, programs, and project pipelines. We also engage in capacity building for P3 implementation based on numerous knowledge products that we developed, including advanced value-for-money and risk assessment guides for FHWA, a successful P3 practices guide for the USDOT, model P3 contract guides for the USDOT and a guide on the management of unsolicited proposals for the World Bank.

- We have direct experience in both procurement approaches, including experience in Florida. We were the Financial Advisor to the selected proposer on the MIA “Airport City” transaction and the Miami Beach Wireless Streetcar transaction. While the processes differed in solicited and unsolicited processes, they both followed a PDA approach. We have also been involved specifically in a number of Two-Step justice facility P3 assignments including government advisory assignments for courthouses in Travis County (Texas) and Durham County (Ontario), a financing and advisory assignment for a forensic facility and coroners court in Toronto and finally, Howard County courthouse, which is currently in the bid evaluation phase.

2.3. TWO-STEP P3 PROCESS

- The County decided on a P3 delivery of the Courthouse project because it is expected to provide benefits (usually defined as value for money) versus other delivery models including Design-Bid-Build (“DBB”) and Design-Build (“DB”). We have found historically that the term public-private partnership has been applied to a number of transactions with private sector relationships. When market participants discuss the advantages of the P3 process they are generally referring to a specific type of P3 transaction, rather than all the possible versions of private sector and government collaborations. By their nature, P3s transfer risk to the private sector so their cost of capital is higher than the municipal debt cost. This is balanced by the contract largely eliminating the risk of construction cost overruns, creating operational cost certainty, and incentivizing performance enhancement over the life of the contract, with the objective that, on a risk adjusted basis, the P3 project has a lower expected cost than a publicly-sponsored and operated (DBB or DB) project. In return for accepting those risks, the developer receives payments or rights to collect revenue that are linked to performance, where poor performance will lead to monetary penalties and a clearly defined path to termination.
- Typically, the P3 industry understands the concept of P3 delivery not only to include the integrated contract with significant life cycle risk transfer, but also the process of getting to that contract: the project preparation and procurement process. The most commonly used preparation and procurement process is based on:
 1. Public initiation and preparation of the project and procurement documentation;
 2. Shortlisting of multiple integrated bidding teams that are best qualified for the project (RFQ phase);
 3. An interactive yet competitive process leading to proposals that are based on a single standardized P3 contract and that supply fixed prices and minimize additional post-selection negotiation, which usually includes a committed financing and private sector penalties for failure to close (Request for Proposals phase); and
 4. Selection of the preferred bidder that proposed the “best value” solution to the agency.

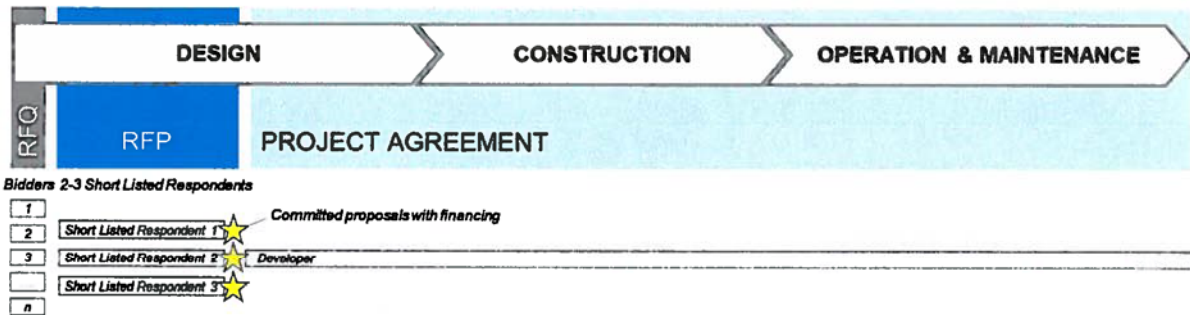
This process will be referred to as the Two-Step P3 Process within the context of this document.

2.4. ALTERNATIVE P3 PROCESS

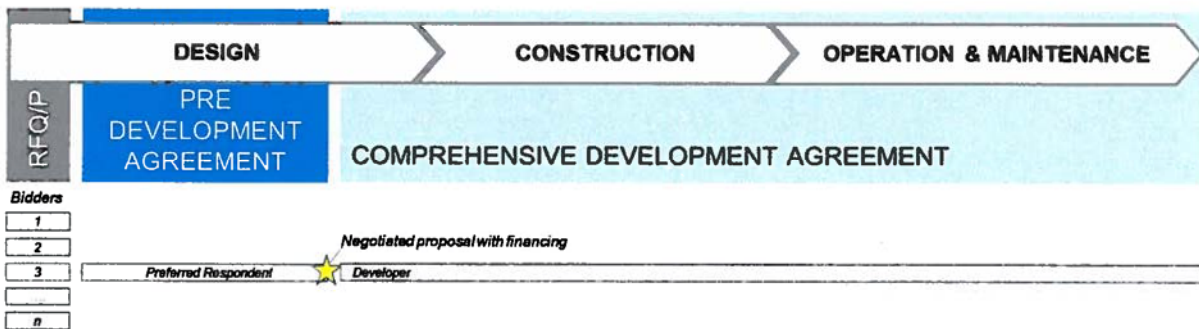
- Some jurisdictions allow for alternative approaches that are based on a private entity reaching out to a public agency with a proposal for an infrastructure or service project, without having received an explicit request or invitation from the government to do so, also referred to as unsolicited proposals. Governments consider Pre-Development Agreements (often through an unsolicited process) for two main reasons:
 1. They may lack technical or financial capacity to develop and structure projects; and
 2. They wish to encourage private-sector innovation by allowing them to structure projects that they had not come up with themselves.
- Following the private initiation of the project, there is a wide variety of project implementation approaches, ranging from full public control of project development and competitive procurement without any accommodations to the unsolicited proponent to joint project development and one-on-one negotiation of the Comprehensive Development Agreement with the unsolicited proponent. In the context of this project, the alternative unsolicited approach is defined as a competitive selection of the project partner on the basis of 1) experience, 2) indicative but uncommitted project pricing, and 3) committed developers fees. Following a collaborative project development and design process, the various project components and financing—except equity—can be competitively but individually procured. This process will be referred to as the Alternative P3 Process within the context of this document.

2.5. TIMELINE COMPARISON

Two-Step P3 Process

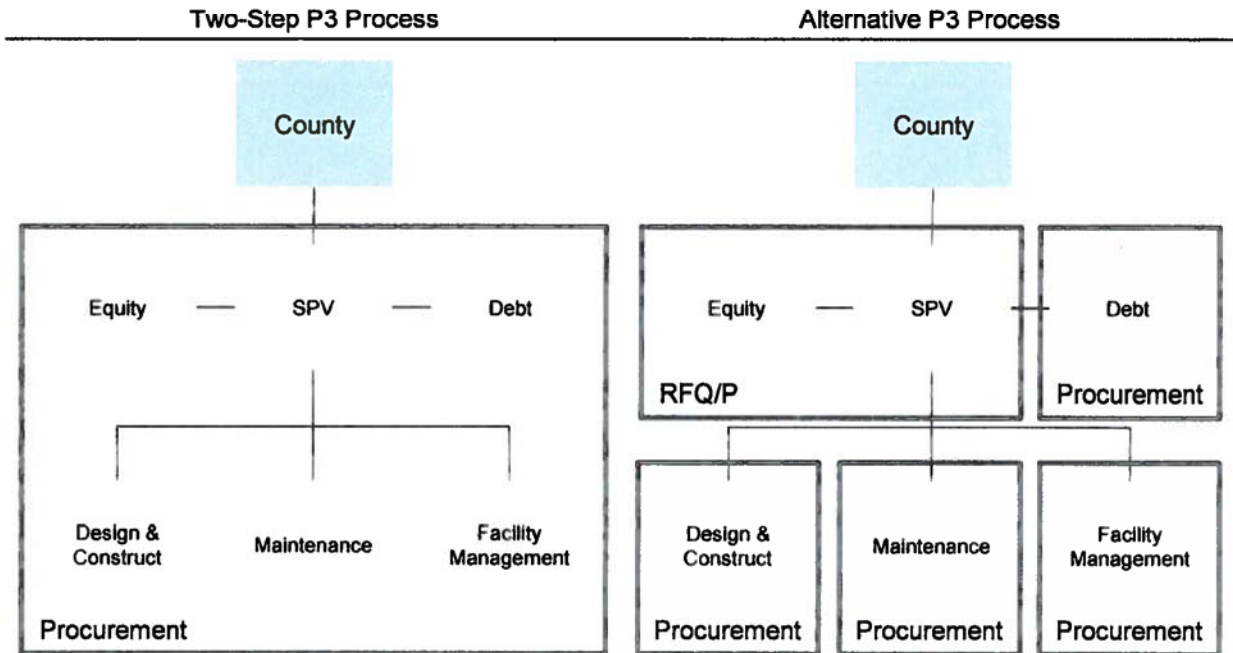


Alternative P3 Process



2.6. COMPETITION IN PROCUREMENT

The figures below show how competition is organized within the context of the two procurement processes.



Under the Two-Step P3 Process, all the project components as well as the integration of the project components will be procured simultaneously. Selection will be based on fully committed bids. The County will define the timetable and the preferred proposer will be assessed significant monetary penalties for not achieving financial close.

Under the Alternative P3 Process, the Preferred Partner will be competitively selected based on experience and indicative but uncommitted project pricing in combination with committed developer fees. Following a collaborative project development and design process, the various project components and financing—except equity—can be competitively but individually procured. Timing will be subject to the outcome of negotiations with the preferred proponent who has few County controlled disincentives to avoid delay.

3. Market Experience

- The Two-Step P3 process is the dominant methodology for P3s in North America with 147 transactions completed since 2008, 39 of those in the United States. In the USA, Two-Step P3 transportation transactions were the largest in number (30) and in dollar value (\$35.1bn). This is mainly due to the facts that:
 - the availability of tax-exempt PABs and the TIFIA lending program stimulate investments in transportation infrastructure P3s;
 - road projects are less sensitive to budget constraints because they can often be completed on a revenue basis and self-funded by tolls; and
 - overall social infrastructure construction has been lower, not just the infrastructure procured with a P3 approach.
- In our review of P3 transactions in the United States, Canada and Europe, we were not able to identify any courthouse facility that had been procured on an unsolicited basis and all had been executed through a Two-Step process.
- There have been a number of local examples of both approaches in the greater Miami area as well. For the Two-Step P3 Process we considered the key characteristics of the Port of Miami Tunnel (availability payment) and the I-95 managed lanes (revenue risk). We also considered the use of the Pre-Development Agreement approach in the 'Airport City' transaction and its initial use in the Miami Beach streetcar procurement.
- While a number of states have P3 legislation that allows Pre-Development Agreement approaches, either solicited or unsolicited, over the same time 10 year period we were able to identify only one P3 transaction by a municipal or state government that has successfully used an unsolicited process leading to a PDA.
- We did identify five transactions (of which one resulted from an unsolicited proposal) where the PDA approach was used by government affiliated entities to reach financial close. Universities or colleges sponsored three of the transactions and two were airport terminal transactions.
- In reviewing the student housing Alternative P3 Process transactions we noted some key characteristics that contributed to the success of the approach. Each transaction had real estate development risk where the person who paid for, and used the majority of, the asset was not the educational institution sponsor. The rental income from students constituted the source of revenue for the private sector developer. The public nature of rental rates also likely simplified negotiations with the developer because they provided a transparent and observable market benchmark.
- For the two airport transactions, the Alternative P3 Process using a Pre-Development Agreement was used to procure terminals in two different types of transactions. The Denver terminal used a solicited two-step process to select a negotiating partner for the Pre-Development Agreement. Kansas City airport pursued a one-step Pre-Development Agreement approach that was triggered by an unsolicited proposer. Unlike the Denver transaction, the process was only for construction and not operations. It is also relevant to note that Miami airport also selected a solicited Pre-Development Agreement approach for that airport redevelopment P3. Similar to the higher education sector, the Pre-Development Agreement approach has been an alternative that matches well with the commercial nature of airport terminal transactions.
- A global review of experience with unsolicited proposal processes in which the developer has a leading role in project development and directly negotiates a comprehensive development agreement with the procuring agency⁽¹⁾, concluded that:

¹ Policy Guidelines for Managing Unsolicited Proposals in Infrastructure Projects, Volume III, Review of Experiences with Unsolicited Proposals in Infrastructure Projects, 2017, World Bank Group.

- Such alternative P3 procurement approaches help governments with little internal capacity to identify, develop and implement their infrastructure projects and generate innovative solutions to infrastructure challenges;
 - Such alternative P3 procurement approaches are not necessarily easier or more convenient to implement than standard P3 procurements and has caused public controversies that delayed projects and/or resulted in renegotiations several years later;
 - Such alternative P3 procurements are subject to corruption allegations, which, although often unproven, shows that this approach is highly sensitive to public-perception issues and may be vulnerable to being challenged in the future;
 - Failing to introduce competition in the procurement process—in other words, directly negotiating a comprehensive development agreement with a single bidder—can lead to implementation delays, poorly structured P3 transactions, and low value for money; and
 - Agencies that are more mature in their project development capabilities and more experienced in P3 procurements typically either ban unsolicited proposals entirely or reserve this process for highly innovative projects.
- The primary source of transaction information for our comparisons was the “Inframation Deals” database which is updated and maintained by an independent media company called the Acuris Group. In the global P3 industry, this service provider is a dependable collector of data including schedule, timing, participants and financing information. We supplemented this data with additional public information from government releases and presentations, rating reports, bond offering documents and our Team's professional familiarity with the transactions.

3.1. MARKET EXPERIENCE – PDA, RFQ/P AND UNSOLICITED P3 ACTIVITY¹

2008 – 2018YTD

PRE-DEVELOPMENT AGREEMENT (INCLUDING UNSOLICITED) P3 BIDS

	Proposer	Procurement Agency	Size (US\$ mm)	Submitted	Result	Achieved Commercial and Financial Close
1	Texas Woman's University Student Housing	Balfour Beatty, Hill & Wilkinson	Texas Woman's University	75.5	2018	Reached Financial Close in 2018 Paymech: Revenue or Demand Risk <input checked="" type="checkbox"/>
2	Wayne State University Student Residential Facilities	Corvias Campus Living	Wayne State University	308	2017	Reached Financial Close in 2017 Paymech: Revenue or Demand Risk <input checked="" type="checkbox"/>
3	University of Illinois at Chicago Student Housing	American Campus Communities	University of Illinois at Chicago	100	2017	Reached Financial Close in 2017 Paymech: Revenue or Demand Risk <input checked="" type="checkbox"/>
4	Denver Airport Great Hall (Jeppesen Terminal) P3	Ferrovial, Saunders Construction, Loop Capital Markets	City and County of Denver's Department of Aviation	650	2017	Reached Financial Close in 2017 Paymech: Mixed <input checked="" type="checkbox"/>
5	Connecticut Solid Waste System	Sacyr, Manhattan Construction	Department of Energy & Environmental Protection	200 - 300	2017	Under Review
6	Vermont Avenue Transit Corridor Bus Rapid Transit	AECOM, John Laing	LA County Metro Transit Authority	n.a.	2017	Under Review
7	Orange Line Bus Rapid Transit Conversion	Fluor	LA County Metro Transit Authority	n.a.	2017	Did not advance <input checked="" type="checkbox"/>
8	Kansas City International Airport Terminal A	Edgemoor	Kansas City	964	2017	Bid rejected after RFQ/P Paymech: None - Procured as DBF <input checked="" type="checkbox"/>
9	West Santa Ana Branch LRT	1. AECOM, Kiewit 2. ACS 3. Skanska	LA County Metro Transit Authority	4,000	2016	Will issue RFQ in 2019

¹ Source: Inframation Group (<https://inframationgroup.com/what-we-do-inframation>), BMO Capital Markets

2008 – 2018YTD

PRE-DEVELOPMENT AGREEMENT (INCLUDING UNSOLICITED) P3 BIDS

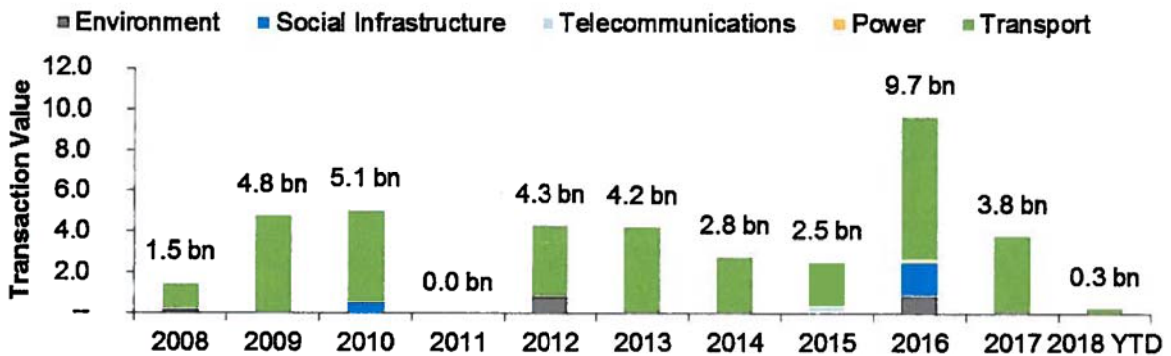
	Proposer	Procurement Agency	Size (US\$ mm)	Submitted	Result	Achieved Commercial and Financial Close
10	Sepulveda Pass 1. Parsons 2. Plenary, Star America 3. Ferrovial	LA County Metro Transit Authority	2,800	2016	Solicitation is being developed	TBD
11	Miami Beach Wireless LRT / Streetcar InfraRed, Walsh	City of Miami Beach	200 - 300	2016	Evaluation suspended in Fall 2016	X
12	Seminole State College Building U.S. HealthRealty, Skanska	Seminole State College	48	2015	Evaluation not progressed since 2015	X
13	Fixed Guideway Orlando	Florida Department of Transportation	314	2014	Did not advance	X
14	Odd Fellows Road Interchange and Extension English Construction, Parsons Brinkerhoff, Raymond James	Virginia Department of Transportation	32 - 70	2013	Rejected / Procured as Design-Build	X
15	Hampton Roads Bridge- Tunnel Skanska, Kiewit, Parsons Brinkerhoff	Virginia Department of Transportation	3,300	2013	Procurement Canceled	X
16	I-86 HOV / HOT Lanes Fluor, Transurban	Virginia Department of Transportation	923	2005	Reached Financial Close in 2015 Paymech: Revenue or Demand Risk	✓
17	Port of Virginia APM Terminals Virginia	Virginia Port Authority	n.a.	April 2012	Rejected Mar 2013	X
18	I-225 Corridor Light Rail Line Kiewit	Denver Regional Transportation Department	350	2012	Rejected Sep 2012	X
19	SR 400 Various	Georgia Department of Transportation	1,000	2012	Evaluation suspended in Jan 2012	X
20	Airport City (Miami Int'l Airport) Odebrecht	Miami-Dade	n.a.	2010	Rejected in July 2014	X
21	Dominion Boulevard Expansion Hassell & Folkes, Precon Marine, RBC Capital Markets	City of Chesapeake	n.a.	2009	Rejected in June 2010	X

3.2. MARKET EXPERIENCE – TRADITIONAL TWO-STEP P3 SOLICITATIONS¹

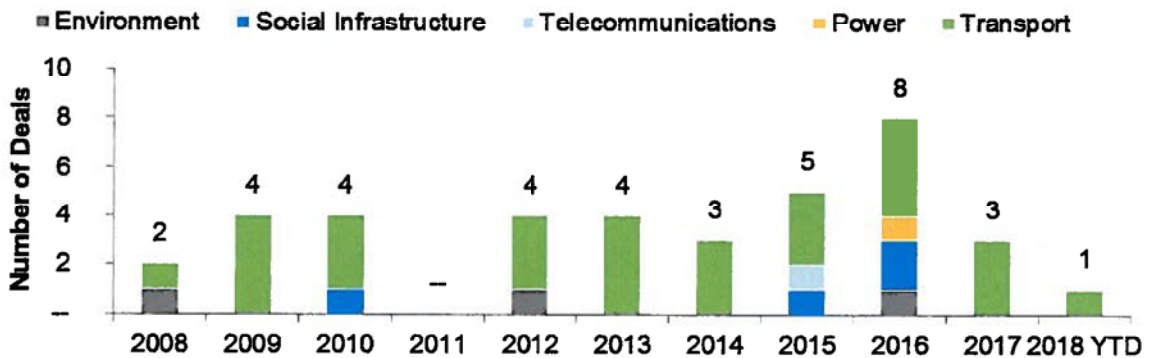
Overview

- Over the past 10 years, 38 domestic P3 transactions have reached financial close using a Two-Step solicitation with a total value of US\$39.0 bn.
- In Canada, over the same time period, there have been 108 Two-Step P3 transactions with a total value of US\$39.6 bn² (C\$50.7 bn):
 - Of those 108 closed P3s, 67 were for social infrastructure (buildings), 9 of which were for legal and justice (excluding prisons and jails) infrastructure, totaling C\$2.9 bn; and
 - In Canada, legislation does not allow unsolicited bids and as a result, no transactions were due to unsolicited bids.

U.S. TWO-STEP P3 TRANSACTIONS BY SECTOR



U.S. TWO-STEP P3 TRANSACTION VALUES BY SECTOR (US\$)



¹ Source: Inframation Group (<https://inframationgroup.com/what-we-do-inframation>), BMO Capital Markets

² Converted based on April 25, 2018 exchange rate of 1.28 USD / CAD.

3.3. SUCCESSFUL U.S. TWO-STEP PROCUREMENTS¹

2008 – 2018YTD

	Proposer	Procurement Agency	Size (US\$ mm)	Closed	Result	Achieved Commercial and Financial Close
1	John Laing, Cubic	Massachusetts Bay Transportation Authority	275.0	2018	Reached Financial Close in 2018 Paymech: Availability-Based	✓
2	APG Group, Meridiam, Ferrovial, John Laing	Office of Transportation Public-Private Partnerships	2,100.0	2017	Reached Financial Close in 2017 Paymech: Revenue or Demand Risk	✓
3	Kewit, Meridiam	Colorado High Performance Transportation Enterprise	1,240.0	2017	Reached Financial Close in 2017 Paymech: Availability-Based	✓
4	Transurban Group	Virginia Department of Transportation	475.0	2017	Reached Financial Close in 2017 Paymech: Revenue or Demand Risk	✓
5	Skanska, Meridiam, Vantage Airport Group	Port Authority of New York and New Jersey	3,914.6	2016	Reached Financial Close in 2016 Paymech: Mixed	✓
6	Fluor Corporation, Meridiam, Star America	Maryland Department of Transportation, Maryland Transit Administration	2,000.0	2016	Reached Financial Close in 2016 Paymech: Availability-Based	✓
7	Plenary (North America)	University of California, Merced	1,200.0	2016	Reached Financial Close in 2016 Paymech: Availability-Based	✓
8	Shikun & Binui, Clal Industries, Northleaf, Grupo ACS, Star America, infraRed	Texas Department of Transportation	1,015.0	2016	Reached Financial Close in 2016 Paymech: Revenue or Demand Risk	✓
9	Abengoa, Gamey Construction	San Antonio City Council	923.0	2016	Reached Financial Close in 2016 Paymech: Revenue or Demand Risk	✓

¹ Source: Infraction Group (<https://infractiongroup.com/what-we-do-inframation>), BMO Capital Markets

	Proposer	Procurement Agency	Size (US\$ mm)	Closed	Result	Achieved Commercial and Financial Close
10	Plenary (North America)	City of Long Beach	473.0	2016	Reached Financial Close in 2016 Paymech: Availability-Based	✓
11	Trillium CNG	PennDOT - Pennsylvania Dept of Transport	84.5	2016	Reached Financial Close in 2016 Paymech: Revenue or Demand Risk	✓
12	Plenary (North America)	City of West Lafayette, University of Purdue	70.6	2016	Reached Financial Close in 2016 Paymech: Availability-Based	✓
13	Walsh Group, Plenary (North America)	PennDOT - Pennsylvania Dept of Transport	1,009.2	2015	Reached Financial Close in 2015 Paymech: Availability-Based	✓
14	Ferrovial, Aberdeen	North Carolina Department of Transportation	655.0	2015	Reached Financial Close in 2015 Paymech: Revenue or Demand Risk	✓
15	Grupo ACS, InfraRed, Star America	Ohio Department of Transportation	553.9	2015	Reached Financial Close in 2015 Paymech: Availability-Based	✓
16	Ledcor, Macquarie NG-KIH Holdings, First Solutions	State of Kentucky	275.0	2015	Reached Financial Close in 2015 Paymech: Availability-Based	✓
17	Aldridge Electric, Star America Infrastructure Fund	Michigan Department of Transportation	49.0	2015	Reached Financial Close in 2015 Paymech: Availability-Based	✓
18	Skanska, John Laing	Florida Department of Transportation	2,300.0	2014	Reached Financial Close in 2014 Paymech: Availability-Based	✓
19	Grupo Isolux Corsán, PSP Investments	Indiana Department of Transportation	370.0	2014	Reached Financial Close in 2014 Paymech: Availability-Based	✓
20	HDR Inc, Broadpectrum, Plenary (North America), Granite Construction	Colorado High Performance Transportation Enterprise	120.0	2014	Reached Financial Close in 2014 Paymech: Revenue or Demand Risk	✓
21	Kiewit, Macquarie	Port Authority of New York and New Jersey	1,500.0	2013	Reached Financial Close in 2013 Paymech: Availability-Based	✓

	Proposer	Procurement Agency	Size (US\$ mm)	Closed	Result	Achieved Commercial and Financial Close
22	Ferrovial, Meridiam, Dallas Police and Fire Pension System, APG	Texas Department of Transportation	1,350.0	2013	Reached Financial Close in 2013 Paymech: Revenue or Demand Risk	✓
23	Vinci, Walsh Group, Blifinger RE Asset Management	Indiana Department of Transportation, Kentucky Transportation Cabinet	763.0	2013	Reached Financial Close in 2013 Paymech: Availability-Based	✓
24	Grupo Aeroportuario del Sureste, Highstar Capital IV	Puerto Rico Public-Private Partnership Authority	615.0	2013	Reached Financial Close in 2013 Paymech: Mixed	✓
25	Mercer, Macquarie, Skanska	Virginia Department of Transportation	2,100.0	2012	Reached Financial Close in 2012 Paymech: Revenue or Demand Risk	✓
26	Fluor Corporation, Transurban Group	Virginia Department of Transportation	922.6	2012	Reached Financial Close in 2012 Paymech: Revenue or Demand Risk	✓
27	Poseidon Resources Corporation, Stonepeak Infrastructure Fund, Stonepeak Co-investors	San Diego County Water Authority	903.0	2012	Reached Financial Close in 2012 Paymech: PPA	✓
28	Meridiam Infrastructure SCA, Kiewit, HOCHTIEF, Flatiron Construction Corp.	California Department of Transportation, San Francisco County Transportation Authority	362.0	2012	Reached Financial Close in 2012 Paymech: Availability-Based	✓
29	Ferrovial, Meridiam Infrastructure SCA, Dallas Police and Fire Pension System	Texas Department of Transportation	2,600.0	2010	Reached Financial Close in 2010 Paymech: Revenue or Demand Risk	✓
30	John Laing, Alternative Concepts, Inc. (ACI), Sysra, Wabtec, WSP, Aberdeen, Fluor Corporation, Balfour Beatty, Atkins	Regional Transportation District	1,637.0	2010	Reached Financial Close in 2010 Paymech: Availability-Based	✓

	Proposer	Procurement Agency	Size (US\$ mm)	Closed	Result	Achieved Commercial and Financial Close
31	Long Beach Courthouse Clark Construction, Johnson Controls, AECOM, Meridiam, Edgemoor Infrastructure and Real Estate	California Administrative Office of the Courts	495.0	2010	Reached Financial Close in 2010 Paymech: Availability-Based	✓
32	Seagirt Marine Terminal Ports America	Maryland Transportation Authority	334.0	2010	Reached Financial Close in 2010 Paymech: Revenue or Demand Risk	✓
33	North Tarrant Expressway Meridiam Infrastructure SCA, Ferrovial, Dallas Police and Fire Pension System	Texas Department of Transportation	2,000.0	2009	Reached Financial Close in 2009 Paymech: Revenue or Demand Risk	✓
34	I-595 Corridor Roadway Improvements ACS Infrastructure Development (North America)	Florida Department of Transportation	1,760.0	2009	Reached Financial Close in 2009 Paymech: Availability-Based	✓
35	Miami Port Tunnel (POMT) Bouygues, Meridiam Infrastructure SCA	Florida Department of Transportation	860.0	2009	Reached Financial Close in 2009 Paymech: Availability-Based	✓
36	Connecticut Service Plazas Doctor's Associates Inc., Subway, Carlyle Infrastructure Partners	Connecticut Department of Transportation	178.0	2009	Reached Financial Close in 2009 Paymech: Revenue or Demand Risk	✓
37	SH-130 P3 Zachry American Infrastructure, Ferrovial	Texas Department of Transportation	1,380.0	2008	Reached Financial Close in 2008 Paymech: Revenue or Demand Risk	✓
38	Santa Paula Water Concession PERC Water, Alinda Infrastructure Fund II	Santa Paula City Council	125.5	2008	Reached Financial Close in 2008 Paymech: Revenue or Demand Risk	✓

4. Assessment of P3 Procurement Processes

4.1. TIMING

Timing Considerations	Two-Step P3 Process	Alternative P3 Process	Discussion
Procurement process up to selection of preferred bidder			The overall procurement process up to selection of preferred bidder using a Two-Step P3 Process will be longer than the Alternative P3 Process as bidders must prepare a sufficiently detailed design and secure financing to submit a compliant bid. However, a structured Two-Step P3 Process puts significant pressure on short listed bidders to complete the required level of design and secure financing in a relatively short period (often 6-9 months). The Two-Step P3 Process will also include the development of the full RFP and Draft Project Agreement by the County and negotiations between the County and preferred bidder. Furthermore, the RFP will specify how fast the bidder must close after contract award, including any financial close securities, processes and delay penalties that apply if the bidder cannot close on time.
Project development and design			Developing the Comprehensive Development Agreement, negotiating with the preferred bidder, and procurement of DB/O&M contractors will not happen until later (see below) under the Alternative P3 Process. Furthermore, financing and the financial close process cannot be effectively addressed in the procurement as no committed financing is required. Instead, bidders only need to demonstrate their qualifications and provide indicative pricing under the Alternative P3 Process, which can be achieved in a shorter timeframe.
			Under the Two-Step P3 Process, much of the project development and design has already been completed during the procurement process. The remainder of the design process to get ready for construction will occur after financial close. As such, the developer will be incentivized to complete the remainder of the design quickly as its compensation through milestone payments and availability payments has been predetermined in the Project Agreement. Based on experiences with Two Stage P3 Processes for similar projects, no material negotiations are to be expected during this phase under the Two-Step P3 Process.
			Under the Alternative P3 Process, the County and preferred bidder will work collaboratively to jointly develop and design the project. As such, there will likely be substantially less external pressure on the preferred bidder to complete the project development and design quickly compared to a Two-Step P3 Process, especially given that the preferred bidder will earn some of its compensation through fees on project development and design costs. During this phase, the County will need to first negotiate a Predevelopment Agreement, followed by a Comprehensive Development Agreement with the preferred bidder. The preferred bidder will need to procure construction and O&M services as well as secure financing, most likely prior to finalization of the Comprehensive Development Agreement. On a related note, if the preferred bidder and the County would not reach agreement and the County would have to restart the procurement and find another preferred bidder, there would be significant delay. The County needs to consider that the unattractive nature of that option provides the preferred bidder significant leverage in negotiation.

Key: = More beneficial to County = Less beneficial to County

TIMING (CONT'D)

Cost Considerations	Two-Step P3 Process	Alternative P3 Process	Discussion
Construction	No significant differences expected		Through its evaluation criteria and payment mechanism under the Two-Step P3 Process, the County can incentivize bidders to accelerate construction, as procuring agencies are typically experiencing in P3 projects. Working collaboratively with the preferred bidder under the Alternative P3 Process, the County can use similar tools to encourage D&C contractors to do the same.
Overall timing impact			Although the Alternative P3 Process will allow the County to identify its preferred bidder faster and avoids iterative negotiations with multiple bidders, the Two-Step P3 Process will provide more competitive pressure for a timely overall development of the project. Both processes can leverage competitive pressure to achieve construction schedule optimizations. The Team expects that the sustained competitive pressure in a Two-Step P3 Process will at least offset early gains in identification of the preferred bidder and is likely to result in a faster overall implementation.

Key: = More beneficial to County = Less beneficial to County

4.2. COST

Cost Considerations	Two-Step P3 Process	Alternative P3 Process	Discussion
Transaction costs			<p>A Two-Step P3 Process will lead to high transaction costs for bidders, because multiple shortlisted respondents will not only develop designs, but also put together fully committed financing packages and will participate in multiple rounds of discussions regarding the Project Agreement. The County will only experience these costs to the extent that they will provide stipends to unsuccessful bidders. The public transaction costs will be relatively high too, when compared to more conventional delivery models (DBB and DB), as the procurement requires specialized expertise and is relatively involved. The Team notes that the County has already incurred some of the transaction costs associated with the Two-Step P3 Process.</p> <p>The Alternative P3 Process will likely lead to lower transaction costs on both sides, but the County should not underestimate the time and costs involved with the development of the design and the negotiation of the Comprehensive Development Agreement and the financial proposal. Without competitive pressure, especially the negotiation can be more challenging and therefore more costly than under the Two-Step P3 Process.</p>
Design innovation			<p>Design innovation can lead to cost savings by considering the lifecycle cost of designing, building, and operating the future Courthouse. Under the Two-Step P3 Process, the required single committed bid forces the design, construction and O&M teams to work together and identify potential lifecycle cost savings to achieve the most competitive pricing. The Team believes this is particularly relevant for social infrastructure projects, as the ongoing costs of operations and facility management represents a larger share of the overall costs when compared to other infrastructure sectors, such as transportation.</p> <p>Under the Alternative P3 Process, the preferred bidder will separately procure a DB contract and O&M contract. This structure eliminates to a large extent the focus lifecycle costing potential, which is one of the key value drivers of P3 procurements. As the preferred bidder will directly include the DB and O&M contract pricing in its availability payment calculation, the lack of lifecycle costing is likely to increase the overall project cost (in terms of future Availability Payments) to the County compared to the Two-Step P3 Process.</p>
Construction innovation & competition			<p>Besides the lifecycle costing considerations discussed above, both procurement processes will allow for robust competition for construction innovation and cost. However, the Alternative P3 Process allows the preferred bidder to procure a design-build contract separately from all other contracts, which could lead to a modest increase in competition. To clarify, under the Two-Step P3 Process, the County is expected to select the bidding team with the overall best value, which could include a marginally higher DB cost compared to the DB costs included in other bids. In practice, the Team expects the benefits of integration of phases and lifecycle costing efficiencies to outweigh the potential increase in competition, in line with general P3 experience and more specifically the Team's experience with several social infrastructure P3 projects in North America and Europe.</p>

Key: = More beneficial to County = Less beneficial to County

COST (CONT'D)

Cost Considerations	Two-Step P3 Process	Alternative P3 Process	Discussion
O&M innovation & competition			Besides lifecycle costing discussed above, both processes will allow for robust competition for O&M. However, as explained for the design-build contract the Alternative P3 Process allows the preferred bidder to procure the O&M contract separately from all other contracts, which could lead to a modest increase in competition. Again, on the basis of experience with similar social infrastructure P3s, the Team expects the benefits of integration of phases and lifecycle costing efficiencies to outweigh the potential increase in competition.
Financing innovation & competition			Under the Two-Step P3 Process, competitive pressure in the procurement will encourage financiers (debt + equity) to provide competitive pricing. Under the Alternative P3 Process, the cost of equity is not considered in the evaluation of the proposals and will not be competitively procured as the preferred bidder will be allowed to earn a (specified) return on equity. Furthermore, under the Alternative P3 Process the preferred bidder could be inclined to propose a lower level of leverage than necessary, which would increase the overall cost of capital. As a result, lack of competitive pressure on the cost of equity is likely to increase the overall Project cost (in terms of future Availability Payments) to the County. Under both procurement processes, debt can be procured competitively.
Strength of County negotiation position			Lack of competitive pressure under the Alternative P3 Process weakens the County's negotiation position compared to the Two-Step P3 Process, as it enters into a contract with no cost certainty or firm commitment, as several public agencies in the U.S. and internationally have experienced.
Value for Money vs PSC			Lack of integrated lifecycle costing in combination with lack of competition on equity and additional fees to be paid to the preferred bidder under the Alternative P3 Process is expected to lead to higher overall costing and may undercut key value drivers that can help achieve Value for Money against the public sector comparator (PSC).
Overall cost impact			<i>Although both processes will allow for competition on construction, O&M and debt pricing, the lack of sustained competitive pressure on equity and failure to consider integrated lifecycle costing under the Alternative P3 Process is likely to increase the overall project cost (in terms of future Availability Payments) to the County compared to the Two-Step P3 Process.</i>

Key: = More beneficial to County = Less beneficial to County

4.3. RISKS

Risk Considerations	Two-Step P3 Process	Alternative P3 Process	Discussion
Construction phase risks	No significant differences expected	No significant differences expected	Under both procurement processes, the preferred bidder is expected to enter into a fixed-price date-certain design-build contract. The risk allocation that governs critical construction risks (e.g. unexpected site conditions, permitting, existing structure, public opposition, etc.) will be outlined in the Project Agreement/Comprehensive Development Agreement and are expected to be similar under both procurement processes.
Operations phase risk	No significant differences expected	No significant differences expected	As for the construction phase risk, the risk allocation for the operations phase is expected to be similar under both procurement processes.
Interface risks between construction and operations phase	No significant differences expected	No significant differences expected	Under both procurement processes, the County will enter into an agreement with the developer, who will be responsible for interface risks between construction and operations. Therefore, from the County's perspective, the Team does not expect significant differences in terms of risk exposure. However, from the perspective of the developer, given that under the Alternative P3 Process the O&M contractor has not been involved in the project design, it is likely that the developer will be more exposed to interface risks than under the Two-Step P3 Process.
Change orders	No significant differences expected	No significant differences expected	Under the Two-Step P3 Process, the County will work with its advisors to develop functional/output-based specifications (as opposed to input-based specifications). Going through the process of developing detailed functional specifications forces the County and its future users to think through its needs very carefully, therefore reducing the likelihood for future change orders. Under the Alternative P3 Process, the County will work collaboratively with the preferred bidder to develop the Courthouse's design, which is also likely to reduce the need for future change orders. As such, the Team does not expect significant differences regarding the likelihood or impact of change orders between the two procurement processes.
Cost uncertainty			Under a Two-Step P3 Process, the County will receive committed bids at the end of the procurement process, which effectively transfers cost uncertainties to the preferred bidder at that point in time. Under the Alternative P3 Process, the preferred bidder will work with the County to develop the project and therefore reduce uncertainty with regards to the design. Although this means that the bids for the design-bid contract will likely contain a lower contingency, it also means that the County effectively retains this risk as it pays the preferred bidder to learn more about the project to reduce uncertainties and adjust (upward or downward) the cost estimates.
Permitting			To ensure acceptable bids, some steps of the permitting process need to be undertaken during the design development process. Under a Two-Step P3 Process, multiple bidders will be working on site development and design solutions. While there is precedent for integration of such procedures in the procurement process, this will be more complicated and therefore generate more risk than under the Alternative P3 Process, in which only one party and design solution goes through this process.

Key: = More beneficial to County = Less beneficial to County

RISKS (CONT'D)

Risk Considerations	Two-Step P3 Process		Alternative P3 Process	Discussion
	No significant differences expected			
Site selection				Although the County appears to have a clear preference for the location of the future Courthouse, both procurement processes provide sufficient time to confirm this location. Under the Two-Step P3 Process, the location only needs to be confirmed prior to issuance of the RFP. Under the Alternative P3 Process, the preferred bidder can work with the County during the predevelopment agreement period to identify the preferred location.
Errors and omissions				Under the Two-Step P3 Process, design error risks are transferred to the developer. Under the Alternative P3 Process, the County will work collaboratively with the preferred bidder to jointly develop the Courthouse's design. The collaborative design efforts could result in the County retaining in some responsibility and therefore liability for design errors.
Financing commitment				Under the Two-Step P3 Process, short listed respondents must provide fully committed bids that incorporate a detailed and committed plan of finance. As such, barring extreme changes in market conditions, the County can be assured of the respondents' ability to finance the project. Under the Alternative P3 Process, the preferred bidder does not need to provide a committed plan of finance. As such, there is a possibility that the preferred bidder may not be in a position to secure financing at the end of the PDA period, either due to lack of financial strength or alternatively due to changes in market conditions. The former can be effectively addressed through appropriate selection criteria in RFQ/P. The Team notes that securing financing at attractive conditions could prove to be somewhat more challenging given that the O&M and design-build contractor have not jointly developed the bid. As such, lenders may look for security that the developer will be able to maintain and operate the Courthouse for the full term.
Post-bid contract disagreements				Under the Two-Step P3 Process, the County will develop a Draft Project Agreement during the RFP process. As is common in P3 procurements, the County is expected to solicit input from short listed respondents to ensure that the Draft Project Agreement is in line with market expectations and that short listed respondents know what they are bidding on. As such, the probability of post-bid contract disagreements is low. Under the Alternative P3 Process, the preferred bidder is to commence good faith negotiations with the County regarding the Predevelopment Agreement, followed by another series of good faith negotiations on the Comprehensive Development Agreement, which makes the probability of post-bid contract disagreements substantially higher than under the Two-Step P3 Process. This is amplified by the fact that walking away from ongoing negotiations with the preferred bidder will substantially delay the projects, hence strengthening the preferred bidder's negotiation position.
Overall risk impact				The Two-Step P3 Process allows the County to transfer risks and uncertainties earlier to the private sector compared to the Alternative P3 Process. Although transferring such risk early comes with a risk premium, it provides more scope and cost certainty for the County and is likely to be more than offset by efficiency gains from lifecycle costing and more efficient risk management.

Key: = More beneficial to County = Less beneficial to County

4.4. TRANSPARENCY

Transparency Considerations	Two-Step P3 Process	Alternative P3 Process	Discussion
Public acceptance of procurement process			The Two-Step P3 Process is a generally accepted and widely adopted approach for P3 procurements. It allows for a high level of transparency and competition while avoiding the risk of perceived impropriety and/or bias. There are many examples in which a single bidder situation has led to public concerns regarding a procuring agency's ability to secure a fair and balanced agreement when negotiating with a single bidder.
Role of elected officials and decision makers			Even though there are likely more logical milestones in which elected officials can be briefed and involved in a Two-Step P3 Process, both procurement processes can be structured in such a way as to have meaningful involvement for elected officials and decision makers. Under both processes, it is essential to involve elected officials and decision makers early and frequently to build support for the project and provide for appropriate checks and balances.
Parallel negotiation			Under a Two-Step P3 Process, the County will receive views from two or three bidders. They have the opportunity to compare and contrast these views. Bidders will highlight issues in the contract documents that may be to the bidder's advantage but at the same time they may not want a competitor benefitting from. This comparison process reduces the information asymmetry between the County and the bidders. With a single bidder for the majority of the negotiation under an Alternative P3 Process, this County informational disadvantage is largely maintained, although recent transactions can provide relevant benchmark information.
Lender confirmation			To supply a committed RFP response in a Two-Step P3 Process, the contract will be reviewed by multiple parties other than the developer and the County. Lenders will review the documents in addition to the Lenders Technical advisors and often the rating agencies. All these activities take place before bid, allowing any critical issues to be addressed in the final RFP/Draft Project Agreement and prior to bid submission. In an Alternative P3 Process, there would not be a committed bid and the lender and expert views are unlikely to be fully obtained until after selection.
Overall transparency impact			Although both processes can be structured in such a way as to reduce the potential for impropriety and bias, the intrinsic challenges of negotiating with a single bidder without sustained competitive pressure are more likely to generate public concerns about transparency. Furthermore, the lack of outside review by lenders and their advisors reduces the likelihood that critical issues will be identified early.



Key: = More beneficial to County = Less beneficial to County

4.5. COUNTY CONTROL

County Control Considerations	Two-Step P3 Process	Alternative P3 Process	Discussion
Procurement process	No significant differences expected		Assuming that the County will itself define the procurement process and develop the procurement documents, the Team believes that the County can remain in control of the procurement process under both options. The Team notes that it is usually considered not advisable to have bidders draft procurement documents for the County, given the inherent divergence of interests.
Project scope and ability to incorporate Court's objectives	No significant differences expected		Under both procurement process options, the County must define the project scope and can incorporate specific requirements in the procurement documentation to ensure the project will meet the Court's objectives.
Project Agreement			Under a Two-Step P3 Process, the County will have a strong negotiation position. Whereas it will seek feedback from bidders and try to develop a Project Agreement that works for both parties, the County ultimately decides on the contents of the agreement and will require unconditional and fully committed bids.
O&M Step-In Rights	No significant differences expected		Under an Alternative P3 Process, the County will be negotiating with a single preferred respondent. While both parties will negotiate in good faith, their interests are not aligned. Cancellation of the process and starting a new procurement would create high costs and delay, which gives the preferred respondent significant leverage. Therefore, the preferred bidder has much less incentive to make material compromises.
Termination Rights			The County will need to have specific rights to step into operations during emergencies. They will also need to step in (or remove the operator) if the contractual performance specification and availability is not being met. We expect that this flexibility would be available under both procurement processes.
Overall County control impact			The County will need the right to terminate the contract if the developer defaults, including a default caused by poor operational performance after an appropriate number of warnings and remedial plans. This termination right should include the whole contract to allow it to be rebid or directly operated by the County. A typical Project Agreement developed in a Two-Step P3 Process would include these provisions and still be financeable. The Alternative P3 Process contemplates the separate procurement of an O&M provider which could be a difficult contract to negotiate if that provider is responsible for compensating debt holders for termination due to O&M subcontractor underperformance or default over a 30-year time frame. To the extent the developer would then have to assume responsibility for O&M risks, the financing costs of assuming such risk will be high. Considering these challenges, the County may be compelled to include less stringent termination rights in the Comprehensive Development Agreement or even a different deal structure under the Alternative P3 Process, which could partially explain the limited number of P3 deals resulting from the Alternative P3 Process.

Key: = More beneficial to County = Less beneficial to County

4.6. OTHER CONSIDERATIONS

Other Considerations	Two-Step P3 Process	Alternative P3 Process	Discussion
Meet DBE objectives	No significant differences expected	No significant differences expected	Under both procurement processes, the County can include DBE requirements in the procurement documentation to encourage bidders to meet those objectives.
Meet local business objectives	No significant differences expected	No significant differences expected	Under both procurement processes, the County can include local business requirements in the procurement documentation to encourage bidders to meet those objectives.
Internal learning for next transaction and development of market template			Although the two procurement processes are very different, both provide ample opportunity to learn for future transactions. However, as agencies that are becoming more experienced in P3 procurements typically either ban unsolicited proposals entirely or reserve this process for highly innovative projects, the County may benefit less from learning experience and developing standards from the Alternative P3 Process.

Key:  = More beneficial to County  = Less beneficial to County

5. Possible Ways Forward

Short of launching a new RFQ process or procuring the project under a conventional non-P3 procurement method, the County can follow one of the two approaches outlined below:

1. **Procure the courthouse using the Two-Step P3 Process:** The County could decide to discard the unsolicited proposal and continue the initiated Two-Step P3 Process. As the unsolicited proponent did not submit a response to the County's RFQ, the unsolicited proponent would no longer be considered under this option. As a result, the developer for the Courthouse will need to be selected from the shortlisted RFQ respondents on the basis of a fully committed response to the RFP.
2. **Procure the courthouse using the Alternative P3 Process:** The County could decide to abort the Two-Step P3 Process underway and pursue the unsolicited proposal process. In that case, the County would discard any RFQ responses and request RFQ respondents to respond to a future RFQ/P solicitation after the RFQ/P draft is finalized.

The Team notes that cancelling the initiated Two-Step P3 Process may result in reputational damage for the County. There will be a particular sensitivity about RFQ submissions being available to competitors under Freedom of Information requests (specifically Chapter 119 of the Florida Statute). As a result, bidding teams may be more hesitant to invest resources in developing high quality bids for future bidding opportunities within the County, including resubmitting under either the relaunched Two-Step P3 Process or the Alternative P3 Process.

6. Independent Municipal Advisor Disclaimer

As part of our proposed engagement with Miami-Dade County, please be advised that we will not be serving as a "municipal advisor," as that term is defined in the Securities and Exchange Commission's Rule 15Ba1-1 (the "Municipal Advisor Rule") promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We will not be providing advice to or on behalf of you or any other Municipal Entity or Obligated Person with respect to Municipal Financial Products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, or other similar matters concerning such financial products or issues, unless an Independent Registered Municipal Advisor is retained in connection therewith in such manner as to exempt our provision of any advice to you or on your behalf from the requirement to register as a municipal advisor under the Municipal Advisor Rule. In the event that municipal securities are to be issued as part of this transaction, please be advised that you must retain an Independent Registered Municipal Advisor in such manner as to exempt our provision of any advice to you or on your behalf from the requirement to register as a municipal advisor under the Municipal Advisor Rule. Capitalized terms used in the preceding sentences shall have the meanings ascribed to such terms in the Municipal Advisor Rule and the Exchange Act.

If you have any questions or concerns about the disclosures described above, you should make those questions or concerns known immediately to BMO. In addition, you should consult with your own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.



ISD Real Estate Development - Leasing
Report of Leases (Owned and Leased)

Type	Category	Lessor/Tenant	Address/Location	Dept./Agency	Start Date	Expiration Date	Lease Space (sq. ft.)	Annual Rent (Paid to County)	Utilities (Paid by County)	Net Cost	Permitted Use
County Owned	Non-Profit Organization	St. Albans Day Nursery	6060 SW 66 St.	Miami-Dade County/ Internal Services	10/17/1987	9/30/2019	5,644 \$	1.00	TR	1.00	Operation of a child care center.
County Owned	Non-Profit Organization	Young Women's Christian Association, Inc.	351, 335, 519, 519 & 513 NW 5 Ave., Lot 11 -15, 16 & 17	Miami-Dade County/ Internal Services	3/17/1991	3/16/2041	36,500 \$	1.00	TR	1.00	Vacant land for the construction and operation of a public playground along with other related uses necessary for the accomplishment of a comprehensive green space plan for the neighborhood.
County Owned	Non-Profit Organization	Miami Children's Initiative	5400 NW 22 Ave., 4th Floor	Miami-Dade County/ Internal Services	7/13/2012	7/22/2016	4,155 \$	10.00 \$	14,542.50 \$	(14,332.50)	Develop, coordinate, and provide quality education, accessible health care, youth development programs, opportunities for employment, and safe and affordable housing for children and families within its boundaries.
County Owned	Non-Profit Organization	City of Miami	800/810/820 NW 28 St.	Greater Miami Service Corps. (Sub-Tenant)	12/12/2016	12/11/2046	29,200 \$	1.00	TR	1.00	Only and exclusively for the purpose of providing social service programs to low/moderate income young adults between the ages of 16 and 23, including but not limited to, (1) physical fitness training, (2) job development and life skills instruction, (3) paid workable experience in community service or environmental projects and (4) the operation of a child day care facility.
County Owned	Non-Profit Organization	Association for Retarded Citizens South Florida, Inc.	20600 NW 47 Ave., Buildings 7A, 7B	Miami-Dade County/ Internal Services	2/17/2012	2/17/2014	6,069 \$	51,258.72 \$	- \$	51,258.72	Child welfare and training programs that include, but are not limited to, a charter school, and for ancillary office/storage spaces.
County Owned	Non-Profit Organization	Center for Family and Child Enrichment, Inc.	20600 NW 47 Ave., Buildings 24 & 26	Miami-Dade County/ Internal Services	3/1/2015	2/28/2017	7,200 \$	63,505.44 \$	- \$	63,505.44	Operation of a child welfare and training programs, that include, but are not limited to shelters for children, and for ancillary office and storage space.
County Owned	Non-Profit Organization	Children's Home Society of Florida	SW 117 Ave. & SW 172-175 Ter. (17501 SW 117th Ave.)	Miami-Dade County/ Internal Services	4/4/1989	4/3/2019	114,998 \$	1.00	TR	1.00	A foster care agency which provides temporary homes or "families" for children that have been abandoned or removed from a dangerous situation. Construction and operation of shelter care facilities for abandoned, neglected, and abused children.
County Owned	Non-Profit Organization	His House, Inc.	20600 NW 47 Ave., Buildings 2, 6A, 9, 22, 23, 27 - 35	Miami-Dade County/ Internal Services	4/21/2015	4/20/2017	87,792 \$	763,737.96 \$	- \$	763,737.96	Shelters (16) buildings to be used for child welfare and training programs to include shelters for children, a school, and ancillary office/storage
County Owned	Non-Profit Organization	Le Jardin Community Center, Inc.	South Fajal Ave & SW 7 St. & SW 8 St. (Lucy St./W. Lucy St.)	Miami-Dade County/ Internal Services	11/17/2016	10/31/2031	108,900 \$	2,000.04 \$	- \$	2,000.04	Socially passive recreational area, for the children and families utilizing the public services of the Tenant.
County Owned	Non-Profit Organization	Empowered Youth, Inc.	20 NE 29 St.	Miami-Dade County/ Internal Services	5/1/2014	4/30/2020	6,900 \$	3,947.88 \$	- \$	3,947.88	Food Trailer and outdoor seating area used to promote and create job opportunities and resources, mentoring and training for inner city youth at risk.
County Owned	Non-Profit Organization	YWCA Of Greater Miami-Dade, Inc.	112 NW 3 St.	Miami-Dade County/ Internal Services	5/1/2017	4/30/2017	8,400 \$	1.00	TR	1.00	Carol Glasman Donatison Day Care Center providing child care and educational programs for children of Miami-Dade County employees and other children, ages 6 weeks to 5 years old.
Sub-Total							1,278,108 \$	1,101,355.95 \$	146,762.00 \$	954,593.95	

Type	Category	Lessor/Tenant	Address/Location	Dept./Agency	Start Date	Expiration Date	Lease Space (sq. ft.)	Annual Rent (Paid to County)	Utilities (Paid by County)	Net Cost	Permitted Use
County Owned	Government Agency	Miami-Dade County Juvenile Services Department (JSD)	16404 NW 35 Ave., Rooms 105 & 106	Miami-Dade County/ Community Action and Human Services	3/1/2016	2/28/2016	1,682 \$	25,986.96 \$	- \$	25,986.96	Provides enhanced Prevention, Outreach and Diversion services to include evidence-based assessments, referrals to community-based organizations, and case management. Additional services include mentoring, job development opportunities, and outreach services.
County Owned	Government Agency	State of Florida, Department of Juvenile Justice (DJJ)	10555 SW 84 St.	Miami-Dade County/ Community Action and Human Services	5/18/1983	05/17/2023	165,528 \$	1.00	TR	1.00	Residential facility - Miami Youth Academy serves males between the ages of 14 and 18, in a non-secure residential commitment program. Males served are those who have been assessed as needing Substance Abuse Treatment Overlay Services in a residential environment.
County Owned	Government Agency	State of Florida, Department of Children & Families (Joseph Cook's Community Center/ Martin Luther King Jr. Plaza)	25215 NW 62 St., 4th Floor	Miami-Dade County/ Internal Services	11/2/2015	12/31/2017	4,613 \$	120,458.04 \$	1,061.73 \$	119,396.31	Provides various services to protect the vulnerable, promote strong and economically self-sufficient families, and advances personal and family recovery and resiliency.
County Owned	Government Agency	State of Florida, Department of Children and Families (South Miami Heights)	19500 Quail Forest Dr.	Miami-Dade County/ Internal Services	4/1/1983	3/31/2033	217,800 \$	1.00	TR	1.00	Administrative offices used to provide counseling services to mentally handicapped and retarded children and adults.
Sub-Total							389,643 \$	146,447.00 \$	1,061.73 \$	145,385.27	



ISD Real Estate Development - Leasing
Report of Leases (Owned and Leased)

Type	Category	Lessor/Tenant	Address/Location	Dept./Agency	Start Date	Expiration Date	Lease Space (Sq. Ft.)	Annual Rent (Paid to County)	Utilities (Paid by County)	Net Cost	Permitted Use	
County Owned	Government Agency (County Core Contract)	Florida Department of Health CJO M-QC Health Department (County City Health Center/WIC Clinic)	2520 HW 75 St.	Miami-Dade County/ Internal Services	10/1/2014	9/30/2018	9,378	\$ 1.00	TR	\$	1.00 The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Program is a federally funded public health nutrition program providing nutrition education, nutritious foods, breastfeeding support, and healthcare referrals for income-eligible women who are pregnant, breastfeeding or postpartum, infants, and children up to age 5.	
County Owned	Government Agency (County Core Contract)	Florida Department of Health CJO M-QC Health Department (Naranja Community Health Center/WIC Clinic)	13655 SW 264 St.	Miami-Dade County/ Internal Services	10/1/2010	9/30/2018	670	\$ 1.00	TR	\$	1.00 Naranja Community Health Center, Department of Health Clinic utilized by the general public. The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Program is a federally funded public health nutrition program providing nutrition education, nutritious foods, breastfeeding support, and healthcare referrals for income-eligible women who are pregnant, breastfeeding or postpartum, infants, and children up to age 5.	
County Owned	Government Agency (County Core Contract)	Florida Department of Health CJO M-QC Health Department (West Perrine Health Center (PHT) Center Clinic)	615 Collins Ave.	Miami-Dade County/ Internal Services	6/2/1998	9/30/2018	34,836	\$ 1.00	TR	\$	1.00 Providing prevention, education and treatment of HIV/AIDS and sexually transmitted diseases to the infected/affected population of Miami-Dade County, including the elderly.	
County Owned	Government Agency (County Core Contract)	Florida Department of Health CJO M-QC Health Department (Rosa Lee Wesley (RLW) South Miami Center)	6601 SW 52 Ave.	Miami-Dade County/ Internal Services	10/1/1987	9/30/2018	8,166	\$ 1.00	TR	\$	1.00 Rosa Lee Wesley Health Center specializes in Family Medicine and Pediatrics with 3 physicians. State of Florida DOH Health Center (Land leased from City of South Miami)	
County Owned	Government Agency (County Core Contract)	Florida Department of Health CJO M-QC Health Department (West Perrine Health Center)	18255 Homestead Ave.	Miami-Dade County/ Internal Services	10/1/1987	9/30/2018	500	\$ 1.00	TR	\$	1.00 West Perrine Health Center of Community Health of South Florida, Inc. (CHI) providing a variety of services to the community. Services include Primary Care, Pediatrics, Laboratory, and Insurance enrollment.	
County Owned	Government Agency (County Core Contract)	Florida Department of Health CJO M-QC Health Department (Double Center/WIC - CHI Clinic)	10300 SW 216 St.	Miami-Dade County/ Internal Services	10/1/1987	9/30/2018	314	\$ 1.00	TR	\$	1.00 Dorkson South Dade Health Center of Community Health of South Florida, Inc. (CHI), Department of Health Clinic, utilized by the general public. The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Program providing nutrition education, nutritious foods, breastfeeding support, and healthcare referrals for income-eligible women who are pregnant, breastfeeding or postpartum, infants, and children up to age 5.	
							Sub-Total	\$ 54,564	\$ 6.00	\$	6.00	

Leases under the Core Contract. Reduction is improbable because the structure are tied to the specific location of the agency.

Lease Space (Sq. Ft.)	Annual Rent (Paid to County)	Utilities (Paid by County)	Net Cost
1,276,108	\$ 1,101,355.95	(\$ 146,762.00)	\$ 954,593.95
389,643	\$ 146,447.00	(\$ 1,061.72)	\$ 145,385.27
1,665,751	\$ 1,247,802.95	(\$ 147,823.72)	\$ 1,099,979.22
Lease Space (Sq. Ft.)	Annual Rent (Paid to County)	Utilities (Paid by County)	Net Cost
54,564	\$ 6.00	\$	6.00

County Owned (Department of Health) County Core Contract

