

ALLOWABLE LCDBG PROFESSIONAL SERVICES FEES
FY 2018 – FY 2019 Program Years
Revised 02/06/17

Pre-Agreement Costs

Within the ceiling amounts and at the discretion of the Office of Community Development, applicants may request funds for the reimbursement of pre-agreement costs (application preparation fees). In order to be eligible to be reimbursed for the pre-agreement costs, the following requirements must be met: (1) the application must be funded under the FY 2018 – FY 2019 LCDBG Program years, (2) the LCDBG procurement procedures must have been followed in the procurement of engineering and/or administrative consulting firms, (3) the application preparation tasks and corresponding costs must be identified in a **written and executed** contract between the selected firms and the local government **prior to the beginning of services being performed** and (4) the application components prepared by engineering, architectural and/or administrative consulting providers must have been properly and adequately packaged as determined by the Office of Community Development. The Office of Community Development has the option of reducing the reimbursable amount requested for pre-agreement costs on funded applications. The amount of the reduction will be determined by the component(s) of the application which is/are deemed inadequate. The specific requirements which must be followed for procuring these services are identified on the Office of Community Development's website at http://www.doa.la.gov/Pages/ocd/cdbg/lcdbg_applications_and_forms.aspx. A copy of these requirements can be emailed or mailed if requested. The pre-agreement costs which can be reimbursed with LCDBG funds depend on the type of project funded:

- a) Public facilities applications - **in addition** to the allowable maximum administrative fee described below, a maximum of \$3,700 will be allowed for pre-agreement administrative services. Of this amount, a maximum of \$1,500 will be allowed for engineering services; such services may include the preparation of applicable portions of the project description, the cost estimate, the project severity attachment when applicable, pre-application conferences, etc. A maximum of \$2,200 will be allowed for administrative consulting fees: a maximum of \$1,400 will be allowed for the preparation of all non-engineering forms and the overall packaging of the application and a maximum of \$800 will be allowed for household surveying costs only if the administrative consultant conducts/performs the survey. No pre-agreement costs for surveying will be reimbursed when census data rather than a household survey is utilized. A minimum of one on-site visit will be required of the engineer and the administrative consultant in order to be reimbursed for pre-agreement costs.

- b) Demonstrated Needs and LaSTEP applications - **in addition** to the allowable maximum administrative fee described below, a maximum of \$3,700 will be allowed for pre-agreement administrative services. Of this amount, a maximum of \$1,500 will be allowed for engineering services; such services may include the preparation of applicable portions of the project description, the cost estimate, the project severity attachment when applicable, pre-application conferences, etc. A maximum of \$2,200 will be allowed for

administrative consulting fees: a maximum of \$1,400 will be allowed for the preparation of all non-engineering forms and the overall packaging of the application and a maximum of \$800 will be allowed for household surveying costs only if the administrative consultant conducts/performs the survey. No pre-agreement costs for surveying will be reimbursed when census data rather than a household survey is utilized. A minimum of one on-site visit will be required of the engineer and the administrative consultant in order to be reimbursed for pre-agreement costs.

Within the allowable maximum administrative fee described below, a maximum of \$5,000 will be allowed for administrative pre-agreement services if the Environmental Review Record for the project is submitted to the Office of Community Development prior to or approximately at the time of submittal of the application.

In addition, basic engineering design fees may be included as engineering pre-agreement costs, should the applicant choose to complete the project's design/plans and specifications during application preparation. The amount of these fees shall be in accordance with the Engineering Fee Schedules and Policies for basic services located on the Office of Community Development's website. The Office of Community Development reserves the right to make adjustments to those ranges when deemed necessary.

c) Multi-jurisdictional, regional public facilities applications - **in addition** to the negotiated allowable administrative fee amount, a combined maximum of \$8,000 for pre-agreement services will be allowed. Pre-agreement costs within the pertinent and established allowances for public facilities projects per local government may be requested up to a combined maximum of \$8,000.

d) Economic development applications – **within** the allowable maximum administrative fee amount of \$39,000, a maximum of \$9,000 will be allowed for administrative pre-agreement services if the Environmental Review Record for the project is submitted to the Office of Community Development prior to or approximately at **the** time of submittal of the application. If the Environmental Review Record is not submitted to the Office of Community Development prior to or approximately at the time of submittal of the application, a maximum of \$4,000 will be allowed for administrative pre-agreement costs. Due to the individual and unique circumstances surrounding each economic development application, prescribed pre-agreement amounts are not made for administrative consulting and engineering services; the breakdown of those fees will be negotiated amongst the local government, the administrative consulting firm, and the engineering firm.

In addition, basic engineering design fees may be included as engineering pre-agreement costs, should the applicant choose to complete the project's design/plans and specifications during application preparation. The amount of these fees shall be in accordance with the Engineering Fee Schedules and Policies for basic services located on the Office of Community Development's website. The Office of Community Development reserves the right to make adjustments to those ranges when deemed necessary.

Administrative Costs

Within the ceiling amounts the State also allows applicants to request funds for administrative costs with the following limitations.

- a) Public Facilities - Each local government will be allowed a maximum of \$35,000 (for applications requesting funds up to \$600,000) and \$40,000 (for applications requesting funds in excess of \$600,000) in LCDBG funds for administrative costs for public facilities projects.
- b) Multi-jurisdictional, regional public facilities applications – The amount of LCDBG funds which may be requested for multi-jurisdictional regional projects will be negotiable; a determination of the allowable amount must be requested of the Office of Community Development prior to the submittal of the application.
- c) Demonstrated Needs – The local government will be allowed up to a maximum of \$25,000 in LCDBG funds for administrative costs on demonstrated needs projects for critical/urgent infrastructure needs. If the local government has another open or ongoing LCDBG program (one that has not been issued a conditional or final closeout) or if the demonstrated needs project for critical/urgent infrastructure needs is subsequently approved as an emergency project, the maximum amount allowed for administrative costs will be reduced to \$20,000. The State will make the determination as to the amount allowed for pre-agreement and administrative costs allowed for demonstrated needs projects for other community needs.
- d) LaSTEP - \$30,000 for will be allowed for LaSTEP projects.
- e) Economic Development - The amount of administrative funds which may be requested for economic development projects will be dependent upon the amount of pre-agreement costs requested, however a combined maximum of no more than \$39,000 may be requested for both administrative pre-agreement and grant administrative costs.

In all instances, the local government may (but is not required to) retain up to five percent of the funds allowed for program administration to cover its costs of administering the LCDBG Program; such costs on the local governmental level include but are not limited to audit fees, advertising and publication fees, staff time, workshop travel expenses, etc.

Engineering/Architectural Costs

Engineering and architectural fees may also be requested within the ceiling amounts; the funds allowed by the State will not exceed those established and approved by the Office of Community Development. Refer to the *Engineering Fee Schedules and Policies for the LCDBG Program*, located on this website. The Office of Community Development reserves the right to make adjustments to those ranges and individual requested amounts when deemed necessary. If, after a project has been funded, the scope of the project changes significantly, the State will make a determination as to the actual amount which will be allowed for engineering costs; this determination will be made on a case-by-case basis. An adjustment (reduction) to the amount allowed for basic engineering fees will also be made in those instances where the project plans and specifications were prepared prior to the grant award.