



R. Cozzy

New York State Department of Environmental Conservation

MEMORANDUM

TO: David Smith, Chief, Contract Development Section
FROM: Robert J. Cozzy, Chief, Special Projects Section *[Signature]*
SUBJECT: Conklin Dumps, Site No. 704013 - Title 3 Indirect Cost Rate/Multiplier
 Dunn Geoscience Engineering
DATE: FEB 04 1992

It is my understanding that Dunn Geoscience Engineering was approved for a State contract at a maximum allowable multiplier of 2.8 within the last two years. Therefore, if my understanding is correct, please advise the Projects Administration Unit in writing that the Town of Conklin should be reimbursed for Dunn's costs at that rate in accordance with your September 23, 1991 memorandum and my September 20, 1991 memorandum to Jack McKeon (attached).

Attachments

cc: J. McKeon
 S. Hammond
 B. Davidson

FOILABLE Y-N		B.E.R.A.		FILE SECTION	
SITE NAME	<i>Conklin LF</i>	_____	I		
SITE CODE	<i>704013</i>	_____	II		
SUB SECTIONS	<i>Contracts</i>	_____	III		
PRO ELEMENT		_____	IV		
PERMITS UNIT NO. DESC.		_____	V		
DRAFT OR FINAL		_____	VI		

McK
New York State Department of Environmental Conservation

MEMORANDUM

TO:
FROM:
SUBJECT:

Jack McKeon
Dave Smith
Title 3 Indirect Cost Rate/Multiplier Reviews

DATE:

SEP 23 1991

Per your September 19, 1991 request, the following are recommended
Title 3 cost forms requirements:

- JACK*
This looks good to me. SBT 9/25
I AGREE
1. Each Title 3 consultant should be required to submit a completed Form #5 (copy attached), independently prepared financial statements and a reconciliation of Form #5 to expenses shown on the income statement.

(Comment: This requirement is based on management's direction that we be consistent in our cost analyses between the Title 3 and State Superfund programs)

2. An exception to the requirement to #1 above can be made if the information required under #1 was submitted recently (for another Title 3 project) based on a fiscal year no more than 2 years old. An exception can also be made if a state contract was recently negotiated and the financial information used in the contract negotiations was no more than 2 years old.

3. Title 3 consultants should be required to submit the item #1 information every two years so that the Department can ascertain the reasonableness of their indirect cost rate/multiplier.

(Comment: State Superfund program looks at indirect cost rates every 2 to 3 years and makes adjustments via contract amendments. This would be an additional Title 3 workload for CDS but it certainly seems prudent and in conformance with the program consistency requirement.)

The information requested and reviews to be done are "minimal" cost reviews and, although they will take a significant staff effort, they do not approach the effort expended on cost reviews done on state consultant contracts.

Ralph Burger and I are available to discuss this matter with you if you'd like.

cc: R. Burger

EG

file



New York State Department of Environmental Conservation

MEMORANDUM

TO: Jack McKeon, Bureau of Program Management
 FROM: Robert J. Cozzy, Chief, Special Projects Section
 SUBJECT: Maximum Allowable Multiplier for Dunn Geoscience - Conklin Dumps Site

DATE: SEP 20 1991

The Town of Conklin has recently completed a competitive procurement for the design and construction oversight at the Conklin Dumps Site, and has selected Dunn Geoscience. Dunn's maximum allowable multiplier for work as a stand-by contractor was recently approved at a 2.8. They have proposed the same multiplier (direct labor x 1.564 + fixed fee (Total labor x .092)) to the Town of Conklin for their services at the Conklin Dumps.

As you will recall, this is essentially the same situation that existed with the Town of Ramapo and their use of URS. Since URS's maximum allowable multiplier had recently been approved for work on a State contract, the Department reimbursed the Town at the same rate without requiring URS to resubmit financial backup information on Title 3 Cost Reporting Forms.

My staff is satisfied that Dunn's proposed project costs are reasonable, based on the cost estimate breakdown they submitted with their proposal to the Town; their approval by the Department as a stand-by contractor at the same multiplier; and the fact that Dunn's cost proposal was considerably less than the other firms' proposals received by the Town for this project. However, my section staff was informed by Contract Development Section staff that the Title 3 Cost Reporting Forms should be completed by Dunn.

In light of the above, I do not feel that it is necessary for Dunn Geoscience to complete and submit Title 3 Cost Reporting Forms in order for the Department to reimburse the Town for their costs at the same maximum allowable multiplier that the Department has recently approved. While we all agree controlling costs are a must for each individual project, it doesn't make sense to spend staff time reviewing multipliers which were recently approved when staff time can be better spent on higher priority work. This memorandum can serve as documentation (for audits) that costs were deemed reasonable by the Department and outline why those costs were reasonable. Please advise me of your decision as soon as possible as this will affect approximately one half the sites in my section.

cc: S. Hammond
 B. Davidson
 D. Weigel
 D. Smith

RECEIVED
 SEP 21 1991
 COUNTY OF
 TOWN OF
 FOLKLORE
 THE HOME
 OF THE
 OF THE

File on eDOCs x Yes No
Site Name Conklin
Site No. 704013
County Broome
Town Conklin
Foilable x Yes No
File Name 1992-02-04, multiple
Scanned & eDOC