

LOCAL AGENCY PROGRAM PROCUREMENT
 CALCULATING FEE MOCKUP FOR INDEPENDENT STAFF HOUR ESTIMATES

Using the LAP Cost Analysis and Estimating Tool to create agency independent staff hour estimates for Professional Services negotiations

In accordance with LAP Manual 18.7.3, “The Local Agency must develop an independent staff-hour estimate *prior* to receipt or review of the consultant’s proposal. The estimate is intended to check the reasonableness of the consultant estimate and conduct an analysis of costs proposed by the consultant.” Estimates should consist of a breakdown of work or labor hours, job classifications, direct costs, and indirect rates including fixed fees for the defined scope of work for both prime and subconsultant tasks as applicable.

General Guidance on the LAP Cost Analysis and Estimating Tool

I. Accessing the Tool

The District is requiring local agencies to utilize the Calculating Fee Mockup template to develop independent staff hour estimates. This spreadsheet involves inclusion of all rates: direct, indirect, and fixed fee. The Tool can be accessed navigating to the LAP Professional Services webpage: <https://www.fdot.gov/programmanagement/LAP/ProfessionalServices.shtm>

Resource Documents



LAP Negotiations Quick Reference Guide



LAP Negotiations Flowchart



LAP Checklist Training Materials



Calculating Fee Mock Up
 Calculating Fee Mock Up How to Guide - Developed by District 6

Posted here!



Professional Services CBT



Federal Highway Administration
 FHWA Professional Services Q&A
 Consultants Services Resources

Or the LAP Forms webpage: <https://www.fdot.gov/programmanagement/lap/forms/lapforms.shtm>

PSU Procurement

525-010-49	Local Agency Program (LAP) Checklist for Federally Funded Professional Services Contracts Word Form Federal and State Requirements	
375-030-18	Consultant Affirmation	PDF Form Word Form
375-020-08	Proposal (in Bid Blank)	FORM
375-020-30	Contract Affidavit (in Bid Blank)	PDF Form
375-030-30	Truth in Negotiation	PDF Form
375-030-50	Conflict of Interest Certification	PDF Form
375-040-84	LAP Terms for Federal Aid Professional Services Contracts	PDF Form Word Form
Sample	Calculating Fee Mock Up - Revised January 2021 Calculating Fee Mock Up How to Guide - Developed by District 6	
700-010-04	Estimate of Contract Time	Excel Form

The link on either page will open an Excel template as pictured below:

Note: The unloaded/base rate is multiplied by the multiplier in order to create the "Loaded Rate." Then the loaded rate is multiplied by the "number of hours". This is an example of the fixed fee being calculated on the direct rates only.

LAP PROJECT CONSULTANT COST RATE ESTIMATING AND ANALYSIS TOOL				
POSITION / JOB CLASSIFICATIONS				
<i>Input positions required to deliver the services under your contract</i>	Number of Hours	Unloaded Rate (aka Base Rate)	Loaded Rate (Unloaded Rate X Multiplier)	Total Cost (Loaded Rate X Hours)
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
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<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
Totals	0			\$0.00

Spreadsheet opens to the template shown here. It is set up side by side with the direct cost columns on the left & the indirect cost columns & tools on the right.

Adjust your view as needed!

CONSULTANT INDIRECT COST RATES	
Base Rate - ALWAYS LEAVE AS 1	100%
General Overhead	
FCCM	
Direct Expenses	

Note: The rates provided in the sample tab are the current statewide averages posted in the FDOT Negotiations Handbook (Jan. 13, 2020) and may be used for estimating purposes. Replace estimated rates with the audited cost rates from the FDOT Prequalification Letter when using this tool to establish actual contract (loaded) rates for LAP projects. Contact the District LAP Administrator if a prime or subcontractor is not FDOT Prequalified.

NEGOTIATED RATE	
Operating Margin (Fixed Fee equivalent)	
TOTAL MULTIPLIER	1.00000

Note: The operating margin must be negotiated based on scope and complexity of the LAP project. Use Form No. 375-030-82.

FIXED FEE CONVERSION CALCULATOR	
Rate	0.000%
Fixed Fee is less than or equal to 15%?	Yes

Operating margin on direct+indirect salary costs is limited to 15%. If OM Equivalent cells shows a value greater than 15%, operating margin must be lowered on federal contracts so that OM Equivalent is no greater than 15%.

NEGOTIATION TOOLS	
Search FDOT's Average Job Class Rates	Click Here
LAP Negotiations Quick Reference Guide	Click Here
LAP Professional Services Website	Click Here
FDOT Negotiations Handbook	Click Here
Operating Margin Justification Form No. 375-030-82	Click Here

The excel workbook includes two sheets: (1) the sample tab and (2) the template tab. The agency will create one sheet utilizing the template tab that includes all anticipated classifications necessary to deliver the project.

II. Using the Negotiations Tools provided within the Sheet

Before developing the estimate, refer to the box labeled “Negotiations Tools” in the bottom right hand corner of the page. Links to the best and most relevant resources are provided for you here. These resources are to be used as follows:

- ***Search FDOT’s Average Job Class Rates*** – For estimating and evaluating direct wage rates for employees
- ***LAP Negotiations Quick Reference Guide*** - To find definitions and required negotiations actions for LAP projects.
- ***LAP Professional Services Website*** - To find resources developed uniquely to LAP
- ***FDOT Negotiations Handbook*** - To find information on all aspects of negotiations
- ***Operating Margin Justification Form No. 375-030-82*** -To estimate and later negotiate operating margins for prime and subs (you will eventually submit this form along with your developed Staff Hour Estimate)

NEGOTIATION TOOLS	
<i>Search FDOT’s Average Job Class Rates</i>	Click Here
<i>LAP Negotiations Quick Reference Guide</i>	Click Here
<i>LAP Professional Services Website</i>	Click Here
<i>FDOT Negotiations Handbook</i>	Click Here
<i>Operating Margin Justification Form No. 375-030-82</i>	Click Here

Completing the LAP Cost Analysis and Estimating Tool

I. Completing the LAP Project Consultant Cost Rate Estimating & Analysis Tool Table (Input Direct Costs)

Upon opening the tool, navigate to the template tab; notice the template is not pre-filled and the Loaded Rate and Total Cost columns are locked. Populate these cells based on the scope and staffing needs of your project. Include all anticipated classifications necessary to deliver the project. Use the *Search FDOT's Average Job Class Rates* link from the Negotiation Tools box for estimating the Unloaded Rate (aka Base Rate) for each position required to perform the services on your project.

Note: The unloaded/base rate is multiplied by the multiplier in order to create the "Loaded Rate." Then the loaded rate is multiplied by the "number of hours". This is an example of the fixed fee being calculated on the direct rates only.

LAP PROJECT CONSULTANT COST RATE ESTIMATING AND ANALYSIS TOOL				
POSITION / JOB CLASSIFICATIONS <i>Input positions required to deliver the services under your contract</i>	Number of Hours	Unloaded Rate (aka Base Rate)	Loaded Rate (Unloaded Rate X Multiplier)	Total Cost (Loaded Rates X Hours)
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00
<i>*Add your required classification here</i>			\$0.00	\$0.00

Note: The Sample tab is populated with generic information, which is not meant to limit or prevent changes to this section of the tool.

LAP PROJECT CONSULTANT COST RATE ESTIMATING AND ANALYSIS TOOL				
POSITION / JOB CLASSIFICATIONS <i>Input positions required to deliver the services under your contract</i>	Number of Hours	Unloaded Rate (aka Base Rate)	Loaded Rate (Unloaded Rate X Multiplier)	Total Cost (Loaded Rates X Hours)
<i>CEI Senior Project Engineer</i>	10	\$74.00	\$215.72	\$2,157.15
<i>Contract Support Specialist</i>	25	\$41.45	\$120.83	\$3,020.74
<i>CEI Senior Inspector</i>	40	\$32.00	\$93.28	\$3,731.29
<i>CEI Inspector</i>	120	\$25.96	\$75.68	\$9,081.03
<i>Secretary</i>	5	\$20.50	\$59.76	\$298.79
<i>*Add your required classification here</i>			\$0.00	\$0.00

II. Completing the Consultant Indirect Cost Rates Table

CONSULTANT INDIRECT COST RATES	
<i>Base Rate - ALWAYS LEAVE AS 1</i>	100%
<i>General Overhead</i>	
<i>FCCM</i>	
<i>Direct Expenses</i>	

The Consultant Indirect Cost Rates box in the Template tab are blank. The rates provided in the sample tab are current statewide averages. These rates are posted in the FDOT Negotiations Handbook (Dec. 18, 2020) and may be used for estimating purposes.

NOTE: Averages can **ONLY** be used for **estimating**.

Copy the values from the sample tab into the template tab for estimating purposes.

III. Completing the Negotiated Rate Table

The Negotiated Rate table in the Template tab is blank. The Operating Margin will be developed based on the scope and complexity of your project as directed by the “Note” provided directly under the Negotiated Rate table in the spreadsheet, pictured below. Do **not** apply the number identified in the sample tab; this is a random number.

Use Operating Margin Justification Form No. 375-030-82 to estimate your operating margin. The form is in the Negotiations Tools box.

NEGOTIATED RATE	
<i>Operating Margin (Fixed Fee equivalent)</i>	
TOTAL MULTIPLIER	1.00000

Note: The operating margin must be negotiated based on scope and complexity of the LAP project. Use Form No. 375-030-82.

IV. The Fixed Fee Conversion Calculator

The Fixed Fee Conversion Calculator automatically converts the operating margin to its equivalent using the fixed fee formula. If the conversion equals 15% or less, the spreadsheet will say “yes”. If the conversion equals any number greater than 15%, the spreadsheet will say “no”, signaling that the operating margin is too high and must be further negotiated below 15%.

FIXED FEE CONVERSION CALCULATOR	
<i>Rate</i>	0.000%
<i>Fixed Fee is less than or equal to 15%?</i>	Yes

Operating margin on direct+indirect salary costs is limited to 15%. If OM Equivalent cells shows a value greater than 15%, operating margin must be lowered on federal contracts so that OM Equivalent is no greater than 15%.

V. Populating the Total Multiplier

The Total Multiplier is automatically populated for you and cannot be changed unless you change one of the numbers used to calculate the multiplier.

NEGOTIATED RATE	
<i>Operating Margin (Fixed Fee equivalent)</i>	
TOTAL MULTIPLIER	1.00000

VI. How the Math Works

- The Total Multiplier is calculated by adding the Indirect Cost Rates box values and the Negotiated Rate box value together.
- Loaded Rates are calculated by multiplying the Unloaded Rates column values by the Total Multiplier
- Total Cost is calculated by multiplying the Loaded Rates column values by the Number of Hours

Next Steps

The Local Agency must submit to the Department the Local Agency’s independent staff hour estimate prior to receipt and review of the consultants’ proposals. Department concurrence to enter into negotiations with the most highly qualified consultant cannot be issued until the Local Agency independent staff hour estimate has been reviewed.

Upload a copy of the independent staff hour estimate to LAPIT for Department review **prior** to entering negotiations with the consultant.