



RON GALPERIN  
CONTROLLER

January 15, 2020

Honorable Members of the City Council  
of the City of Los Angeles

Dear Honorable Members:

**SUBJECT: COST ALLOCATION PLAN (CAP) 40**

The Controller prepares a Cost Allocation Plan (CAP) annually as the basis for recovering City overhead and fringe benefit costs on Federal and State grant projects. The plan is developed and negotiated with the U. S. Department of Health and Human Services (HHS) under contract with the City's Federal cognizant agency, the U.S. Department of Housing and Urban Development (HUD).

The City Council, on April 1, 1986 (C.F. 81-4742), authorized the Mayor to execute Cost Allocation Agreements with copies to be transmitted to the City Council for informational purposes. Agreements of this type consist of schedules of the allocation of overhead and fringe benefit costs to City Departments, the computed overhead and fringe benefit rates, and Federal approval for their use in grant projects. Attached is the fully executed Cost Allocation Negotiation Agreement Number 40 between the City and HHS. This Cost Allocation Agreement applies to fiscal year 2017-18.

We recommend the attached Agreement be noted and filed.

Sincerely,

GEORGIA MATTERA  
Chief Deputy Controller

Attachment

**STATE AND LOCAL RATE AGREEMENT**

City of Los Angeles  
 200 N. Main Street  
 Los Angeles, CA 90012

DATE: December 18, 2019  
 FILING REF.: The preceding  
 agreement was dated:  
 05/18/2018      G22201

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions contained in Section IV.

---

**SECTION I: CENTRAL SERVICE INDIRECT COST RATES\***

---

<u>Type</u>	<u>Effective Period</u>		<u>Rate</u>	<u>Location</u>	<u>Applicable to</u>
	<u>From</u>	<u>To</u>			
					<b>AGING</b>
Fixed	07/01/17	06/30/18	37.28%	All	Balance of Dept.
Fixed	07/01/17	06/30/18	8.77%	All	Special Fund (Title V)
					<b>CITY ADMIN OFFICER (CAO)</b>
Fixed	07/01/17	06/30/18	24.04%	All	Petroleum Admin., Proprietary, Capital Projects (Physical Plant)
Fixed	07/01/17	06/30/18	28.89%	All	Disaster Grants Coordination
					<b>CITY ATTORNEY</b>
Fixed	07/01/17	06/30/18	29.60%	All	Criminal
Fixed	07/01/17	06/30/18	2.59%	User's Site	Direct (Proprietary/CRA)
Fixed	07/01/17	06/30/18	13.20%	City Space	Direct (EWDD, Housing)
Fixed	07/01/17	06/30/18	61.29%	All	<b>CULTURAL AFFAIRS</b>
Fixed	07/01/17	06/30/18	31.40%	All	<b>DEPT. ON DISABILITY</b>
					<b>ECON. &amp; WORKFORCE DEVELOPMENT (was CDD)</b>
Fixed	07/01/17	06/30/18	26.99%	All	Balance of Department
Fixed	07/01/17	06/30/18	16.82%	All	As Needed Employees
Fixed	07/01/17	06/30/18	50.56%	All	El Pueblo
					<b>EMERGENCY MGMT.</b>
Fixed	07/01/17	06/30/18	39.96%	All	Emer. Prep. Policy & Public Info.
					<b>FIRE</b>
Fixed	07/01/17	06/30/18	18.09%	All	Civilian
Fixed	07/01/17	06/30/18	23.68%	All	Sworn
					<b>HOUSING + COMM. INVEST.</b>
Fixed	07/01/17	06/30/18	15.93%	All	Grants Funded Housing
Fixed	07/01/17	06/30/18	17.36%	All	Enforcement
Fixed	07/01/17	06/30/18	27.14%	All	Housing, Internal Administration

STATE/LOCALITY: City of Los Angeles

AGREEMENT DATE: December 18, 2019

**SECTION I: CENTRAL SERVICE INDIRECT COST RATES\* (continued)**

Type	Effective Period		Rate	Location	Applicable to
	From	To			
Fixed	07/01/17	06/30/18	32.11%	All	<b>LIBRARY</b>
					<b>MAYOR</b>
Fixed	07/01/17	06/30/18	36.58%	All	Executive/Policy
Fixed	07/01/17	06/30/18	59.92%	All	Grant Funded/Spec. Programs
Fixed	07/01/17	06/30/18	N/A	City Space	Direct Billed
Fixed	07/01/17	06/30/18	34.81%	All	<b>PLANNING</b>
					<b>POLICE</b>
Fixed	07/01/17	06/30/18	14.62%	All	Civilian
Fixed	07/01/17	06/30/18	20.65%	All	Sworn
					<b>PUBLIC WORKS DEPT.</b>
Fixed	07/01/17	06/30/18	119.44%	All	Board Office Direct: Pub. Svcs.
					<u>Contract Administration</u>
Fixed	07/01/17	06/30/18	9.58%	All	Construction Inspection
					<u>Engineering</u>
Fixed	07/01/17	06/30/18	15.24%	All	Clean Water Infrastructure
Fixed	07/01/17	06/30/18	18.12%	All	Development Services
Fixed	07/01/17	06/30/18	11.92%	All	Mobility
Fixed	07/01/17	06/30/18	11.54%	All	Public Bldgs. and Open Spaces
					<u>Sanitation</u>
Fixed	07/01/17	06/30/18	53.58%	All	Solid Waste Program
Fixed	07/01/17	06/30/18	59.27%	All	Wastewater/Flood Control
Fixed	07/01/17	06/30/18	12.46%	All	GASP
Fixed	07/01/17	06/30/18	27.87%	All	Street Lighting
Fixed	07/01/17	06/30/18	78.42%	All	Street Services
Fixed	07/01/17	06/30/18	28.63%	All	<b>RECREATION &amp; PARKS</b>
Fixed	07/01/17	06/30/18	33.49%	All	<b>TRANSPORTATION</b>
Fixed	07/01/17	06/30/18	24.41%	All	<b>ZOO</b>

\*BASE: Direct salaries and wages including vacation, holiday, sick pay and other paid absences but excluding all other fringe benefits.

STATE/LOCALITY: City of Los Angeles

AGREEMENT DATE: December 18, 2019

SECTION II: FRINGE BENEFITS RATES\*

Type	Effective Period		Rate	Location	Applicable to
	From	To			
Fixed	07/01/17	06/30/18	46.29%	All	<b>AGING</b>
Fixed	07/01/17	06/30/18	25.68%	All	Balance of Dept. Special Fund (Title V)
Fixed	07/01/17	06/30/18	38.97%	All	<b>CITY ADMIN OFFICER (CAO)</b>
Fixed	07/01/17	06/30/18	44.90%	All	Petroleum Admin., Proprietary, Capital Projects (Physical Plant) Disaster Grants Coordination
Fixed	07/01/17	06/30/18	45.62%	All	<b>CITY ATTORNEY</b>
Fixed	07/01/17	06/30/18	41.25%	User's Site	Criminal Direct (Proprietary/CRA)
Fixed	07/01/17	06/30/18	43.76%	City Space	Direct (EWDD, Housing)
Fixed	07/01/17	06/30/18	60.25%	All	<b>CULTURAL AFFAIRS</b>
Fixed	07/01/17	06/30/18	43.18%	All	<b>DEPT. ON DISABILTY</b>
Fixed	07/01/17	06/30/18	47.82%	All	<b>ECON. &amp; WORKFORCE DEVELOPMENT (was CDD)</b>
Fixed	07/01/17	06/30/18	15.49%	All	Balance of Department As Needed Employees
Fixed	07/01/17	06/30/18	26.41%	All	El Pueblo
Fixed	07/01/17	06/30/18	46.12%	All	<b>EMERGENCY MGMT.</b> Emer. Prep. Policy & Public Info.
Fixed	07/01/17	06/30/18	51.52%	All	<b>FIRE</b>
Fixed	07/01/17	06/30/18	76.79%	All	Civilian Sworn
Fixed	07/01/17	06/30/18	46.23%	All	<b>HOUSING + COMM. INVEST.</b>
Fixed	07/01/17	06/30/18	50.99%	All	Grants Funded Housing Enforcement
Fixed	07/01/17	06/30/18	44.93%	All	Housing, Internal Administration
Fixed	07/01/17	06/30/18	55.46%	All	<b>LIBRARY</b>
Fixed	07/01/17	06/30/18	42.40%	All	<b>MAYOR</b>
Fixed	07/01/17	06/30/18	40.51%	All	Executive/Policy Grant Funded/Spec. Programs
Fixed	07/01/17	06/30/18	N/A	City Space	Direct Billed

STATE/LOCALITY: City of Los Angeles

AGREEMENT DATE: December 18, 2019

SECTION II: FRINGE BENEFITS RATES\* (continued)

<u>Type</u>	<u>Effective Period</u>		<u>Rate</u>	<u>Location</u>	<u>Applicable to</u>
	<u>From</u>	<u>To</u>			
Fixed	07/01/17	06/30/18	48.74%	All	<b>PLANNING</b>
					<b>POLICE</b>
Fixed	07/01/17	06/30/18	55.81%	All	Civilian
Fixed	07/01/17	06/30/18	71.72%	All	Sworn
					<b>PUBLIC WORKS DEPT.</b>
Fixed	07/01/17	06/30/18	52.54%	All	Board Office Direct: Pub. Svcs.
					<u>Contract Administration</u>
Fixed	07/01/17	06/30/18	50.10%	All	Construction Inspection
					<u>Engineering</u>
Fixed	07/01/17	06/30/18	44.48%	All	Clean Water Infrastructure
Fixed	07/01/17	06/30/18	45.38%	All	Development Services
Fixed	07/01/17	06/30/18	42.70%	All	Mobility
Fixed	07/01/17	06/30/18	43.58%	All	Public Bldgs. and Open Spaces
					<u>Sanitation</u>
Fixed	07/01/17	06/30/18	57.03%	All	Solid Waste Program
Fixed	07/01/17	06/30/18	51.14%	All	Wastewater/Flood Control
Fixed	07/01/17	06/30/18	41.44%	All	GASP
Fixed	07/01/17	06/30/18	55.21%	All	Street Lighting
Fixed	07/01/17	06/30/18	56.32%	All	Street Services
Fixed	07/01/17	06/30/18	48.92%	All	<b>RECREATION &amp; PARKS</b>
Fixed	07/01/17	06/30/18	57.02%	All	<b>TRANSPORTATION</b>
Fixed	07/01/17	06/30/18	62.95%	All	<b>ZOO</b>

\*BASE: Direct salaries and wages including vacation, holiday, sick pay and other paid absences but excluding all other fringe benefits.

STATE/LOCALITY: City of Los Angeles

AGREEMENT DATE: December 18, 2019

---

SECTION III: SPECIAL REMARKS

---

TREATMENT OF PAID ABSENCES

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are charged to Federal projects as part of the normal charge for salaries and wages. Separate charges for the cost of these absences are not made.

TREATMENT OF OTHER FRINGE BENEFITS

This organization uses a fringe benefit rate which is applied to salaries and wages for both budgeting and charging purposes for Federal projects. The fringe benefits listed below are included in the fringe benefit rate.

RETIREMENT, FLEX BENEFIT PROGRAM (HEALTH, DENTAL & BASIC LIFE INSURANCE), EMPLOYEE ASSISTANCE, ORDINANCE LIFE INSURANCE, MEDICARE, SOCIAL SECURITY, UNION SPONSORED BENEFITS, UNUSED SICK/VACATION PAYOUT, UNEMPLOYMENT INSURANCE, WORKER'S COMPENSATION & HIRING HALL FRINGE

BILLED COSTS

In addition to the costs distributed through the rates cited in Sections I and II, the costs of central services listed below may be billed directly to user departments/agencies.

PRINTING SERVICES DIVISION

DEFINITION OF EQUIPMENT

Equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000.

This Rate Agreement is issued in accordance with the Customer Service Agreement between DHHS/CAS and the U.S. Department of Housing and Urban Development.

STATE/LOCALITY: City of Los Angeles

AGREEMENT DATE: December 18, 2019

SECTION IV: GENERAL

A. **LIMITATIONS:** The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the department/agency and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. **ACCOUNTING CHANGES:** This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

C. **FIXED RATES:** If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. **BILLED COSTS:** Charges for the services listed in Section III will be billed in accordance with rates established by the State/locality. These rates will be based on the estimated costs of providing the services. Adjustments for variances between billed costs and the actual allowable costs of providing the services, as defined by 2 CFR 200, will be made in accordance with procedures agreed to between the State/locality and the approving agency.

E. **USE BY OTHER FEDERAL AGENCIES:** The rates in this Agreement were approved in accordance with the authority in 2 CFR 200, and should be applied to grants, contracts and other agreements covered by 2 CFR 200, subject to any limitations in Paragraph A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

BY THE STATE/LOCALITY:

City of Los Angeles

(STATE/LOCALITY)



(SIGNATURE)

Eric Garcetti

(NAME)

Mayor of Los Angeles

(TITLE)

1/13/20

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Arif M. Karim -S

Digitally signed by Arif M. Karim -S  
DN: cn=US, o=U.S. Government, ou=HHS, ou=PSC, ou=People,  
cn=Arif M. Karim -S, 0.9.2342.19200300.100.1.1=2000212895  
Date: 2019.12.20 08:50:34 -0600

(SIGNATURE)

Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

December 18, 2019

(DATE)

HHS Representative: Cora Coleman

Telephone: (415) 437-7820

Approved

  
MICHAEL N. FEUER, City Attorney

By 