

LEGISLATIVE AUDITOR

STATE OF LOUISIANA



VERMILION PARISH POLICE JURY

AUDIT REPORT
ISSUED JULY 21, 2004

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STEVE J. THERIOT, CPA

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July 21, 2004

**MR. HUBERT FAULK, PRESIDENT,
AND MEMBERS OF THE VERMILION
PARISH POLICE JURY**
Abbeville, Louisiana

We have performed a limited examination of the Vermilion Parish Police Jury (police jury). Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

A limited examination is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

The accompanying report presents the background, methodology, our findings and recommendations, as well as responses from management of the police jury. We will continue to monitor the findings until you resolve them. Copies of this report have been delivered to the police jury, Louisiana Board of Ethics, and others as required by state law.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steve J. Theriot", is written over a circular stamp or seal.

Steve J. Theriot, CPA
Legislative Auditor

SJT:dl

[VRMPJ04]

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The following summarizes the findings that resulted from this limited examination of the Vermilion Parish Police Jury. The Findings and Recommendations section of this report provides details for these findings. Management's response is included in Attachment I.

1. Certain jurors are directing the work of jury employees, an arrangement that is generally prohibited by state law. (See page 5.)
2. The police jury does not have a parishwide capital improvement program as required by Louisiana law. (See page 5.)
3. Controls over the police jury's fuel pumps at the maintenance yards need to be improved. (See page 6.)
4. The number of maintenance yards and their locations may not be the most efficient way to provide maintenance for the parish. (See page 6.)
5. A police juror does contracting work for the police jury's engineering firm, an arrangement that may be prohibited by the ethics law. (See page 7.)
6. Bulk purchases of gasoline/diesel were not bid as required by state law. (See page 7.)
7. The police jury contracts with one engineering firm for engineering services for the parish without obtaining competitive quotes or soliciting proposals from other qualified firms. In addition, the library and police jury contracted with an architectural firm for the construction of library facilities for the parish without obtaining competitive quotes or soliciting proposals. (See pages 7-8.)
8. The account clerk in the solid waste department performs a variety of duties that are incompatible for a proper system of checks and balances. In addition, the accounts receivable balance in the general ledger is not reconciled monthly with the detailed accounts receivable listing. (See page 9.)
9. The police jury's policy and procedure manual is not complete. (See page 9.)





Jurors Directing Work of Jury Employees

Certain jurors are directing the work of jury employees, an arrangement that is generally prohibited by state law.¹ It is the sole responsibility of the parish road superintendent to centrally schedule and direct/supervise the work. In addition, when intervention by individual jurors occurs, the needs of the parish, as a whole, will not be met.

The police jury should prohibit individual jurors from directing the specific work of jury employees and require that all complaints or work requests be directed to the parish road superintendent.

Parishwide Capital Improvement Program

The police jury does not have a parishwide capital improvement program as required by Louisiana law.² In addition, parishwide funds (\$475,747 for 2003) used for resealing and patching roads were distributed to districts based on the percentage of road miles that jurors represent, instead of being based on the prioritized needs of the parish.

The police jury should:

- Adopt a parishwide capital improvement program as required by state law
- Include all road projects in the capital improvement program, regardless of whether the funding will come from parish or road district funds
- Use parishwide funds in the future for the most critical needs existing parishwide according to a priority ranking
- Require the parish road superintendent to prepare work orders for all projects that provide the date, location of the job, and labor, material, and equipment used

¹ Louisiana Revised Statute (R.S.) 48:755(C) requires that each parish adopt a parishwide selective maintenance program that provides for a weekly schedule of work to be performed by category. The program should be prepared and administered by the parish road manager. The parish road manager may authorize maintenance work not contained in the weekly schedule upon receipt of constructive notice of a defect in the parish road system and when, in the opinion of the parish road manager, the defect constitutes a hazard to public safety. The parish road manager shall maintain a record of the work so authorized and shall report the total amount of such expenditures on a monthly basis to the parish governing authority.

² R.S. 48:755(A) requires the police jury to adopt a parishwide system of administration which should include the development of a capital improvement program on a selective basis.

R.S. 48:755(B)(1) provides that the parishwide capital improvement program should list all projects to be constructed during the fiscal year. The program should be based on the anticipated revenues to be appropriated by the legislature and listed in a prioritized ranking based on parishwide needs and shall include overlay projects. The program should also list the projects that may reasonably be anticipated to be constructed in the following two years. The program should be adopted annually regardless of whether the police jury anticipates capital improvements in the first year of the plan.

R.S. 48:755(B)(2) provides that funds appropriated to each parish shall be used for the benefit of the parish as a whole and within the priority ranking for the parish. The most critical needs existing parishwide according to the priority ranking shall be met first.

Louisiana Attorney General Opinion (AG) No. 96-30 provides that all parish road construction, repair and replacement projects should be included within the capital improvement program, including repairs made with gravel and rock and patching done with hot mix by parish employees. The AG opined that if the projects are relatively small, they could be included within the parishwide selective maintenance program. This opinion also provides that all road projects should be included in the capital improvement program, even if funding for the repair of those roads will come from parish or road district funds, and not from the Parish Transportation Fund.



Fuel Pumps at Maintenance Yards

Controls over the police jury's fuel pumps at the maintenance yards need to be improved. Good controls over the use of gasoline/diesel for police jury vehicles and equipment require that complete pump records be maintained and reviewed. This review will ensure that only police jury vehicles and equipment are receiving fuel, odometer readings are accurately recorded, and the amount of fuel used is reasonable.

Although tickets are completed that document the number of gallons of fuel pumped, the odometer readings are not recorded and the pump meter readings are not recorded. The pump meter readings are necessary to reconcile the gallons of fuel dispensed with the number of gallons recorded as received by each vehicle. The tickets are submitted to the public works office; however, no review or analysis is performed.

The police jury should:

- Require that a log be maintained at each maintenance yard that includes the date, number of gallons pumped, pump meter readings, vehicle odometer readings (when applicable), and signature of person dispensing the fuel
- Reconcile the number of gallons dispensed with the pump meter readings
- Prepare a monthly analysis or summary by vehicle that includes, at a minimum, the number of gallons received, miles traveled, and miles per gallon (for those vehicles that have odometers)
- Present the analysis periodically to the board during its regular board meeting

Maintenance Yards

The number of maintenance yards and their locations may not be the most efficient way to provide maintenance for the parish. In addition to the public works yard located in Abbeville, four other maintenance yards are located in the parish as follows:

| <u>Work Area</u> | <u>Location of Yard</u> | <u>Number of Districts Included</u> | <u>Number of Jurors</u> | <u>Distance from Main Public Works Yard - Abbeville</u> |
|------------------|-------------------------|-------------------------------------|-------------------------|---|
| 1 | Erath | 6 | 6 | 6 miles |
| 2 | Alexander Road* | 3 | 3 | 11 miles |
| 3 | Gueydan | 2 | 2 | 24 miles |
| 4 | Glaude Road | 3 | 3 | 13 miles |
| Totals | | <u>14</u> | <u>14</u> | |

* This yard is scheduled to be closed and relocated approximately 4 miles from the main public works yard in Abbeville.



Operating five maintenance yards is costly as it requires maintaining manpower resources at five locations, paying five utility bills, maintaining five fueling stations, and storing road materials and equipment at five locations.

The police jury should perform a cost and location analysis compared to the benefits derived to determine whether some consolidation of maintenance yards is prudent. In preparing the analysis, it is imperative that the police jury considers the needs of the parish as a whole.

Ethics

A police juror does contracting work for the police jury's engineering firm, an arrangement that may be prohibited by the ethics law.³ The ethics law generally prohibits a juror from doing work for a firm that has a contractual or financial relationship with the police jury.

The police jury should request an ethics opinion from the Louisiana Board of Ethics to clarify whether the above arrangement is prohibited under state law. In addition, the police jury should develop a comprehensive ethics policy, including requiring annual certification letters from all key employees and police jurors attesting to their compliance.

Bulk Purchases

Bulk purchases of gasoline/diesel were not bid as required by state law.⁴ Instead, the public works director solicited telephone quotes from two area distributors and selected the lowest quote. For 2003 and 2002, the police jury purchased fuel totaling \$359,366 and \$332,543, respectively, from the two distributors.

In the future, the police jury should fully comply with the competitive bidding requirements of the Louisiana public bid law.

Engineering/Architectural Services

The police jury contracts with one engineering firm for engineering services for the parish without obtaining competitive quotes or soliciting proposals from other qualified firms. Although the bid law does not require services to be bid, a competitive atmosphere would ensure that fees paid for engineering services are cost-effective. For 2003 and 2002, the police jury paid \$246,142 and \$223,800, respectively, to the engineering firm.

³ R.S. 42:1111(C)(2)(d) provides that no public servant shall receive anything of economic value for or in consideration of services rendered to or for any person during his public service unless such services are neither performed for nor compensated by any person from whom such public servant would be prohibited by R.S. 42:1115(A)(1). R.S. 42:1115(A)(1) provides that no public servant shall solicit or accept, directly or indirectly, any thing of economic value as a gift or gratuity from any person if such public servant knows or reasonably should know that such person has or is seeking to obtain contractual or other business or financial relationships with the public servant's agency.

⁴ R.S. 38:2212.1 requires that all purchases of any materials or supplies exceeding the sum of twenty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder.

AG Opinion 95-140 provides that purchases of material and supplies such as gasoline aggregating more than the bid threshold during a fiscal year should be purchased through a "delivery order contract" awarded by public bid of use during the contract period. Such contracts for supplies with volatile prices may use recognized price indexes for the specific supply, with bid competition occurring solely on the vendor's margin offered by each bidder.



VERMILION PARISH POLICE JURY

In addition, the library and police jury contracted with an architectural firm for the construction of library facilities for the parish (library project) without obtaining competitive quotes or soliciting proposals from other qualified firms. The police jury paid the architectural firm a total of \$467,810 for the library project from February 1, 2000, through March 16, 2004.

The payments to the architectural firm comply with the terms of the agreements with the library and police jury. However, we compared those agreements with certain standard operating procedures of the State of Louisiana, Division of Administration - Facility Planning and Control (Facility Planning) because most local governments use Facility Planning's fee structure and guidelines in contracting with architectural firms. The following are the results of that comparison:

| Criteria | Facility Planning Procedures | Police Jury Procedures |
|--|--|---|
| 1. Process of obtaining architect services | <ul style="list-style-type: none"> Architectural fees/rates are determined by Facility Planning Proposals solicited from architectural firms | <ul style="list-style-type: none"> Allowed the architect to prepare agreement and determine its fees Selected a local architectural firm without a competitive process |
| 2. Estimated construction costs | <ul style="list-style-type: none"> Disclose in the contract⁵ | <ul style="list-style-type: none"> Not disclosed in the contract |
| 3. Architect fee payments | <ul style="list-style-type: none"> 70% paid during pre-construction 30% paid during the construction phase | <ul style="list-style-type: none"> 80% paid during pre-construction 20% paid during the construction phase |
| 4. Use of consultants | <ul style="list-style-type: none"> Does not allow payments to consultants, unless the project is complex and there is a need for a consultant | <ul style="list-style-type: none"> Library board requested that the architect obtain a consultant to assist them for the main library branch, resulting in higher architect fees⁶ |

The police jury should:

- Perform a cost/benefit study of the engineering needs of the parish to determine the extent of services that may be provided by an internal engineering department and by outside engineers to maximize the benefit of such services in the most cost beneficial manner
- Obtain requests for proposals for engineering services for all future projects that exceed an established dollar amount
- Require three quotes for engineering services under an established dollar amount as a good business practice
- Consult with Facility Planning for guidance for future projects that require architectural services

⁵ This gives the owner (police jury) the ability to assess penalties if construction costs exceed the estimated construction costs or require the architect to modify the construction documents (at no cost) to re-bid the project to be within the amount available for construction.

⁶ We were informed by the assistant director of Facility Planning that it would expect the architect to do the library project without help from a consultant or another architectural firm.



Solid Waste

The account clerk in the solid waste department performs a variety of duties that are incompatible for a proper system of checks and balances. The clerk is the sole employee involved in (1) preparing and mailing solid waste bills to customers; (2) recording solid waste billings in the accounting system; (3) receiving solid waste payments from customers and recording the receipts in the accounting system; and (4) preparing the bank deposit. The police jury provides solid waste (garbage) services to approximately 125 businesses and reported fees of \$335,688 for 2003 for these services.

In addition, the accounts receivable balance in the general ledger is not reconciled monthly with the detailed accounts receivable listing. At April 30, 2004, the general ledger balance totals a negative \$25,355 and the detailed customer listing totals \$5,900, a difference of \$31,255.

The police jury should:

- Separate the recording and receiving functions of the solid waste account clerk
- Reconcile the solid waste accounts receivable balances in the general ledger with the detailed accounts receivable listing on a monthly basis

Written Policies and Procedures

The police jury's policy and procedure manual is not complete. Formal/written policies and procedures are necessary as a clear understanding of what should be done, how, who, and when it should be done, and that the procedures followed meet management's expectations. Also, written procedures aid in continuity of operation and for cross-training of staff.

The police jury should also include written policies and/or detailed procedures for the following:

- Preparing, monitoring, and amending the budget during the fiscal year
- Accounting and processing receipts and disbursements
- Processing, reviewing, and approving payroll, including procedures relating to time/attendance records for all employees
- Administering the parishwide selective maintenance program that details how the weekly schedule of work to be performed is prepared, monitored, and reported to the police jury at each monthly meeting
- Retaining public records, including electronic communications (e-mail)
- Providing computer contingency and recovery plan in the event of a disaster, including procedures to test the plan periodically





The Vermilion Parish Police Jury is the governing authority for Vermilion Parish. Fourteen jurors representing 14 districts within the parish govern the police jury. The jurors serve four-year terms.

The police jury receives funds from the state's Parish Transportation Fund. The statutory provisions of the Parish Transportation Fund (Louisiana Revised Statutes 48:751-762) require the police jury to administer the parish road system efficiently and centrally as a whole. This method of administration is commonly referred to as the "unit system."

Applying the concepts of the unit system to the administration of a road program, the police jury is required to implement a centralized accounting system, parishwide capital improvement plan, and selective maintenance programs based upon the prioritization of projects developed collectively by the police jury. Expenditures are made only upon approval of the police jury as a whole and pursuant to a duly adopted budget. A centralized purchasing system must be implemented and work assignments are centrally scheduled and supervised by the parish road superintendent.

Our procedures consisted of:

- (1) observing activities at the maintenance yards;
- (2) reviewing selected police jury records;
- (3) applying our *Checklist of Best Practices in Government*;
- (4) interviewing certain employees and jurors of the police jury;
- (5) reviewing applicable Louisiana laws and Attorney General opinions; and
- (6) making inquiries of other persons to the extent we considered necessary to achieve our purpose.



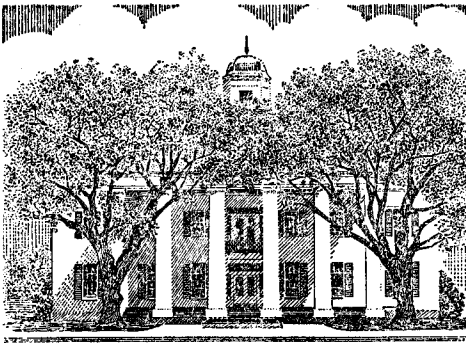




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July 14, 2004

Mr. Steve J. Theriot, C.P.A.
LEGISLATIVE AUDITOR
P.O. Box 94397
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RE: Vermilion Parish Police Jury
Audit Report July, 2004

Dear Mr. Theriot:

In response to your June 30, 2004 correspondence, regarding the draft audit report provided by your office, the Vermilion Parish Police Jury offers the following written comments which are to be incorporated into the final report.

The Police Jury appreciates the opportunity to respond to this report, particularly in view of the fact that some of the items cited by the office are not violations, but are only observations.

The Police Jury's response follows the nine (9) points shown in the report:

1) Certain jurors are directing the work of jury employees:

The Police Jury discussed this item extensively as it relates to the parish transportation fund. The Police Jury believes that, in general, the majority of maintenance work done in the parish is work done on a scheduled basis through information provided to the parish road supervisor by jurors, or through the Area foremen, from the jurors, who then pass the request to the road supervisor or through direct calls received from the general public or other governmental entities.

However, in an effort to address this finding, the Police Jury will establish a system of recording all complaints or requests received by the road supervisor and foremen and acknowledging when the item has been addressed or completed.

Because of extensive cutbacks in maintenance personnel over the last two years, the Police Jury believes that communication between the road supervisor and the Area Forman is imperative for complaints/problems to be acknowledged and addressed in a timely manner.

2) Parishwide Capital Improvements Program:

The Police Jury acknowledges that a written parishwide capital improvements program has not existed for some time, as no project has been developed since 1999, because there were no funds available to perform a parishwide capital improvements program.

The fact that some improvements have been made in some areas of the parish, with cost paid from the respective road district funds, is correct. In the future, these roads will be listed in a written capital improvement program listing.

Your office advised that patching and resealing and even gravel placement of roads also comes under this heading. Patching and resealing has always been considered under the heading of maintenance work and therefore has not been listed in a capital improvements report.

Your office cited the fact that \$475,747 was spent in 2003 for patching and resealing work done. This is a true statement; however, it should be noted that normally only \$250,000 is allocated per year to this work. However, because of the poor conditions of roads throughout the parish, additional patching work was authorized which was not resealed. This repair work needed to be done to provide some maintenance of the road in its current condition.

For 2004, \$200,000 has been allocated and only for patching work. The road supervisor has established which roads are to be patched using these funds. No new resealing work will be performed.

The Police Jury believes that the road supervisor is addressing the most critical needs of the parish. Because of the large land area in Vermilion Parish and extensive road system (850 miles), there is a tremendous need for work everywhere.

Your findings indicate that the parish road supervisor should issue work orders for all projects. The Police Jury believes that this system already exists. However, every effort will be made to consolidate this information to a fashion which your office could easily reconcile.

In addition, the Police Jury will prepare a Capital Improvements Program for any overlay or hard surfacing improvements done by funds from an individual road district, or for a resealing or major gravel improvement project.

3) Fuel Pumps At Maintenance Yards:

Although there is some record of usage being done, it is not properly reconciled. The Police Jury established that the foreman or supervisor at each road maintenance barn or site location (solid waste, mosquito control, rabies control, cooperative extension) shall maintain a log of all fuel used. A sample form to be utilized is attached.

The forms will be routinely turned into the road supervisor, or other appropriate supervisor, for analysis and summary and distribution to the Police Jury.

In addition, a detailed report on fuel received from a supplier was also directed to be established.

4) Maintenance Yards:

This item seems more of an opinion/recommendation; however the Police Jury believes that this item was not thoroughly reviewed.

First, it should be noted that the Police Jury has previously reduced/consolidated the number of area barns and satellite sites into the present makeup.

Secondly, the Public Works facility is not considered a road maintenance facility. It does house the asphalt maintenance crew, the parishwide mechanic shop, the mosquito control program, road maintenance administration, and the solid waste/mosquito control/rural fire protection administration.

The Area 2 Barn site is being relocated to property which the Police Jury acquired through donation that was a former superfund site. In relocating, the Police Jury will save the rent formerly paid to the landowner on Alexander Road. It is believed that the new barn site will allow easier access to the central, southeastern, and southern areas of the parish, and in the event of future consolidation, a site that is owned by the parish.

In addition, the Police Jury believes that the recommendation for additional consolidation would not result in any dramatic savings, as the only savings would be some utility cost and telephone costs, which would be offset by additional fuel cost for the longer travel times. The amount of equipment needed would remain the same with any consolidation.

5) Ethics:

This finding was apparently initiated after the initial investigation began. However, the juror in question has had a building construction business for many years. He has performed work for

the engineer for many years. The project for which the Police Juror was currently under contract was initiated prior to him becoming a juror. It should be noted that this juror is in his first term which began January 12, 2004.

The juror has requested a formal ethics board opinion (see attached letter). However, an informal opinion given by the Ethics office reflects that if the contract was initiated prior to him becoming a juror, he could complete the project. However, he could not contract any work in the future as long as he was a police juror.

The juror has already notified the engineer that he could no longer do any work for him while he is a juror.

The project has now been completed and no longer an issue in the Jury's opinion.

6) Bulk Purchases:

Your finding states that the Police Jury did not bid gasoline/diesel purchases as required by state law.

The Police Jury did solicit quotes each time that fuel purchases were requested to be made. This method of purchase provided the lowest cost available at the date of request.

The finding states that quotes were obtained from two area distributors. This is indeed the case, as only these two, of the more than five or more companies located in the parish, were willing to provide quotes.

It is the Jury's belief that they are bidding for purchases of fuel and not just awarding fuel supply contracts to individual suppliers.

However, the Police Jury has directed its legal counsel to review the Attorney General's opinion that you cited, and to request a review opinion based on the manner of purchase made by the Police Jury's purchasing.

If found to be required, the Police Jury will take steps to bid a fuel supply contract with recognized price indexes, as you noted in the report.

7) Engineering/Architectural Services:

This is another apparent opinion rather than a finding, as the statement states, the Police Jury has not violated any bid or other state law, since these services fall under the professional services category. The Police Jury like most other governmental entities does not bid out engineering services.

The engineer has been the designated parish engineer for many years, and as such oversees the engineering needs of the Police Jury, and has billed the Police Jury in accordance with standard engineering fee schedules utilized by local, state and federal entities, including the state.

The architect has also been providing services to the parish for many years and has billed the parish in accordance with the standard fee schedules utilized by local, state and federal entities, including the state.

All work is authorized by the Police Jury based on action taken.

Your report made reference to the Division of Administration Procedures and states that the Police Jury should require three quotes for engineering services.

The Division of Administration, itself, does not require bids from engineers or architects, but does solicit qualification statements from interested firms.

Then in turn, the Division of Administration selects from those firms, someone for each project and utilizes a percentage fee schedule for basic services based on the estimated cost of the project. Depending on the complexity of the project and other services required, additional fees can be added.

With regard to the contracts, the engineer or architect prepares an agreement; however, they do not determine the fee. The fees are based on the estimated construction cost, and compensation is based on the services provided.

The architectural contracts are the standard AIA contracts used everywhere, which even the Division of Administration utilizes many of the forms from this standard contract.

For the library projects, the construction costs for each site were shown on a master construction plan initiated by the library board and its architectural consultants. Architectural fees and all other costs were included in the master budget prepared. All architectural fees were negotiated with the Library Board and were in line with the Division of Administration fee schedules.

In response to your recommendation, the Police Jury has directed that obtaining qualification statements from engineering and architectural firms be considered.

In addition, the Police Jury will solicit the Division of Administration's assistance in reviewing future engineer and architect contracts.

Also, the Police Jury will also conduct a cost benefit study to determine if an in house engineering department could be of benefit to the parish.

Finally, attached as part of the response to this finding, please find responses from the engineer and architectural firm which address some of the comments made in the report.

Based on this information, it shall be noted that no error was found and that the fees paid were in accordance with the fee schedules approved by the entity, and area based on schedules utilized by other public entities, and that no overcharge existed in any of the services provided.

8) Solid Waste:

This finding sites questioned areas in the solid waste accounts receivable department. Two items cited as being deficient the Police Jury believes are incorrect. First, the clerk does not make the bank deposit. She provides a listing of checks received and forwards them to the head bookkeeper who verifies the information and makes the deposit.

Secondly, the finding cites that the general ledger balance and detailed customer listing report reflect a difference of \$31,255 and do not reconcile. This again is an erroneous statement. The fact is that the two reports do reconcile with each other, and that the two reports when compared reflect revenues and expenditures that are posted and recognized at the end of each month.

This fact was verified through the assistance of the Police Jury's current auditor. The Police Jury believes that this part of the recommendation should be removed from the report since it is not correct.

However, the Jury's current auditor has suggested that in an effort to make the reports more user friendly to outside concerns, that new transactions not be posted after the bills for the next month are generated. This will allow all revenues/expenses that have been posted, will generate reports with all the same data.

In addition, the Police Jury has directed the administration to look into segregating some of the duties with other staff located at the Public Works Complex.

9) Written Policies and Procedures:

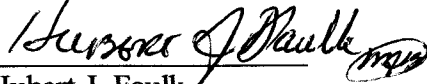
The Police Jury continues to operate effectively and efficiently even with significant cutbacks made in all areas, particularly in the administrative departments.

This can be verified by the past audit reports which reflect minimal, if any, deficiencies in the programs referenced above.

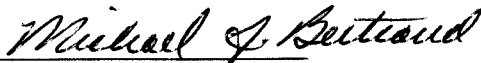
However, the Police Jury will work toward adopting the policies and procedures recommended by this finding and will pursue development of a single document which includes all policies and procedures.

In closing, the Vermilion Parish Police Jury would like to again take this opportunity to thank your office for the ability to respond to the report.

Sincerely,



Hubert J. Faulk
President



Michael J. Bertrand
Secretary-Treasurer



FAX (504) 870-0131
P. O. Box 1140
Abbeville, Louisiana 70511-1140

MICHAEL HARSON
DISTRICT ATTORNEY

June 29, 2004

VIA FACSIMILE AND U.S. MAIL

Louisiana Board of Ethics
2415 Quail Drive, 3rd Floor
Baton Rouge, LA 70808

Gentlemen:

I write to request an advisory opinion regarding the Louisiana Code of Ethics on behalf of a member of the Vermilion Parish Police Jury. Mr. Wayne Touchet is the member of the Police Jury that has directed me to request an opinion. He has been a building contractor for the last thirty years. His business is located in Abbeville, Louisiana.

He informs me that in early 2003 he agreed to perform contracting work for Eugene Sellers, Sr. on a building owned by Mr. Sellers in Abbeville. The work actually began in December, 2003, and is ongoing at the time of the writing of this letter.

On or about January 12, 2004, Mr. Touchet was sworn in as a member of the Vermilion Parish Police Jury. Mr. Sellers and his firm, Sellers & Associates, has been the consulting engineer for the Vermilion Parish Police Jury for over forty years.

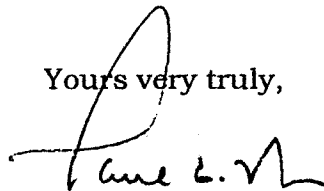
The first question that Mr. Touchet would like to pose is whether he may perform contracting work for Mr. Sellers without violating the Louisiana Code of Ethics.

If the foregoing does pose a violation, may Mr. Touchet complete the work that he started for Mr. Sellers on the above-referenced project?

Louisiana Board of Ethics
June 29, 2004
Page 2

Awaiting your response, I remain

Yours very truly,

A handwritten signature in black ink, appearing to read "Paul G. Moresi, III". The signature is fluid and cursive, with a large initial "P" and "M".

Paul G. Moresi, III
Assistant District Attorney

PGMIII/btb

CC: Mr. Wayne Touchet

WAYNE TOUCHET BUILDING CONTRACTOR

P.O. Box 194
Abbeville Louisiana
70511-0194
Phone 337-893-1246

June 30, 2004

Mr. Eugene M. Sellers
110 S. Hollingsworth Drive
Abbeville, La. 70510

Dear Mr. Sellers

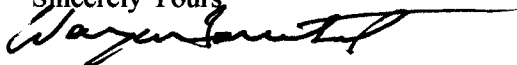
A few weeks ago I received a call on my cell phone from a person identifying himself as the legislative auditor. I was aware that someone was conducting an investigation of some sort of the Police Jury. He asked me if I did any work for the engineering firm that worked for the jury. I advised him that yes I did. He also asked about a project with the Bank of Erath. I am not sure what he wanted to know this information for. I made the decision to ask Paul Moresi III if it was ok for me to work for you. Paul advised me that he would check into it and get back with me.

Paul contacted me and told me that he spoke to someone at the Louisiana Board of Ethics, they told him verbally that I could not do any future work for you. He told me that if I started a job for you after I took office I should stop the project immediately. He did tell me however that I could complete any project that I had started before I took office. He also asked if I wanted him to make a formal request to the Ethics Board to get a legal opinion. I advised him to do so. I am attaching a copy of that correspondence to this letter.

Well as you know the project that I am doing presently for you was started last year before I took office. Fortunately, it appears that we will be completing the project in early July. Regrettably, it will be the last project that I will be able to do for you as long as I am a member of the police jury. I am starting to realize now why every one asked, "why do you want to take on such a position as Police Juror."

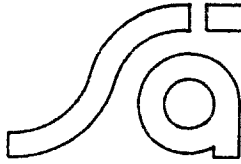
In closing I want to thank you for all of the work, you have given me in the past. Perhaps we can work together some time in the future when one of us is no longer affiliated with the Police Jury. Again, it has been a pleasure.

Sincerely Yours



Wayne Touchet

CC: Mike Bertrand
/attachment



Sellers & Associates, Inc.
ENGINEERS SURVEYORS PLANNERS

ELIZABETH S. GIROUARD, PRESIDENT
TODD A. VINCENT, VICE PRESIDENT

EUGENE M. SELLERS, PE., PL.S.
WARREN P. BEEDLE, PE., PL.S.
TODD A. VINCENT, M.S., PE., PL.S.
ELIZABETH S. GIROUARD, C.E.
DANA MONTET SIMON, M.S., PE.
LARRY A. CRAMER, PE.
BRIAN M. RONKARTZ, PE.
A. DAVID SUIRE, PE.
STEVE A. DRONET, E.I.
WILBERT J. GUIDRY, PL.S.

July 12, 2004

Mr. Hubert Faulk
President
VERMILION PARISH POLICE JURY
100 N. State Street, Suite 200
Abbeville, Louisiana 70510

Re: Vermilion Parish Police Jury
Legislative Auditor's Review
Engineering Services

Dear Mr. Faulk:

As per Mr. Michael Bertrand's request, we submit to you the following information and comments for your use in addressing the State Legislative Auditor's report concerning engineering services and fees.

Sellers & Associates, Inc. provides professional engineering services to the Vermilion Parish Police Jury and represents them in the capacity of Parish Engineer. The firm attends all Police Jury meetings and committee meetings as well as other meetings on behalf of the Police Jury with federal, state and other local government entities. The firm also advises the Police Jury on day to day parish services and operations on engineering related matters. Over the last four years, Sellers & Associates has been representing the Police Jury on matters related to the re-establishment of the boundary lines between Vermilion Parish and Lafayette Parish and between Vermilion Parish and Iberia Parish without charging for engineer's time. The re-establishment of the Vermilion Parish line will result an increase of several thousand dollars in revenues and additional benefits for the parish. Many of the services mentioned above as well as other services are provided to the Police Jury at no charge.

We feel the Jury is justified in utilizing Sellers & Associates, Inc. to perform its engineering services because of the many years of experience we have with the parish and because of the professional, quality service we have provided to this governmental body over the last 39 years.

We have attached, for your information, a list of 2002 and 2003 projects that we have performed for the jury; outlining the engineering fees billed to the Police Jury, the fee schedule utilized, and the amount of fees which were paid by the Police Jury and/or reimbursed by others. We have also included a fee comparison, for those projects billed based on percent of construction or lump sum fees, with other standard fee curves or fee calculations utilized by other local, state or federal agencies. We feel the fees we charge, and have charged the police jury in the past, are reasonable and customary in the engineering business field and sometimes less than customary for the professional services rendered.

Page 1 of 2

Mr. Faulk

Page 2 of 2

July 12, 2004

If you or the Police Jury members have any questions concerning the information provided herewith or have any questions concerning our services, please feel free to contact us at any time.

Sincerely,

EUGENE M. SELLERS, P.E., P.L.S.

Enclosures

cc: Mr. Michael Bertrand w/encl.

All Jurors w/encl.

ACCOUNTS RECEIVABLE DETAIL
1/2002 THRU 12/2002

| Job No. | Project | Billings | Fee Schedule | Construction Cost | Amount Paid By: | |
|---|---|--------------|-------------------------|-----------------------------|-----------------|--------------------------------|
| | | | | | VPPJ Amount | Others Name Amount |
| 0069-00 | Pipeline Permits | \$ 1,266.00 | Hourly | N/A | \$ - | Pipeline Companies \$ 1,266.00 |
| 0675-00 | Engineering Services Related to Maintenance of Parish Roads | \$ 12,000.00 | Lump Sum (Retainer) | N/A | \$ 12,000.00 | N/A \$ - |
| 2198-00 | Engineering Services Related to Maintenance of Public Works | \$ 5,280.00 | Lump Sum (Retainer) | N/A | \$ 5,280.00 | N/A \$ - |
| 2735-01 | Update Parish Road Name System Map | \$ 382.50 | Hourly | N/A | \$ 382.50 | N/A \$ - |
| 3775-00 | Corps of Engrs/Coastal Use Permit - Letters of No Objection | \$ 577.50 | Hourly | N/A | \$ 577.50 | N/A \$ - |
| 5078-02 | Coordination of Off System Bridge Program | \$ 105.00 | Hourly | N/A | \$ 105.00 | N/A \$ - |
| 5078-38 | Repairs & Maintenance Work/Contracts at Sewer Package Plants | \$ 140.00 | Hourly | N/A | \$ 140.00 | N/A \$ - |
| 5078-48 | Vermilion Parish Jail Wastewater Discharge Permit | \$ 210.00 | Hourly | N/A | \$ 210.00 | N/A \$ - |
| 5078-49 | Intracoastal City Fire Station Discharge Permit | \$ 70.00 | Hourly | N/A | \$ 70.00 | N/A \$ - |
| 5078-56 | Damages to Andrus & Picard Roads | \$ 294.00 | Hourly | N/A | \$ 294.00 | N/A \$ - |
| 5078-58 | Vermilion Parish Office Complex - Correspondence with F P & C | \$ 490.00 | Hourly | N/A | \$ 490.00 | N/A \$ - |
| 5078-59 | 2002 Road Improvements | \$ 14,246.84 | Percent of Construction | \$ 178,085.47 ^{*1} | \$ 14,246.84 | N/A \$ - |
| 5078-61 | Stake Right-of-Way Grant Rd. - ED 3 | \$ 930.50 | Hourly | N/A | \$ 930.50 | N/A \$ - |
| 5078-62 | Stake Right-of-Way Everglade Road | \$ 1,054.25 | Hourly | N/A | \$ 1,054.25 | N/A \$ - |
| 5078-63 | Set Grades for Pipe | \$ 148.00 | Hourly | N/A | \$ 148.00 | N/A \$ - |
| 5078-65 | Determine Population Counts for Fire Protection Response Areas | \$ 375.00 | Hourly | N/A | \$ 375.00 | N/A \$ - |
| 5078-66 | Marlin & Everglade Road Improvements - ED 9 | \$ 1,771.80 | Percent of Construction | \$ 22,147.50 ^{*2} | \$ 1,771.80 | N/A \$ - |
| 5263-08 | LDEQ Violations - Compliance Discharge Permit | \$ 140.00 | Hourly | N/A | \$ 140.00 | N/A \$ - |
| 5263-18 | Subtitle D Groundwater Monitor Reports | \$ 1,260.00 | Hourly | N/A | \$ 1,260.00 | N/A \$ - |
| 5263-24 | Subtitle D Cell Phase III: Survey, Design, BSDC & Inspection and Prepare & Submit Construction Certification Reports for Approval to LDEQ | \$ 38,449.57 | Hourly | \$ 201,435.23 | \$ 38,449.57 | N/A \$ - |
| 5546-01 | Seismic Operation - Develop Amendments to Ordinance | \$ 210.00 | Hourly | N/A | \$ 210.00 | N/A \$ - |
| 5662-31 | 90-PTOHP Tractor with 50" Side Mount Boom Mower - Specifications | \$ 306.25 | Hourly | \$ 31,800.00 | \$ 306.25 | N/A \$ - |
| 5662-32 | Parish Road Maintenance Equipment Specifications - 9 Proposals | \$ 4,016.25 | Hourly | \$ 418,117.40 | \$ 4,016.25 | N/A \$ - |
| 5662-33 | Equipment Specifications - Asphalt Tank | \$ 358.75 | Hourly | \$ 29,500.00 | \$ 358.75 | N/A \$ - |
| 5723-15 | Materials for Parish Road Maintenance - Bid Date 11-19-01 | \$ 2,170.00 | Hourly | N/A | \$ 2,170.00 | N/A \$ - |
| 5723-16 | Materials for Parish Road Maintenance - Bid Date 06-03-02 | \$ 1,627.50 | Hourly | N/A | \$ 1,627.50 | N/A \$ - |
| 5871-19 | Approved Subdivision Reviews - Orangewood Subdivision | \$ 89.50 | Hourly | N/A | \$ 14.50 | Developer \$ 75.00 |
| 5871-27 | Approved Subdivision Reviews - Le Cove Subdivision | \$ 257.50 | Hourly | N/A | \$ 82.50 | Developer \$ 175.00 |
| 5871-29 | Approved Subdivision Reviews - Lahasky Subdivision | \$ 252.00 | Hourly | N/A | \$ 77.00 | Developer \$ 175.00 |
| 5871-31 | Approved Subdivision Reviews - Red Maple Estates - Phase II | \$ 252.00 | Hourly | N/A | \$ 77.00 | Developer \$ 175.00 |
| For *1 and *2 fee calculation worksheets, see attached sheets | | | | | | |
| *Includes 3 construction contracts | | | | | | |
| • Equipment Purchases | | | | | | |

**ACCOUNTS RECEIVABLE DETAIL
1/2002 THRU 12/2002**

| | | | | | | | |
|---------|--|-------------|----------------------|--|-----------------------|-------------|----------------------|
| 5871-32 | Approved Subdivision Reviews - Country Garden - Phase I & Phase II | \$ 350.00 | Hourly | N/A | \$ 100.00 | Developer | \$ 250.00 |
| 5871-33 | Approved Subdivision Reviews - Seraphine Estates | \$ 70.00 | Hourly | N/A | \$ - | Developer | \$ 75.00 |
| 5871-34 | Approved Subdivision Reviews - JGB Estates | \$ 140.00 | Hourly | N/A | \$ 65.00 | Developer | \$ 75.00 |
| 6075-01 | United States Census 2000 - Research and Development for Reapportionment Plan | \$ 4,843.75 | Hourly | N/A | \$ 4,843.75 | N/A | \$ - |
| 6338-03 | F.Y. 2000-2001 LCDBG - Water - Design - Area V | \$35,711.25 | Lump Sum** | \$ 514,000.00 | \$ - | LCDBG | \$ 35,711.25 |
| 6338-06 | F.Y. 2000-2001 LCDBG - Water - Topo - Area V | \$ 3,482.00 | Lump Sum^ | N/A | \$ - | LCDBG | \$ 3,482.00 |
| 6338-08 | F.Y. 2000-2001 LCDBG - Water - Design - Area VI | \$35,581.50 | Lump Sum** | \$ 516,600.00 | \$ - | LCDBG | \$ 35,581.50 |
| 6338-11 | F.Y. 2000-2001 LCDBG - Water - Topo - Area VI | \$ 3,830.00 | Lump Sum^ | N/A | \$ - | LCDBG | \$ 3,830.00 |
| 6364-02 | F.Y. 2000-2001 Capital Outlay Program - Boston Canal - Additional Engineering Services | \$ 188.90* | Lump Sum | \$ 274,006.00 ³ | \$ - | State of LA | \$ 188.90 |
| 6364-03 | F.Y. 2000-2001 Capital Outlay Program - Boston Canal -Prel./Final Plans, BSDC | \$27,500.00 | Lump Sum | \$ 274,006.00 ³ | \$ 99.40 | State of LA | \$ 27,400.60 |
| 6364-04 | F.Y. 2000-2001 Capital Outlay Program - Boston Canal - Permits | \$ 1,999.00 | Lump Sum | N/A | \$ 1,999.00 | N/A | \$ - |
| 6514-02 | F.Y. 2001-2002 Rural Development Program - Reapplication - J.H. William School Gym | \$ 168.00 | Hourly | N/A | \$ 168.00 | N/A | \$ - |
| 6528-01 | 2000 U.S. Census - Reapportionment Plan | \$13,135.38 | Hourly + Direct Cost | N/A | \$ 13,135.38 | N/A | \$ - |
| 6528-02 | 2000 U.S. Census - Review & Verify Census Data and Reply to Census Bureau | \$ 170.00 | Hourly | N/A | \$ 170.00 | N/A | \$ - |
| 6537-01 | Dredging Oilfield Canal @ Oaks Canal - Capital Outlay Application | \$ 680.25 | Hourly | N/A | \$ 680.25 | N/A | \$ - |
| 6537-02 | Dredging Oilfield Canal @ Oaks Canal - Line of Credit | \$ 421.50 | Hourly | N/A | \$ 421.50 | N/A | \$ - |
| 6604-01 | Hazard Mitigation Plan Application | \$ 504.00 | Hourly | N/A | \$ 504.00 | N/A | \$ - |
| 6618-01 | F.Y. 2003 LCDBG - Water System Extension Application - Area VII | \$ 2,500.00 | Lump Sum | N/A | \$ - | WWD #1 | \$ 2,500.00 |
| 6619-01 | F.Y. 2003 LCDBG - Water System Extension Application - Area VIII | \$ 2,500.00 | Lump Sum | N/A | \$ - | WWD #1 | \$ 2,500.00 |
| 6632-01 | Building Add. To Cooperative Extension - Capital Outlay Application | \$ 366.00 | Hourly | N/A | \$ 366.00 | N/A | \$ - |
| 6633-01 | Flood Protection -Erath/Bayou Tigre - Capital Outlay -Request Line of Credit | \$ 534.00 | Hourly | N/A | \$ 534.00 | N/A | \$ - |
| 6642-01 | Rural Development Program - 2001-2002 Application - LeBlance Fire Station | \$ 280.50 | Hourly | N/A | \$ 280.50 | N/A | \$ - |
| 6670-02 | Measurement of Parish Roads by Election District from 911 Map | \$ 962.50 | Hourly | N/A | \$ 962.50 | N/A | \$ - |
| 6719-01 | Coordinate Services & Prepare Notifications - 2002 Household Hazardous Waste Day | \$ 1,085.00 | Hourly | N/A | \$ 1,085.00 | N/A | \$ - |
| | | | | TOTAL - 2002 PROJECTS | \$ 112,278.99 | | \$ 113,460.25 |
| | | | | less 2002 Retainer Projects | \$ (17,280.00) | | |
| | | | | less 2002 C. I. P. - Parish Funds | \$ (16,018.64) | | |
| | | | | less 2002 VPSW - Subtitle D Cell | \$ (38,449.57) | | |
| | | | | less 2002 Reapportionment Plan | \$ (17,979.13) | | |
| | | | | less 2002 Capital Outlay Project | \$ (2,098.40) | | |
| | | | | TOTAL - ROUTINE PROJECTS | \$ 20,453.25 | | |
| | * Adjusted Invoice Amount | | | | | | |
| | **Lump Sum Fees Based on LCDBG Engineering Fee Schedule & Policies | | | | | | |
| | ^Lump Sum Fees Derived from Projected Manhours and Schedule of Rates Approved by LCDBG | | | | | | |
| | For *3 fee calculation worksheet, see attached sheets | | | | | | |

***1 5078-59 - 2002 Road Improvements**

Construction Amount - \$178,085.47

S & A Fee Percentage = 8% of Construction Amount includes Design, Design Surveys, Basic Services During Construction, Construction Staking & Inspection

S & A Fees Charged = \$14,246.84 (for all engineering services)

FEE COMPARISON:

a. State of Louisiana - Facility Planning & Control & USDA:
(Calculation for Basic Services)

$$\text{Fee Percentage} = \frac{42.75}{\text{Log Contract Award}}$$

$$\text{Fee Percentage} = \frac{42.75}{\text{Log } \$178,085.47}$$

Fee Percentage = 8.14%
Fee Amount = \$14,496.16 + additional services

Includes Design & BSDC Only (does not include Design Surveys, Construction Staking and Inspection).

b. Lafayette City-Parish Consolidated Government
(Fixed Fee Compensation Chart)

Fee Percentage = 8.65%
Fee Amount = \$15,404.39 + additional services

Includes Design & BSDC Only (does not include Design Surveys, Construction Staking and Inspection).

c. Louisiana Community Development Block Grant
(Engineering Fee Schedules)

Fee Percentage = 11.22%
Fee Amount = \$19,981.19 + additional services

Includes Design Surveys, Design & BSDC only (does not include Construction Staking and Inspection. The LCDBG inspection fee percentage for this project would be 4.69% of the construction amount or \$8,352.21).

Engineering Services Typically Provided:

- Design/Topographic Surveys
- Design
- Basic Services During Construction
- Construction Staking
- Inspection
- Additional Services Where Required:
 - Permits (COE, Coastal Use, DOTD)
 - Easement Agreements/Plats

***2 5078-66 - Marlin & Everglade Road Improvements - ED 9**

Construction Amount - \$22,147.50

S & A Fee Percentage = 8% of Construction Amount includes Design, Design Surveys, Basic Services During Construction, Construction Staking & Inspection

S & A Fees Charged = \$1,771.80 (for all engineering services)

FEE COMPARISON:

a. State of Louisiana - Facility Planning & Control & USDA:
(Calculation for Basic Services)

$$\text{Fee Percentage} = \frac{42.75}{\text{Log Contract Award}}$$

$$\text{Fee Percentage} = \frac{42.75}{\text{Log } \$22,147.50}$$

Fee Percentage = 9.84%
Fee Amount = \$2,179.31 + additional services

Includes Design & BSDC Only (does not include Design Surveys, Construction Staking and Inspection).

b. Lafayette City-Parish Consolidated Government
(Fixed Fee Compensation Chart)

Fee Percentage = 11.0%
Fee Amount = \$2,436.23 + additional services

Includes Design & BSDC Only (does not include Design Surveys, Construction Staking and Inspection).

c. Louisiana Community Development Block Grant
(Engineering Fee Schedules)

Fee Percentage = 14.6%
Fee Amount = \$3,233.54 + additional services

Includes Design Surveys, Design & BSDC only (does not include Construction Staking and Inspection. The LCDBG inspection fee percentage for this project would be 5% of the construction cost or \$1,107.38).

Engineering Services Typically Provided:

- Design/Topographic Surveys
- Design
- Basic Services During Construction
- Construction Staking
- Inspection
- Additional Services Where Required:
 - Permits (COE, Coastal Use, DOTD)
 - Easement Agreements/Plats

***3 6364-02/03/04/05/06/07 - Boston Canal**

Construction Amount - \$274,006.00

| | | |
|--|--|---------------------|
| Engineering Services Contract Fees: | For Basic Services = | \$ 34,300.00 |
| | For Resident Project Representative = | \$ 4,000.00 |
| | For Additional Services: | |
| | Design & Topographic Surveys = | \$ 14,000.00 |
| | Section 404 and Coastal Zone Permits = | \$ 2,000.00 |
| | Post-Construction Surveys = | <u>\$ 2,620.00</u> |
| | Total Contract Fees = | \$ 56,920.00 |

| | | |
|--|--|---------------------|
| Fees Reimbursed by the State of Louisiana Capital Outlay Program: | | |
| | For Basic Services (10% of Construction Amount) = | \$ 27,400.60 |
| | For Miscellaneous Cost (5% of Construction Amount) = | <u>\$ 13,700.30</u> |
| | Total Fees Reimbursed = | \$ 41,100.90 |

| | | |
|--|--|--------------------|
| Local Fees Paid by the Vermillion Parish Police Jury: | | |
| | For Section 404 and Coastal Zone Permits = | \$ 2,000.00 |
| | For Post-Construction Surveys = | \$ 2,620.00 |
| | For Easement Agreement/Map = | <u>\$ 1,000.00</u> |
| | Total Fees Paid by VPPJ = | \$ 5,620.00 |

*Contract Fees not paid or reimbursed = \$10,199.10

FEE COMPARISON:

a. State of Louisiana - Facility Planning & Control & USDA:
(Calculation for Basic Services)

$$\text{Fee Percentage} = \frac{42.75}{\text{Log Contract Award}}$$

$$\text{Fee Percentage} = \frac{42.75}{\text{Log } \$274,006.00}$$

| | |
|------------------|--------------------------------------|
| Fee Percentage = | 7.86% |
| Fee Amount = | \$21,536.87 + additional services |

Includes Design & BSDC Only (does not include Design Surveys, Construction Staking and Inspection).

b. Lafayette City-Parish Consolidated Government
(Fixed Fee Compensation Chart)

| | |
|------------------|--------------------------------------|
| Fee Percentage = | 11.00% |
| Fee Amount = | \$30,140.66 + additional services |

Includes Design & BSDC Only (does not include Design Surveys, Construction Staking and Inspection).

c. Louisiana Community Development Block Grant
(Engineering Fee Schedules)

| | |
|------------------|--------------------------------------|
| Fee Percentage = | 14.60% |
| Fee Amount = | \$40,004.88 + additional services |

Includes Design Surveys, Design & BSDC only (does not include Construction Staking and Inspection. The LCDBG inspection fee percentage for this project would be 5% of the construction amount or \$13,700.30).

ACCOUNTS RECEIVABLE DETAIL
1/2003 THRU 12/2003

| Job No. | Project | Billings | Fee Schedule | Construction Cost | Amount Paid By: | |
|--|--|--------------|-------------------------|----------------------------|-----------------|--------------------------------|
| | | | | | VPPJ Amount | Others Name Amount |
| 0069-00 | Pipeline Permits | \$ 2,177.00 | Hourly | N/A | \$ - | Pipeline Companies \$ 2,177.00 |
| 0675-00 | Engineering Services Related to Maintenance of Parish Roads | \$ 12,000.00 | Lump Sum (Retainer) | N/A | \$ 12,000.00 | N/A \$ - |
| 2198-00 | Engineering Services Related to Maintenance of Public Works | \$ 5,280.00 | Lump Sum (Retainer) | N/A | \$ 5,280.00 | N/A \$ - |
| 2735-01 | Update Parish Road Name System Map | \$ 637.50 | Hourly | N/A | \$ 637.50 | N/A \$ - |
| 3775-00 | Corps of Engrs/Coastal Use Permit - Letters of No Objection | \$ 761.25 | Hourly | N/A | \$ 761.25 | N/A \$ - |
| 5078-38 | Repairs & Maintenance Work/Contracts at Sewer Package Plant | \$ 105.00 | Hourly | N/A | \$ 105.00 | N/A \$ - |
| 5078-64 | Drainage Improvement at Jude Road & LA 14 (ED 3) | \$ 976.00 | Hourly | N/A | \$ 976.00 | N/A \$ - |
| 5078-68 | Vermilion Parish Jail/LPDES Permit Renewal | \$ 210.00 | Hourly | N/A | \$ 210.00 | N/A \$ - |
| 5078-69 | Vermilion Parish Rabies Control Center - LPDES Permit Renewal | \$ 210.00 | Hourly | N/A | \$ 210.00 | N/A \$ - |
| 5078-70 | Cost Estimate for Damage on Pioneer Road | \$ 221.00 | Hourly | N/A | \$ 221.00 | N/A \$ - |
| 5078-71 | Damages on Leon & Germaine Roads | \$ 264.34 | Hourly | N/A | \$ 264.34 | N/A \$ - |
| 5078-72 | 2003 Road Improvements & Access Road @ VPSWP - Design, BSDC & Inspection | \$ 39,527.84 | Percent of Construction | \$ 701,114.59 ¹ | \$ 39,527.84 | N/A \$ - |
| 5078-74 | District Maps for Vermilion Parish Solid Waste Plant Use | \$ 124.50 | Hourly | N/A | \$ 124.50 | N/A \$ - |
| 5263-08 | Compliance Letters, DMR's, Water Discharge Permit | \$ 525.00 | Hourly | N/A | \$ 525.00 | N/A \$ - |
| 5263-18 | Subtitle D Groundwater Monitor Reports | \$ 245.00 | Hourly | N/A | \$ 245.00 | N/A \$ - |
| 5263-19 | Municipal Sewage Sludge | \$ 210.00 | Hourly | N/A | \$ 210.00 | N/A \$ - |
| 5546-24 | Seismic Exchange Inc. - Permit Review | \$ 392.00 | Hourly | N/A | \$ - | Applicant \$ 500.00 |
| 5546-26 | Seismic Exchange Phase 2 - Permit Review | \$ 392.00 | Hourly | N/A | \$ - | Applicant \$ 500.00 |
| 5662-35 | Automated Side Loading Garbage Truck & 90 Gallon Containers - Specifications | \$ 2,126.25 | Hourly | \$ 465,418.00 [*] | \$ 2,126.25 | N/A \$ - |
| 5662-36 | 1999 Model 2-Wheel Drive Tractor - Specifications | \$ 262.50 | Hourly | N/A | \$ 262.50 | N/A \$ - |
| 5723-17 | Materials for Parish Road Maintenance - Bid Date 12-02-02 | \$ 1,828.75 | Hourly | N/A | \$ 1,828.75 | N/A \$ - |
| 5723-18 | Materials for Parish Road Maintenance - Bid Date 06-11-03 | \$ 1,163.75 | Hourly | N/A | \$ 1,163.75 | N/A \$ - |
| 5871-29 | Approved Subdivision Reviews - Lahasky Subdivision | \$ 109.00 | Hourly | N/A | \$ 34.00 | Developer \$ 75.00 |
| 5871-31 | Approved Subdivision Reviews - Red Maple Estates - Phase II | \$ 207.00 | Hourly | N/A | \$ 132.00 | Developer \$ 75.00 |
| 5871-37 | Approved Subdivision Reviews - Robert Billot Rural Subdivison | \$ 70.00 | Hourly | N/A | \$ - | Developer \$ 150.00 |
| 5871-38 | Approved Subdivision Reviews - Monte Blanc Acres Subdivision | \$ 140.00 | Hourly | N/A | \$ - | Developer \$ 150.00 |
| 5871-40 | Approved Subdivision Reviews - Lone Oak Subdivision | \$ 175.00 | Hourly | N/A | \$ - | Developer \$ 175.00 |
| 5871-41 | Approved Subdivision Reviews - KAJN Subdivision | \$ 105.00 | Hourly | N/A | \$ 30.00 | Developer \$ 75.00 |
| 5871-44 | Approved Subdivision Reviews - Meaux Ranch Subdivision | \$ 175.00 | Hourly | N/A | \$ - | Developer \$ 175.00 |
| 5871-45 | Approved Subdivision Reviews - Country Garden Subdivision - Phase II | \$ 70.00 | Hourly | N/A | \$ - | Developer \$ 75.00 |
| 6338-04 | F.Y. 2000-2001 LCDBG - Water - Basic Service During Construction - Area V | \$ 11,903.75 | Lump Sum** | N/A | \$ - | LCDBG \$ 11,903.75 |
| For *1 fee calculation worksheet, see attached sheet | | | | | | |
| • Equipment Purchases | | | | | | |
| **Lump Sum Fees Based on LCDBG Engineering Fee Schedule & Policies | | | | | | |

***1 5078-72 - 2003 Road Improvements**

Construction Amount - \$701,114.59

S & A Fee Percentage (New Construction) = 8% of Construction Amount includes Design, Design Surveys, Basic Services During Construction, Construction Staking & Inspection

S & A Fee Percentage (Overlay) = 5% of Construction Amount includes Design, Design Surveys, Basic Services During Construction, Construction Staking & Inspection

S & A Fees Charged = \$39,527.84 or 5.64% of Construction Amount (for all engineering services)

FEE COMPARISON:

a. State of Louisiana - Facility Planning & Control & USDA:
(Calculation for Basic Services)

$$\text{Fee Percentage} = \frac{42.75}{\text{Log Contract Award}}$$

$$\text{Fee Percentage} = \frac{42.75}{\text{Log } \$701,114.59}$$

$$\begin{aligned} \text{Fee Percentage} &= 7.31\% \\ \text{Fee Amount} &= \$51,251.48 + \\ &\quad \text{additional services} \end{aligned}$$

Includes Design & BSDC Only (does not include Design Surveys, Construction Staking and Inspection).

b. Lafayette City-Parish Consolidated Government
(Fixed Fee Compensation Chart)

$$\begin{aligned} \text{Fee Percentage} &= 7.30\% \\ \text{Fee Amount} &= \$51,181.37 + \\ &\quad \text{additional services} \end{aligned}$$

Includes Design & BSDC Only (does not include Design Surveys, Construction Staking and Inspection).

c. Louisiana Community Development Block Grant
(Engineering Fee Schedules)

$$\begin{aligned} \text{Fee Percentage} &= 8.60\% \\ \text{Fee Amount} &= \$60,295.85 + \\ &\quad \text{additional services} \end{aligned}$$

Includes Design Surveys, Design & BSDC only (does not include Construction Staking and Inspection. The LCDBG inspection fee percentage for this project would be 3.70% of the construction amount or \$25,291.24).

Engineering Services Typically Provided:

- Design/Topographic Surveys
- Design
- Basic Services During Construction
- Construction Staking
- Inspection
- Additional Services Where Required:
 - Permits (COE, Coastal Use, DOTD)
 - Easement Agreements/Plats



**THE
SELLERS
GROUP**

A PROFESSIONAL CORPORATION

July 12, 2004

Mr. Hubert Faulk, President
Vermilion Parish Police Jury
Courthouse Building
100 N. State Street, Suite 200
Abbeville, Louisiana 70510

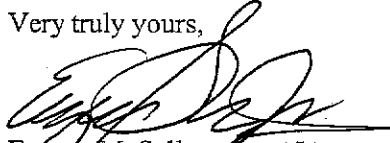
**RE: Professional Contracts and Fees
Vermilion Parish Library Capital Improvements Program
A/E Project No.'s 98023 (Abbeville Main), 99022 (Kaplan), 00012 (Maurice),
00029(Gueydan), and 00031 (Erath)**

Dear Mr. Faulk:

In accordance with a request from Mr. Michael Bertrand, Secretary/Treasurer of the Police Jury, we have reviewed various aspects of and procedures followed on our contracts for professional services on the above referenced Public Library projects. The items that he requested we review and respond to are addressed on the attached Exhibit 'A'.

We would be happy to discuss any of these items with you, the Police Jury, and/or the Library Board in person if any of you determine that is necessary. Note that if you need any additional information you may contact me at your convenience.

Very truly yours,


Eugene M. Sellers, Jr., AIA
Architect

EMS,JR:ksm

cc: Mr. Richard Dubois, Chairman, Vermilion Parish Library Board of Control
Ms. Jackie Choate, Director, Vermilion Parish Library
Mr. Michael J. Bertrand, Secretary/Treasurer, Vermilion Parish Police Jury

A R C H I T E C T U R E ♦ E N G I N E E R I N G ♦ I N T E R I O R S

148B EASY STREET
LAFAYETTE, LOUISIANA 70506

OFFICE (337) 232-0778 • FAX (337) 232-6268
e-mail: ems@tsgarchitecture.com

100 THOMAS STREET
ABBEVILLE, LOUISIANA 70510

PLEASE REPLY TO LAFAYETTE ADDRESS

EXHIBIT 'A'

July 12, 2004

REVIEW OF VARIOUS PROCEDURES REGARDING
PROFESSIONAL SERVICES CONTRACTS
VERMILION PARISH LIBRARY CAPITAL IMPROVEMENTS PROGRAM
A/E PROJECT NO.'S 98023, 99022, 00012, 00029, 00031

Item No. 1: Comment on the process and procedures used by the Library Board of Control in selecting and awarding your firm the subject Architectural Contracts compared to State of Louisiana, Facility Planning and Control typical procedures.

Response: Upon passage of the Library Capital Improvements Bond Issue, we prepared and sent the Library Board members and Police Jury President a Qualification Statement/Firm Profile Brochure including a chapter that outlined our typical fee schedule which is equal to the State of Louisiana, Facility Planning and Control percentage based fee curve. After receipt of our Qualification Statement, we interviewed with the Library Board to discuss our qualifications and typical fee structures. Although I am unsure of how the Library Board solicited proposals from other firms, it is my understanding that the Library Board did consider hiring a Dallas based Library Consultant that they were already working with on programming the Abbeville Main Branch for the actual design of the Main Branch and also considered other firms for the smaller branches since they had recently worked with another local design firm on the Delcambre Branch. It is also our understanding that after due consideration, the Board agreed that the hiring of our firm, with Hidell and Associates (the programming Library Consultant) as a Special Consultant on the Main Branch, and our firm independently for the other four (4) smaller branches was determined to be in the best interest of all of the projects since we were the most qualified to represent the Owner and public's interest on a local level for the entire CIP program.

It should be noted that the State of Louisiana (Facility Planning and Control) does not solicit "competitive quotes" for professional services. The bidding of professional services has never been a practice of the State or any municipal or federal government agency I have ever worked with. Selecting a professional based on qualifications and experience has long been the recognized procedure for public agencies including Facility Planning and Control. This is the procedure it appears the Library Board generally followed when contracting for professional services.

Item No. 2: Comment on the process and procedures used to determine the format and fee structure of the subject Architectural Contracts.

Response: Note that, in accordance with our previously discussed Qualification Statement, our fees are typically based on the State of Louisiana, Facility Planning and Control percentage based fee curve. As stated in our firm brochure, fees are negotiated based on specific factors for each project. Additionally outlined within our Qualification Statement is notice that Special Consultants are to be considered a reimbursable expense. The Library Board was aware of all of these factors when we discussed the form and format of our contracts and negotiated our final fee percentages.

The form used for all of the Owner/Architect Agreements was the American Institute of Architects Standard Form AIA-B-141. This form is used by most public bodies and private clientele we perform professional services for including, the Lafayette Consolidated Government, the Vermilion Parish School Board, the City of Abbeville, the Cajundome and various other public agencies. It is a nationally recognized contract form that is considered fair and equitable to all parties of the contract. Although Facility Planning and Control utilizes it's own Owner/Architect Agreement form, they do utilize many AIA forms and documents to administer and regulate design and construction project procedures. The Library Board's attorney reviewed our contracts prior to final execution.

The fees for each project were negotiated with the Library Board based on several key factors at each specific location. The basis or starting point of each fee rate was the State (Facility Planning and Control) fee curve. Since three (3) of the branches were to include extensive renovations, those fees included a 1.25 renovation factor, as does Facility Planning and Control's fees. We in fact prepared and presented the Library Board with a proposed contract for the Main Branch that was based on the exact wording of the FP&C Fee Curve. **The Library Board was not comfortable with the varying logarithmic formula fee curve used by Facility Planning and Control therefore requested we negotiate a fixed percentage rate fee for each project.** The basis for determining final fee percentages for each project is as listed below:

ABBEVILLE MAIN BRANCH BASE FEES

- Base Fees according to Facility Planning and Control's fee schedule for originally anticipated \$3,825,000.00 project budget equaled 6.5%.
- Owner requested Special Consultant's Fee for assisting with Building Design Phases was set at \$49,000.00 plus reimbursable expenses (Negotiated directly by Library Board).
- Base Fees were negotiated to be a fixed flat fee rate of 7.25% x Cost of Construction designed including Alternates requested by the Owner and any additional Change Orders plus reimbursable expenses.

Abbeville Main Branch Additional Services

- Interior Signage, Furniture, Fixtures, and Miscellaneous Equipment Design, Specification, Bidding, Procurement, and Observation of Construction: Billed as Additional Services at standard hourly rates plus Special Consultant Fee of \$18,000.00 plus reimbursable expenses per Contract.
- Landscaping Design, Specification, Bidding, and Observation of Construction: Billed for this separate project using percentage based fees according to State of Louisiana Fee Curve (9.45%).
- Alternative Site and Building Investigation: Billed as Additional Services at standard hourly rates plus reimbursable expenses per Contract.
- Assist Library Director with Design, Selection, and Procurement of Outdoor Furniture and Fixtures: Being provided at no cost to Owner.

Special Comments: The negotiated increase in percentage based fees of 0.75% over Facility Planning and Control's Standard Fees (approximately \$29,000.00) was attributed to the following items:

- The Prime Designer was to pay the Owner appointed Special Consultant's Base Fee of \$49,000.00 out of his Base Fee. This would otherwise be considered a fully reimbursable expense based on the standard language in the AIA Contract.
- The Prime Designer, as part of his basic services on this project, was to assist the Library Board by monitoring, tracking and periodically reporting fund and budget status of the Capital Improvement Program for the Main Branch and all other branches including those expenditures not directly part of the Construction Cost. This would otherwise be considered an Additional Service.

KAPLAN BRANCH LIBRARY BASE FEES

- Base Fees according to Facility Planning and Control's fee schedule for originally anticipated \$275,000.00 renovation project budget = 9.825%.
- Base Fees were negotiated to be a fixed flat fee rate of 10.0% x Cost of Construction designed including Alternates requested by Owner and any additional Change Orders plus reimbursable expenses.

Kaplan Branch Additional Services

- Asbestos Abatement Design, Specification, Bidding, and Observation of Construction: Billed for this separate project using percentage based fees at same rate listed above (10.0%) plus reimbursable expenses.
- Furniture, Fixtures and Miscellaneous Equipment Design, Specification, Bidding, and Observation of Construction: Billed for this separate project using percentage based fees at same rate listed above (10.0%) plus reimbursable expenses.
- Foundation Settlement Repair Design, Coordination, and Observation of Construction: Performed at no cost to Owner.
- Assist Library Board and Police Jury with State Highway Right-of-Way Amendments to Settle Building Encroachments: Performed at no cost to Owner.

Special Comments: The negotiated increase in percentage based fees of 0.175% over Facility Planning and Control's Standard Fees (approximately \$480.00) was attributed to the following:

- The Prime Designer, as part of his basic services, was to assist the Library Director in developing the Building Program for the construction of this facility since it was not prepared by an outside consultant. (Programming is not included in Facility Planning and Control's Base Fees).

ERATH BRANCH BASE FEES

- Base Fees according to Facility Planning and Control's Fee Schedule for originally anticipated \$250,000.00 renovation project budget = 9.90%.
- Base Fees were negotiated to be fixed flat fee rate of 10.0% x Cost of Construction designed including Alternates requested by Owner and any additional Change Orders plus reimbursable expenses.

Erath Branch Additional Services

- Proposed Existing Building Analysis and Code Evaluation: Billed as Additional Services at standard hourly rates plus reimbursable expenses per Contract.
- Asbestos Abatement Design, Specification, Bidding, and Observation of Construction: Billed as Additional Services at standard hourly rates plus reimbursable expenses per Contract.
- Assist Library Director with Layout, Selection, and Procurement of Furniture, Fixtures and Miscellaneous Equipment: Performed at no cost to Owner.
- Assist Library Board with Utility Easement Acquisition for Off-Site Utility Lines and Design and Observation of Off-site Access Sidewalk Construction: Performed at no cost to Owner.
- Assist Library Director with Specifications, Solicitation of Quotes and Procurement of Telephone & Data Wiring: Performed at no cost to Owner.

Special Comments: The negotiated increase in percentage based fees of 0.10% over Facility Planning and Control's Standard Fees (approximately \$250.00) was attributed to the following:

- The Prime Designer, as part of his basic services, was to assist the Library Director in developing the Building Program for the construction of this facility since it was not prepared by an outside consultant. (Programming is not included in Facility Planning and Control's Base Fees).

MAURICE BRANCH BASE FEES

- Base Fees according to Facility Planning and Control's Fee Schedule for originally anticipated \$100,000.00 renovation project budget = 10.70%.
- Base Fees were negotiated to be fixed flat fee rate of 10.70% x Cost of Construction designed including Alternates requested by Owner and any additional Change Orders plus reimbursable expenses.

Maurice Branch Additional Services

- Assist Library Director with Layout, Selection, and Procurement of Furniture, Fixtures, and Miscellaneous Equipment: Performed at no cost to Owner.
- Assist Library Director with Design, Procurement and Observation of Landscape Construction: Performed at no cost to Owner.

Special Comments: The negotiated fixed fee rate matched that exactly of Facility Planning and Control. Additionally note the following:

- The Prime Designer, as part of his basic services, was to assist the Library Director in developing the Building Program for the construction of this facility since it was not prepared by an outside consultant. (Programming is not part of Facility Planning and Control's Base Fees).
- Once the Program was developed, the initial construction budget was increased by 50%. Because of this significant increase, the Designers voluntarily reduced their final fees to 10.3% of the building construction cost to match the State Fee Curve despite being contracted to charge fees of 10.7% (a reduction of approximately \$625.00).

GUEYDAN BRANCH BASE FEES

- Base Fees according to Facility Planning and Control's Fee Schedule for originally anticipated \$300,000.00 project budget = 7.80%.
- Base Fees were negotiated to be a fixed flat fee rate of 8.0% x Cost of Construction designed including Alternates requested by Owner and any additional Change Orders plus reimbursable expenses.

Gueydan Branch Additional Services

- Proposed Multiple Alternative Site Analysis and Evaluations: Performed at no cost to Owner.
- Conceptual Design Schemes for Initially Selected Site: Performed as Additional Services at standard hourly rates plus reimbursable expenses per Contract.
- Assist Library Director with Layout, Selection, and Procurement of Furniture, Fixture and Miscellaneous Equipment: Being performed at no cost to Owner.
- Assist Library Director with Design, Procurement and Observation of Landscape Construction: Being performed at no cost to Owner.

Special Comments: The negotiated increase in percentage based fees of 0.20% over Facility Planning and Control's Standard Fees (approximately \$600.00) was attributed to the following:

- The Prime Designer, as part of his basic services, was to assist the Library Director in developing the Building Program for the construction of this facility since it was not prepared by an outside consultant. (Programming is not part of Facility Planning and Control's Base Fees).

- Once the project was bid (four years after the initial budget was established) the Designers voluntarily reduced their final fees to 7.63% of the actual building construction cost to match the State Fee Curve despite being contracted to charge fixed fees of 8.0% (a reduction of \$1,490.00).

GENERAL COMMENT REGARDING FEES

It should be noted that Facility Planning and Control's Fee Curve is established with the knowledge that they have a full time staff of Administrators, Project Architects and Field Engineers to assist the Designer with the administration of the project. Those task include formulating and processing Contracts for Design, Construction, and Testing Services; issuing Notices to Proceed; reviewing Contractor's Bids; reviewing Contractor's Bonds; reviewing Contractor's Certificates of Insurance; preparing Certificates of Acceptance; monitoring total project cost; etc. Additionally their Staff Architects assist the Project Architect during design and construction document phases by reviewing plans and specifications and making appropriate recommendations. The Staff Field Engineers assist the Project Architect in the administration during construction and reporting to Owner and User Representatives on the status of construction, project cost and time schedules. Facility Planning and Control charges an Administrative fee of 1.0 - 1.5% to each project for those services. Since most Municipal and Parish Public Agencies do not have the staff to provide these services, the Project Architect must assume those additional administrative and reporting duties. The standard State Fee Curve does not include compensation for that added responsibility. Additionally it should be noted that Facility Planning and Control's fee structure requires Observation of Construction Phase site visits at a rate of one (1) per week. Our office, in order to better manage quality control on Parish and Municipal projects, visits the project site a minimum of two (2) times per week and quite often more frequently than that. Facility Planning and Control allows for extra compensation for requested or required additional Observation of Construction visits. We do not charge our Parish or Municipal clients any additional fees for these more frequent site visits or the additional administrative or project representative duties we assume.

Lastly on this topic, please note that compared to other recognized published fee schedules, Facility Planning and Control's is lower than those utilized by many other public bodies and agencies including Louisiana Community Development Block Grant Fee Schedules. In fact, Facility Planning and Control is currently in the process of revising the State Fee Curve to increase fees for Professional Services. Our fees however, in all cases, were based on Facility Planning and Control's Fee Curve and only in certain cases slightly adjusted for the performance of specific additional base services as outlined above not normally part of FP&C projects.

Item No. 3: Verify the total funds paid to your firm for the Library Capital Improvement Program to date.

Response: Fees paid to our firm have been in accordance with the terms and condition of our agreements with the Library Board except where voluntarily reduced as previously noted. Our firm has been working continuously for the Library Board on various projects since late 1998, over 5 ½ years. We began invoicing for our services in January 2000. Including Base Fees and reimbursable expenses we have billed a total of \$478,197.78 to date (approximately 8.4% of the total Construction and FF&E cost of the applicable CIP). We have paid approximately 40% of our total fees for expenses to outside firms/consultants as follows:

| | |
|----------------------------------|---------------|
| Land Surveying Firms | \$10,819.00 |
| Structural Engineering Firms | 33,411.51 |
| Mechanical Engineering Firms | 18,924.36 |
| Electrical Engineering Firms | 21,125.00 |
| Landscape Architecture Firms | 2,400.00 |
| Library/Special Consultant Firms | 76,341.03 |
| Interior Design Firms | 4,946.40 |
| Printing Expenses | 7,226.70 |
| Plan Review Agency Fees | <u>135.00</u> |

Total Fees/Reimbursable Expenses Paid to Outside Firms \$175,329.11

The remaining fees and reimbursable expenses equate to \$302,868.67 or an average of \$55,000.00 per year.

Item No. 4: Comment on the lack of inclusion of estimated construction costs in the Owner/Architect Agreements.

Response: While some Owner/Architect Agreements specifically state an estimated construction cost in the body of the contract, the AIA-B-141 Form does not. However, in Article 5.2 of the agreement, project budget is discussed and the agreement gives specific options to the Owner if the project budget is exceeded. Those options include: increasing the budget; rebidding or negotiating the cost of the project; abandoning the project; or revising the quality or scope of the project to reduce the construction cost. If the Owner chooses to revise the quality or scope of the project the contract requires the Architect to modify the contract documents without additional charge (Article 5.2.5). Those provisions are very similar to the provisions contained in the contracts used by Facility Planning and Control. While the Contracts for the Library did not include in it's text an estimated project construction cost, the parties of the Contract had documented preliminary construction budgets that included contingencies for Alternate Bid Items, Change Orders or overages.

Examples of how this Article of the Contract was applicable on two of the library projects is as follows:

- A. The Abbeville Main Branch Facility was designed with Add Alternates that were known to possibly be in excess of the funds available for construction. When the project bid, it was determined that if all three (3) Alternates were accepted, the cost would have exceeded the construction cost budget. The Owner determined that they wanted to accept two (2) of the three (3) Add Alternates and still maintain \$50,000.00 in project contingency in the budget. In order to accomplish that, the Base Bid had to be reduced since the project Base Bid was essentially equal to the construction cost budget. Our firm made numerous revisions to the Plans and Specifications in order to negotiate a lower Base Bid cost and thereby allow the award of the Alternates the Owner requested within the project budget. We did not bill for the time associated with the required revisions to the Contract Documents nor for the time associated with negotiating with the Contractor, his Suppliers and Subcontractors for the reduction in the cost of the project. (Per Article 5.2.4.2, 5.2.4.4 and 5.2.5).
- B. The Gueydan Branch Facility is the only project of the five (5) we designed that had it's bid exceed the budget including contingency. At the Library Board meeting subsequent to the Bid Opening we offered to revise the Plans as necessary to reduce the cost of construction and then re-bid the project. In accordance with the terms of our agreement, this would have been done at no charge to the Owner. The Board determined they did not want to reduce the scope or quality of the project and resolved to increase the project budget and fund the overage including both Add Alternates with dedicated Capital Improvement Reserves. (Per Article 5.2.4.1).

It should be noted these procedures are very similar to those followed on many Facility Planning and Control projects we have been involved with.

Item No. 5: Comment on the ratio of fees paid during Pre-Construction and those paid during Construction.

Response: Various Public Agencies have varying policies with regard to the percentage of fees paid during Pre-Construction and Construction Phases. As an example, State USDA Office of Rural/Community Development allows 80% of fees thru Bidding and 20% during Construction. Typically Louisiana Community Development Block Grant projects allow 75% though Bidding and 25% during Construction. Facility Planning and Control allows only 70% through Bidding and 30% during Construction. They are the only Public Agency that I am aware of that requires that ratio. Most projects we perform for Municipal or Parish Public Agencies are contracted at the 80/20 or 75/25 ratio.

Due to the nature and extent of design work involved in planning public libraries and because we were involved in additional administration and Programming on most of the projects, we requested our ratio be set at 80% through Bidding and 20% during Construction matching that paid on State USDA contracts.

Item No. 6: Comment on the Library Board's request that you utilize a Special Consultant for the Main Branch of the Library and how that affected the fee schedule for that project.

Response: Prior to our involvement with the Library Board, after consideration of two (2) separate firms, they retained the services of a nationally recognized Library Consultant to assist them in assessing the state of the existing Parish Library System and to make recommendations for Parishwide improvements. Additionally the Library Board contracted with that firm to write the Program and conduct site analysis surveys for the proposed new Main Branch of the Library. After review of our qualifications and interviewing with the Library Board they informed us they would like to work with our firm on the Library construction projects. They requested that we work with a Special Library Consultant during the Schematic Design and Design Development Phases of the Main Branch building project in addition to during the selection, planning and specifications of the Main Branch interior furniture, fixture and equipment package.

It was my understanding that the Library Board wanted the Special Consultant to work with us on the Schematic and Design Development Phases of the project for the following reasons:

1. They wanted the experience of a nationally recognized Library Design Consultant involved in the Design Phases of the Main Branch Facility to insure that the Library would provide the citizens of Vermilion Parish a State-of-the-Art Main Branch Facility using current national trends in library design.
2. They wanted to insure full utilization and continuity between the Programming Phase, performed independently by the Library Consultant, and the Design Phases.
3. They wanted to insure full coordination of the Design of the building with the selection, design, and layout of the Library furniture, fixtures, and equipment which they also wanted the Library Consultant to be involved in.

The fees for the Library Consultant were negotiated directly by the Library Board and established as \$49,000.00 plus reimbursable expenses for the building Design Phases and \$18,000.00 plus reimbursable expenses for Interior Furniture, Fixture and Equipment Design. Additionally, any work performed by the Special Consultant after the Design Development Phase was to be paid on an hourly basis per his rate schedule. It should be noted that during the project no additional hourly consulting was needed or requested.

Because the Library Board wanted a local Design Firm to be the Prime Architect on the projects and wanted to have a single Owner/Architect Agreement per project, we agreed to include the services of the Special Consultant in our Contract with the Library Board. In lieu of adding the full amount of the Special Consultant's fee for the building design portion of his work as a reimbursable expense per the standard language in the contract, we agreed to absorb a portion of his fee, approximately half, into our base fees. The base fee rate was therefore increased by 0.75% over the standard Facility Planning Rate of 6.5% to reimburse us for the remaining portion of his fees that we were to pay and additional services we performed. The additional base fee cost to the Owner was therefore approximately \$29,000.00 to have the Special Consultant on this project and have our firm assume all of the additional CIP administrative duties that we agreed to perform. The fee paid to the Special Consultant for programming, selecting, laying-out and providing draft technical specs for the interior furniture, fixtures, and equipment is not considered part of base services fees and is treated as an additional service since these items were bid separately as is standard on this and Facility Planning and Control Contracts.

As a point of interest, it should be noted that by our firm paying the Special Consultant's fees on the Main Branch facility, our fees were essentially reduced by \$49,000.00 or 1.25% of the construction cost. The base fees we received were therefore 6.0% of the approximate \$4,000,000.00 actual Construction Cost which is 0.5% (\$20,000.00) below the Standard State (FP&C) Fee Curve.



Kathleen Babineaux Blanco
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION

FACILITY PLANNING AND CONTROL

Jerry Luke LeBlanc
COMMISSIONER OF ADMINISTRATION

July 14, 2004

98023
THE SELLERS GROUP

Eugene M. Sellers, Jr. AIA
The Sellers Group
148B Easy Street
Lafayette, Louisiana 70506

JUL 15 2004

RECEIVED

Professional Contracts and Fees

Dear Sir,

In regard to our meeting yesterday I am confirming, at your request, a couple of things we discussed.

1. When a designer applies for a project with our office, we assume that he has all the necessary expertise to do the work unless it is stated otherwise in the request for proposals. Consequently, we do not pay any additional fee for consultants the designer wishes to hire. However, if we determine that additional consultant services are needed and direct the designer to hire a consultant, the designer would certainly be entitled to additional fee.
2. This office provides a number of administrative services for the projects we handle such as preparation and issuance of contracts and amendments, front end documents, advertising for and receipt of bids, preparation and issuance of acceptances, etc. If these services are provided by the designer I would think they would have some value that could affect the fee. Since we have no experience with this I am in no position to say how much.

I can only advise you how Facility Planning & Control handles these issues. I cannot tell you anything about how these or any other issues might be handled on other projects. This is strictly between you and your client.

Sincerely,

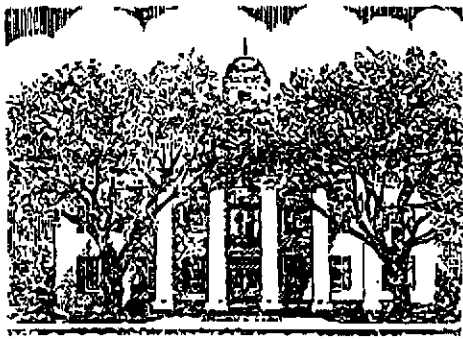
Jerry W. Jones
Director

William S. Morrison
Assistant Director

HUBERT FAULK
PRESIDENT

MARK POCHÉ
VICE-PRESIDENT

MICHAEL J. BERTRAND
SECRETARY-TREASURER



VERMILION PARISH POLICE JURY

Courthouse Bldg

100 N. State St. Suite 200
Abbeville, Louisiana 70510

337-898-4300
FAX 337-898-4310



JUL 15 2004

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DISTRICT 3
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DISTRICT 4
RONALD DABBY
1617 MAUDE AVE
ABBEVILLE, LA 70510
(337) 893-5145

DISTRICT 5
WAYNE TOUCHET
505 EATON DRIVE
ABBEVILLE, LA 70510
(337) 893-3246

DISTRICT 6
MARK POCHÉ
1013 SOUTH BROADWAY STREET
ERATH, LA 70533
(337) 937-4900

DISTRICT 7
E. J. BROUSSARD
208 NORTH LYMAN STREET
ABBEVILLE, LA 70510
(337) 893-8124

DISTRICT 8
EDVAL SIMON, JR.
103 SUIRE DR.
DELCADRE, LA 70528
(337) 668-2226

DISTRICT 9
MAXWELL CHREENE
3146 VETERANS MEMORIAL DR
ABBEVILLE, LA 70510
(337) 893-1370

DISTRICT 10
GAULMAN GASPARD
157 RICHIE, LEO CIRCLE
KAPLAN, LA 70348
(337) 643-1300

DISTRICT 11
RAVIS MENARD
12620 LA HWY 695
KAPLAN, LA 70548
(337) 643-8502

DISTRICT 12
PURVIS ABSHIRE
402 LOKUNE
KAPLAN, LA 70548
(337) 643-8874

DISTRICT 13
T. J. PREJEAN, JR.
17507 LA HWY 35
ABBEVILLE, LA 70510
(337) 843-2200

DISTRICT 14
LUTHER "BUSTER" HARDEE
9902 HANNAY (PVT) ROAD
KAPLAN, LA 70548
(337) 526-6970

FACSIMILE TRANSMISSION

TO: Mr. Jerry Jones / Mr. William Morrison

FAX NUMBER: 225-342-7624

FROM: Vermilion Parish Police Jury
Abbeville, Louisiana

EMAIL: VERMILIONPPJ@YAHOO.COM

DATE: 7/15/04 TIME: 10:30 A.M.

NUMBER OF PAGES: 2, INCLUDING COVER

If you do not receive the correct number of pages transmitted, or if this message is incomplete or illegible, please call the Vermilion Parish Police Jury at (337) 898-4300.

COMMENTS: Mr. Jones / Mr. Morrison:
The Police Jury respectfully requests that
you clarify the attached request.

The Police Jury is trying to address engineering/
architectural services selection process.

The information contained in this facsimile is legally privileged and confidential, intended for the use of the individual or entity named above. If the reader of this message is not the intended recipient or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is prohibited. If you have received this communication in error, please notify us immediately by telephone. Thank You.

THANKS
MICHAEL BERTRAND

SENT BY: SELLERS & ASSOCIATES;

337 232-0851;

JUL-14-04 2:00PM;

PAGE 2/2



Kathleen Robinson Blaine
09/22/06

State of Louisiana
DIVISION OF ADMINISTRATION

FACILITY PLANNING AND CONTROL

Jerry Luke LeBlanc
COMMISSIONER OF ADMINISTRATION

July 14, 2004

Eugene M. Sellers, Jr. AIA
The Sellers Group
148B Eury Street
Lafayette, Louisiana 70506

Professional Contracts and Fees

Dear Sir,

In regard to our meeting yesterday I am confirming, at your request, a couple of things we discussed.

Qualifications

1. When a designer applies for a project with our office, we assume that he has all the necessary expertise to do the work unless it is stated otherwise in the request for ~~proposal~~ proposal. Consequently, we do not pay any additional fee for consultants the designer wishes to hire. However, if we determine that additional consultant services are needed and direct the designer to hire a consultant, the designer would certainly be entitled to additional fee.
2. This office provides a number of administrative services for the projects we handle such as preparation and issuance of contracts and amendments, front end documents, advertising for and receipt of bids, preparation and issuance of acceptances, etc. If these services are provided by the designer I would think they would have some value that could affect the fee. Since we have no experience with this I am in no position to say how much.

I can only advise you how Facility Planning & Control handles these issues. I cannot tell you anything about how these or any other issues might be handled on other projects. This is strictly between you and your client.

Sincerely,

Jerry W Jones
Director

William S. Morrison
Assistant Director

P.O. BOX 94085 • CLAYBORNE BUILDING • BATON ROUGE, LA 70804-9085
(225) 342-0820 • FAX (225) 343-7824
AN EQUAL OPPORTUNITY EMPLOYER

*7/15/04
MR. JONES
PLEASE CLARIFY
IF THIS IS A
REQUEST FOR
PROPOSALS OR
A REQUEST
FOR QUALIFICATION
STATEMENTS.
MIKE BERTRAND
VERMILION PARISH
AUG. 1. 2004*

TOTAL P.02

TOTAL P.02