

NEGOTIATION AGREEMENT  
LOCAL GOVERNMENT-WIDE COST ALLOCATION PLAN

Department/Agency: City of Portland, Oregon  
Date: June 22, 2015  
Replaces Plan Dated: June 04, 2014

Pursuant to Office of Management and Budget (OMB) Circular No A-87 (now superceded by 2 CFR Part 200), the Department of Housing and Urban Development (HUD) approves the central service costs cited in this Agreement. Approval is subject to the conditions in Section III.

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**SECTION I: COSTS DISTRIBUTED THROUGH CENTRAL SERVICE COST ALLOCATION**

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The central service costs are approved on a fixed amount for FYE June 30, 2014 with carry forward basis for FYE June 30, 2016 and may be included as part of the costs of the department/agencies indicated in Exhibit A, for further allocation to Federal grants and contracts performed by the respective department/agencies.

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**SECTION II: COSTS DISTRIBUTED THROUGH BILLING MECHANISM**

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In addition to the costs distributed through department-wide cost allocations cited in Section I, the cost of central services may be billed directly to user department/agencies as identified in the Plan.

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**SECTION III: GENERAL**

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A. **LIMITATIONS:** Use of the amounts contained in this Agreement are subject to any statutory or administrative limitations and when ultimately allocated to individual grants or contracts through the indirect cost rates of each local department/agency, are applicable only to the extent that funds are available. Acceptance of the amounts agreed to herein is predicated on the conditions that:

1. no costs other than those incurred by the locality were included for distribution in its local-wide cost allocation plan as finally accepted and that such costs are legal obligations of the locality and allowable under the governing cost principles;
2. similar types of costs have been accorded consistent accounting treatment; and
3. the information provided by the locality which was used as a basis for acceptance of the amounts or rates agreed to herein is not subsequently found to be materially incomplete or inaccurate.

B. **AUDIT:** Adjustments to amounts, resulting from audit of the indirect cost proposal upon which the negotiation of this Agreement was based, will be compensated for in a subsequent negotiation.

C. **CHANGES:** If fixed or predetermined amounts are contained in this Agreement, they are based on the organization structure and the accounting system in effect at the time the plan was prepared and the Agreement was negotiated. These amounts are subject to modification if changes are made in the organizational structure or

in the method of accounting for costs which affect the amount of reimbursement resulting from use of the amounts. The authorized representative of the responsible negotiation agency must be notified of such changes prior to their effective date. Failure to obtain such approval may result in subsequent cost disallowances.

D. FIXED RATE(S): If a fixed rate(s) is contained in this Agreement, they are based on an estimate of the costs that will be incurred during the period for which the amounts apply. When the actual costs for such period have been determined, adjustments will be made in a subsequent negotiation to compensate for the differences between the costs used to establish the fixed amounts and the actual cost.

E. BILLED COSTS: Charges for the services cited in Section II will be billed in accordance with rates established by the locality and recorded on the books of the operating department/agency responsible for providing the services. Such charges will be based on the actual, allowable costs, as defined in OMB A-87, incurred by the operating department/agency responsible for providing the services. Variances resulting from differences between billed allowable cost and the actual allowable cost for a particular accounting period will be compensated for by adjusting the rates in a subsequent accounting period.

F. NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal Agencies as a means of notifying them of the Agreement contained herein.

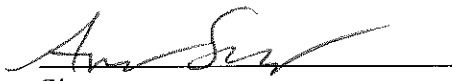
G. SPECIAL REMARKS: Federal programs currently reimbursing indirect costs to this Department/Agency by means other than the rate cited in this Agreement should be credited for such costs and the applicable rate cited herein applied to the appropriate base to identify the proper amount of indirect costs allocable to the program.

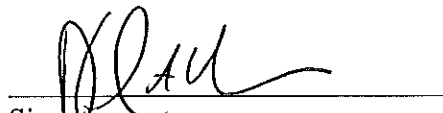
By the Local Government:

By the Cognizant Negotiation Agency  
On Behalf of the Federal Government:

City of Portland, Oregon

The U.S. Department of Housing  
and Urban Development

  
Signature

  
Signature

Budget Director  
Title

Director, Community Planning & Development  
Title

Date: 7/8/15

Date: 7/17/15

Negotiated by:  
Jan Olson, Financial Analyst  
Telephone: (971) 222-2616

CITY OF PORTLAND  
CONSOLIDATED CITYWIDE COST ALLOCATION PLAN  
YEAR ENDED JUNE 30, 2014

SUMMARY OF OMB A-87 INDIRECT RATES

Schedule A OPERATING BUREAU	OMB A-87 INDIRECT RATE*	NET INDIRECT COSTS	NET DIRECT COSTS
Bureau of Police	34.46% \$	44,843,187 \$	130,141,694
Bureau of Fire	28.84%	22,211,636	77,009,808
Bureau of Parks Operating	41.10%	14,525,656	35,338,744
Bureau of Parks Capital	116.98%	903,816	772,607
Bureau of Environmental Services	88.80%	36,740,179	41,372,992
Portland Bureau of Transportation	79.27%	39,572,206	49,917,760
Portland Water Bureau	102.44%	38,001,063	37,097,430
Revenue Bureau	154.64%	8,815,638	5,700,884
Office of Neighborhood Involvement	22.67%	724,898	3,197,196
Bureau of Planning & Sustainability	38.25%	3,550,993	9,283,741
Bureau of Development Services	58.27%	11,454,315	19,658,895
Portland Housing Bureau	81.75%	6,886,152	8,423,883
Portland International Raceway	11.35%	89,281	786,541
Golf Operations	33.32%	1,066,299	3,199,847
Bureau of Emergency Communications	14.08%	1,805,750	12,829,056
Bureau of Hydroelectric Power	18.62%	49,753	267,256

\*Rate is to be applied against total direct personnel costs.  
Direct personnel costs are inclusive of fringe benefits.