

## Examples of the Application of Special Match Credit (SMC) to LPA Projects

For all examples assume the following:

- Federal funds available: \$1,000,000 (Required 20% local match = \$250,000)
- Construction Engineering and Inspection (CE&I) Contract Amount: \$50,000
- Testing and Contingencies: \$100,000

LPA Preliminary Eng (PE) Costs (paid by the LPA):	\$50,000
LPA Right-of-Way (ROW) Costs (paid by the LPA):	<u>\$200,000</u>
<b>Total PE/ROW Costs</b>	<b>\$250,000</b>

The LPA has spent \$250k for PE/ROW prior to construction obligation; therefore, the required match to receive the Federal portion (\$1 million) has been satisfied.

### Example 1

Low Contractor's Bid Price:	\$750,000
CE&I Contract Amount:	\$ 50,000
Testing and Contingencies:	\$100,000
<b>Total Construction Cost:</b>	<b>\$900,000</b>
PE/ROW Costs	<u>\$250,000</u>
<b>Total Project Cost:</b>	<b>\$1,150,000</b>

#### CONSTRUCTION BREAKDOWN W/O SMC

Federal Funds (80%)	\$720,000
<u>Local Funds (20%)</u>	<u>\$180,000</u>
<b>Total</b>	<b>\$900,000</b>

**Total LPA Out of Pocket: \$430,000 (w/o SMC)**

Low Contractor's Bid Price:	\$750,000
CE&I Contract Amount:	\$ 50,000
Testing and Contingencies:	\$100,000
<b>Total Construction Cost:</b>	<b>\$900,000</b>
PE/ROW Costs	<u>\$250,000</u>
<b>Total Project Cost:</b>	<b>\$1,150,000</b>

#### CONSTRUCTION BREAKDOWN W/ SMC

Federal Funds (100%)	\$900,000
<u>Local Funds</u>	<u>SMC Credit</u>
<b>Total</b>	<b>\$900,000</b>

**Total LPA Out of Pocket: \$250,000 (with SMC)**

The total construction cost will be reimbursed at 100% because of the credit for funds spent on PE/ROW. At no time will more than 100% of the construction costs be allowed. The unused difference between the \$1 million and the \$900,000 returns to MDOT or the MPO, whichever is applicable.

### Example 2

Low Contractor's Bid Price:	\$950,000
CE&I Contract Amount:	\$ 50,000
Testing and Contingencies:	\$100,000
<b>Total Construction Cost:</b>	<b>\$1,100,000</b>
PE/ROW Costs	<u>\$250,000</u>
<b>Total Project Cost:</b>	<b>\$1,350,000</b>

#### CONSTRUCTION BREAKDOWN W/O SMC

Federal Funds (80%)	\$880,000
<u>Local Funds (20%)</u>	<u>\$220,000</u>
<b>Total</b>	<b>\$1,100,000</b>

**Total LPA Out of Pocket: \$470,000 (w/o SMC)**

Low Contractor's Bid Price:	\$950,000
CE&I Contract Amount:	\$ 50,000
Testing and Contingencies:	\$100,000
<b>Total Construction Cost:</b>	<b>\$1,100,000</b>
PE/ROW Costs	<u>\$250,000</u>
<b>Total Project Cost:</b>	<b>\$1,350,000</b>

#### CONSTRUCTION BREAKDOWN W/ SMC

Federal Funds (90%)	\$1,000,000
<u>Local Funds (10%)</u>	<u>\$100,000</u>
<b>Total</b>	<b>\$1,100,000</b>

**Total LPA Out of Pocket: \$350,000 (with SMC)**

The \$250,000 spent for PE/ROW matches the entire \$1 million, but does not cover the entire Total Construction Cost; therefore, the LPA will be responsible for the amount above the max Federal portion of \$1 million (\$100,000).