All applications for construction and design assistance must complete the **Preliminary Engineering Report (PER) as outlined in the ED-900C.** The following outline provides more detailed information on these requirements in order to assist Applicants in preparing their application.

**Items listed in “Blue Bold” font are intended to provide additional guidance.**

**All items must be consistent in this report, SF-424 application, ED-900, Environmental Report, exhibits and any other document.**

**C. Preliminary Engineering Report**

To be considered for assistance, all construction and design applications must include a Preliminary

Engineering Report (PER) that at a minimum provides the following information:

C.1. Description of project components. Provide a general description of all project components involved in the project. Indicate whether the project involves the construction of new infrastructure or facilities or the renovation or replacement of existing ones. Describe each of the project components in terms of dimensions, quantities, capacities, square footage, etc.

**Provide a detailed description of the Project Components.**

C.2. A statement verifying that the project components described in the engineering report are consistent with the EDA investment project description that is provided in Section B.2 of Form ED-900. Engineering reports that describe project components that are inconsistent with the EDA investment project description in Section B.2 of Form ED-900 will not be considered valid.

**Provide such a statement.**

C.3. Drawings showing the general layout and location of the existing site conditions and of the project components as well as location of any project beneficiary identified in Section B.5 of Form ED-900 that provide economic justification for the project, if any. Rough dimensions and quantities for major project components should be shown and labeled on the drawings. Drawings should clearly identify the project components that are being proposed. Applicants are encouraged to clarify such drawings, for example, through color coding, labeling, and other appropriate methods.

**All of the project components must be identified in the plans. Provide one set of 11”x17” drawings if possible. A site plan is required. If the site has a building, a detailed floor plan is required with all of the programing complete. Provide a typical pavement section cut if the project has a roadway.**

C.4. A feasibility analysis for the constructability of the project. Include a review of the existing conditions and note particular features, alignments, and circumstances affecting construction of project components.

**Provide a feasibility analysis.**

C.5. The proposed method of construction. Indicate whether construction procurement will be done through competitive bid or other method. Indicate if any portion of the project is to be done by design/build, construction management at risk, the applicant’s own forces, or a third-party

construction manager. If an alternate construction procurement method (other than traditional

design/bid/build with sealed competitive bid process) is proposed, a construction services

procurement plan must be provided to EDA for approval in accordance with EDA’s regulation at 13 C.F.R. § 305.6(a).

**Traditional methods of design/bid/build with sealed competitive bids are preferred.**

**Indicate the entity that will be responsible for all of the construction contracts and provide a detail of the entity’s required tasks in Item 1 of the Budget Requirements found below in this Report.**

C.6. The number of construction contracts anticipated. If multiple contracts are proposed, describe the project components included in each contract. If separate contracts are anticipated for demolition or site work, the budget information cost classification should reflect the estimated costs for these components. If project phasing is proposed, a project phasing request must be provided to EDA for approval per EDA’s regulation at 13 C.F.R. § 305.9(a).

**Provide the number of construction contracts anticipated.**

C.7. A current detailed construction cost estimate for each of the project components. Show quantities, unit prices, and total costs and provide a basis for the determination of construction contingencies. The total of this estimate should match the construction line item of the SF-424C.

**Provide a current detailed Architect or Engineer’s opinion of costs.**

C.8. Real property acquisition. If the budget includes costs for acquisition of real property, include a

current fair market value appraisal completed by a certified appraiser for the property to be

purchased.

**One appraisal is required from a MAI certified appraisal firm.**

C.9. A list of all permits required for the proposed project and their current status. Identify all permits required; include the timeline to obtain the permits and discuss how the permitting relates to the overall project schedule. If the project crosses a railroad right-of-way or is within a railroad right-of-way, explain any permitting or approvals that may be required from the railroad or other authority and the timeframe for obtaining these permits or approvals.

**Provide a list of all anticipated permits required.**

C.10. An overall estimated project schedule. This schedule should agree with the project schedule

outlined in the ED-900. Include the number of months for each of the following:

i. design period;

ii. period of time to obtain required permits;

iii. period of time to obtain any required easements or rights-of-way;

iv. solicitation of bids and awarding of contracts, and

v. construction period.

 **Provide an estimated project schedule.**

C.11. Overall project budget breakdown. For each “cost classifications” line item that the applicant

indicates will be included in the project budget on Form SF-424C, the applicant must provide a

breakdown of the proposed project costs and tasks that is consistent with the detailed construction

cost estimate for the project provided in the PER.

**Provide a detailed breakdown of the tasks to be performed as listed below:**

1. **Line 1 – Administrative and legal expenses. Examples include: EDA components: record keeping, financial management, monitoring equal opportunity requirements, (EO), monitoring compliance with federal labor standards, EDA requirements monitoring, project closeout documentation, legal opinions, legal title search, etc.**
2. **Line 2 – Land, structures, rights-of-way, appraisals, etc. This item is only to be used in the event an existing building is to be used as local match. Consult your EDA representative.**
3. **Line 3 – Relocation expenses and payments. This item applies only to relocation expenses and payments and/or land acquisition. Consult your EDA representative**
4. **Line 4 – Architectural and engineering fees. Examples include preparing plans and specs, required consultants (structural, mechanical, electrical, plumbing, etc.), bid administration, attend meetings, process change orders, review contactors’ requests for payments and reimbursable costs, etc.**
5. **Line 5 – Other architectural and engineering fees. Examples include: Survey, soils borings/report and material testing.**
6. **Line 6 – Project inspection fees. Examples include: One time staking of project, construction inspection/observation for the project, notify Owner at 11 months after substantial completion and follow up, and a 12 month warranty inspection of all EDA project components.**
7. **Line 7 – Site work. Add cost to the Construction line item for “pad ready” tasks.**
8. **Line 8 – Demolition and removal. Add cost to the Construction line item for**

**“pad ready” tasks.**

1. **Line 9 – Construction. Provide a detailed Architects/Engineers Opinion of Costs consistent with that provided in Question C.7 above.**
2. **Line 10 – Equipment. Add a list of equipment and estimated costs of equipment.**
3. **Line 11 – Miscellaneous. N/A or contact an EDA representative.**
4. **Line 13 – Contingencies. EDA generally considers contingencies between 10% and 15% of construction costs to be reasonable. Contact your EDR to discuss factors that may justify higher or lower contingency rates. No other line item may contain contingency costs.**

**Notes:**

1. **All amounts should be rounded to the nearest hundred dollars.**
2. **If this detailed project budget is different than the cost identified in applicants SF-424C from please update and submit a new SF-424C.**
3. **If the costs for an Architect/Engineer (all treated as a “contractor” refer to 2 CFR Part 200.23) is included the application and/or the Preliminary Engineering Report, ensure that they were properly procured for the complete project (including preparing the plans, specifications, ext.). Refer to 2 CFR Part 200.319 Competition. If they only are procured for the application and/or the Preliminary Engineering Report, then they will be ineligible to be procured for the complete project.**

**CFR Part 200.319 Competition (partial not the complete text)**

1. **All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.**