



DEPARTMENT OF THE ARMY

NEW ORLEANS DISTRICT, CORPS OF ENGINEERS

P.O. BOX 60267

NEW ORLEANS, LOUISIANA 70160-0267

05 JAN 2007

REPLY TO
ATTENTION OF:

Planning, Programs and Project
Management Division
Coastal Restoration Branch

Honorable Scott Angelle
Secretary
Louisiana Department of Natural Resources
617 North Third Street
Baton Rouge, LA 70802-5428

Dear Mr. Angelle:

This letter transmits one copy of the project management plan (PMP) and four copies of the feasibility cost-share agreement (FCSA) for the Barataria Basin Barrier Shoreline Restoration Feasibility Study.

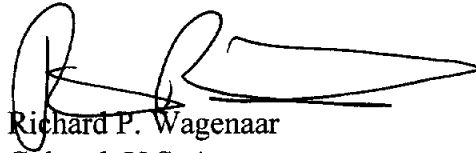
The FCSA agreement has been negotiated by staff of our agencies. The document is legally sufficient for execution by the Government and ready for signature.

The PMP for the study was cooperatively developed by the U.S. Army Corps of Engineers and the Louisiana Department of Natural Resources. It is ready for signature by the Government. The PMP outlines the purpose and scope of the investigation to be carried out under the Louisiana Coastal Area authority. The effort is intended to restore and protect the natural barrier shoreline system to support the re-establishment of a sustainable ecosystem in the Barataria Basin at an estimated study cost of \$1,566,268.78 shared on a 50:50 basis. The Sponsor's share of estimated Study Cost is \$783,134.39. In order to meet the Sponsor's cash payment requirements for its share of estimated Study Costs, the Sponsor must provide a cash contribution currently estimated to be \$460,254.39.

Please let me know if there is anything our staff can do to help in preparation for a signing ceremony.

If you have any other comments or questions, please contact me or Mr. John Grieshaber,
Assistant Chief, Planning, Programs and Project Management Division.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard P. Wagenaar', with a long horizontal flourish extending to the right.

Richard P. Wagenaar
Colonel, U.S. Army
District Commander

AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
THE STATE OF LOUISIANA, ACTING THROUGH THE LOUISIANA
DEPARTMENT OF NATURAL RESOURCES,
FOR THE
LOUISIANA COASTAL AREA,
BARATARIA BASIN BARRIER SHORELINE RESTORATION FEASIBILITY STUDY

THIS AGREEMENT is entered into this 25th day, of January, 2007, by and between the Department of the Army (hereinafter the "Government"), represented by the District Commander executing this Agreement, and the State of Louisiana, acting through the Louisiana Department of Natural Resources (hereinafter the "Sponsor"),

WITNESSETH, that

WHEREAS, the Congress (Senate and/or House Committees) has requested the Board of Engineers for Rivers and Harbors (now the U.S. Army Corps of Engineers) to conduct a study and review of pertinent reports with a view to determining the advisability of improvements or modifications to existing improvement in the coastal area of Louisiana in the interests of hurricane protection, prevention of saltwater intrusion, preservation of fish and wildlife, prevention of erosion, and related water resource purposes pursuant to Resolutions of the U.S. House of Representatives and Senate Committees on Public Works, dated 19 April 1967 and 19 October 1967 respectively; and

WHEREAS, the U.S. Army Corps of Engineers has conducted a reconnaissance study entitled Section 905(b) (WRDA 1986) Analyses, Louisiana Coastal Area, Louisiana, 7 May 1999, and a study entitled Louisiana Coastal Area (LCA), Louisiana Ecosystem Restoration Study, Final Report, November 2004, which is the subject of a Report of the Chief of Engineers, 31 January 2005 and a recommendation of the Assistant Secretary of the Army (Civil Works) to the Speaker of the House of Representatives, dated 18 November 2005, of the advisability of improvements or modifications to existing improvements in the coastal area of Louisiana in the interest of hurricane protection, prevention of saltwater intrusion, preservation of fish and wildlife, prevention of erosion, and related water resource purposes pursuant to this authority, and has determined that further studies / investigations in the nature of "Feasibility Phase or Level of Detail Studies/Decision Documents" (hereinafter "Studies") are required to fulfill the intent of the study authority and to assess the extent of the Federal interest in participating in solutions to the identified problem; and

WHEREAS, Section 105 of the Water Resources Development Act of 1986 (Public Law 99-662, as amended) specifies the cost sharing requirements applicable to the Study;

WHEREAS, the Sponsor has the authority and capability to furnish the cooperation hereinafter set forth and is willing to participate in study cost sharing and financing in accordance with the terms of this Agreement; and

WHEREAS, the Sponsor and the Government understand that entering into this Agreement in no way obligates either party to implement a project and that whether the Government supports a project authorization and budgets it for implementation depends upon, among other things, the outcome of the Study and whether the proposed solution is consistent with the Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies and with the budget priorities of the Administration;

NOW THEREFORE, the parties agree as follows:

ARTICLE I - DEFINITIONS

For the purposes of this Agreement:

A. The term "Study Costs" shall mean all disbursements by the Government pursuant to this Agreement, from Federal appropriations or from funds made available to the Government by the Sponsor, and all negotiated costs of work performed by the Sponsor pursuant to this Agreement. Study Costs shall include, but not be limited to: labor charges; direct costs; overhead expenses; supervision and administration costs; the costs of participation in Study Management and Coordination in accordance with Article IV of this Agreement; the costs of contracts with third parties, including termination or suspension charges; and any termination or suspension costs (ordinarily defined as those costs necessary to terminate ongoing contracts or obligations and to properly safeguard the work already accomplished) associated with this Agreement.

B. The term "estimated Study Costs" shall mean the estimated cost of performing the Study as of the effective date of this Agreement, as specified in Article III.A. of this Agreement.

C. The term "excess Study Costs" shall mean Study Costs that exceed the estimated Study Costs and that do not result from mutual agreement of the parties, a change in Federal law that increases the cost of the Study, or a change in the scope of the Study requested by the Sponsor.

D. The term "study period" shall mean the time period for conducting the Study, commencing with the release to the U.S. Army Corps of Engineers New Orleans District of initial Federal feasibility funds following the execution of this Agreement and ending when the Assistant Secretary of the Army (Civil Works) submits the feasibility report to the Office of Management and Budget (OMB) for review for consistency with the policies and programs of the President.

E. The term "PMP" shall mean the Project Management Plan, which is attached to this Agreement and which shall not be considered binding on either party and is subject to change by the Government, in consultation with the Sponsor.

F. The term "negotiated costs" shall mean the costs of in-kind services to be provided by the Sponsor in accordance with the PMP.

G. The term "fiscal year" shall mean one fiscal year of the Government. The Government fiscal year begins on October 1 and ends on September 30.

ARTICLE II - OBLIGATIONS OF PARTIES

A. The Government, using funds and in-kind services provided by the Sponsor and funds appropriated by the Congress of the United States, shall expeditiously prosecute and complete the Study, in accordance with the provisions of this Agreement and Federal laws, regulations, and policies.

B. In accordance with this Article and Article III.A., III.B. and III.C. of this Agreement, the Sponsor shall contribute cash and in-kind services equal to fifty (50) percent of Study Costs other than excess Study Costs. The Sponsor may, consistent with applicable law and regulations, contribute up to 50 percent of Study Costs through the provision of in-kind services. The in-kind services to be provided by the Sponsor, the estimated negotiated costs for those services, and the estimated schedule under which those services are to be provided are specified in the PMP. Negotiated costs shall be subject to an audit by the Government to determine reasonableness, allocability, and allowability.

C. The Sponsor shall pay a fifty (50) percent share of excess Study Costs in accordance with Article III.D. of this Agreement.

D. The Sponsor understands that the schedule of work may require the Sponsor to provide cash or in-kind services at a rate that may result in the Sponsor temporarily diverging from the obligations concerning cash and in-kind services specified in paragraph B. of this Article. Such temporary divergences shall be identified in the quarterly reports provided for in Article III.A. of this Agreement and shall not alter the obligations concerning costs and services specified in paragraph B. of this Article or the obligations concerning payment specified in Article III of this Agreement.

E. If, upon the award of any contract or the performance of any in-house work for the Study by the Government or the Sponsor, cumulative financial obligations of the Government and the Sponsor would result in excess Study Costs, the Government and the Sponsor agree to defer award of that and all subsequent contracts, and performance of that and all subsequent in-house work, for the Study until the Government and the Sponsor agree to proceed. Should the Government and the sponsor require time to arrive at a decision, the Agreement will be suspended in accordance with Article X., for a period of not to exceed six months. In the event the Government and the sponsor have not reached an agreement to proceed by the end of their 6 month period, the Agreement may be subject to termination in accordance with Article X.

F. No Federal funds may be used to meet the Sponsor's share of Study Costs unless the Federal granting agency verifies in writing that the expenditure of such funds is expressly authorized by statute.

G. The award and management of any contract with a third party in furtherance of this Agreement which obligates Federal appropriations shall be exclusively within the control of the Government. The award and management of any contract by the Sponsor with a third party in furtherance of this Agreement which obligates funds of the Sponsor and does not obligate Federal appropriations shall be exclusively within the control of the Sponsor, but shall be subject to applicable Federal laws and regulations.

H. The Sponsor shall be responsible for the total cost of developing a response plan for addressing any hazardous substances regulated under the Comprehensive Environmental

Response, Compensation and Liability Act of 1980, Pub. L. No. 96-510, 94 Stat. 2767, (codified at 42 U.S.C. Sections 9601-9675), as amended, existing in, on, or under any lands, easements or rights-of-way that the Government determines to be required for the construction, operation, and maintenance of the project. Such costs shall not be included in total study costs.

ARTICLE III - METHOD OF PAYMENT

A. The Government shall maintain current records of contributions provided by the parties, current projections of Study Costs, current projections of each party's share of Study Costs, and current projections of the amount of Study Costs that will result in excess Study Costs. At least quarterly, the Government shall provide the Sponsor a report setting forth this information. As of the effective date of this Agreement, estimated Study Costs are \$1,566,268.78 and the Sponsor's share of estimated Study Costs is \$783,134.39. In order to meet the Sponsor's cash payment requirements for its share of estimated Study Costs, the Sponsor must provide a cash contribution currently estimated to be \$460,254.39. The dollar amounts set forth in this Article are based upon the Government's best estimates, which reflect the scope of the study described in the PMP, projected costs, price-level changes, and anticipated inflation. Such cost estimates are subject to adjustment by the Government and are not to be construed as the total financial responsibilities of the Government and the Sponsor.

B. The Sponsor shall provide its cash contribution required under Article II.B. of this Agreement in accordance with the following provisions:

1. For purposes of budget planning, the Government shall notify the Sponsor by July 1st of each year of the estimated funds that will be required from the Sponsor to meet the Sponsor's share of Study Costs for the upcoming fiscal year.

2. No later than 60 calendar days prior to the scheduled date for the Government's issuance of the solicitation for the first contract for the Study or for the Government's anticipated first significant in-house expenditure for the Study, the Government shall notify the Sponsor in writing of the funds the Government determines to be required from the Sponsor to meet its required share of Study Costs for the first fiscal year of the Study. No later than 30 calendar days thereafter, the Sponsor shall provide the Government the full amount of the required funds by delivering a check payable to "B2-FAO, USAED, New Orleans" to the District Commander, or verifying to the satisfaction of the Government that the Sponsor has deposited the required funds in an escrow or other account acceptable to the Government, with interest accruing to the Sponsor, or presenting to the Government an irrevocable letter of credit acceptable to the Government for the required funds, or providing an Electronic Funds Transfer in accordance with procedures established by the Government.

3. For the second and subsequent fiscal years of the Study, the Government shall, no later than 60 calendar days prior to the beginning of the fiscal year, notify the Sponsor in writing of the funds the Government determines to be required from the Sponsor to meet its required share of Study Costs for that fiscal year, taking into account any temporary divergences identified under Article II.D of this Agreement. No later than 30 calendar days prior to the beginning of the fiscal year, the Sponsor shall make the full amount of the required funds available to the Government through the funding mechanism specified in paragraph B.2. of this Article.

4. The Government shall draw from the funds, escrow or other account, and/or letter of credit provided by the Sponsor such sums as the Government deems necessary to cover the Sponsor's share of contractual and in-house fiscal obligations attributable to the Study as they are incurred.

5. In the event the Government determines that the Sponsor must provide additional funds to meet its share of Study Costs, the Government shall so notify the Sponsor in writing. No later than 60 calendar days after receipt of such notice, the Sponsor shall make the full amount of the additional required funds available through the funding mechanism specified in paragraph B.2. of this Article.

C. Within ninety (90) days after the conclusion of the Study Period or termination of this Agreement, the Government shall conduct a final accounting of Study Costs, including disbursements by the Government of Federal funds, cash contributions by the Sponsor, the amount of any excess Study Costs, and credits for the negotiated costs of the Sponsor, and shall furnish the Sponsor with the results of this accounting. Within thirty (30) days thereafter, the Government, subject to the availability of funds, shall reimburse the Sponsor for the excess, if any, of cash contributions and credits given over its required share of Study Costs, other than excess Study Costs, or the Sponsor shall provide the Government any cash contributions required for the Sponsor to meet its required share of Study Costs other than excess Study Costs.

D. The Sponsor shall provide its cash contribution for excess Study Costs as required under Article II.C. of this Agreement by delivering a check payable to "B2-FAO, USAED, New Orleans" to the District Commander as follows:

1. After the project that is the subject of this Study has been authorized for construction, no later than the date on which a Project Cooperation Agreement is entered into for the project; or

2. In the event the project that is the subject of this Study is not authorized for construction by a date that is no later than 5 years of the date of the final report of the Chief of Engineers concerning the project, or by a date that is no later than 2 years after the date of the termination of the study, the Sponsor shall pay its share of excess costs on that date (5 years after the date of the final report of the Chief of Engineers or 2 year after the date of the termination of the study).

ARTICLE IV - STUDY MANAGEMENT AND COORDINATION

A. To provide for consistent and effective communication, the Sponsor and the Government shall appoint named senior representatives to an Executive Committee. Thereafter, the Executive Committee shall meet regularly until the end of the Study Period.

B. Until the end of the Study Period, the Executive Committee shall generally oversee the Study consistently with the PMP.

C. The Executive Committee may make recommendations that it deems warranted to the District Commander on matters that it oversees, including suggestions to avoid potential sources of dispute. The Government in good faith shall consider such recommendations. The Government

has the discretion to accept, reject, or modify the Executive Committee's recommendations.

D. The Executive Committee shall appoint representatives to serve on a Study Management Team. The Study Management Team shall keep the Executive Committee informed of the progress of the Study and of significant pending issues and actions, and shall prepare periodic reports on the progress of all work items identified in the PMP.

E. The costs of participation in the Executive Committee (including the cost to serve on the Study Management Team) shall be included in total project costs and cost shared in accordance with the provisions of this Agreement.

ARTICLE V - DISPUTES

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to both parties. The parties shall each pay 50 percent of any costs for the services provided by such a third party as such costs are incurred. Such costs shall not be included in Study Costs. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

ARTICLE VI - MAINTENANCE OF RECORDS

A. Within 60 days of the effective date of this Agreement, the Government and the Sponsor shall develop procedures for keeping books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to this Agreement to the extent and in such detail as will properly reflect total Study Costs. These procedures shall incorporate, and apply as appropriate, the standards for financial management systems set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to state and local governments at 32 C.F.R. Section 33.20. The Government and the Sponsor shall maintain such books, records, documents, and other evidence in accordance with these procedures for a minimum of three years after completion of the Study and resolution of all relevant claims arising therefrom. To the extent permitted under applicable Federal laws and regulations, the Government and the Sponsor shall each allow the other to inspect such books, documents, records, and other evidence.

B. In accordance with 31 U.S.C. Section 7503, the Government may conduct audits in addition to any audit that the Sponsor is required to conduct under the Single Audit Act of 1984, 31 U.S.C. Sections 7501-7507. Any such Government audits shall be conducted in accordance with Government Auditing Standards and the cost principles in OMB Circular No. A-87 and other applicable cost principles and regulations. The costs of Government audits shall be included in total Study Costs and shared in accordance with the provisions of this Agreement.

ARTICLE VII - RELATIONSHIP OF PARTIES

The Government and the Sponsor act in independent capacities in the performance of their respective rights and obligations under this Agreement, and neither is to be considered the officer, agent, or employee of the other.

ARTICLE VIII - OFFICIALS NOT TO BENEFIT

No member of or delegate to the Congress, nor any resident commissioner, shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom.

ARTICLE IX - FEDERAL AND STATE LAWS

In the exercise of the Sponsor's rights and obligations under this Agreement, the Sponsor agrees to comply with all applicable Federal and State laws and regulations, including Section 601 of Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and Department of Defense Directive 5500.11 issued pursuant thereto and published in 32 C.F.R. Part 195, as well as Army Regulations 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army".

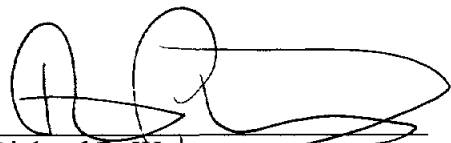
ARTICLE X - TERMINATION OR SUSPENSION

A. This Agreement shall terminate at the conclusion of the Study Period, and neither the Government nor the Sponsor shall have any further obligations hereunder, except as provided in Article III.C.; provided, that prior to such time and upon thirty (30) days written notice, either party may terminate or suspend this Agreement. In addition, the Government shall terminate this Agreement immediately upon any failure of the parties to agree to extend the study under Article II.E. of this agreement, or upon the failure of the sponsor to fulfill its obligation under Article III. of this Agreement. In the event that either party elects to terminate this Agreement, both parties shall conclude their activities relating to the Study and proceed to a final accounting in accordance with Article III.C. and III.D. of this Agreement. Upon termination of this Agreement, all data and information generated as part of the Study shall be made available to both parties.

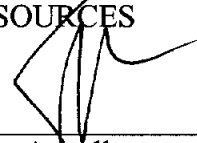
B. Any termination of this Agreement shall not relieve the parties of liability for any obligations previously incurred, including the costs of closing out or transferring any existing contracts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the District Commander for the U.S. Army Corps of Engineers, New Orleans District.

DEPARTMENT OF THE ARMY

BY 
Richard P. Wagenaar
Colonel, Corps of Engineers
District Commander
New Orleans District

LOUISIANA DEPARTMENT OF NATURAL RESOURCES

BY 
Scott Angelle
Secretary
Department of Natural Resources
State of Louisiana

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief that:

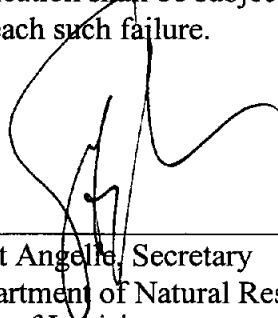
(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

DATE: 1/24/2007



Scott Angelle, Secretary
Department of Natural Resources
State of Louisiana

January 2007

**LOUISIANA COASTAL AREA (LCA),
LOUISIANA**

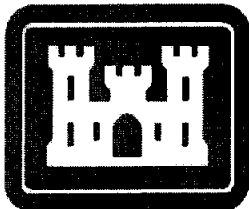
ECOSYSTEM RESTORATION

PROJECT MANAGEMENT PLAN

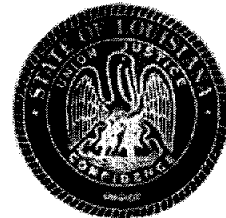
Barataria Basin Barrier Shoreline Restoration

Feasibility Study

Project Recommended for Specific Authorization




**U.S Army Corps of Engineers
New Orleans District**




**Louisiana Department of
Natural Resources**

PMP DEVELOPED FOR THE PROJECT DELIVERY TEAM:



JOAN LANIER
USACE, Project Manager

1/8/07
Date:


KENNETH C. DUFFY, Ph.D.
LDNR, Project Manager

1/23/07
Date:

PMP APPROVED BY LOUISIANA DEPARTMENT OF NATURAL RESOURCES:

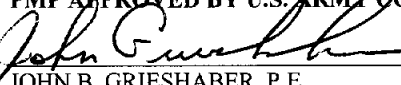

JAMES R. (RANDY) HANCHEY
Deputy Secretary, LDNR

1/24/07
Date:

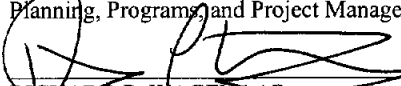

SCOTT ANGELLE
Secretary, LDNR

1/24/2007
Date:

PMP APPROVED BY U.S. ARMY CORPS PROJECT REVIEW BOARD:



JOHN B. GRIESHABER, P.E.
USACE-MVN Assistant Chief for
Planning, Programs and Project Management

22 Jan 07
Date:



RICHARD P. WAGENAAR
District Commander, USACE-MVN

1-22-07
Date:

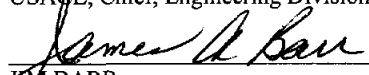
PMP APPROVED BY U.S. ARMY CORPS OF ENGINEERS PROJECT MANAGEMENT TEAM:


BRUCE A. TERRELL
USACE, Chief, Construction Division

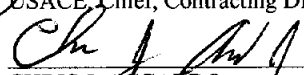
1/19/07
Date:


WALTER O. BAUMY
USACE, Chief, Engineering Division

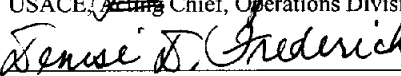
1/22/07
Date:


JIM BARR
USACE, Chief, Contracting Division

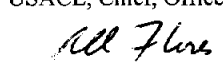
1-11-07
Date:


CHRIS J. ACCARDO
USACE, ~~Acting~~ Chief, Operations Division

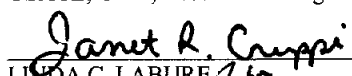
1/17/07
Date:


DENISE D. FREDERICK
USACE, Chief, Office of Counsel

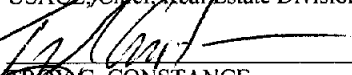
1/17/07
Date:


RICHARD A. FLORES
USACE, Chief, Resource Management Office

1/18/07
Date:


LINDA C. LABURE
USACE, Chief, Real Estate Division

17 Jan 07
Date:


TROY G. CONSTANCE
USACE, Chief of Planning, Programs,
and Project Management, Coastal Restoration Branch

8 Jan 07
Date: