

## Administrative Fee Policy

### Section 1: Purpose

The purpose of this policy is to establish guidelines regarding contract service agreements for service provided by DCTA.

### Section 2: Policy Statement

DCTA provides public transportation alternatives to improve mobility, air quality, economic development and livability in the areas it serves. DCTA supports utilization of these services through contracts in partnership with Universities, Colleges and with entities outside of the existing member city area but expects reasonable compensation.

### Section 3: Administration

Contracts for service delivered to local Universities and Colleges, within member cities must recover a minimum of 75% of total operating and capital costs. Contracts for services delivered outside member cities must recover 100% of total operating and capital costs.

An overhead percentage shall be calculated annually based on DCTA's cost allocation model to determine the percentage of allocated, indirect costs in proportion to direct costs. A three percent (3%) fee shall be added to this overhead percentage for all contract services delivered outside member cities. This calculated overhead percentage, plus 3%, shall be used as the Administrative Fee added to direct costs. In no case shall the Administrative Fee be less than 60% without prior approval of the DCTA Board of Directors.

The President/CEO or designee is authorized to implement this policy and to issue more detailed procedures to facilitate implementation of the policy as needed. All agreements developed under this policy and any proposed deviations from this policy will be brought to the Board for prior review and approval.