

**SOUTHERN CALIFORNIA  
PUBLIC POWER AUTHORITY**



**Request for Proposals**

**for**

**Auditing Services**

**June 30, 2012**

**RFP Date:** April 20, 2012

**Response Deadline:** May 4, 2012, by 4:00 p.m. PST

# SOUTHERN CALIFORNIA PUBLIC POWER /AUTHORITY

## REQUEST FOR PROPOSAL FOR AUDITING SERVICES

### I. INTRODUCTION

#### A. General Information

The Southern California Public Power Authority (the "Authority") is requesting proposals from qualified firms of certified public accountants to provide independent professional accounting and auditing services for the fiscal years ending June 30, 2012, 2013 and 2014. An option to extend the service agreement for an additional two years may be considered after a performance review, following the completion of the first year's audit. The audits are to be performed in accordance with generally accepted auditing standards and California Government Code Section 6505, and are to cover preparation of financial statements for each project and each fund, having fiscal years ending both June 30 and September 30, 2012 (Hoover Uprating only), for the following projects, power purchase agreements and funds listed below:

#### Projects

Palo Verde Project  
Southern Transmission System Project  
Hoover Uprating Project  
Mead-Adelanto Project  
Mead-Phoenix Project  
San Juan Project  
Magnolia Power Project  
Canyon Power Project  
Tieton Hydropower Project  
Milford I Wind Project  
Milford II Wind Project  
Linden Wind Energy Project  
Natural Gas Pinedale Project  
Natural Gas Barnett Project  
Prepaid Natural Gas Project  
Windy Point/Windy Flats Project

#### Power Purchase Agreements

Ormat Geothermal Energy  
MWD Small Hydro  
Pebble Springs  
Ameresco Chiquita Landfill Gas

#### Funds

Multiple Project Fund  
Project Development Fund  
Project Stabilization Fund

There is no expressed or implied obligation for the Authority to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

The Authority, a joint powers agency and a public entity organized under the laws of the State of California, was created pursuant to the Government Code of California and the Joint Powers Agreement for the purpose of planning, financing, developing, acquiring, constructing, operating, and maintaining projects for the generation and transmission of electric energy. Its membership consists of the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, the Los Angeles Department of Water and Power, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District, which supply electric energy to Southern California. The Authority is governed by its Board of Directors, which consists of representatives from

each of its members, and the management of the Authority is conducted under the direction of an Executive Director who is appointed by the Board.

**B. Electric Utility Industry**

SCPPA's key objective is to provide low-cost, reliable power to its customers through strong local control over its operations. SCPPA remains committed to building and acquiring new generation assets for its members, with a particular commitment to renewable generation. In order to realize these goals, SCPPA and its members speak in a common voice on vital energy issues in Sacramento and Washington, D.C., providing greater impact on issues that affect the public power community.

**II. NATURE OF SERVICES REQUIRED**

**A. Scope of Work to be Performed**

1. The Authority desires the auditor to express an opinion on the fairness of presentation of its combined and individual project balance sheets, statement of operations, and cash flow statements in conformity with generally accepted accounting principles. The auditor is not required to audit the supplemental schedules contained in the comprehensive financial statement report. However, the auditor is to provide "in-relation-to" reports on the supplemental schedules based on the audit procedures applied during the audit of the basic financial statements, and provide related certifications to our Trustees (copies attached).
2. Assist the accounting staff in the resolution of complex accounting and financial problems.

**B. Reports to be Issued**

Following the completion of the fiscal year audit, the auditor shall issue the following reports:

1. A report on the fairness of the presentation of the financial statements in conformity with generally accepted accounting principles to be completed no later than 110 days after June 30, 2012 for each project except for the Hoover Uprating Project and each fund and no later than 120 days after September 30, 2012 for the Hoover Uprating Project. This will be part of the comprehensive financial statement report.
2. A report on the internal controls based on the auditor's understanding of the internal control structure and assessment of control risk to be completed by no later than 110 days after June 30, 2012 for each project except for the Hoover Uprating Project and each fund, and no later than 120 days after September 30, 2012 for the Hoover Uprating Project. This will be part of the comprehensive financial statement report.
3. A management letter listing suggestions for improvement for the Authority.

**By responding to this Request for Proposals, the responding firm acknowledges that SCPPA will use SCPPA's audited financial statements in its official statements and other public documents without obtaining the prior consent of the Authority's auditor.**

**Irregularities and Illegal Acts:** Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

Executive Director and Audit Committee of Southern California Public Power Authority

**Reporting to the Board of Directors:** Auditors shall assure themselves that SCPPA's Board and Audit Committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

**C. Working Paper Retention and Access to Working Papers**

All working papers and reports must be retained, at the auditor's expense, for a minimum of six (6) years, unless the firm is notified in writing by the Authority of the need to extend the retention period. The auditor may be required to make working papers available, upon request, to parties specifically designated by SCPPA.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

**D. New Developments**

It is expected that the selected firm will keep SCPPA informed of new state and national developments, including new GASB pronouncements affecting municipal utility finance and reporting, standards and trends.

**E. Insurance Requirements**

1. Before signing this contract, or commencing work on any project, or allowing any subcontractor to commence work, the audit firm shall obtain all insurance required under subsection (b) of this section. The audit firm shall provide the following insurance:

- a. Workers' Compensation as required by law.
- b. Comprehensive General Liability in the amount of \$500,000 combined single limit to include:

- Premises Operations
- Products/Completed Operations
- Blanket Contractual
- Broad Form Property Damage
- Independent Contractors
- Personal Injury

- c. Comprehensive Automobile Liability in the amount of \$500,000 combined single limit to include: owned, hired and non-owned.
- d. Professional Liability in the amount of \$3,000,000.

Each policy of insurance required by this section shall provide for no less than 30 days advance notice to the Authority prior to cancellation.

Each policy shall be endorsed to waive all rights of subrogation against SCPPA by reason of any payment made for claims under the above coverage.

**III. BACKGROUND**

**A. Name of Contact Person**

The auditor's principal contact with SCPPA will be Vernon Oates, Finance and Accounting Manager, who will coordinate the assistance to be provided by the Authority to the auditor.

**B. Accounting Activities**

The Los Angeles Department of Water and Power's (LADWP) Accounting and Investments Section currently performs the Authority's accounting and investment functions, and works closely with the Authority's Finance and Accounting Manager to coordinate the various activities. LADWP's staff of professional accountants maintains the accounting system and prepares individual and combined financial statements for the Authority's projects, power purchase agreements and funds. Financial statements are presented in conformity with generally accepted accounting principles and Governmental Accounting Standards Board. They are also substantially in conformity with uniform system of accounts prescribed by the Federal Energy Regulatory Commission and the California Public Utilities Commission. Fund

flows and account balances for individual projects and funds are performed and maintained in accordance with bond indentures and the annual budget, respectively.

**C. Fund Structure**

The Authority utilizes a variety of fund types/account groups in its accounting transactions pertaining to its projects, power purchase agreements and funds. The fund types/account groups are:

<b><u>Fund Type Account Group</u></b>	<b><u>Current Number of Individual Funds</u></b>
Charges	14
Debt Service	33
Debt Service Reserve	31
Decommissioning Trust	6
Escrow	9
General Reserve	10
Operating	38
Other	42
Payment Account	11
Pledged Revenue	11
Project Fund	21
Project Stabilization	12
Renewal & Replacement	3
Reserve & Contingency	7
Revenue	25
	273

**D. Prior Audit Reports and Working Papers**

The prior audit firm providing the audit opinion was Moss Adams LLP from their Portland, Oregon location. No Internal Control or Management Findings were noted during the June 30, 2011 audit.

**IV. TIME REQUIREMENTS**

**A. Proposal Calendar**

The following is a list of key estimated dates:

Request for Proposals Issued	April 20, 2012
Due Date for Proposals	May 4, 2012
Presentation/Interview Notification	May 14, 2012
Selected Firm Notified	June 5, 2012
Contract Board Approval Date	July 19, 2012

**B. Date Audit May Commence**

The Authority will have all records ready for audit as of August 1, 2012.

**C. Schedule for the June 30, 2012, Fiscal Year Audit**

Each of the following should be completed by the auditor no later than the dates indicated.

1. Detailed Audit Plan: The auditor shall provide SCPPA with a detailed audit plan and a list of all schedules to be prepared by the Authority/DWP Accounting for both interim and year-end audit work by July 2, 2012.
2. Draft Reports: The auditor shall have drafts of the audit report and recommendations to management available for review by SCPPA and DWP Management by October 9, 2012 (Audit Committee meets).
3. Final Reports: The auditor shall have the final reports done by October 18, 2012 (SCPPA Board meets).

**D. Entrance Conferences, Progress Reporting and Exit Conferences**

At a minimum, the following conferences should be held:

- Entrance conference with SCPPA / DWP Accounting staff at the beginning of fiscal year-end work.
- Progress conferences with SCPPA / DWP Accounting staff, if necessary.
- Exit conference at the conclusion of the audit.

**E. Date Final Report is Due**

The Authority and LADWP Accounting staff shall prepare draft financial statements, notes and all required supplementary schedules by September 10, 2012. The auditor shall provide all recommendations, revisions and suggestions for improvement, including a draft auditor's report to the Authority by September 19, 2012.

The Authority and LADWP Accounting staff will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the Authority within five (5) working days. It is anticipated that this process will be completed and the final report delivered by October 18, 2012 (SCPPA Board Meeting). Final report review by the audit firm is expected to take a minimum amount of time.

**V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

**A. Accounting/Finance Division and Clerical Assistance**

SCPPA and DWP Accounting/Finance division staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the Authority. In addition, clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

**B. Statements and Schedules to be prepared by the Staff of SCPPA and DWP Accounting**

SCPPA and DWP Accounting/Finance division staff will prepare reasonably required statements and schedules for the auditor. Sample formats of each work paper must be submitted during the planning stage of the audit.

**C. Report Preparation**

Report preparation, editing and printing shall be the responsibility of SCPPA / LADWP Accounting staff. The auditor will also be expected to provide editing services of the reports.

**VI. PROPOSAL REQUIREMENTS**

**A. General Requirements**

1. Inquiries: Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Vernon D. Oates, CPA  
Finance and Accounting Manager  
Southern California Public Power Authority  
225 S. Lake Ave., Suite 1250  
Pasadena, CA 91101  
(626) 763-9364  
Email: voates@scppa.org

CONTACT WITH PERSONNEL OF THE AUTHORITY OTHER THAN THE ABOVE INDIVIDUAL REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

2. Submission of Proposals: To be considered, one (1) hard copy and an electronic version of the proposal must be received by Vernon D. Oates, CPA - Finance and Accounting Manager, at 225 South Lake Avenue, Suite 1250, Pasadena, CA 91101, by 4:00 p.m. on May 4, 2012. The Authority reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by the SCPPA Selection Committee.

The following material is required to be received in a sealed envelope by May 4, 2012 at 4:00 p.m. for a proposing firm to be considered:



a. A Technical Proposal:

- (1) Transmittal Letter: A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for five (5) years.
- (2) Detailed Proposal: The detailed proposal should follow the order set forth in Section B, below, of this section.

b. The proposer shall submit an original of **a dollar cost bid in a separate sealed marked envelope marked "Cost Proposal."**

c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

Vernon D. Oates, CPA  
Finance and Accounting Manager  
Southern California Public Power Authority  
225 S. Lake Ave., Suite 1250  
Pasadena, CA 91101

**B. Technical Proposal**

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Authority in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

**THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.**

The Technical Proposal should address all the points outlined in the request for proposals. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 9, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of SCPA as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards (1988).

The firm should also provide an affirmative statement that it is independent of the participants in the Authority, and its members; Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles Department of Water and Power, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District, as defined by these same standards.

The firm should also list and describe the firm's professional relationships involving the Authority or any of its participants for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give SCPA written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in California

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in California.

The selected firm will be required to obtain a City of Los Angeles business license.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement.

The firm is required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or peer reviews of its audits during the past three (3) years.

Pending Litigation or Proceedings

5. Indicate if your firm and/or any of your subsidiaries or affiliates are involved in any pending or threatened litigation, administrative proceedings or federal/state/city investigations, audits, subpoenas or other information requests arising from the conduct of your municipal business activities. Please disclose the nature and status of such matters to the extent possible.

Sanctions or Penalties

6. List any sanctions or penalties brought against your firm or any of its personnel (including suspension or disbarment) by any regulatory or licensing agencies involving state or local governments. Include a description of the reasons for the sanction or penalties and whether such sanctions or penalties are subject to appeal.

Corporate Citizenship

7. What is your firm's views regarding Corporate Citizenship? Describe your firm's commitment to creating a social and economic opportunities for the people and business in Southern California. Include information such as, but not limited to, development or participation in any charitable programs or scholarships, and policies with regard to the use of women-owned, minority-owned and disadvantaged business enterprises.

8. Partner, Supervisory and Staff Qualifications and Experience

Provide a list of people who will directly work on this engagement and a brief summary of their background. The list should include the partner, manager and the individual charged with day-to-day supervision of the audit assignment. Indicate whether each such person is registered or licensed to practice as a certified public accountant in California.

9. Similar engagements with other municipal utilities or joint agencies

For the firm's office that will be assigned responsibility for the audit, provide information regarding completed engagements in the last five years that are similar to the engagement described in this request for proposal. Indicate the scope of work, dates, engagement partners, total hours, and a listing of at least five client references (including name, title, address and phone numbers) whom we may contact regarding the firm's services.

10. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this request for proposal.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Type and extent of analytical procedures to be used in the engagement

- e. Approach to be taken to gain and document an understanding of the Authority's internal control structure.

11. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from SCPPA.

12. Report Format

The proposal should include sample formats for required reports.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL.

**C. Sealed Dollar Cost Bid**

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The Authority will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the SCPPA.
- c. A Total All-Inclusive Maximum Price for each year of the engagement.

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment, that supports the total all-inclusive maximum price.

3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at reasonable rates. Estimated out-of-pocket expenses to be reimbursed should be separately presented in the sealed dollar cost bid.

4. Rates for Additional Professional Services

If it should become necessary for SCPA to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between SCPA and the firm. Any such additional work agreed to between the Authority and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month.

**VII. EVALUATION PROCEDURES**

**A. Selection Committee**

Proposals submitted will be evaluated by a Selection Committee.

**B. Review of Proposals**

The Selection Committee will first evaluate each technical proposal by the criteria described in Section C below. The Committee will then convene to review and discuss these evaluations and to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and considered in conjunction with the technical score.

The Authority reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

**C. Evaluation Criteria**

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated for both technical qualifications and price. The following represent some of the selection criteria which will be considered during the evaluation process.

1. Mandatory Elements:

- a. The audit firm is independent and licensed to practice in California.
- b. The firm has no conflict of interest with regard to any other work performed by the Authority or any of its participants.

- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
  - d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
2. Technical Quality:
- a. Expertise and Experience:
    - (1) The firm's past experience and performance on comparable engagements.
    - (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
    - (3) Experience with public utilities, especially municipal utilities, and joint action agencies.
  - b. Audit Approach:
    - (1) Adequacy of proposed staffing plan for various segments of the engagement
    - (2) Adequacy of sampling techniques
    - (3) Adequacy of analytical procedures

**D. Oral Presentations**

During the evaluation process, the Selection Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

**E. Final Selection**

The Selection Committee will recommend a firm to the SCPPA Board based upon the criteria established for presentation. The SCPPA Board is the body that makes the final audit firm selection and the formal contract award. Following notification of the firm selected, it is expected a contract will be executed between both parties shortly thereafter.

**F. Right to Reject Proposals**

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Authority and the firm selected.

SCPPA reserves the right without prejudice to reject any or all proposals.

**VIII. INSTRUCTIONS FOR SUBMITTING THE PROPOSAL**

One hard copy of the proposal and an e-mailed electronic version must be received by 4:00 p.m. PST on May 4, 2012, at the following address:

Vernon D. Oates, CPA  
Finance and Accounting Manager  
Southern California Public Power Authority  
225 S. Lake Ave., Suite 1250  
Pasadena, CA 91101  
Phone (626) 793-9364  
Fax (626) 793-9461  
Email: voates@scppa.org

If your firm desires to inspect the facilities and accounting records of the Authority, or has other general questions:

Mr. Mario C. Ignacio, CFA  
Assistant Chief Financial Officer and Treasurer  
Los Angeles Department of Water and Power  
111 North Hope Street, Room 465  
Los Angeles, CA 90012  
Phone (213) 367-0690  
Fax (213) 367-3909

**IX. SUBCONTRACTING**

SCPPA encourages the utilization of Women Business Enterprises (WBE), Minority Business Enterprises (MBE), and Other Business Enterprises (OBE), to achieve greater cost effectiveness in performing the auditing services under the terms of the contract with the Authority. The name of the proposed subcontractor, the firm's qualifications, work to be performed, and the arrangement should be clearly identified in the proposal. Following the award of the audit engagement, no additional subcontractor will be allowed without the expressed prior written consent of the Authority. A firm's determination to afford subcontracting appointments is a matter used in the exclusive discretion of the firm and is not part of SCPPA's proposal rating process. However, should subcontracting opportunities arise, all available business enterprises, including MBE's, WBE's, and OBE's, shall have an equal opportunity to compete for and participate in any such subcontracting opportunities.

**X. DOCUMENTS**

Please provide a copy of your firm's most recent external quality control review report.

**XI. AGREEMENT**

The Authority intends to enter into an agreement with the successful firm which will detail the various duties and obligations in the auditor and client relationship.

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
FOR THE AUDIT OF THE 2012 FINANCIAL STATEMENTS**

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other Staff (specify): _____	_____	_____	_____	_____
<b>Subtotal</b>				_____
Out-of-pocket expenses:				
Meals and lodging				_____
Transportation				_____
Other Expenses (specify): _____				_____
<b>Subtotal</b>				_____
<b>Total All-Inclusive Maximum Price for 2012, 2013, and 2014 Audits:</b>				
			<b>2012</b>	=====
			<b>2013</b>	=====
			<b>2014</b>	=====

NOTE: The rate quoted should not be presented as a general percentage of the standard hourly rate, or as a gross deduction from the total all-inclusive maximum price. USE THE SAME FORMAT FOR THE TWO SUBSEQUENT YEARS OF THE FIVE-YEAR CONTRACT.