

SECTION III. Cost Proposal

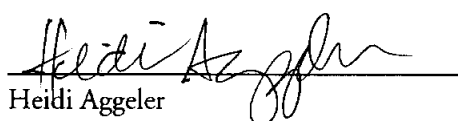
BBC could complete the Fort Collins HAI project for a not-to-exceed fee of \$22,450. This includes all indirect expenses (travel, report production, phone calls). The exhibit below details the components of the project cost:

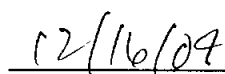
Exhibit III-1. Cost Proposal — Fort Collins HAI Project

Task:	1	2	3	4	5	6	7		
Hourly Rates	Kick off Meeting	Data Collection	HAI Model Development	Affordability Analysis	Peer Cities Comparison	Fees Analysis	Report, Data Presentation	Total Costs	
BBC Project Team									
Directors	\$ 150	12	4	24	8	8	8	16	72
Research Associates	\$ 100	0	16	24	24	12	8	12	88
Support Staff	\$ 50	0	0	4	8	8	0	16	36
Total BBC Professional Hours		12	20	52	40	28	16	44	196
Total BBC Professional Expense		\$ 1,800	\$ 2,200	\$ 6,200	\$ 4,000	\$ 2,800	\$ 2,000	\$ 4,400	\$ 21,400
Total Direct Expenses		\$ 50	\$ 500					\$ 500	\$ 1,050
Total Costs		\$ 1,850	\$ 2,700	\$ 6,200	\$ 4,000	\$ 2,800	\$ 2,000	\$ 4,900	\$ 22,450

Source: BBC Research & Consulting.

This cost proposal is valid for 90 days from December 17, 2004.


 Heidi Aggeler
 Director


 Date