

RDN

Robert D. Niehaus, Inc.

www.RDNiehaus.com

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CONTRACT INFORMATION

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| <p>Contract Number: GS-10F-0060P</p> <p>Contract Period: 7 Nov 2008 – 6 Nov 2013</p> <p>DUNS Number: 14-809-6100</p> <p>MOBIS Awards SINS:</p> <ul style="list-style-type: none">874-1, 874-1RC Consulting Services874-3, 874-3RC Survey Services874-6, 874-6RC Acquisition Management Support <p>Business Size: Small Business</p> <p>Maximum Order: \$1,000,000</p> <p>Minimum Order: \$300</p> <p>Geographic Coverage: Worldwide</p> <p>Points of Productions: Santa Barbara, CA</p> <p>Discounts: Government Net Prices (discounts already deducted)</p> <p>Quantity Discounts: N/A</p> <p>Prompt Payment Terms: Net 30 Days</p> <p>Government Credit Cards: Accepted</p> <p>Foreign Items: None</p> <p>Time of Delivery: Specified in Task Order</p> <p>FOB: Destination</p> <p>Warranty Provision: Standard Commercial Warranty</p> <p>Central Contractor Registration: Registered</p> | <p>Contract Administrator and Ordering Information:</p> <p>Contract Administrator:</p> <p>Robert D. Niehaus, President RDN, Inc. 140 East Carrillo Street Santa Barbara, CA 93101 Phone: 805/962-0611 Fax: 805/962-0097</p> <p>drbob@rdniehaus.com</p> <p>Federal Programs Manager:</p> <p>Jeff D. Vitucci, Senior Economist RDN, Inc. 140 East Carrillo Street Santa Barbara, CA 93101 Phone: 805/962-0611 Fax: 805/962-0097</p> <p>jeff@rdniehaus.com</p> |
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ABOUT RDN

Robert D. Niehaus, Inc. is a professional economic and public policy consulting firm established in 1983 and located in Santa Barbara, California. The founder of the firm, Robert D. Niehaus, Ph.D., remains active in daily management as the company's Principal Economist. The firm specializes in applied analysis of military housing, water resources, environmental resources, industry economics, and community socioeconomic issues. Our clients are the United States armed services, other federal agencies, units of state and local government, and investor-owned utilities.

We work throughout the United States and world-wide as our clients' needs dictate. Our interdisciplinary multi-lingual staff offers expertise in:

- Economic analysis and forecasting;
- Market research and analysis;
- Project feasibility studies
- Survey research; and
- Environmental compliance and impact assessment.

We have a strong record assisting Federal agencies in cost-effectively achieving their program goals. Our specialization is resource and regional analysis applied to public-sector requirements. We have successfully completed projects in more than 40 states, Eastern and Western Europe, Asia, and the Pacific. Our typical work products, as determined by client needs, include:

- Housing market analyses and requirements forecasts for military installations world-wide
- Surveys, database development, and data analysis – for military personnel and their housing and demographic characteristics; recreational fishing; and education benefits
- Water rate analyses and comparative assessments
- Water resource utilization and demand forecasting – for municipal and industrial uses, agriculture, surface and groundwater management, and in-stream use analyses
- Cost-benefit analysis to evaluate the economic viability of public-sector projects – military housing, flood protection, government administrative facilities
- Financial feasibility evaluations of public-private partnerships for outsourced facilities and services

- Environmental assessments and impact statements, environmental baseline surveys, and community socioeconomic analyses – for military base realignments and closures, defense programs and facilities, nuclear energy research and production facilities, offshore oil development, high-speed train development, and synthetic fuels

MOBIS SERVICE OFFERINGS

Consulting Services – SIN 874-1, SIN 874-1RC

Our primary focus is the application of economic analysis to public-sector requirements and private-sector decision-making. Our services are extremely valuable to clients as they assess the market realities they face and determine the most cost-effective ways to achieve their goals. The linkages between market forces and public policies and projects are generally critical in determining the need for or most appropriate form of government and private action. Our specialized expertise is in characterization of market forces and assessment of how public and private-sector actions can be most effective. Our program and policy evaluation and market analysis consulting services fall into several areas of expertise: military housing economics, water resources and supply, environmental projects, community socioeconomic impact assessment, and industry economics.

Military Housing Programs. We have worked since 1983 to support the headquarters functions of our uniformed services in assuring our troops have access to good quality housing on a cost-effective basis. The firm serves as management consultant to these headquarters functions, providing critical support in forecasting requirements, evaluating alternative solutions, identifying personnel demographic and housing characteristics, and otherwise assisting in program management. Our work has assisted the Federal Government in focusing billions of dollars in housing investments and privatization actions on the required facilities, and consists of several key elements:

- **Housing market analyses** – to assess base community rental market conditions (cost, quality, and size) and forecast on-base needs
- **Integrated annual forecast update programs** – to keep



headquarters decision-makers informed of housing market, program, and force structure changes impacting housing needs at their installations

- **Housing-sector monitoring** – to address current, near-real-time changes in housing market conditions – foreclosures, credit shortages, and rental market dislocations - potentially affecting the housing status of their military personnel

Water Resource and Supply Programs. Public water agencies are required by law to operate so that most of their costs are recovered from water sales. Market discipline implies that investor-owned water utilities operate in much the same way, with allowance for competitive returns to their share-holders. We have assisted both public and investor-owned water utilities with critical components of their rate setting, demand forecasting, and resource management functions. We work throughout California, with particular focus on drought contingencies, conservation, and usage tradeoffs among agriculture, municipal, and other users:



- **Comparative rate studies** – to identify sources of differences in water rates among neighboring jurisdictions, with specific reference to service areas from Orange County to Sacramento
- **Cost-recovery water rates** – to project water rates necessary to generate sufficient revenues for local purveyors served by the U.S. Bureau of Reclamation's Cachuma Project in Santa Barbara County, California. These rates encompassed a range of water sales commensurate with alternative requirements for in-stream uses, groundwater basin recharge, and accommodation of down-stream water rights
- **Water demand forecasting** – We have projected municipal, industrial, and agricultural water demands for public and investor-owned water systems. We prepared econometric estimates of demand functions to incorporate population growth, planted acreage, and price for both large and small systems
- **Water resource management** – to assist federal, state, and local government entities in multi-jurisdictional planning for use of water resources, including evaluation of groundwater extraction strategies and U.S. Army Corps of Engineers National Economic Development account cost-benefit analyses for flood protection and recreation proposals.

Environmental Programs. We have played major roles in environmental assessment efforts for significant federal and California projects since 1983. These actions have included missile system deployment, nuclear research and production facility development, offshore oil development, military base realignment and closure, weapons system testing, land disposal, and housing development. Our efforts have encompassed the following:

- **National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) compliance** – to prepare all or portions of NEPA documents – environmental assessments or impact statements – for a broad range of federal actions, including nuclear research and production facilities, offshore oil and gas development, military base realignment and closure, weapon system testing and deployment, land disposal, and housing development. We likewise make substantial contributions to CEQA documents, including joint NEPA-CEQA efforts such as those required for oil development in federal waters
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- **Environmental baseline surveys** – to prepare environmental condition assessments for selected facilities, such as testing sites at Kirtland AFB, New Mexico. These surveys establish the basis for determining if and what types of remedial actions may be needed to mitigate prior pollution
 - **Environmental cost-benefit analyses** – to analyze the economic implications of environmental regulations, including both market and non-market effects critical to decision-making. Dr. Niehaus prepared cost-benefit analyses of alternative Federal actions affecting stratospheric modification (accumulation of greenhouse gases and depletion of ozone) for the U.S. Environmental Protection Agency. He also estimated social costs associated with regulation of agricultural pesticides

Socioeconomic Analysis. We have prepared socioeconomic impact assessments for a broad range of public actions:

- **Military base realignment and closure** – to assist the Department of Defense and local communities, we have prepared comprehensive community socioeconomic impact assessments for more than a dozen Air Force installations nation-wide. We helped the U.S. Department of Defense (Office of Economic Adjustment) refine the reuse plan for Rocky

Mountain Arsenal near Denver. Our work for cities impacted by closure and reuse of Tustin Marine Corps Air Station was instrumental in influencing public decisions

- **Energy facilities** – to assess the impacts of large projects that can employ hundreds or thousands of workers and pervasively affect nearby communities. Our energy socioeconomic impact assessments have encompassed offshore oil development, federal nuclear programs, and major fossil fuel plant construction
- **Military weapons system deployment** – to evaluate the effects of major defense actions on local communities, we analyzed the socioeconomic implications of deploying the M-X/Peacekeeper missile, the Small ICBM, the Strategic Defense Initiative, and electronic warfare test and training programs

Industry Economic Forecasts. We have prepared for our clients regional and microeconomic assessments of industries of key interest. These have included several sector studies:

- **International trade** – to assist in public infrastructure decision-making, we have assisted the U.S. Environmental Protection Agency in assessing the outlook for West Coast port trade volumes, and prepared long-term trade and economic forecasts for the Southern California Association of Governments
- **Tourism** – to evaluate the characteristics of visitor demand, we have provided tourism assessments for various parts of coastal California, Las Vegas, and other locations
- **Recreational sport-fishing** – to assist the States of Alaska and California in determining appropriate policies for fishery resource use based on market demands, we conducted detailed econometric analyses of recreational and commercial fishing activities.
- **Transportation demand** – to assist public regulatory and funding agencies with project planning, we prepared demand forecasts for a high-speed train system proposed to link Los Angeles and San Diego; a similar system between Las Vegas and Disneyland with multiple extensions to other cities in California, and alternative rail and cable systems



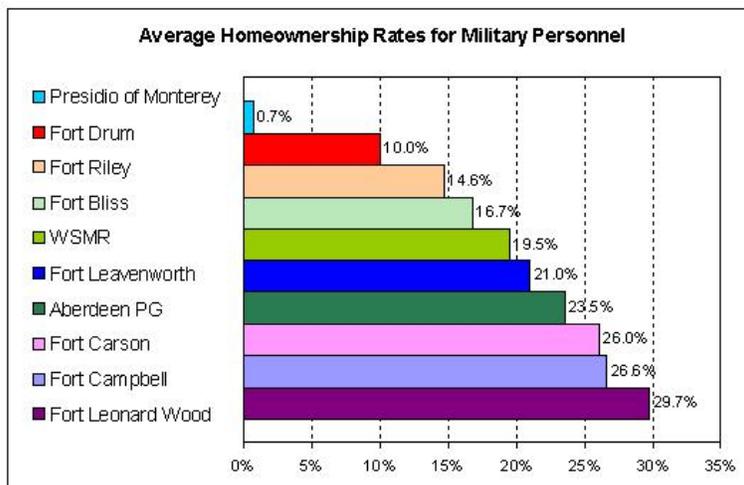
connecting Southern California's mountain ski resorts with the Los Angeles Basin.

- **Defense** – to help assure the economic viability of certain economic sectors – aerospace, aircraft, military vehicles of all kinds, information technology, and essential metals, for example –we have assisted the Air Force in determining the impacts of major systems on national and regional economic activity.
- **Emerging technology assessments** – to assist potential investors in evaluating the probable size of markets newly created by advances in technology, changes in regulatory requirements, or other institutional factors, we have performed a market analysis and forecast for a technology startup that was seeking to create a new internet service based on recent software advances. We developed a game-theoretic framework for estimating upper and lower bounds of the potential market, and our client used our work to develop a business plan and seek venture capital financing

Survey Services – SIN 874-3, SIN 874-3RC

Survey data compiled for specific populations critical to accomplishment of Federal agency missions are generally the most reliable source of information on program requirements. These may require approval by the Office of Management and Budget depending on their scope. Our survey services concentrate on four technical areas useful to Federal activities.

Personnel Interviews. Federal agencies frequently require information on the characteristics, behavior, and preferences of their own personnel. For example, the military services need information on the demographic characteristics and



housing choices and preferences of their members at particular installations for use in determining housing requirements on the base. We have conducted interviews of military personnel at dozens of bases throughout the United States to collect this information. Typical interviews included both

structured and open-ended components. Interviewees were asked their ranks, marital status, family sizes, tenure status, preference regarding on-base or off-base residency, and priorities for improving housing conditions.

Household Surveys. Federal agencies may require assistance in conducting surveys of households to ascertain key program behavior parameters. We have performed such surveys for transportation and recreational sport-fishing demand:

- **Transportation** – to assist the San Bernardino Association of Governments, we conducted household surveys to compile data needed to forecast demand for alternative non-highway transportation systems between the Big Bear Mountains ski resorts and the Los Angeles Basin.
- **Recreation** – to help guide fishery resource allocation and planning, we assisted the states of Alaska and California in conducting household surveys to estimate sport-fishing demand and market and non-market values of outdoor recreation. We developed a representative sample of potential users, conducted the mail survey, performed follow-up calls as needed, and used the resulting databases to estimate econometric demand models for the activities



Program Beneficiary Surveys. Public agencies need to know whether their programs are effective in reaching their intended populations and achieving their desired goals. We have performed such a survey for home economics education in California. Working for the State Department of Education, we conducted interviews with graduates of California high schools chosen for their geographic and cultural diversity. We compiled our samples from reunion records for the selected schools to control the number of years out of school. We interviewed statistically valid numbers of graduates for each school to assess the impacts of their home economics courses on their lives since they graduated. We used alternative measures of impacts, and translated our results into willingness to pay for the courses taken. Our results were used to refine programs and funding requirements.

Survey Support. Clients may have the capacity to administer surveys in-house, but need assistance with the processing and analysis of the survey data collected. For example, we have worked in tandem with numerous military

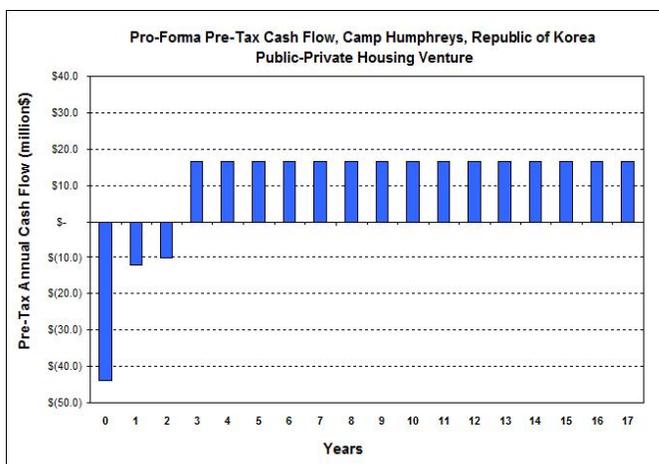
installations to collect, compile, and analyze survey data for their personnel in uniform. The bases conducted the surveys and performed the initial data entry while we checked and proofed the data, summarized, tabulated, and analyzed the results for use in housing market analyses.

Acquisition Management Support - SIN 874-6, SIN 874-6RC

Cost-benefit analyses and feasibility evaluations address the economic and financial viability of public-sector projects. Acquisition support also may require conduct of industry conferences and support for solicitation actions.

Cost-Benefit Analysis. Federal agencies are required by regulation to determine the most cost-effective means to achieve their goals. Lease-purchase tradeoff studies, out-sourcing (A-76) assessments, business case analyses, and similar management tools fall into this category. We have conducted such studies for government real property – military family housing, government administrative facilities, and specialized weapons testing laboratory space. These are life-cycle cost assessments, with costs measured in constant (inflation-adjusted) dollars and discounted to present value terms. Benefits may differ from one alternative to another, and these are compared using the most appropriate quantitative and qualitative measures available.

Financial Feasibility Assessment. Federal agencies assessing the value of privatizing certain facilities or activities require assessments of whether it is feasible for private entities to accomplish the needed tasks. We have extensive experience in preparing pro-forma project performance forecasts for various types of government facilities. In these assessments we simulate the financial costs and revenues to a typical private entity associated with performing the work desired by the government. By projecting such net returns, we can determine if



the expected profit is competitive and likely to create the long-term incentives needed to provide the facilities over a 30- to 50-year planning horizon. For example, privatizing the military family housing inventory at an installation for a 50-year period, while stipulating the types of improvements to be made to the housing, implies a pattern of project costs and revenues. We forecast these using market-based estimates

for similar projects, and determine the approximate magnitude of the improvements to be made, the best contract terms to protect Federal interests, and related factors.

Industry Forum Support. Federal agencies engaged in privatization often find it useful to host a forum for industry groups and potential private-sector partners to publicize privatization opportunities and to answer questions about the process. We have assisted the Air Force in conducting such meetings for military housing privatization.

Solicitation Support. Federal agencies, in the course of soliciting private-sector partners for privatization projects, typically use competitive selection procedures. Criteria often include the viability of the financial plan for the project, as well as past performance. We have assisted the Air Force in housing privatization actions by conducting financial proposal reviews and reference checks to assess the capacity and suitability of potential private-sector partners.

COMMENDATIONS

“Please convey my appreciation to... Robert D. Niehaus, Inc... for their outstanding efforts in the early completion of our Housing Market Analysis... Not only did the team submit a superior product, they did it in record time... Their dedication to quality work and timeliness has enabled Aviano AB to document our requirement for additional housing...”

– Charles F. Wald, Brig. Gen., U.S. Air Force Cmndr, 31st Fighter Wing, U.S. Air Forces, Europe

“Many thanks for everything you did this year. I know it was a challenging year with all the military changes and I wanted you to know that I really appreciate the patience you had with us when we asked you to meet impossible timelines.”

– Deborah H. Reynolds, Chief, Housing Division, Office of the Assistant Chief of Staff for Installation Management, U.S. Army

“Thank you for all your efforts throughout the year, and for your continued support of the Navy, Army, and USMC housing missions. We all appreciate how professional your products are, and all that you do.”

– Mary Ellen Kleinke, Project Manager, U.S. Army Corps of Engineers, Louisville.

“We are very pleased with the work done by Robert D. Niehaus, Inc...they produced high quality products where attention is given to even the smallest

detail. Simply put, they produced reliable, accurate studies and did it on time! In addition...their attitude and approach to the job was truly professional, yet friendly and open, and clearly conveyed a “can do” attitude. Please extend our appreciation for a job well done to...the entire Niehaus staff.”

– Michael H. Schmidt, Lt. Col, U.S. Air Force

“I truly appreciate the wonderful support that you have provided the Navy over years and your team is truly of great value to our program. Your team has always been available to support our efforts. Thanks for being there to support the Navy and our war fighters.”

– Bill Pearson, Deputy Program Manager, CNIC Housing, U.S. Navy

MOBIS LABOR CATEGORY DESCRIPTIONS

| Labor Category | Description and Experience |
|------------------------------|--|
| Principal Economist | Responsible for overall direction of major programs, including quality control and client satisfaction. Oversees staff performance and monitors project status to assure timely, on-budget completion. Familiar with most fields of economic theory, and highly competent in public-sector economic issues and applied econometrics. Holds a doctorate in economics with at least 20 years experience. |
| Senior Economist | Directs technical performance on projects. Assigns staff to projects and coordinates their activities. Develops and maintains relations with clients. Highly competent in selected fields of economic theory and analysis, including quantitative methods. Holds a masters degree in economics and has at least 10 years of experience. |
| Economist | Creates and maintains complex databases and economic models. Designs and implements analysis plans. Provides technical support on project-related issues. Holds a bachelors degree in economics and has at least two years of experience. |
| Senior Market Analyst | Responsible for technical project performance. Coordinates staff activities, develops and implements analysis and technical plans. Highly competent in survey research. Reviews work of project team members to assure compliance with project specifications and goals. Holds a master degree in social science and has at least 10 years experience. |
| Market Analyst | Responsible for primary data collection and analysis on multiple projects. Performs in-person and telephone interviews. Maintains data files and project records. Works as part of project team to compile data, prepare analyses, and prepare technical reports. Holds a bachelors degree in social science and has at least two years of experience. |
| Research Assistant | Responsible for data entry and project filing systems. Assists with telephone interviews. Follows direction in performing database management and maintenance. Assists with technical editing and general office duties. Is a bachelor's degree candidate in social science or related fields. |



MOBIS HOURLY LABOR RATES

| Labor Category | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Principal Economist | \$204.42 | \$212.60 | \$221.10 | \$229.94 | \$239.14 |
| Senior Economist | \$122.68 | \$127.59 | \$132.69 | \$138.00 | \$143.52 |
| Economist | \$62.98 | \$65.50 | \$68.12 | \$70.84 | \$73.68 |
| Senior Market Analyst | \$96.37 | \$100.22 | \$104.23 | \$108.40 | \$112.74 |
| Market Analyst | \$40.08 | \$41.68 | \$43.35 | \$45.08 | \$46.89 |
| Research Assistant | \$31.50 | \$32.76 | \$34.07 | \$35.43 | \$36.85 |