

U.S. NUCLEAR REGULATORY COMMISSION
Office of Inspector General

PROCUREMENT OF SERVICES FROM
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
BEST AND FINAL OFFER

TECHNICAL PROPOSAL
RFP NO. RS-OIG-92-002
APRIL 17, 1992

Handwritten: A/1
RN

**R. NAVARRO
& ASSOCIATES, INC.**
CERTIFIED PUBLIC ACCOUNTANTS

9302040037 921001
PDR FOIA
FRYE92-336 PDR

U.S. NUCLEAR REGULATORY COMMISSION
TECHNICAL PROPOSAL

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I. PROFESSIONAL QUALIFICATIONS AND EXPERIENCE

QUALIFICATIONS

The staff that will be assigned to tasks under this contract possess adequate professional proficiency.

Seventy-five Years Experience

The personnel available for tasks under this contract are all highly experienced in the performance of audits of federal departments, agencies, bureaus, and programs. Collectively the partners and managers have over 75 years experience in providing accounting auditing and management advisory services to the federal sector.

Accounting Services

Statistical Sampling

Audit Design &
Methodology

Continued next page

PROFESSIONAL QUALIFICATIONS AND EXPERIENCE - (Continued)

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PROFESSIONAL QUALIFICATIONS AND EXPERIENCE - (Continued)

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PROFESSIONAL QUALIFICATIONS AND EXPERIENCE - (Continued)

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PROFESSIONAL QUALIFICATIONS AND EXPERIENCE - (Continued)

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PROFESSIONAL QUALIFICATIONS AND EXPERIENCE • (Continued)

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II. CLIENT EXPERIENCE

Industry Specialization

R. Navarro & Associates, Inc. considers government, specifically Federal, as its industry specialty. We have been providing accounting, auditing and management advisory services to federal, state and the local section for the past 22 years. Major clients include:

Major Clients

Major clients where we have performed similar tasks are:

Continued next page

II. CLIENT EXPERIENCE - (Continued)

Accounting System Consultation

We are currently assisting ETA in the review of its Regional Automation System (RAS) and how this system interfaces with the DOL accounting system. In addition, we are assisting the DOL with the reconciliation of the advance balances carried forward from the predecessor system to the new Departmental system and all agencies subsidiary systems.

Continued next page

II. CLIENT EXPERIENCE • (Continued)

Feasibility Study

Continued next page

II. CLIENT EXPERIENCE - (Continued)

Commodity Credit
Corporation

Task Performed



Review draft financial statements in preparation for compliance with Chief Financial Officers Act. In addition:

- o Evaluate the financial statements preparation process utilized by the Financial Management Division.
 - o Review adequacy of internal controls.
 - o Assistance in revision of Internal Control Review Guide.
 - o Evaluate significant accounting adjustment and reclassification.
 - o Research impact CFO Act will have on reporting.
 - o Provide technical assistance to set up an audit committee.
-

Continued next page

II. CLIENT EXPERIENCE • (Continued)

Adherence to SGL



FMFIA Review

FMFIA requires that each executive agency perform annual evaluations of its system of internal accounting and administrative control. The comptroller general has prescribed the following minimum internal accounting and administrative control guidelines:

- o Internal control systems and all transactions are to be clearly documented and the documentation is to be readily available.
 - o Transactions are to be promptly recorded and properly classified.
 - o Transactions are to be authorized and executed only by persons acting within the scope of their authority.
-

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II. CLIENT EXPERIENCE - (Continued)

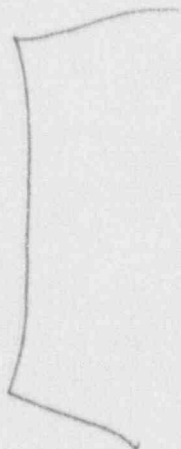
Our review was performed to determine if the following five subsystems met these guidelines.

- o Obligations
- o Payroll
- o Accounts Payable
- o Travel
- o Disbursements

This review was performed in accordance with Treasury's Guidelines for Financial Management/Accounting Systems Conformance Reviews. Accordingly, the review encompassed the principles, standards and related requirements prescribed by the Comptroller General, as well as OMB objectives for systems operations and integrity, budget execution, financial management and financial reporting.

The review also included an examination of the audit follow-up system, as required by Office of Management and Budget Circular, A-50

Technical Representative



Continued next page

II. CLIENT EXPERIENCE - (Continued)

Indirect Cost Activities

Provide assurance that the administrative cost grants will provide adequate, but not excessive, funding for tribal/Indian school board operated elementary and secondary educational programs.

In conducting the study, we have:

- o Developed Statistical Sample
- o Designed Review Guide
- o Performed Field Review
- o Reviewed Formula Developed by BIA

Insurance Study

Assisted BIA in their study of Indian Insurance Coverage. BIA has been mandated by Congress to perform a study of Native American activity relative to the acquisition of insurance coverage.

The study objectives were to:

- (1) Develop a data base of liability exposure;
 - (2) Evaluate the cost effectiveness of the present method of providing liability insurance;
 - (3) Evaluate the cost effectiveness of providing coverage on a risk management self-insured basis;
-

Continued next page

II. CLIENT EXPERIENCE - (Continued)

- (4) Evaluate the cost effectiveness of continuing coverage under Federal Tort Claims Act and
 - (5) Perform actuarial study based on insurance loss history.
-

III. GENERAL INFORMATION



SMITH MARION & CO.
CERTIFIED PUBLIC ACCOUNTANTS

101 E. Redlands Blvd., Suite 298
Redlands, California 92373
Telephone (714) 793-0633
Facsimile (714) 792-3410

December 10, 1991

To The Partners
R. Navarro & Associates, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of R. Navarro & Associates, Inc. (the "firm") in effect for the year ended December 31, 1990. Our review was conducted in conformity with standards for peer reviews promulgated by the peer review committee of the Private Companies Practice Section of the AICPA Division for CPA Firms (the "section"). We tested compliance with the firm's quality control policies and procedures and with the membership requirements of the section of the extent we considered appropriate. These tests included the application of the firm's policies and procedures on selected accounting and auditing engagements.

In performing our review, we have given consideration to the general characteristics of a system of quality control as described in quality control standards issued by the AICPA. Such a system should be appropriately comprehensive and suitably designed in relation to the firm's organization structure, its policies, and the nature of its practice. Variance in individual performance can affect the degree of compliance with a firm's prescribed quality control policies and procedures. Therefore, adherence to all policies and procedures in every case may not be possible.

In our opinion, the system of quality control for the accounting and auditing practice of R. Navarro & Associates, Inc., in effect for the year ended December 31, 1990, met the objectives of quality control standards established by the AICPA, and was being complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards. Also, in our opinion, the firm was in conformity with the membership requirements of the section in all material respects.

Smith Marion & Co.

V. SCOPE OF WORK

Demanded Knowledge

The scope of work requires an understanding of the concepts that established the basis for audit in the federal environment. Audit in the federal sector is based on:

Inspector General Act
Chief Financial Officers Act
GAO Title 2
GAO Audit Standards
OMB Circular A-73
AICPA Standards

Inspector Generals Act

The Inspector General's Act of 1978, Public Law 95-452, passed by the 95th Congress established independent and objective unit to conduct audits relating to the programs and operations of federal agencies. The Inspector General Act allows the Inspector General to conduct, supervise or coordinate audits and reviews with the use of non-federal auditors (Certified Public Accountants) under contract with the Inspector General. The Inspector General must assure that the work done by non-federal auditors complies with the standards established by the Comptroller General. Public Law 95-452, passed October 12, 1978 authorizes the Inspector General to have access to all records, reports, papers, documentation or other material available which relates to the program being examined.

IG Responsibilities

Providing policy direction for conducting, supervising, coordinating audits and investigations relating to the programs and operations of the Agency.

Continued next page

V. SCOPE OF WORK

Under the Inspector General Act of 1978, the Inspector General is responsible for:

Increased Accountability

Past Trends

PAST TRENDS TOWARD INCREASED FINANCIAL ACCOUNTABILITY

1975	→	ISSUANCE OF UNAUDITED CONSOLIDATED F/S
1978	→	INSPECTOR GENERAL ACT
1982	→	FEDERAL MANAGERS FINANCIAL INTEGRITY ACT
1983	→	OMB CIRCULAR A-123
1984	→	OMB CIRCULAR A-127 SINGLE AUDIT ACT GAO ISSUES REVISIONS TO TITLE 2
1985	→	GAO PUBLISHES <u>MANAGING THE COST OF GOVERNMENT</u>
1986	→	GAO ISSUES AUDITED F/S FOR GSA STANDARDIZED GENERAL LEDGER CONSIDERATION OF STATUTORY MANDATED FEDERAL AUDITS GAO ISSUES <u>THE FEDERAL GOVERNMENT REPORTING STUDY</u> GAO ISSUES <u>FEDERAL AGENCIES FINANCIAL REPORTS</u>
1988	→	GAO ISSUES AUDITED F/S FOR GSA
1990	→	CFO ACT ADDRESSES ADOPTION MECHANISM FOR CAPITAL ACCOUNTING AND HUMAN CAPITAL STANDARDS

V. SCOPE OF WORK - (Continued)

Future Trends in
Accountability

**FUTURE TRENDS TOWARD INCREASED
FINANCIAL ACCOUNTABILITY**

FUTURE TRENDS



1991



AUDITED FINANCIAL STATEMENT PILOTS
(FY 90, 91, 92)

- LABOR
- AGRICULTURE
- VETERANS ADMINISTRATION
- GENERAL SERVICES ADMINISTRATION
- SOCIAL SECURITY ADMINISTRATION

1992



AUDITED FINANCIAL STATEMENTS
(FY 91, 92)

- ARMY
- HUD

1993



AUDITED FINANCIAL STATEMENTS
(FY 92)

- AIR FORCE
- INTERNAL REVENUE SERVICE
- U.S. CUSTOMS SERVICE

V. SCOPE OF WORK - (Continued)

Chief Financial Officers Act

The Chief Financial Officers Act of 1990, Public Law 101-576, passed by the 101st Congress, established in the Office of Management and Budget the following:

- o Deputy Director for Management
 - o Office of Federal Financial Management
 - o Chief Financial Officer in each executive department
-

Improve Efficiency and Effectiveness of Federal Government

The Chief Financial Officers Act was enacted to significantly enhance the general management functions of OMB to improve the efficiency and effectiveness of the federal government. The Act addresses the need for fundamental reform in financial management requirements and practices as financial management practices are absolute and inefficient, and do not provide complete, consistent, reliable and timely information.

Current Financial Reporting Practices Inadequate

According to the Act, current financial reporting practices of the Federal government do not accurately disclose the current and probable future cost of operating and investment decisions, including the future need for cash or other resources, do not permit adequate comparison of actual costs among executive agencies, and do not provide the timely information required for efficient management programs.

Required Financial Statements

Section 3515 of the Act requires that the head of each executive agency shall prepare and submit to the Director of Management and Budget financial statements for the preceding fiscal year covering:

Continued next page

V. SCOPE OF WORK - (Continued)

- o Each revolving and trust fund
- o Overall financial position of each fund
- o Results of operations of those funds
- o Cash Flows or changes in financial position of each of those funds.
- o Reconciliation to budget reports.

Financial Statement Audits

Each financial statement prepared under the Act shall be audited in accordance with the applicable generally accepted government auditing standards.

GAO Title 2 (Federal GAAP)

Critics of Federal financial statements have been very quick to state that private sector financial statements and the principals upon which those statements are prepared are not meaningful in the governmental sector.

Five Years Experience

These arguments and the need to initiate policies to move toward consistent presentations of federal financial statements caused GAO to develop GAAP for federal agencies, Title 2. We have worked with Title 2 in the preparation of financial statements for DOL and its agencies for the past 5 years.

GAO's Federal GAAP Requirements

The General Accounting Office issued an extensive revision to Title 2 of the GAO Policies and Procedures Manual for Guidance of Federal Agencies in August 1987. Title 2 comprises generally accepted accounting principles for federal agencies (federal GAAP), setting forth accounting objectives, and specific accounting and guidelines.

Continued next page

V. SCOPE OF WORK - (Continued)

Objectives

The objectives of agency accounting and financial reporting, as described in Title 2, are to provide information which can be useful in allocating resources and assessing management's performance and stewardship.

Assessing Management's Performance

Resource allocation is the process of deciding how resources will be used. Assessing management's performance and stewardship involves determining whether allocation decisions implemented by management are proper and meet guidelines established by Congress. Making this determination requires an analysis of information which discloses:

- o The extent of legal compliance with applicable laws and regulations,
- o The nature and extent of activities within programs, including the accomplishment of, spending for, and costs of such activities, and
- o The financial viability of the federal government.

Objective: Evaluation of Management

By providing this type of information in federal accounting and financial reporting, management's performance and stewardship can be evaluated objectively, and sound decisions can be made.

Concepts and Standards Based on Six Key Concepts

Federal GAAP is based on six fundamental concepts. These concepts provide the assumptions and foundation for the consistent application of accounting standards.

Continued next page

V. SCOPE OF WORK - (Continued)

Reporting Entity

An entity is the organization, component of the organization, or activity for which financial statements are prepared. Federal GAAP defines the reporting entity under its financial reporting standard, as follows:

Financial statements are to be prepared and issued in accordance with these standards to the Department of the Treasury at the end of each fiscal year by each department or independent agency (emphasis added). A full set of financial statements of constituent agencies of a department shall be submitted when a department does not prepare department-wide consolidated financial statements.

Elements

Elements of federal accounting and financial reporting defined in Title 2 are: assets, liabilities, equity, expenses and losses, financing sources, results of operations, collections, budget authority, obligations, outlays, and budget resources.

Usefulness

Usefulness of Accounting Information: Accounting information should be timely, relevant, reliable, cost-beneficial, material, comparable, and consistent.

Recognition

Three principles which form the basis of the recognition requirements are accrual accounting, matching, and allocation of costs. These principles govern when the results of an event are to be included in the financial statements and ensure that the effects of similar events and transactions are accounted for similarly.

Continued next page

V. SCOPE OF WORK - (Continued)

Management	Data reported in financial statements should be based on historical cost in order to maintain dollar comparability with budget authority.
Cost	Cost is the financial management of resources used in accomplishing a specified purpose. Accounting for activities on a cost basis means that all significant elements should be included in the amounts reported as total costs.
Federal Audit Planning	<p>Office of Management and Budget Circular A-73 requires the Nuclear Regulatory Commission Inspector General to prepare an audit plan annually and identify the programs and operations selected for audit, defining the following for each planned audit:</p> <ul style="list-style-type: none">o Specific reasons for selectiono The overall audit objective and scopeo The locations to be auditedo The organization that will perform the audito Staff days and other resources neededo Anticipated benefits from audit
Limited Audit Resources	Audit resources are limited and must be utilized to the maximum benefit by NRC management staff. Audit effectiveness is enhanced by planning and coordination. The determination of audit priorities plays an important role in maximizing audit benefits and the audit universe should be updated and reviewed periodically to identify which program activities or functions should be audited. OMB Circular A-73 established factors to be considered when prioritizing the audit universe.

Continued Next Page

V. SCOPE OF WORK • (Continued)

Limited Audit Resources (Continued)

- o Statutory or regulatory requirements
 - o Adequacy of internal control
 - o Newness of the program
 - o Current or potential dollar magnitude
 - o Prior audit experience
 - o Availability of audit resources
-

GAO Standards

The GAO standards, incorporate by reference the AICPA standards, are applicable and generally accepted for audits performed to express opinions on the fairness with which an organization's financial statements present the financial position, the results of operations and changes in financial position. Additionally, the AICPA standards for field work and reporting have been incorporated into the GAO standards.

Standards Provide for Financial Audits

The GAO standards provide for an expanded scope audit of government operations to help ensure full accountability and assist officials in carrying out their responsibilities. The audit of government entities encompasses financial audits, financial related audit activity, and performance audits. The objectives of the engagement dictate how each audit should be classified:

Financial audits include:

- o Financial statement audits
 - o Financial related audits
 - Segments of financial statements
 - Financial information (e.g. Statement of Fixed Assets)
 - Reports and schedules on financial matters
 - Contracts (e.g. contract pricing)
 - Grants
 - Internal control
 - Computer based systems
 - Financial system (e.g. payroll)
 - Fraud reviews
 - o Performance
-

Continued next page

V. SCOPE OF WORK - (Continued)

Understanding Financial Statement Audits of Federal Agencies

Prior to passage of the H.R. 5687 audited financial statements were not required of federal Departments. However, Public Law 101-576 the Chief Financial Officer's Act, provides for the production of complete, reliable, timely and consistent financial information for the executive branch of government and the Congress to use in the financing, management and evaluation of federal programs. Additionally, the legislation requires... "the head of each agency... shall prepare and submit to OMB a financial statement" each financial statement shall reflect:

- o the overall financial position
 - o results of operations
 - o cash flow changes
 - o a reconciliation to budget reports
-

Audit Requirements

Most importantly "each financial statement prepared ... shall be audited."

Financial Reporting Requirement

The financial reporting requirements of the CFO legislation supplements the authoritative standards and financial reporting requirements for federal agencies which are contained in:

- o GAO's Title 2, Policies and Procedures Manual for Guidance of Federal Agencies.
 - o Treasury's Federal Agencies' Financial Reports
-

Continued next page

V. SCOPE OF WORK - (Continued)

Federal Managers Financial Integrity Act of 1982 (FMFIA)

The "Federal Managers Financial Integrity Act of 1982" (FMFIA), which amended Section 113 of the Accounting and Auditing Act of 1950 (31 U.S.C. 66a), established the authority of the General Accounting Office to determine accounting principles and standards for federal agencies. FMFIA requires the heads of executive agencies to establish and maintain adequate systems of accounting and internal control which conformed to the accounting and internal control principles, standards, and related requirements prescribed by the Comptroller General of the United States.

Budget and Accounting Act of 1950

GAO and the Treasury were granted this authority by the following Congressional actions:

Section 114 of the "Budget and Accounting Procedures Act of 1950 (31 U.S.C. 3513A)" requires the Secretary of the Treasury to prepare reports on the financial operations of the U.S. Government. Each executive agency must furnish the Secretary of the Treasury such reports and information relating to the agency's financial condition and operations as the Secretary may require.

CFOA Requirements for Financial Statements

CFOA Section 304 requires that each financial statement prepared by an agency under the Act be audited in accordance with generally accepted government auditing standards by the Inspector General or by an independent external auditor. The resulting audit report is to be submitted by June 30. Section 301 indicates that these audits will be performed annually.

Continued next page

Section 303 of the Act requires the agencies under the Act to prepare and submit to the Director of the Office of Management and Budget (OMB) a financial statement covering each revolving fund, trust fund and activity which performed substantial commercial functions for the preceding fiscal year by March 31, 1992. The financial statement shall reflect the following:

- o The overall financial position;
 - o Results of operations;
 - c Cash flows or changes in financial position; and
 - o A reconciliation to budget reports.
-

OMB Circular 91-15
Guidance

OMB Bulletin No. 91-15 provides specific guidance for the preparation of financial statements for FY 1991 and establishes minimum disclosure requirements for these statements. The Bulletin provides agencies the flexibility to include information useful to program and financial managers and allows substantial discretion in selecting the reporting entity for each financial statement. The financial statements are to provide information to agency managers, Congress and the public to support effective allocation of resources and for assessment of management performance.

OMB Circular 91-14 Guidance

Audits of the financial statements described above must be performed in accordance with generally accepted auditing standards set by the American Institute of Certified Public Accountants (AICPA), Government Auditing Standards since the initial issuance in 1978 and the revision in 1988. Please refer to the Client Experience section of this proposal for references to our experience utilizing these standards. In addition, we are currently applying these standards along with the requirements in OMB Bulletin No. 91-14 in our audit efforts at the U.S. Department of Labor.

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U.S. NUCLEAR REGULATORY COMMISSION
Office of Inspector General

PROCUREMENT OF SERVICES FROM
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
BEST AND FINAL OFFER

COST PROPOSAL
RFP NO. RS-OIG-92-002
APRIL 17, 1992

RN

A/2
R. NAVARRO
& ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS

U.S. NUCLEAR REGULATORY COMMISSION
Office of Inspector General

PROCUREMENT OF SERVICES FROM
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
BEST AND FINAL OFFER

COST PROPOSAL
RFP NO. RS-OIG-92-002
APRIL 17, 1992

R. NAVARRO & ASSOCIATES, INC.

U.S. NUCLEAR REGULATORY COMMISSION

COST PROPOSAL

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A. ADMINISTRATIVE DATA

1. Cognizant Government Agency

We have not been assigned a cognizant agency. However, various audit agencies have reviewed our cost accounting records.

2. Place of performance will be as identified on task orders to be issued. The performance under this engagement shall be administered from the offices of R. Navarro & Associates, Inc., as outlined below.

Addresses of R. Navarro & Associates, Inc. offices who will participate on this engagement:

San Diego Office
2831 Camino Del Rio So.
Suite 306
San Diego, CA 92108
(619) 298-8193

Washington, D.C. Office
1331 "H" Street, N.W.
Suite 400
Washington, D.C. 20005
(202) 638-2352

It is planned that most of the work will be performed by our Washington, D.C. office personnel, however, resources may be drawn from our San Diego office, if necessary.

3. The firm has the necessary financial capability, working capital and other resources to perform the contract without assistance from any outside source

4. Names and telephone numbers of persons authorized to conduct contract negotiations:

Luis Barajas (619) 298-8193

Ramon Navarro (619) 298-8193

5. The firm of R. Navarro & Associates, Inc. is comprised of the following individuals:

	<u>Washington, D.C.</u>	<u>San Diego</u>	<u>Firm Total</u>
Partner	1	2	3
Principal/Managers	1	3	4
Seniors	1	2	3
Staff	4	8	12
Consultant	1	3	4
Clerical	<u>1</u>	<u>4</u>	<u>5</u>
	<u>9</u>	<u>22</u>	<u>31</u>

6. Our firm has not been audited by the Defense Contract Audit Agency in the past. The Department of Labor office of Inspector General has, however, audited their contracts in the past.

R. NAVARRO & ASSOCIATES, INC.

REPORT AND FINANCIAL STATEMENTS
COMPILATION REPORT

* * * *

FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 1991

R. NAVARRO & ASSOCIATES, INC.
REPORT AND FINANCIAL STATEMENTS
COMPILATION REPORT

* * * *

FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 1991

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R. NAVARRO & ASSOCIATES, INC.
SUMMARY OF PROPOSED RATES BY YEAR
RFP: RS-OIG-92-002

LABOR CATEGORY	EST. HOURS	BASE YEAR		OPTION ONE		OPTION TWO	
		UNIT PRICE (1)	AMOUNT	UNIT PRICE (1)	AMOUNT	UNIT PRICE	AMOUNT
PARTNER	110	\$65	\$7,150	\$68	\$7,480	\$72	⁷⁹²⁰ \$7,290
MANAGER	330	60	19,800	63	20,790	66	21,780
SENIOR	800	35	28,000	37	29,600	39	31,200
STAFF	1,410	25	35,250	26	36,660	28	39,480
	-----		-----		-----		-----
	2,650		\$90,200		\$94,530		\$100,380
	-----		-----		-----		-----
COMPOSITE RATE			\$34.04		\$35.67		\$37.88

NOTE 1 - THESE RATES ARE DISCOUNTED FROM STANDARD RATES PROVIDED TO OTHER CLIENTS. ★

R. NAVARRO & ASSOCIATES, INC.
 PROPOSED RATES-OPTION YEAR ONE
 RFP: RS-OIG-92-002

(INCREASE FROM BASE YEAR, 5%)

LABOR CATEGORY	EST. HOURS	UNIT PRICE	AMOUNT
PARTNER	110	\$68.00	\$7,480
MANAGER	330	63.00	20,790
SENIOR	800	37.00	29,600
STAFF	1,410	26.00	36,660
	-----		-----
	2,650		\$94,530
	=====		=====
COMPOSITE RATE			\$35.67

R. NAVARRO & ASSOCIATES, INC.
 PROPOSED RATES-OPTION YEAR TWO
 RFP: RS-OIG-92-002

(INCREASE FROM OPTION YEAR ONE, 5%)

LABOR CATEGORY	EST. HOURS	UNIT PRICE	AMOUNT
PARTNER	110	\$72.00	\$7,920
MANAGER	330	66.00	21,780
SENIOR	800	39.00	31,200
STAFF	1,410	28.00	39,480
	-----		-----
	2,650		\$100,380
	=====		=====
COMPOSITE RATE			\$37.88

Travel Policy

All expenses incurred for travel as designated by a task order shall be reimbursed in accordance with the Federal Travel Regulations, which are in effect at the time of the travel. We consider travel to Bethesda and Rockville, Maryland, local travel supported by public transportation and therefore is not subject to reimbursement nor does it affect our proposed rates.



R. NAVARRO
& ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS

2831 Camino Del Rio South, Suite 306
San Diego, California 92108
(619) 298-8193

U.S. Nuclear Regulatory Commission
ATTN: Donna M. Umbel
RFP No. RS-OIG-92-002
Division of Contracts and Property Management
Mail Stop P-1042
Washington DC 20555

Dear Ms. Umbel

Attached is our best and final cost offer under RFP No. OIG-92-002 entitled "Procurement Services from Independent Public Accountants."

Our best and final cost offer includes the question for discussion from your April 15, 1992 request for best and final offer as follows:

2. How will travel to Bethesda or Rockville affect your cost proposal for travel?
3. Will this travel impact on the proposed labor cost?

Our travel policy, contained on page 10 of our best and final offer states "We consider travel to Bethesda and Rockville Maryland local travel and therefore is not subject to reimbursement nor does it affect our proposed labor rates".

4. Has R. Navarro & Associates ever been audited by the Defense Contract Audit Agency?

Our firm has not been audited by the Defense Contract Audit Agency in the past as noted on page 2 of our best and final cost offer.

5. Please provide documentation to support the proposed labor categories.

This answer has been provided on page 4 of our cost proposal.

We look forward to providing accounting, auditing and management advisory services to the Nuclear Regulatory Commission.

Sincerely

Ramon Navarro
R. NAVARRO & ASSOCIATES

CONTRACT PRICING PROPOSAL COVER SHEET

1. SOLICITATION NO. RS-01C-92-002
 ACT/MODIFICATION
 FORM APPROVED OMB NO. 3090-0116

NOTE: This form is used in contract actions if submission of cost or pricing data is required. (See FAR 15.804-6(b))

2. NAME AND ADDRESS OF OFFEROR (Include ZIP Code)

R. NAVARRO & ASSOCIATES, INC.
 2831 Camino Del Rio So., Ste. 306
 San Diego, CA 92108

3A. NAME AND TITLE OF OFFEROR'S POINT OF CONTACT

Luis Barajas
 Shareholder/Director

3B. TELEPHONE NO.

(619)298-8193

4. TYPE OF CONTRACT ACTION (Check)

☒ A. NEW CONTRACT
☐ B. CHANGE ORDER
☐ C. PRICE REVISION/REDETERMINATION
☐ D. LETTER CONTRACT
☐ E. UNPRICED ORDER
☐ F. OTHER (Specify)

5. TYPE OF CONTRACT (Check)

☐ FFP ☐ CPFF ☐ CPFF ☐ CPFF
☐ FPI ☐ OTHER (Specify)

6. PROPOSED COST (A+B+C)

A. COST \$
 B. PROFIT/FEE \$
 C. TOTAL \$ 285,110

7. PLACE(S) AND PERIOD(S) OF PERFORMANCE

Period: 3 Years from award

8. List and reference the identification, quantity and total price proposed for each contract line item. A line item cost breakdown supporting this record is required unless otherwise specified by the Contracting Officer. (Continue on reverse, and then on plain paper, if necessary. Use same headings.)

A. LINE ITEM NO.	B. IDENTIFICATION	C. QUANTITY	D. TOTAL PRICE	E. REF
	Base Year		\$ 90,200	
	Option One		\$ 94,530	
	Option Two		\$100,380	

9. PROVIDE NAME, ADDRESS, AND TELEPHONE NUMBER FOR THE FOLLOWING (If available)

A. CONTRACT ADMINISTRATION OFFICE

R. NAVARRO & ASSOCIATES, INC.
 2831 Camino Del Rio So., Ste. 306
 San Diego, CA 92108

B. AUDIT OFFICE

Same as (A.) and
 1331 "H" Street, NW, Ste. 400
 Washington, D.C. 20005

10. WILL YOU REQUIRE THE USE OF ANY GOVERNMENT PROPERTY IN THE PERFORMANCE OF THIS WORK? (If "Yes," identify)

☐ YES ☒ NO (Exception - Workspace)

11A. DO YOU REQUIRE GOVERNMENT CONTRACT FINANCING TO PERFORM THIS PROPOSED CONTRACT? (If "Yes," complete Item 11B)

☒ YES ☐ NO

11B. TYPE OF FINANCING (If any)

☐ ADVANCE PAYMENTS ☐ PROGRESS PAYMENT
☐ GUARANTEED LOANS

12. HAVE YOU BEEN AWARDED ANY CONTRACTS OR SUBCONTRACTS FOR THE SAME OR SIMILAR ITEMS WITHIN THE PAST 3 YEARS? (If "Yes," identify Item (1), customer(s) and contract number(s))

☒ YES ☐ NO U.S. Department of Labor
 Office of Inspector General
 COIR - Edwin Terrell
 (202) 523-8385 Contract No. J-9-G-2-0001

13. IS THIS PROPOSAL CONSISTENT WITH YOUR ESTABLISHED ESTIMATING AND ACCOUNTING PRACTICES AND PROCEDURES AND FAR PART 31 COST PRINCIPLES? (If "No," explain)

☒ YES ☐ NO

14. COST ACCOUNTING STANDARDS BOARD (CASB) DATA (Public Law 91-379 as amended and FAR PART 30)

A. WILL THIS CONTRACT ACTION BE SUBJECT TO CASB REGULATION? (If "No," explain in proposal)

☐ YES ☒ NO

B. HAVE YOU SUBMITTED A CASB DISCLOSURE STATEMENT (CASB DS-1 or 2)? (If "Yes," specify in proposal the office to which submitted and if determined to be adequate)

☐ YES ☒ NO

C. HAVE YOU BEEN NOTIFIED THAT YOU ARE OR MAY BE IN NON-COMPLIANCE WITH YOUR DISCLOSURE STATEMENT OR COST ACCOUNTING STANDARDS? (If "Yes," explain in proposal)

☐ YES ☒ NO

D. IS ANY ASPECT OF THIS PROPOSAL INCONSISTENT WITH YOUR DISCLOSED PRACTICES OR APPLICABLE COST ACCOUNTING STANDARDS? (If "Yes," explain in proposal)

☐ YES ☒ NO

This proposal is submitted in response to the RFP, contract, modification, etc. in Item 1 and reflects our best estimates and/or actual costs as of this date.

15. NAME AND TITLE (Type)

Luis Barajas, Shareholder/Director

16. NAME OF FIRM

R. NAVARRO & ASSOCIATES, INC.

17. SIGNATURE

R. Navarro

18. DATE OF SUBMISSION

2/28/92

SOLICITATION, OFFER AND AWARD
OFFER (CONTINUED)

Page 3 of 3 Pages

15A. NAME AND ADDRESS OF OFFEROR	CODE : _____ R. NAVARRO & ASSOCIATES, INC. 2831 Camino Del Rio So., Ste. 306 San Diego, CA 92108	FACILITY : _____	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print) Luis Barajas, Shareholder/Director
15B. TELEPHONE NO. (Include Area Code) (619) 298-8193	15C. CHECK IF REMITTANCE ADDRESS IS [] DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE		
17. SIGNATURE: <i>Ram Navarro</i>	18. OFFER DATE: 2/28/92		

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: [] 10 U.S.C. 2304(c)(()) [] 41 U.S.C. 253(c)(())		
23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)	ITEM	
24. ADMINISTERED BY CODE : _____ (If other than Item 7)	25. PAYMENT WILL BE MADE BY CODE : _____ U. S. Nuclear Regulatory Commission Division of Accounting and Finance GOV/COM Accounting Section Washington, DC 20555	
26. NAME OF CONTRACTING OFFICER (Type or Print)	27. UNITED STATES OF AMERICA (Signature of Contracting Officer)	28. AWARD DATE

IMPORTANT - Award will be made on this Form or on Standard Form 26,
or by other authorized official written notice.

EXCEPTION TO STANDARD FORM 33 (REV. 4-85)

Prescribed by GSA
FAR(48 CFR) 53.214(c)

(1) I, [Name of certifier] Luis Barajas, am the officer or employee responsible for the preparation of this offer and hereby certify that, to the best of my knowledge and belief, with the exception of any information described in this certificate, I have no information concerning a violation or possible violation of subsection 27(a), (b), (d), or (f) of the Office of Federal Procurement Policy Act, as amended* (41 U.S.C. 423), (hereinafter referred to as "the Act"), as implemented in the FAR, occurring during the conduct of this procurement (solicitation number).

(2) As required by subsection 27(e)(1)(B) of the Act, I further certify that, to the best of my knowledge and belief, each officer, employee, agent, representative, and consultant of [Name of Offeror] R. Navarro & Associates, Inc. who has participated personally and substantially in the preparation or submission of this offer has certified that he or she is familiar with, and will comply with, the requirements of subsection 27(a) of the Act, as implemented in the FAR, and will report immediately to me any information concerning a violation or possible violation of subsections 27(a), (b), (d), or (f) of the Act, as implemented in the FAR, pertaining to this procurement.

(3) Violations or possible violations: (Continue on plain bond paper if necessary and label Certificate of Procurement Integrity (Continuation Sheet), ENTER NONE IF NONE EXIST)

None

(4) I agree that if awarded a contract under this solicitation, the certifications required by subsection 27(e)(1)(B) of the Act shall be maintained in accordance with paragraph (f) of this provision.

2/28/92

Ram Navarro / for

[Signature of the officer or employee responsible for the offer and date]

Luis Barajas, Shareholder/Director

[Typed name of the officer or employee responsible for the offer]

*Subsections 27(a), (b), and (d) are effective on December 1, 1990. Subsection 27(f) is effective on June 1, 1991.

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER TITLE 18, UNITED STATES CODE, SECTION 1001.

CONTRACT PRICING PROPOSAL COVER SHEET

1. SOLICITATION/CONTRACT/MODIFICATION NO. RS-01G-92-002
FORM APPROVED OMB NO. 3090-0110

NOTE: This form is used in contract actions if submission of cost or pricing data is required. (See FAR 15.804-6(b))

2. NAME AND ADDRESS OF OFFEROR (Include ZIP Code)

R. NAVARRO & ASSOCIATES, INC.
2831 Camino Del Rio So., Ste. 306
San Diego, CA 92108

3A. NAME AND TITLE OF OFFEROR'S POINT OF CONTACT
Luis Barajas
Shareholder/Director

3B. TELEPHONE NO.
(619)298-8193

4. TYPE OF CONTRACT ACTION (Check)

☒ A. NEW CONTRACT
☐ B. CHANGE ORDER
☐ C. PRICE REVISION/REDETERMINATION
☐ D. LETTER CONTRACT
☐ E. UNPRICED ORDER
☐ F. OTHER (Specify)

5. TYPE OF CONTRACT (Check)

☐ FFP ☐ CPFF ☐ CPFF ☐ CPAF
☐ FPI ☐ OTHER (Specify)

6. PROPOSED COST (A+B+C)

A. COST \$
B. PROFIT/FEE \$
C. TOTAL \$ 285,110

7. PLACE(S) AND PERIOD(S) OF PERFORMANCE

Period: 3 Years from award

8. List and reference the identification, quantity and total price proposed for each contract line item. A line item cost breakdown supporting this recap is required unless otherwise specified by the Contracting Officer. (Continue on reverse, and then on plain paper, if necessary. Use same headings.)

A. LINE ITEM NO.	B. IDENTIFICATION	C. QUANTITY	D. TOTAL PRICE	E. REF.
	Base Year		\$ 90,200	
	Option One		\$ 94,530	
	Option Two		\$100,380	

9. PROVIDE NAME, ADDRESS, AND TELEPHONE NUMBER FOR THE FOLLOWING (If available)

A. CONTRACT ADMINISTRATION OFFICE

R. NAVARRO & ASSOCIATES, INC.
2831 Camino Del Rio So., Ste. 306
San Diego, CA 92108

B. AUDIT OFFICE

Same as (A.) and
1331 "H" Street, NW, Ste. 400
Washington, D.C. 20005

10. WILL YOU REQUIRE THE USE OF ANY GOVERNMENT PROPERTY IN THE PERFORMANCE OF THIS WORK? (If "Yes," identify)

☐ YES ☒ NO (Exception - Workspace)

11A. DO YOU REQUIRE GOVERNMENT CONTRACT FINANCING TO PERFORM THIS PROPOSED CONTRACT? (If "Yes," complete Item 11B)

☒ YES ☐ NO

11B. TYPE OF FINANCING (If any)

☐ ADVANCE PAYMENTS ☐ PROGRESS PAYMENTS
☐ GUARANTEED LOANS

12. HAVE YOU BEEN AWARDED ANY CONTRACTS OR SUBCONTRACTS FOR THE SAME OR SIMILAR ITEMS WITHIN THE PAST 3 YEARS? (If "Yes," identify item(s), customer(s) and contract number(s))

☒ YES ☐ NO U.S. Department of Labor
Office of Inspector General
COITP - Edwin Terrell
(202) 523-8385 Contract No. J-9-G-2-0001

13. IS THIS PROPOSAL CONSISTENT WITH YOUR ESTABLISHED ESTIMATING AND ACCOUNTING PRACTICES AND PROCEDURES AND FAR PART 31 COST PRINCIPLES? (If "No," explain)

☒ YES ☐ NO

14. COST ACCOUNTING STANDARDS BOARD (CASB) DATA (Public Law 91-378 as amended and FAR PART 30)

A. WILL THIS CONTRACT ACTION BE SUBJECT TO CASB REGULATIONS? (If "No," explain in proposal)

☐ YES ☒ NO

B. HAVE YOU SUBMITTED A CASB DISCLOSURE STATEMENT (CASB DS-1 or 2)? (If "Yes," specify in proposal the office to which submitted and if determined to be adequate)

☐ YES ☒ NO

C. HAVE YOU BEEN NOTIFIED THAT YOU ARE OR MAY BE IN NON-COMPLIANCE WITH YOUR DISCLOSURE STATEMENT OR COST ACCOUNTING STANDARDS? (If "Yes," explain in proposal)

☐ YES ☒ NO

D. IS ANY ASPECT OF THIS PROPOSAL INCONSISTENT WITH YOUR DISCLOSED PRACTICES OR APPLICABLE COST ACCOUNTING STANDARDS? (If "Yes," explain in proposal)

☐ YES ☒ NO

This proposal is submitted in response to the FFP contract, modification, etc. in item 1 and reflects our best estimates and/or actual costs as of this date.

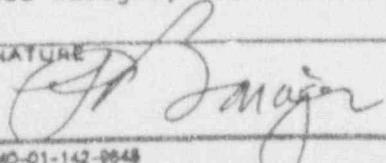
15. NAME AND TITLE (If any)

Luis Barajas, Shareholder/Director

16. NAME OF FIRM

R. NAVARRO & ASSOCIATES, INC.

17. SIGNATURE



18. DATE OF SUBMISSION

2/28/92

SOLICITATION, OFFER AND AWARD

Page 1 of 3 Pages

1. This contract is a rated order under DPAS(15 CFR 350) RATING:

2. CONTRACT NO.	3. SOLICITATION NO. RS-OIG-92-002	4. TYPE OF SOLICITATION [] SEALED BID (IFB) [x] NEGOTIATED (RFP)
5. DATE ISSUED 01/29/92	6. REQUISITION/PURCHASE REQ. NO. OIG-92-002	
7. ISSUED BY CODE ATTN: RS-OIG-92-002 U.S. Nuclear Regulatory Commission Div. of Contracts & Property Mgmt. Contract Neg. Br. No. 2; P-1042 Washington, DC 20555		8. ADDRESS OFFER TO (If other than Item 7) Offer must be addressed as shown in Item 7. Hand-carried offers (Including Express Mail & delivery services) must be delivered to the address in Item 9.

NOTE: In sealed bid solicitations, "offer"/"offeror" mean "bid"/"bidder".

SOLICITATION

9. Sealed offers for furnishing the services or supplies in the schedule are due at 3:30 PM, Washington, DC local time on 02/28/92. Offers sent through the U.S. Mail (including U.S. Postal Service Express Mail Next Day Service - Post Office to Addressee) must be addressed to the place specified in Item 7. All hand-carried offers including those made by private delivery services (e.g. Federal Express and Airborne Express) must be delivered to 7920 Norfolk Avenue, Bethesda, Maryland 20814 and received in the depository located in Room P-1011. NRC is a secure facility with perimeter access-control and NRC personnel are not available to receive hand-carried offers except during normal working hours, 7:30 AM - 4:15 PM, Monday through Friday, excluding federal holidays. Offerors should be aware that many private carriers only make deliveries to the mail room. All offerors should allow extra time for internal mail distribution.

Offerors should clearly identify the RFP number on the outside wrapper. IFB's should have affixed the Optional Form (OF) 17, "Sealed Bid Label," on the outside wrapper.

CAUTION - LATE SUBMISSIONS, MODIFICATIONS AND WITHDRAWALS. SEE SECTION L. PROVISION NO. 52.214-7 OR 52.215-10.

All offers are subject to all terms and conditions contained in this solicitation. (See the Provision in Section L, "Proposal Presentation and Format").

10. FOR INFORMATION:	A. NAME: CALL: Donna M. Umbel	B. TELEPHONE NO. (Include Area Code) (NO COLLECT CALLS) (301) 492-4281
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EXCEPTION TO STANDARD FORM 33 (REV.4-85)

Prescribed by GSA
FAR(48 CFR) 53.214(c)

X SEC	11. TABLE OF CONTENTS DESCRIPTION	PAGE(S)
	PART I - THE SCHEDULE	
A	SOLICITATION/CONTRACT FORM	
B	SUPPLIES OR SERVICES AND PRICES/COSTS	
C	DESCRIPTION/SPECIFICATIONS/WORK STATEMENT	
D	PACKAGING AND MARKING	
E	INSPECTION AND ACCEPTANCE	
F	DELIVERIES OR PERFORMANCE	
G	CONTRACT ADMINISTRATION DATA	
H	SPECIAL CONTRACT REQUIREMENTS	
	PART II - CONTRACT CLAUSES	
I	CONTRACT CLAUSES	
	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS	
J	LIST OF ATTACHMENTS	
	PART IV - REPRESENTATIONS AND INSTRUCTIONS	
K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
L	INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS	
M	EVALUATION FACTORS FOR AWARD	

OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provision at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within 120 calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)

10 CALENDAR DAYS	20 CALENDAR DAYS	30 CALENDAR DAYS	<u>15</u> CALENDAR DAYS
<u>1.2</u> %	<u>---</u> %	<u>---</u> %	<u>1.0</u> %

14. ACKNOWLEDGEMENT OF AMENDMENTS The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated:

AMENDMENT NO.	DATE	AMENDMENT NO.	DATE
---------------	------	---------------	------

None Provided

SOLICITATION, OFFER AND AWARD
OFFER (CONTINUED)

Page 3 of 3 Pages

15A. NAME AND ADDRESS OF OFFEROR	CODE : R. NAVARRO & ASSOCIATES, INC. 2831 Camino Del Rio So., Ste. 306 San Diego, CA 92108	FACILITY : 	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print) Luis Barajas, Shareholder/Director
15B. TELEPHONE NO. (Include Area Code) (619) 298-8193	15C. CHECK IF REMITTANCE ADDRESS IS [] DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE		
17. SIGNATURE: <i>[Signature]</i>	18. OFFER DATE: 2/28/92		

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION. [] 10 U.S.C. 2304(c)(()) [] 41 U.S.C. 253(c)(())		
23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)		ITEM
24. ADMINISTERED BY CODE : (If other than Item 7)	25. PAYMENT WILL BE MADE BY CODE : U. S. Nuclear Regulatory Commission Division of Accounting and Finance GOV/COM Accounting Section Washington, DC 20555	
26. NAME OF CONTRACTING OFFICER (Type or Print)	27. UNITED STATES OF AMERICA (Signature of Contracting Officer)	28. AWARD DATE

IMPORTANT - Award will be made on this Form or on Standard Form 26,
or by other authorized official written notice.

EXCEPTION TO STANDARD FORM 33 (REV. 4-85)

Prescribed by GSA
FAR(48 CFR) 53.214(c)

PART I - THE SCHEDULE

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 PROJECT TITLE

The title of this project is as follows:

"Procurement of Services from Independent
Certified Public Accountants"

[End of Clause]

B.2 BRIEF DESCRIPTION OF WORK (MAR 1987)
ALTERNATE I (JUN 1988)

a. Brief description of work:

The Contractor shall provide, on a task order basis, qualified personnel to perform audits, surveys, reviews, and other tasks including evaluations, analyses, and technical assistance needed by the Office of the Inspector General, U.S. Nuclear Regulatory Commission to execute the responsibilities assigned by the Inspector General Act of 1978 and the Chief Financial Officers Act of 1990.

b. Orders will be issued for work required by the NRC in accordance with 52.216-18 - Ordering. Only Contracting Officers of the NRC or other individuals specifically authorized under this contract may authorize the initiation of work under this contract. The provisions of this contract shall govern all orders issued hereunder.

[End of Clause]

B.3 SERVICES AND PRICES

The following categories of labor and levels of effort shall be applicable to work performed under SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT. The hourly established rates shall include all direct and indirect expenses, including labor, overhead, G&A, other direct costs, travel and profit. (See Paragraph C.1.3.1 for description of labor categories.)

BASE YEAR

LABOR CATEGORY	ESTIMATED HOURS	UNIT	UNIT PRICE	AMOUNT
Partner/Principal	110	Hours	\$ 65	\$ 7,150 ✓ 79
Manager	330	Hours	\$ 60	\$ 19,800 62

Senior	800	Hours	\$ <u>35</u>	\$ <u>28,000</u>	39
Staff	1410	Hours	\$ <u>25</u>	\$ <u>35,250</u>	25
TOTAL BASE YEAR:				\$ <u>90,200</u>	

SECOND YEAR

LABOR CATEGORY	ESTIMATED HOURS	UNIT	UNIT PRICE	AMOUNT
Partner/Principal	110	Hours	\$ <u>68</u>	\$ <u>7,480</u>
Manager	330	Hours	\$ <u>63</u>	\$ <u>20,790</u>
Senior	800	Hours	\$ <u>37</u>	\$ <u>29,600</u>
Staff	1410	Hours	\$ <u>26</u>	\$ <u>36,660</u>
TOTAL SECOND YEAR:				\$ <u>94,530</u>

THIRD YEAR

LABOR CATEGORY	ESTIMATED HOURS	UNIT	UNIT PRICE	AMOUNT
Partner/Principal	110	Hours	\$ <u>72</u>	\$ <u>7,920</u>
Manager	330	Hours	\$ <u>66</u>	\$ <u>21,780</u>
Senior	800	Hours	\$ <u>39</u>	\$ <u>31,200</u>
Staff	1410	Hours	\$ <u>28</u>	\$ <u>39,480</u>
TOTAL THIRD YEAR:				\$ <u>100,380</u>

[End of Clause]

U.S. NUCLEAR REGULATORY COMMISSION
Office of Inspector General

**PROCUREMENT OF SERVICES FROM
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**COST PROPOSAL
RFP NO. RS-OIG-92-002
FEBRUARY 28, 1992**

R. NAVARRO & ASSOCIATES, INC.

U.S. NUCLEAR REGULATORY COMMISSION
Office of Inspector General

**PROCUREMENT OF SERVICES FROM
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**COST PROPOSAL
RFP NO. RS-OIG-92-002
FEBRUARY 28, 1992**

R. NAVARRO & ASSOCIATES, INC.



R. NAVARRO
& ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS

2831 Camino Del Rio South, Suite 306
San Diego, California 92108
(619) 298-8193

U.S. Nuclear Regulatory Commission
ATTN: Donna M. Umbel
RFP No. RS-OIG-92-002
Division of Contracts and Property Management
Mail Stop P-1042
Washington DC 20555

Dear Ms. Umbel

Attached is our best and final business offer under RFP No.
OIG-92-002 entitled "Procurement Services from Independent
Public Accountants."

Sincerely

A handwritten signature in cursive script that reads 'Ramon Navarro'.

Ramon Navarro
R. NAVARRO & ASSOCIATES

U.S. NUCLEAR REGULATORY COMMISSION
TECHNICAL PROPOSAL

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PLACE OF PERFORMANCE	1
FINANCIAL CAPACITY	1
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C. COST AND PRICING DATA	
SUMMARY OF PROPOSED RATES BY YEAR	4
COMPUTATION OF PROPOSED RATES	5
PROPOSED RATES - BASE YEAR	6
PROPOSED RATES - FIRST OPTION YEAR	7
PROPOSED RATES - SECOND OPTION YEAR	8
SCHEDULE OF INDIRECT RATE CALCULATION	9
D. TRAVEL POLICY	10



2831 Camino Del Rio South, Suite 306
San Diego, California 92108
(619) 298-8193

February 27, 1992

Ms. Mary H. Mace
Contracting Officer
Division of Contracts and
Property Management
7920 Norfolk Avenue
Room P-1011
Bethesda, MD 20814

RE: RFP RS-OIG-92-002

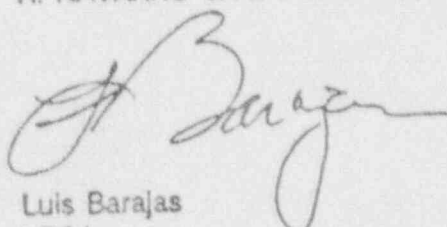
Dear Ms. Mace:

The attached "Cost Proposal" contains information relative to the general background of our firm and the computation of rates. Your review will disclose that R. Navarro & Associates, Inc. continues to be very competitive in the federal sector.

We understand the constraints of the federal budget process and have provided you with a governmental discount on our pricing.

Should you have any questions, please call me.

Sincerely,
R. NAVARRO & ASSOCIATES, INC.



Luis Barajas
LB/bio

A. ADMINISTRATIVE DATA

1. Cognizant Government Agency

We have not been assigned a cognizant agency. However, various audit agencies have reviewed our cost accounting records.

2. Place of performance will be as identified on task orders to be issued. The performance under this engagement shall be administered from the offices of R. Navarro & Associates, Inc., as outlined below.

Addresses of R. Navarro & Associates, Inc. offices who still participate on this engagement:

San Diego Office
2831 Camino Del Rio So.
Suite 306
San Diego, CA 92108
(619) 298-8193

Washington, D.C. Office
1331 "H" Street, N.W.
Suite 400
Washington, D.C. 20005
(202) 638-2352

It is planned that most of the work will be performed by our Washington, D.C. office personnel, however, resources may be drawn from our San Diego office, if necessary.

3. The firm has the necessary financial capability, working capital and other resources to perform the contract without assistance from any outside source.

4. Names and telephone numbers of persons authorized to conduct contract negotiations:

Luis Barajas (619) 298-8193

Ramon Navarro (619) 298-8193

5. The firm of R. Navarro & Associates, Inc. is comprised of the following individuals:

	<u>Washington, D.C.</u>	<u>San Diego</u>	<u>Firm Total</u>
Partner	1	2	3
Principal/Managers	1	3	4
Seniors	1	2	3
Staff	4	8	12
Consultant	1	3	4
Clerical	<u>1</u>	<u>4</u>	<u>5</u>
	<u>9</u>	<u>22</u>	<u>31</u>

B. OFFEROR'S FINANCIAL STATEMENTS

R. NAVARRO & ASSOCIATES, INC.

REPORT AND FINANCIAL STATEMENTS
COMPILATION REPORT

★ ★ ★ ★

FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 1991

R. NAVARRO & ASSOCIATES, INC.
REPORT AND FINANCIAL STATEMENTS
COMPILATION REPORT

* * * *

FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 1991

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STATEMENT OF INCOME	3 - 4

C. COST AND PRICING DATA

R. NAVARRO & ASSOCIATES, INC.
SUMMARY OF PROPOSED RATES BY YEAR
RFP: RS-OIG-92-002

LABOR CATEGORY	EST. HOURS	BASE YEAR		OPTION ONE		OPTION TWO	
		UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
PARTNER	110	\$65 ¹⁷⁹	\$7,150	⁵⁰⁶ \$68	\$7,480	¹³¹ \$72	\$7,920
MANAGER	330	60 ⁶²	19,800	63	20,790	66	21,780
SENIOR	800	35 ³⁷	28,000	37	29,600	39	31,200
STAFF	1,410	25 ²⁸	35,250	26	36,660	28	39,480
	<u>2,650</u>		<u>\$90,200</u>		<u>\$94,530</u>		<u>\$100,380</u>
	=====		=====		=====		=====
COMPOSITE RATE			\$34.04		\$35.67		\$37.88

R. NAVARRO & ASSOCIATES, INC.
 PROPOSED RATES-BASE YEAR
 RFP: RS-OIG-92-002

LABOR CATEGORY	EST. HOURS	UNIT PRICE	AMOUNT
PARTNER	110	\$65	\$7,150
MANAGER	330	60	19,800
SENIOR	800	35	28,000
STAFF	1,410	25	35,250
	-----		-----
	2,650		\$90,200
	=====		=====
COMPOSITE RATE			\$34.04

R. NAVARRO & ASSOCIATES, INC.
 PROPOSED RATES-OPTION YEAR ONE
 RFP: RJ-OIG-92-002

(INCREASE FROM BASE YEAR, 5%)			
LABOR CATEGORY	EST. HOURS	UNIT PRICE	AMOUNT
PARTNER	110	\$68.00	\$7,480
MANAGER	330	63.00	20,790
SENIOR	800	37.00	29,600
STAFF	1,410	26.00	36,660
	-----		-----
	2,650		\$94,530
	=====		=====
COMPOSITE RATE			\$35.67

R. NAVARRO & ASSOCIATES, INC.
 PROPOSED RATES-OPTION YEAR TWO
 RFP: RS-OIG-92-002

(INCREASE FROM OPTION YEAR ONE, 5%)

LABOR CATEGORY	EST. HOURS	UNIT PRICE	AMOUNT
PARTNER	110	\$72.00	\$7,920
MANAGER	330	66.00	21,780
SENIOR	600	39.00	31,200
STAFF	1,410	28.00	39,480
	-----		-----
	2,650		\$100,380
	=====		=====
COMPOSITE RATE			\$37.88

Travel Policy

All expenses incurred for travel as designated by a task order shall be reimbursed in accordance with the Federal Travel Regulations, which are in effect at the time of the travel.