

METRO METRICS, INC.  
5272 River Road, Suite 755  
Washington, D.C. 20016  
(301) 654-2291

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July 18, 1974

Mr. James R. Leonard  
James R. Leonard And Associates  
1601 Connecticut Avenue, N.W.  
Suite 301  
Washington, D.C. 20009

Dear Mr. Leonard:

In accordance with your request this is to propose that I undertake project responsibility for the design and implementation of an analysis which would lead to a valuation of some 17,500 acres of the 25,000 acres on the island of Tinian, 680 acres on the island of Saipan, and the entire island of Farallon de Medinilla, all in the Mariana Islands. It is anticipated that we would form a team to conduct the analysis and that our organizations will work together closely. Additionally, we shall engage such supplemental aid as is mutually agreeable. The specifics of any work are yet to be determined and may be amended to include valuation of additional land. Also, some components of the study will be provided through your organization. ✓

#### Understanding

On the basis of our meeting I understand that your organization is economic counsel to the Marianas Political Status Commission and its committee which is dealing with the problem of valuing land in the Mariana Islands. The valuation problem is a particularly difficult one and will require specialized services of a variety of experts.

Presently we conceive our assignment in three phases. The first is the design of the research to provide an estimate of value together with the back up data. All back up data, except as agreed by you and me, will be provided by your office. Included in this design work is the proposal of a team which would enlarge upon our regular staff and that would in particular include other nationally recognized experts.

The second phase would be the conduct of the analysis and the presentation of findings. Such work would be done in close coordination with your organization. The specifics of that work would be the subject of a subsequent document.

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The third phase would be any follow up consultation for testimony required by you regarding the findings and recommendations.

### Proposal:

This proposal covers the arrangement by which we will proceed through the various phases.

The work anticipated for the first phase is as follows:

1. Review and evaluate available background information.
2. Propose a preliminary approach and receive comment from you and your associates.
3. Prepare necessary revisions of approach document and disseminate to a select group of experts for their review and comment.
4. Conduct a session with selected experts to review and revise the approach so as to provide an acceptable analytical method.

The product of these services will be a general plan including proposed staff and time to completion. The work plans will provide a basis for your estimating cost. The cost will depend upon how much information your organization provides and the depth of detail we agree upon for each segment. The general plan will indicate the methodology to be used and the analyses to be conducted.

### Organization

Metro Metrics, Inc., of which I am president, will contract to do the work herein stated. Our fee for this service will be based upon our costs and calculated as follows:

1. Staff will be paid at the regular Metro Metrics employees salary rates except that for this project I will be paid at a rate of \$150 per day. To this will be added a stipulated overhead rate of 101 percent. That overhead calculation is submitted as Exhibit 1. To this will be added a profit margin of 10 percent. The rates to be billed are listed on Exhibit 2, which also shows the overhead and profit rate.
2. Additional staff will be employed by Metro Metrics as needed at competitive rates. Where the staff is from academia it is anticipated that the rate will approximate the following schedule: Instructor, \$75 per

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day; Assistant Professor, \$125 per day; Professor, \$150 per day. We will place the additional staff on our payroll as part time employees and pay the appropriate payroll taxes and perform the appropriate coordination and management functions. We will also add in the overhead charges and the 10 percent profit margins as for "1" above. Should there be distinguished faculty/experts we would like to employ but who are not available at the limited rates we would be agreeable to your employing them directly as consultants to you.

3. The direct project costs other than wages and salaries will be billed on a cost reimbursal basis plus a stipulated 10 percent charge for overhead which is our usual overhead charge for handling such expenditures.

Statements of time and expense will be rendered monthly between the 1st and the 5th. Billings, less 10 percent which is to be paid upon completion and acceptance of a report providing our findings<sup>AND</sup> conclusions regarding land values, will be deemed payable within 15 days of the date rendered. Billing statements will include detailed listings of staff charges, including time and rates, as well as documentation of out of pocket expenses.

We will arrange such progress review sessions as you consider necessary to keep you apprised and will prepare such estimates of time and manpower allocations as you consider necessary at various stages of the project. Given reasonable notice, you will have the right to audit employee time sheets and expense records against all billings to you.

This contract may be cancelled at anytime, by written notice, by either party. In the event of cancellation, payment will be made to us for all work we have performed and expenses we have incurred prior to cancellation. Within 24 hours of the termination of this contract, by cancellation or completion of the work, all working papers, documents and other materials in our possession which are related to the determination of land values in the Marianas will be presented to you and will become your exclusive property.

If the proposal is in accord with your current requirements you may signify your approval and authorize our work to begin by signing and returning the enclosed copy. Should

further clarification or amendment be required, please advise us. This is indeed an exceptional project and we are looking forward to working with you on it.

Sincerely,

Maury Seldin for  
METRO METRICS, INC.

Accepted:

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James R. Leonard for  
JAMES R. LEONARD AND ASSOCIATES

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Date

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