



Request for Qualifications

On-Call Staffing Support Services for WSF

Proposal submitted to Washington State Department of Transportation
by IBI Group
April 12, 2016

Packet B



IBI GROUP
801 Second Avenue—Suite 1400
Seattle WA 98104 USA
tel 206 521 9091 fax 206 521 9095
ibigroup.com

April 14, 2016

Manager, Consultant Services Office
Washington State Department of Transportation
310 Maple Park Avenue SE
PO Box 47323
Olympia, WA 98504-7323
CSOSubmittals@wsdot.wa.gov

***RE: STATE OF WASHINGTON DEPARTMENT OF TRANSPORTATION
NOTICE TO CONSULTANTS
ON-CALL STAFFING SUPPORT SERVICES FOR WSF***

IBI Group is pleased to electronically submit our proposal packets A and B in response to the above-noted Request for Qualifications (RFQ). We have proposed a highly-specialized team with specific expertise in the following areas listed in the RFQ:

- System-wide projects including, but not limited to, life extension of Electronic Fare System (EFS), RFP Development and Installation of One Account Based Ticketing System, Security System Upgrades, Reservation System and Primavera Project Management System.

We look forward to continuing our successful systems consulting relationship with the Department and WSF. Please do not hesitate to contact us directly should you require any further information.

Yours truly,

IBI GROUP

A handwritten signature in blue ink that reads "Jmackay".

Jill MacKay, PMP
Senior Associate, Project Manager
206-521-9091
jmackay@ibigroup.com

A handwritten signature in blue ink that reads "Paul Lavalley".

Paul Lavalley, PE
Director

**Washington State
Department of Transportation**

**Performance Evaluation
Completed by Reference**

Consultant Name: IBI Group US
Consultant's Project Manager: Jill MacKay
Project Name to be Evaluated on: (Work must have been completed within the last 3 years or is currently being performed.) Project Coordinator AMHS Reservations System Contract Implementation

Type of Work:

Roadway Design
 Plans Specs & Estimates
 Transportation Study
 Right-of-Way
 Other

Contract Information: (Work must have been completed within the last 3 years or is currently being performed.)

<input checked="" type="checkbox"/>	Prime	Start Date 05/28/14	End Date 05/31/16	Dollar Amount of Services 191,312.40
<input type="checkbox"/>	Sub			

Performance Evaluation	
Rating Criteria	Score
Please rate each criteria on a scale of 1 to 10. 1 being low and 10 being high.	1 - Low to 10 - High
1. Was the firm cooperative and responsive during any negotiations whether they were budget related or work element related?	10.00
2. Did the firm complete the project within the total budgeted amount?	10.00
3. Did the firm complete the project within the contract schedule(s)?	10.00
4. Did the firm meet all of your technical standards and quality expectations?	10.00
5. Was the firm's communication, both oral and written, clear and concise?	10.00
6. Was the firm's project management system effective?	10.00
Total Score (Total the score by adding the scores for criterias 1 through 6.)	60.00
Average Score (Average the score by dividing the total score by the total number of criteria that was rated.)	10.00

Evaluator Information:		
Firm/Company Name: State of Alaska/DOT&PF/Alaska Marine Highway System		
Evaluator's Name: Matt McLaren	Evaluator's Title: Business Development Manager	
Firm/Company Address: 7559 N. Tongass Hwy., Ketchikan, AK. 99901		
Phone: (907) 228-7274	Fax:	Date: 03/21/16

Distribution: Original: Return to Consultant being evaluated; and
 Copy: Fax to WSDOT at 360-705-6838 or email to wsdotcso@wsdot.wa.gov

**Washington State
Department of Transportation**

**Performance Evaluation
Completed by Reference**

Consultant Name: IBI Group
Consultant's Project Manager: Paul P. Lavallee, PE
Project Name to be Evaluated on: (Work must have been completed within the last 3 years or is currently being performed.) ORCA Regional Smart Card Fare Collection System

Type of Work:

Roadway Design
 Plans Specs & Estimates
 Transportation Study
 Right-of-Way
 Other

Contract Information: (Work must have been completed within the last 3 years or is currently being performed.)

<input checked="" type="checkbox"/>	Prime	Start Date 07/08/99	End Date 12/31/16	Dollar Amount of Services 1,503,000.00
<input type="checkbox"/>	Sub			

Performance Evaluation	
Rating Criteria	Score
Please rate each criteria on a scale of 1 to 10. 1 being low and 10 being high.	1 - Low to 10 - High
1. Was the firm cooperative and responsive during any negotiations whether they were budget related or work element related?	9.00
2. Did the firm complete the project within the total budgeted amount?	9.00
3. Did the firm complete the project within the contract schedule(s)?	9.00
4. Did the firm meet all of your technical standards and quality expectations?	10.00
5. Was the firm's communication, both oral and written, clear and concise?	10.00
6. Was the firm's project management system effective?	9.00
Total Score	56.00
(Total the score by adding the scores for criterias 1 through 6.)	
Average Score	9.33
(Average the score by dividing the total score by the total number of criteria that was rated.)	

Evaluator Information:		
Firm/Company Name: Sound Transit		
Evaluator's Name: Cheryl Huston	Evaluator's Title: ORCA Operations Manager	
Firm/Company Address: 401 S. Jackson St. Seattle, WA 98104		
Phone: (206) 398-5330	Fax:	Date: 03/29/16

Distribution:
 Original: Return to Consultant being evaluated; and
 Copy: Fax to WSDOT at 360-705-6838 or email to wsdotcso@wsdot.wa.gov



**Washington State
Department of Transportation**

WSDOT Ferries Division (WSF)
2901 3rd Avenue, Ste. 500
Seattle, WA 98121-3014
206-515-3400
TTY: 1-800-833-6388
www.wsdot.wa.gov/ferries

Lynne Griffith
Assistant Secretary for
Washington State Ferries

March 31, 2016

Ms. Jill MacKay, PMP
Senior Associate
IBI Group
801 Second Avenue, Suite 1400
Seattle, Washington 98104

**Re: Agreement Y-10933, Tasks AD & AG
WSF Tariff/Fare Media Roadmap Technical Support
Final Performance Evaluation**

Dear Jill:

Please find attached the final performance evaluation for the consultant services you provided to us on the above referenced project.

On behalf of the Washington State Ferries, I wish to thank you for the services you have rendered.

Please contact me at 206.515.3767, or e-mail at bremjit@wsdot.wa.gov with any questions or concerns you may have.

Sincerely,

Tharmalingam "Brem" Bremjit, P.E.
Consultant Liaison Engineer
WSDOT Ferries Division (WSF)

Enclosure: Final Performance Evaluation-IBI Group

cc: Ray Deardorf
Brian Churchwell
File



Consultant Name IBI Group		Evaluation Type <input type="checkbox"/> Interim <input type="checkbox"/> Subconsultant <input checked="" type="checkbox"/> Final	
Consultant Address 801 Second Avenue, Suite 1400 Seattle WA 98104-1573		Project Title WSF Tarriff/Fare Media Roadmap Technical Support	
Type of Work <input checked="" type="checkbox"/> Study <input type="checkbox"/> Design <input type="checkbox"/> R/W <input type="checkbox"/> PS&E <input type="checkbox"/> Other (Specify Below):		Agreement Number Y-10933 Tasks AD & AG	
Complexity of Work <input checked="" type="checkbox"/> Difficult <input type="checkbox"/> Routine		Date Agreement Approved January 6, 2011	
Amount of Original Agreement \$ 68,141.80		Total Amount Modifications \$ 0.00	Total Amount Agreement \$ 68,141.80
Completion Date Including Extensions June 30, 2015		Actual Completion Date June 30, 2015	Actual Total Paid \$ 54,677.10
Type and Extent of Subcontracting			

Performance Rating Scale (From Average Score Below)			
10	9	8	7
Superior		Above Reqmnts	
		6	5
		Meets Reqmnts	
		4	3
		Below Reqmnts	
		2	1
			Poor
Criteria	Comment		Score
1. Negotiations Cooperative and responsive.	Negotiated tasks quickly and willing to compromise		9
2. Cost / Budget Complete within agreement budget including supplements.	Completed tasks under budget		10
3. Schedule Complete within agreement schedule including supplements.	Achieved WSF's schedule		8.5
4. Technical Quality Met Standards.	IBI produces top quality work.		10
5. Communications Clear, Concise Communication (Oral, written, drawings).	IBI communicates their process and product extremely well.		9.5
6. Management Team player. Managed subs. Accurate, timely invoices. Appropriate, periodic, accurate progress reports			9
Total Score			56
Average Score (Total Score / Number of criteria rated)			9.3

Rated By (Project Manager Name and Title) Ray Deardorf WSF Planning Manager	Project Manager Signature 	Date 3/30/16
Rated By (Area Consultant Liaison Name and Title) Tharmalingam Bremjit, P.E. Consultant Liaison Engineer	Area Consultant Liaison Signature 	Date 3/30/16
Executive Review (Name and Title) Kristina Arsenault Director, Community Services and Planning	Executive Signature 	Date 3/30/16

Consultant Name IBI Group	Evaluation Type <input type="checkbox"/> Interim <input type="checkbox"/> Subconsultant <input checked="" type="checkbox"/> Final																				
Consultant Address 801 Second Avenue, Suite 1400 Seattle WA 98104-1573	Project Title WSF Tarriff/Fare Media Roadmap Technical Support																				
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Performance Rating Scale (From Average Scores)																					
<table style="width:100%; text-align:center;"> <tr> <td><u>10</u></td> <td><u>9</u></td> <td><u>8</u></td> <td><u>7</u></td> <td><u>6</u></td> <td><u>5</u></td> <td><u>4</u></td> <td><u>3</u></td> <td><u>2</u></td> <td><u>1</u></td> </tr> <tr> <td>Superior</td> <td></td> <td>Above Reqmnts</td> <td></td> <td>Meets Reqmnts</td> <td></td> <td>Below Reqmnts</td> <td></td> <td>Poor</td> <td></td> </tr> </table>		<u>10</u>	<u>9</u>	<u>8</u>	<u>7</u>	<u>6</u>	<u>5</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>1</u>	Superior		Above Reqmnts		Meets Reqmnts		Below Reqmnts		Poor	
<u>10</u>	<u>9</u>	<u>8</u>	<u>7</u>	<u>6</u>	<u>5</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>1</u>												
Superior		Above Reqmnts		Meets Reqmnts		Below Reqmnts		Poor													

Negotiation and Cost / Budget Criteria

1. Negotiations	
Sub-Criteria	Score
A. Adhered to WSDOT guidelines on fee.	9
B. Met negotiation schedule.	9
C. Open and honest communications.	9
D. Willingness to compromise.	9
E.	
F.	
Total Score	36
Average Score (Total Score / Number of sub-criteria rated)	9
Comments Negotiated tasks quickly and willing to compromise	

2. Cost / Budget	
Sub-Criteria	Score
A. Finished within budget, including all supplements.	10
B. Appropriate level of effort.	10
C. Reasonable direct, non-salary expenses.	10
D.	
E.	
F.	
Total Score	30
Average Score (Total Score / Number of sub-criteria rated)	10
Comments Completed tasks under budget	

Schedule and Technical Quality Criteria

Consultant Name IBI Group	Agreement Number Y-10933 Tasks AD & AG
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3. Schedule	
Sub-Criteria	Score
A. Achieved schedule (Including all supplements).	9
B. Prompt response to review comments.	8
C. Adapted to changes by WSDOT.	9
D. Notified WSDOT early regarding schedule "impactors."	8
E.	
F.	
Total Score	34
Average Score (Total Score / Number of sub-criteria rated)	8.5
Comments: Achieved WSF's schedule	

4. Technical Quality	
Sub-Criteria	Score
A. Work products meet standards; where "practical."	10
B. Performed appropriate quality control.	10
C. Responds to review comments in subsequent submission.	10
D. Sought opportunities to incorporate innovative designs.	10
E. Delivered "compatible" electronic files.	10
F. Implemented procedures to control construction costs.	10
G.	
H.	
Total Score	60
Average Score (Total Score / Number of sub-criteria rated)	10
Comments: IBI produces top quality work.	

Communication and Management Criteria

Consultant Name IBI Group	Agreement Number Y-10933 Tasks AD & AG
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5. Communications	
Sub-Criteria	Score
A. Produced clear, concise oral and written communication.	10
B. Demonstrates an understanding of oral and written instructions.	9
C. Communicated at intervals appropriate for the work.	9
D. Respects and uses lines of communications.	10
E.	
F.	
G.	
Total Score	38
Average Score (Total Score / Number of sub-criteria rated)	9.5
Comments: IBI communicates their process and product extremely well.	

6. Management	
Sub-Criteria	Score
A. Provided creative cost control measures / ideas.	9
B. Submitted appropriate, periodic, accurate progress reports.	9
C. Accurate and timely invoicing.	9
D. Conducted meetings efficiently.	9
E. Limited the number of consultant-initiated contract modifications / supplements.	9
F. Coordinated with WSDOT effectively; was a "team player."	9
G. Responsive	9
H. Managed subconsultants effectively.	9
I.	
J.	
Total Score	72
Average Score (Total Score / Number of sub-criteria rated)	9
Comments:	

IBI Group Direct Labor Costs - Criteria 6

Submitted to Washington State Department of Transportation for *On-Call Staffing Support Services for WSF*

12-Apr-16

Staff	Role	Classification	Direct Hourly Rate	Overhead 154.04%	Fixed Fee 30%	All Inclusive Hourly Billing Rate
Jill MacKay	Project Manager	Senior Project Manager 1 (L1)	\$ 51.92	\$ 79.98	\$ 15.58	\$ 147.47
Justin Chan	Transportation Systems Engineer	Engineer (BP1)	\$ 31.73	\$ 48.88	\$ 9.52	\$ 90.13
Erin King	Document Manager	Technical Writer (BP2)	\$ 38.46	\$ 59.24	\$ 11.54	\$ 109.24
Pooja Dwivedi	Tolling Engineer	Project Engineer (BP2)	\$ 33.65	\$ 51.83	\$ 10.10	\$ 95.58
Todd Chartier	IT Specialist	Systems Engineer (BP3)	\$ 48.08	\$ 74.06	\$ 14.42	\$ 136.57
Paul Corrigan	Systems Engineering	Systems Engineer (BP4)	\$ 53.61	\$ 82.58	\$ 16.08	\$ 152.27
Rahul Mehra	Toll Systems Specialist	Senior Toll Engineer (L1)	\$ 58.76	\$ 90.51	\$ 17.63	\$ 166.90
Steve White	Security Systems	Senior Engineer 1 (L1)	\$ 49.62	\$ 76.43	\$ 14.89	\$ 140.94
Tom Prestia	Account Based Systems Specialist	Senior Toll Engineer 1 (L1)	\$ 45.73	\$ 70.43	\$ 13.72	\$ 129.88
Ritesh Warade	Customer Information Systems	Senior Systems Engineer 2 (L2)	\$ 65.38	\$ 100.71	\$ 19.61	\$ 185.71
Lee Ann Mangin	ITS Engineer	Senior Engineer 2 (L2)	\$ 76.92	\$ 118.49	\$ 23.08	\$ 218.48
Paul Lavallee	Fare Systems Specialist	Senior SME 3 (L3)	\$ 135.49	\$ 208.71	\$ 40.65	\$ 384.85
Bart Cima	National Tolling Expert	Senior SME 3 (L3)	\$ 94.89	\$ 146.17	\$ 28.47	\$ 269.53
Leslie Craig	Project Coordinator	Project Coordinator (TS2)	\$ 25.00	\$ 38.51	\$ 7.50	\$ 71.01
Larry Baldwin	Traveler Information Specialist	Senior Systems Engineer 2 (L1)	\$ 84.13	\$ 129.60	\$ 25.24	\$ 238.98

Statement of Overhead Rate of

IBI GROUP INC.

Year ended December 31, 2014



KPMG LLP
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5
Canada

Telephone (416) 777-8500
Fax (416) 777-8818
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of IBI Group Inc.

We have audited the accompanying Statement of Overhead Rate of IBI Group Inc. for the year ended December 31, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information (together the "Statement"). The Statement has been prepared by management in accordance with the financial reporting provisions in Part 31 of the Federal Acquisition Regulations ("FAR") and is not intended to be a presentation in conformity with generally accepted accounting principles.

Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement in accordance with the financial reporting provisions in Part 31 of the FAR, and for such internal control as management determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this Statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, except for the provisions of paragraph 3.96 of Government Auditing Standards which indicate the audit organization should undergo a peer review, as there is no such review process in Canada. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the Statement referred to above presents fairly, in all material respects, the overhead rate of IBI Group Inc. for the year ended December 31, 2014, on the basis of accounting described in note 1.

Basis of Accounting

Without modifying our opinion, we draw attention to note 1, which describes the basis of accounting. The Statement is prepared to assist in meeting the requirements of the financial reporting provisions in Part 31 of the FAR. As a result, the Statement may not be suitable for another purpose.

Report on Internal Control and Compliance

In accordance with the Government Auditing Standards, we have issued a report dated May 20, 2015 on our consideration of the entity's internal controls and its compliance with the laws and regulations. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on the entity's internal control over financial reporting or on compliance.

Restriction on Use

Our report is intended solely for IBI Group Inc. and government agencies or other customers related to contracts employing the cost principles of the FAR and should not be used by other parties or for any other purpose.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

May 20, 2015
Toronto, Canada

IBI GROUP INC.

Statement of Overhead Rate

Year ended December 31, 2014

	Amount	% of direct labour
Direct labour	<u>\$ 28,373,183</u>	
Benefits (Schedule of Overhead Rate)	<u>\$ 13,689,835</u>	48.25
General overhead (Schedule of Overhead Rate)	\$ 38,580,030	
Less unallowable portion (Schedule of Overhead Rate)	<u>8,564,783</u>	
	<u>\$ 30,015,247</u>	105.79
		<u>154.04</u>

See accompanying notes to Statement of Overhead Rate.

IBI GROUP INC.

Notes to Statement of Overhead Rate

Year ended December 31, 2014

IBI Group Inc. is a general partnership formed under the laws of the Province of Ontario. IBI Group Inc. is an international, multi-disciplinary provider of a broad range of professional services focused on the physical development of cities. IBI Group Inc.'s business is concentrated in three main areas of development, being intelligence, buildings and infrastructure. The professional services provided by IBI Group Inc. include planning, design, implementation, analysis of operations and other consulting services related to these three main areas of development.

1. Basis of accounting and accounting systems:

IBI Group Inc. prepares its overhead rates and the accompanying Statement of Overhead Rate on the basis of accounting practices prescribed by Part 31 of the Federal Acquisition Regulations ("FAR"). Accordingly, the above-mentioned Statement of Overhead Rate is not intended to present the results of operations of IBI Group Inc. in conformity with United States generally accepted accounting principles.

IBI Group Inc. maintains a job-order accounting system for the accumulation and recording of direct costs that can be identified to a specific contract. Each project is assigned a job number so that costs may be segregated and accumulated in the job-order cost accounting system by project. All costs are allocated based on direct labour cost.

The Company's method of estimating costs for pricing purposes during the proposal process is consistent with the accumulation and reporting of costs under its job-order cost accounting system.

2. Field offices:

IBI Group Inc. does not calculate overhead rates by individual field offices. Therefore, no allocation of indirect costs to field offices has been made.

3. Overhead rate structure:

All costs are allocated based on direct labour. The direct labour base includes all salaries and wages and the premium portion of paid overtime specifically identified with a project, except compensated personal absence (holiday, vacations, sick leave and excused absence).

IBI GROUP INC.

Notes to Statement of Overhead Rate (continued)

Year ended December 31, 2014

3. Overhead rate structure (continued):

Fringe benefits include costs for compensated personal absence, payroll taxes, insurance, group insurance and other personnel-related costs.

Other direct costs ("ODCs") are consistently charged to projects, regardless of whether the ODCs are billable under the contracts. ODCs that are charged to projects include, but are not limited to, sub-consultants, travel and postage.

4. Labour-related costs:

(a) Paid time-off:

Regular full-time employees are eligible for a minimum of 15 days of paid time-off ("PTO") to be used for vacation or sickness each calendar year. In addition, there are nine mandatory paid holidays each calendar year. IBI Group Inc. allows employees to carry over unused PTO for one calendar year.

Upon termination of employment of any reason, the payment of unused PTO will be paid according to the local labour statutory requirement. There is no accrual of PTO during the month of departure. Any negative PTO balance will be treated as an advance on wages, and may be deducted from the employee's final paycheck according to the extent permitted by federal wage and hour regulations.

PTO is calculated using the employee's current base rate of pay and is paid on regular paydays. PTO does not include overtime, bonus, incentive pay or other special forms of compensation.

(b) Paid overtime and uncompensated overtime:

Premium overtime - hourly employees are compensated for overtime via a cash payment equal to time and a half (premium portion) for all hours worked in excess of 40 hours per week. The premium portion of paid overtime is included in direct labour if specifically identified; otherwise, it is in the indirect cost pool.

IBI GROUP INC.

Notes to Statement of Overhead Rate (continued)

Year ended December 31, 2014

4. Labour-related costs (continued):

Uncompensated overtime - IBI Group Inc. does not pay salaried employees for time worked in excess of 44 hours per week. The time in excess of 44 hours was credited to the indirect cost pool.

As of December 31, 2014, an amount of \$35,088 was deemed unallowable, as described in note 9 below.

(c) Executive compensation:

IBI Group Inc. uses the National Compensation Matrix as a benchmark for determining the reasonableness of its executive compensation.

(d) Pension/deferred compensation:

IBI Group Inc. does not have a pension/deferred compensation policy.

(e) Contract labour:

IBI Group Inc. uses contract labour or affiliates' services and bills this labour as if it were for regular employees. IBI Group Inc. provides office space and administrative support. Therefore, affiliates are considered employees, and their labour costs for the year ended December 31, 2014 of \$564,651 (2013 - \$798,463) have been included in the direct labour cost.

5. Depreciation policy:

Depreciation of property and equipment is calculated according to the following bases:

Asset	Basis	Rate
Office furniture and equipment	Diminishing balance	20%
Electronic data processing equipment	Straight line	2 years
Vehicles	Diminishing balance	20%
Leasehold improvements	Straight line	Term of lease

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted, if appropriate.

IBI GROUP INC.

Notes to Statement of Overhead Rate (continued)

Year ended December 31, 2014

6. Related party transactions:

As of December 31, 2014, IBI Group Management Partnership (the "Management Partnership") holds 5,025,778 Class B partnership units, representing 22% of the issued and outstanding units of IBI Group Inc.

IBI Group Inc. and certain of its subsidiaries are paying to the Management Partnership an amount representing the base compensation for the services of the principals of the partners of the Management Partnership. The amount paid for such services during the year ended December 31, 2014 was \$26,093,887 (2013 - \$28,355,000) and is included as part of salaries.

7. Facilities capital cost of money ("FCCM"):

The FCCM rate has been calculated in accordance with FAR 31.205-10, using the average net book value of equipment and facilities multiplied by the prompt payment act interest rate for the applicable period. Equipment and facilities include furniture and fixtures, computer equipment, vehicles and leasehold improvement. The calculation is as follows:

Net book value of assets, prior year	\$ 1,720,705
Net book value of assets, current year	1,701,815
<hr/>	
Average net book value	1,711,260
Multiplied by average treasury rate	2.0625%
<hr/>	
Equals FCCM	35,295
Divided by direct labour cost	28,373,183
<hr/>	
FCCM rate	0.12%

8. List of direct costs accounts:

IBI Group Inc. charges the following types of costs directly to projects:

- (a) Sub-consultants
- (b) Lodging
- (c) Photocopy/print
- (d) Telephone
- (e) Postage/delivery
- (f) Supplies
- (g) Travel
- (h) Meals

IBI GROUP INC.

Notes to Statement of Overhead Rate (continued)

Year ended December 31, 2014

8. List of direct costs accounts (continued):

Direct costs are coded to the corresponding project number so they may be segregated and accumulated in the project cost accounting system. Direct costs are not included in the overhead pool and direct accounts have been established in the Company's general ledger.

9. Unallowable costs and adjustments:

Based on the accounting practices prescribed in Part 31 of the FAR, certain costs of IBI Group Inc. are unallowable for inclusion in its overhead rate calculations. IBI Group Inc. identifies and removes these costs from its indirect cost submission through the use of manual accounting techniques and the maintenance of separate accounting records and work papers. For the year ended December 31, 2014, IBI Group Inc.'s unallowable costs are as follows:

Account description	Amount	FAR section
Advertising	\$ 92,488	31.205-1
Amortization of intangibles	631,985	31.205-52
Bad debts	647,894	31.205-3
Business promotions	794,783	31.205-1, 31.205-8
Donations	80,140	31.205-8
Foreign exchange	(7,417)	n/a
General office	(493)	31.205-14
Income taxes	(632,053)	31.205-41(b)
Interest	16,623	31.205-20
Management fees	4,749,870	n/a
Meetings and conventions	7,920	31.205-1, 31.205-8
Outside consultants	988,048	n/a
Professional fees	1,035,505	31.205-33
Promotional material	30,077	31.205-1
Salaries	35,088	31.205-6
Supplies - office	6,644	31.201-3, 31.205-14
Travel	87,681	31.205-46
	<u>\$ 8,564,783</u>	

10. Subsequent events:

IBI Group Inc. has evaluated events and transactions for potential recognition or disclosure in the financial statements through May 20, 2015, the date the financial statements are available to be issued. No subsequent events requiring recognition or disclosure have been identified.

IBI GROUP INC.

Schedule of Overhead Rate

Year ended December 31, 2014

	IBI Group Inc. U.S. total	Unallowable costs	Adjusted total
Benefits:			
Employee benefits	\$ 8,368,479	\$ -	\$ 8,368,479
Holiday, vacation and sick leave	5,321,356	-	5,321,356
	13,689,835	-	13,689,835
Outside consultant benefits	157,700	157,700	-
Total benefits	\$ 13,847,535	\$ 157,700	\$ 13,689,835
General overhead:			
Advertising	\$ 92,488	\$ 92,488	\$ -
Amortization of intangibles	631,985	631,985	-
Bad debts	647,894	647,894	-
Bank charges	25,214	-	25,214
Business promotion	794,783	794,783	-
Business taxes	97,768	-	97,768
Computer charges	478,631	-	478,631
Depreciation and amortization	583,594	-	583,594
Donations	80,140	80,140	-
Foreign exchange	(7,417)	(7,417)	-
General office	789,516	(493)	790,009
Income taxes	(551,199)	(632,053)	80,854
Insurance	18,706	-	18,706
Interest expenses	16,623	16,623	-
Library and subscriptions	46,750	-	46,750
License and permits	120,485	-	120,485
Management fees	6,635,643	4,749,870	1,885,773
Meetings and conventions	158,393	7,920	150,473
Memberships and dues	205,241	-	205,241
Moving	39,978	-	39,978
Outside consultants	988,048	988,048	-
Payroll charges	65,521	-	65,521
Photocopying and equipment	959,407	-	959,407
Postage and delivery	118,746	-	118,746
Professional fee	1,035,505	1,035,505	-
Promotional material	30,077	30,077	-
Rent	6,451,121	-	6,451,121
Repairs and maintenance	218,409	-	218,409
Salaries - directors and professional staff	15,877,510	35,088	15,842,422
Supplies - architectural	74,012	-	74,012
Supplies - office and stationary	250,922	6,644	244,278
Telephone	642,743	-	642,743
Training	103,044	-	103,044
Travel	859,749	87,681	772,068
	\$ 38,580,030	\$ 8,564,783	\$ 30,015,247



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING, COMPLIANCE AND OTHER MATTERS

To the Board of Directors of IBI Group Inc.

We have audited the accompanying Statement of Overhead Rate (the "Statement") of IBI Group Inc. as of and for the year ended December 31, 2014 and have issued our report thereon, dated May 20, 2015. We conducted our audit in accordance with Canadian generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered IBI Group Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the Statement, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting or compliance. Accordingly, we do not express an opinion on the effectiveness of IBI Group Inc.'s internal control over financial reporting.

The management of IBI Group Inc. is responsible for establishing and maintaining internal control over financial reporting. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal controls over financial reporting. The objectives of internal control over financial reporting are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with Part 31 of the Federal Acquisition Regulations ("FAR").

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with Part 31 of the FAR, such that there is more than a remote likelihood that a misstatement of the entity's Statement that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Statement will not be prevented or detected, and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the entity's Statement is free of material misstatement, we performed tests of the entity's compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of the applicable sections of Part 31 of the FAR, non-compliance with which could have a direct and material effect on the determination of the Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Our report is intended solely for IBI Group Inc. and government agencies or other customers related to contracts employing the cost principles of the FAR, and should not be used by other parties for any other purpose.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

May 20, 2015
Toronto, Canada

Consultant Information Form

Firm Name: IBI Group		FYE Date: 12/31	Number of Employees: 2482
Address: 801 2nd Ave Suite 1400			
City: Seattle	State: Washington	Zip Code: 98104	County: King
Phone: 206.521.9091	Fax: 206.521.9095	Company Web Site: ibigroup.com	
Remit to Address: 801 2nd Ave Suite 1400			
City: Seattle	State: WA	Zip Code: 98104	County: King
Phone: 206.521.9091	Fax: 206.521.9095		
Statewide Vendor Number (SWV) for Remit to Address: SWV009430300		Federal Tax ID Number or Social Security Number: 95-3268721	
Unified Business Identifier Number (UBI): 601695529		Date Universal Numbering System (DUNS) Number: 021228176	
Year Firm Established: 1974	D/M/WBE Certification Number:.	NAICS Code & Code Name:	
Proposed Project Manager: Jill MacKay	Email: jmackay@ibigroup.com		
Contact Person for this Submission: Jill MacKay	Email: jmackay@ibigroup.com		

Firm Type:

Sole Proprietor
 Partnership
 C – Corp.
 Limited Partnership
 Subchapter S Corp.
 Limited Liability Company

Annual Gross Receipt:

\$0 to \$1 Million
 \$1 Million to \$5 Million
 \$5 Million to \$10 Million
 \$10 Million to \$15 Million
 Over \$15 Million

Note:

Firm Name: Please *do not* use: dba's – doing business as; combination names when two firms are working together, unless the combination name is the formation of a legally registered new company such as a joint venture; derivatives of your legal name; acronyms; etc. The firm name shown must be your firm's legal name.

Federal Tax ID Number: Your Federal Tax ID number must be that number registered to your legal firm name. If you do not have a Federal Tax ID number, please use your social security number.

Unified Business Identifier (UBI) Number: Your firm will be **REQUIRED** to acquire a UBI Number prior to execution of an agreement and/or being approved as a Sub-consultant to an existing agreement. This is a Washington State Business license and can be acquired by contacting the Washington State Department of Revenue web site at www.dor.wa.gov.

Statewide Vendor (SWV) Number: The Statewide Vendor (SWV) Number is **REQUIRED** for vendors to receive payments. If your firm doesn't already have an SWV number, your firm will be required to acquire a SWV number prior to execution of an agreement. Please contact WSDOT TRAINS Help Desk at 360-705-7514 for assistance.

FYE Date: Your firm's fiscal year end date.

It is critical that your firm name is your legal firm name and that it is the same name assigned to your Federal Tax ID number and is the same name utilized for your SWV number.