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interviews corroborate the paperwork submitted by Angel Aerial for its daily rates, TA believes that DDC should consider the daily versus monthly rate and, in view of the project duration, the daily rate should be approximately 30% less. This adjustment should also be retroactively applied to the billings submitted through January 11, 2002. TA also reviewed Angel Aerial's response to the City of New York, Department of Investigation, Subpoena dated July 2, 2002. Angel Aerial provided the information requested in the subpoena in a timely manner. The materials provided helped TA substantiate some of Angel Aerial's claims and corroborated several of our findings.

TA has identified Requisitions for Payment to Tully Construction, Inc., from October 20, 2001, through January 6, 2002, that billed for labor but did not include equipment charges. Labor charges were included in TA's previous analysis. To date, TA found no invoices for equipment. As a result of our conversation with Jim Miller on July 30, 2002, TA learned that Tully was billed for equipment through another affiliate named Dust Utilities Management Enterprises, Inc. TA will examine this issue more closely now that we have the information.

Summary of Analysis

In the Report and Addendum issued previously, TA has identified several issues regarding Angel Aerial Corporation's billing through January 20, 2002. In the previously issued Report and Addenda, TA also explained its methodology for determining the appropriate hourly rate to each piece of equipment invoiced by Angel Aerial Corporation on the project. In Addendum No. 2, TA uses the same methodologies in performing our analysis of the items invoiced through Requisitions 10 through 20. Where applicable, additional equipment utilized by the Contractor on the project has been identified and the cost charged for that equipment has been analyzed. The following represents a breakdown of the specific areas examined and the potential cost savings attributed to those areas.

Water Truck Overcharges

The potential Water Truck overcharges for Requisitions 10 through 20 are $442,569.13 and a spreadsheet for these findings is provided in Attachment 2. The potential Water Truck overcharges reflected in Addendum No. 2 are based on the methodology utilized in TA's "Angel Aerial Equipment and Accessory Costing" report dated June 17, 2002.

At the request of the City of New York, Department of Investigation, TA conducted interviews with various film production studios to determine the scope of services reflected by the $850.00 per day Water Truck rental rate. Many of the entities TA attempted to reach have telephone numbers that are no longer in service. TA contacted a total of four (4) film production companies; Kate and Leopold, Few Good Years, Jail House and Hudson County, Argyle Road Films, LLC. All four (4) entities confirmed that the $850.00 per day rate includes the Water Truck rental fee without labor. While the rates charged prior to 9/11/02 have been suggested as an alternative to the "Blue Book"

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