

May 30, 2006

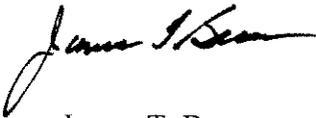
Gary E. Gray, CPA
Assistant Director
Finance and Administration
City of Houston
611 Walker
Houston, TX 77002

Dear Mr. Gray:

Please find attached an indirect cost rate calculation table associated with the Citywide and Houston Police Department Full Cost and OMB Circular A-87 Cost Allocation Plans based on actual expenditures for the fiscal year ended June 30, 2004. We have revised the indirect cost rates to reflect the audit adjustments for federal negotiation. The indirect cost rates presented in this letter include rates for the Houston Police Department that were calculated using the indirect cost allocations determined in the Full Cost and OMB Circular A-87 Cost Allocation Plans for the Houston Police Department based on actual expenditures for the year ended June 30, 2004. All other departmental indirect cost rates were calculated based on the aforementioned Citywide Cost Allocation Plans.

Sincerely,

MAXIMUS, INC.



James T. Brown

Attachment