

BUDGET JUSTIFICATION EXAMPLE—Healthy People Clinic (HPC) Construction

Project Type: Construction

Total FIP Request = \$6,770,000

Total Project Cost = \$8,121,500

HPC will purchase a one story facility consisting of 13,885 square feet of space that does not have enough space to operate efficiently to serve the patient base. The HPC project involves the renovation and expansion of the first floor by 8,500 square feet and the addition of a second floor (10,000 sq. ft.). By adding 18,500 square feet of total space to the existing 13,885 square feet, the new facility (32,385 sq. ft.) would be larger, well-organized, and suitable in responding to People County's economic and demographic changes to better accommodate the rising number of individuals lacking financial resources due to a dismal economy and the increasing number of foreign laborers without health insurance.

HPC will be expanded both outward and upward so the construction will be divided into two phases. The first phase is the extension of the clinic outward by adding a new clinic addition (8,500 sq. ft. of additional space) consisting of: six examination rooms, three isolation rooms, a treatment room, a waiting room, a medical record file room, a medical record area, public restrooms, and a decontamination room with showers. While the 1st floor is being constructed, civil work will be begin on the pond basin as well as the drainage and sewer connections followed by the parking pavement and installation of the lighting system in the parking vicinity.

Additionally, the facility would be expanded upward with the addition of an entirely new second story, which is phase 2 of the construction. The 2nd floor expansion (10,000 sq. ft.) consists of: administration offices for Medicaid eligibility workers, WIC nutritionists, the Executive Director, the Financial Officer, and the Quality Assurance Coordinator, two conference rooms (one for staff/patient education/training and the other for board/staff meetings), a waiting room, a telemedicine room, a public restroom, and a staff bathroom.

The total HPC expansion project cost is **\$8,121,500**. The purchase of the land and building at **\$1,000,000** will be paid using HPC funds. This FIP application requests **\$6,770,000** to cover the total construction and equipment cost. 5% has been set aside for contingencies (\$338,500) to be paid from other sources of funding (i.e., \$114,000 from Vegetable Asset Backed Bond, \$24,500 from Community Development Block Grant (CDBG), and \$200,000 from in-kind funds).

Construction expansion is anticipated to begin in January 2009 and completed by June 2011. The HPC expansion project would create new jobs for 35 laborers, working 40 hours a week, 1.6 years to construct the new wing and a second floor. (35 laborers x 40 hours/week x 52 weeks/2080 hours=35 FTE. The cost for the 35 FTE is \$1,092,000/year (35FTE x 2,080 hrs x \$15/hr=\$1,092,000/yr).

	ALLOWABLE COSTS—FIP	OTHER ALLOWABLE COSTS	UNALLOWABLE COSTS
Line 1—Administrative and legal expenses	\$120,000 is allocated to pay HPC's Wage Compliance Officer according to the Davis Bacon Labor rates as well as HPC's inspector and architect/engineer who are affiliated with the construction project); and environmental analysis and costs associated with evaluation of the environmental effects of proposed activities and producing the Environmental Assessment.		
Line 2—Land, structures, right-of-way, appraisals, etc.			Purchase of 5 acres of land with a 13,885 square feet facility at a total cost of \$1,000,000 to be paid by HPC funds.
Line 3—Relocation expenses and payments			Moving the clinic equipment and furniture from the current location to the new location upon project

	ALLOWABLE COSTS—FIP	OTHER ALLOWABLE COSTS	UNALLOWABLE COSTS
			completion at a total cost of \$13,000 to be paid with HPC funds.
Line 4—Architectural and engineering fees	\$398,000 is the cost for the architectural and engineering fees, which will cover the following: structural, civil engineering, mechanical, and electrical design; bid construction documents (plans and specifications); and assistance during the construction bidding (answer questions presented by the contractors.		
Line 5—Other architectural and engineering fees			
Line 6—Project inspection fees	\$438,000 is the cost to cover the following services: inspections, shop drawing, and submittal review; contractor payment certification; final construction inspection; project close out; fees for topographic survey; and the soil/foundation investigation. \$320,000 is the cost for the project inspection fees. The following inspections will be conducted in accordance with the local Department of Public Works standard and building codes: 1 st inspection: foundation (before the pouring of cement on the foundation) 2 nd inspection: walls (concrete masonry unit) at 4 ft. high; 3 rd inspection: roof framework and rebars (prior to the pouring of roof concrete); 4 th inspection: finishing work and final occupancy. Total = \$758,000		
Line 7—Site work	\$900,000 is the total site work, which includes: grading, demolition of concrete slab, existing drainage manhole catch basin, storm drainage system, existing concrete pavement; power and water infrastructure (fire, water, and sewer lines), installation of 6 ft. high chained linked fence, parking, and miscellaneous site improvements.		
Line 8—Demolition and removal			
Line 9—Construction	\$4,514,000 is the total construction cost to add 18,500 square feet of additional space to the existing 13,885 square feet, which includes the cost for: the new clinic addition (8,500 sq. ft);		

	ALLOWABLE COSTS—FIP	OTHER ALLOWABLE COSTS	UNALLOWABLE COSTS
	<p>civil work on pond basin and the drainage and sewer connection; construction of the second floor addition (10,000 sq. ft.); and parking lot pavement and installation of the lighting system at the parking area. This construction cost is derived from the following cost breakdown: structural (\$1,026,000), architectural (\$1,253,000), mechanical (\$1,137,000), and electrical (\$1,098,000).</p> <p>The structural cost of \$1,354,423 is comprised of the following: footing excavation, 6" compacted base course, concrete wall footing, concrete column footing, concrete slab on grade, first floor walls, second floor walls, roof beams, and roof slab.</p> <p>Moreover, the architectural cost of \$1,329,167 is comprised of the following: concrete work; masonry glass units; metals (aluminum railings and handrails); woods and plastic (cabinets & casework, shelving, table counter tops); thermal and moisture (roof waterproofing, building insulation, urethane roofing, flashing, and sheet metal, sealants); doors and windows (metal windows, aluminum doors and frames, high moisture frames, wood doors, door hardware, exterior window shutters, pass and observation window, glazing-laminate exterior); finishes (ceiling suspension, gypsum board (wall partitions) on metal framing, ceramic tiles, plaster on CMU, acoustical ceiling, resilient flooring, resilient wall base and accessories, and painting); specialties (toilet compartments, wall guards, directories and bulletin boards, signage and graphics, toilet bath accessories, and floor mats).</p> <p>The mechanical cost of \$1,337,406 covers the following: air conditioning and ventilation system (diffusers, roof ventilators and exhaust fans, refrigerant piping and support, ductwork, insulation, testing and balancing); water, sewer, and piping systems</p>		

	ALLOWABLE COSTS—FIP	OTHER ALLOWABLE COSTS	UNALLOWABLE COSTS
	<p>(plumbing fixtures and equipment-lavatory, water closet, shower, sinks, electric water heater, shower drain, funnel drain, soil and waste vent); cold water, hot water, water storage tank, and piping insulation; oxygen piping lines and accessories, and fire protection system (fire sprinkler system-steel piping, sprinkler heads, steel hose, and inspector test valve).</p> <p>The electrical cost of \$1,196,082 includes the following: power system (i.e., PVC conduits, aluminum EMT conduit, AWG wires, receptacles, new circuit breakers, new distribution panel boards, and new panel boards, isolation transformer); lighting system (i.e., PVC conduit, EMT conduit, lighting fixtures and wiring, light switches and lighting control, wall outlets and wiring); exterior building and parking lights (PVC conduit and wiring), electrical distribution; generator system (automatic transfer switch, 600 KW generator, manual transfer switch, disconnect switches, and testing); communication system (PVC conduit, EMT, computer data networking system (outlet, conduit & CAT 5E cabling), telephone outlet, CA TV outlet, , PA intercom system (conduit and wiring), security alarm (conduit system); and fire sprinkler system (fire alarm cable, fire alarm heat detector, fire alarm control panel).</p>		
Line 10— Equipment	None		
Line 11— Miscellaneous	<p>\$80,000 is the cost for equipment and of this amount, \$32,000 would be used to procure 6 exam tables for the new exam rooms @\$2,000 each (6 x \$2,000=\$12,000), 5 beds with wheels height adjustment @ \$4,000 each (5 x \$4,000=\$20,000) for the 3 isolation rooms and the treatment room so that patients can be in a comfortable and private setting to ensure compliance with the Health Insurance Portability and Accountability Act (HIPAA).</p> <p>\$48,000 would be used to purchase office equipment. Ten computers (4GB</p>		

	ALLOWABLE COSTS—FIP	OTHER ALLOWABLE COSTS	UNALLOWABLE COSTS
	<p>RAM, 160 GB HD, 22" monitor, Intel Core Duo 2 Processor) @\$2,500 each (10@\$2,500=\$25,000) would be purchased for each of the new exam rooms and 184 chairs would be procured (i.e., 100 chairs for the waiting room and 84 chairs for the conference room) (177@\$125=\$23,000). Sturdy heavy-duty chairs must be purchased to seat individuals over 300 pounds since there have been several incident reports of patients falling down while they sat on the chair. Many of the local people are obese so the clinic must order heavy-duty chairs to prevent any liabilities resulting from injuries.</p> <p>Itemization of Equipment Cost Exam Table (6 @\$2,000)=\$12,000 Beds (5@\$4,000)= \$20,000 Computers (10@\$2,500)=\$25,000 Chairs (184@\$125)=\$23,000</p> <p>Grand Total Equipment =\$80,000</p>		
Line 12— SUBTOTAL	\$7,783,000 (The sum of Lines 1 through 11)		
Line 13— Contingencies		\$338,500 to be paid through other sources of funding.	
Line 14— SUBTOTAL	\$8,121,500 (The sum of Lines 12 and 13)		
Line 15—Project (program) income	None		
Line 16—TOTAL PROJECT COSTS	\$8,121,500 (Enter the amount in Line 14)		
Line 17—FIP GRANT (Note: round to the nearest whole dollar amount)	\$6,770,000		