



**SAMPLE MINOR ALTERATION & RENOVATION BUDGET JUSTIFICATION**

**SBSE Location:** Health Center School-Based Service Site at the Hometown High School 123 Main Street, City, State, Zip Code

Total SBSE minor A/R funding request = \$100,000

Total funding from other sources = \$35,000

**Total Project Cost = \$135,000**

The minor A/R project proposes converting an existing large meeting room into two new exam rooms and one office, and removal of a wall to create a counseling space for mental health services. The project also includes minor cosmetic work, including new tile flooring in the four new exam rooms, and new carpet in the counseling space, and office. All the spaces will be re-painted, and the lighting will be replaced to provide more energy efficient lighting throughout the 1,000 SF space. In addition, clinical and non-clinical equipment will be purchased. Renovation-related activities are anticipated to begin within 60 days of obtaining all local approvals and completed within 3 months after the work begins.

The total SBSE renovation project cost is **\$135,000**. This application requests **\$100,000** in one-time funding to cover the majority of the total renovation and equipment costs. The balance of the project costs (**\$35,000**) will be paid for from a state grant and private contributions.

	ALLOWABLE COSTS	UNALLOWABLE COSTS
<b>Line 1—Administrative and legal expenses</b>	<b>\$6,000</b> to pay administrative staff costs directly related to this project.	
<b>Line 2—Land, structures, right-of-way, appraisals</b>		
<b>Line 3—Relocation expenses and payments</b>		<b>\$500</b> to move existing clinic equipment and furniture to completed spaces.
<b>Line 4—Architectural and engineering fees</b>	<b>\$5,000</b> for the architectural and engineering fees, which will cover the following: mechanical and electrical design; bid construction documents (plans and specifications); and assistance during the construction bidding (answer questions presented by the contractors).	
<b>Line 5—Other architectural and engineering fees</b>		
<b>Line 6—Project inspection fees</b>	<b>\$3,500</b> for project inspection fees. The inspections will be conducted in accordance with the local Department of Public Works standards and building codes.	
<b>Line 7—Site work</b>	<b>\$3,000</b> for the purchase of a large exterior sign to install on the building next to the entrance door. No construction site work (work outside of the building) is allowed or anticipated.	

	ALLOWABLE COSTS	UNALLOWABLE COSTS
<b>Line 8—Demolition and removal</b>	<b>\$4,000</b> for removal and disposal of interior partitions and materials in the interior of the existing building.	\$1,000 for abatement of asbestos insulation on existing steam pipes in ceiling
<b>Line 9— Alteration and Renovation</b>	<p><b>\$45,000</b> to renovate 1,000 square feet of existing space.</p> <p>This renovation cost is derived from the following cost breakdown: structural (\$8,000), architectural (\$16,000), mechanical (\$8,500), and electrical (\$12,500).</p> <p>The structural cost of \$8,000 includes metal studs and floor walls.</p> <p>The architectural cost of \$16,000 is comprised of the following: concrete work; masonry glass units; metals (aluminum railings and handrails); woods and plastic (cabinets &amp; casework, shelving, table counter tops); 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); and 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).</p> <p>The mechanical cost of \$8,500 covers the following: water and piping systems (plumbing fixtures and equipment - water closet, sinks, electric water heater, funnel drain); 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 \$12,500 includes the following: lighting system (PVC conduit, EMT conduit, lighting fixtures and wiring, light switches and lighting control, wall outlets, and wiring); communication system (PVC conduit, EMT, computer data networking system (outlet, conduit and 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>	
<b>Line 10— Equipment</b>	<p>\$65,000 for loose, movable equipment items.</p> <p>\$40,000 for clinical equipment; \$25,000 for non-clinical items.</p> <p><b>See itemized equipment list for additional information.</b></p>	
<b>Line 12— SUBTOTAL</b>	<b>\$131,500</b>	
<b>Line 13— Contingencies</b>	<b>\$2,000</b> , which is less than 5% of lines 7, 8, and 9.	
<b>Line 14— SUBTOTAL</b>	<b>\$133,500</b>	<b>\$1,500</b>
<b>Line 15—TOTAL PROJECT COSTS</b>	<b>\$135,000</b>	
<b>Line 16—SBSE one- time funds</b>	<b>\$100,000</b>	

The following chart lists sample allowable and unallowable costs for a proposed minor A/R project.<sup>1</sup> To be eligible for funding, the total federal and non-federal cost of the minor A/R project must be less than \$500,000, excluding the cost of moveable equipment.

COST CATEGORIES	ALLOWABLE	UNALLOWABLE
Administrative and legal expenses	<ul style="list-style-type: none"> <li>• Administrative and legal expenses should be less than 10% of total project costs</li> <li>• Salary and consultant fees that are directly related to the administration of the technical aspects of the proposed project</li> <li>• Costs associated with the evaluation of the environmental and historic preservation effects of the proposed project, obtaining public input, producing the necessary studies, analysis, and resultant reports, as well as compliance with other environmental and historic preservation laws</li> <li>• Bid advertising</li> </ul>	<ul style="list-style-type: none"> <li>• Costs of groundbreaking and dedication ceremonies and items such as plaques</li> <li>• Costs related to other sources of project financing</li> <li>• Costs for preparing grant applications</li> </ul>
Relocation	<ul style="list-style-type: none"> <li>• Costs to move and store furnishings temporarily during renovations</li> </ul>	<ul style="list-style-type: none"> <li>• The cost of moving furnishings back into the renovated areas</li> </ul>
Architectural and engineering fees	<ul style="list-style-type: none"> <li>• Fees associated with architectural and engineering professional services including, but not limited to, preparation of bid documents and inspections</li> <li>• Associated expenses for preparation of specifications and reproduction of design documents</li> <li>• Costs incurred no more than 90 days before award for architect's fees and consultant's fees necessary to the planning and design of the project, if the project is approved and funded and the costs comply with federal procurement requirements (when applicable)</li> <li>• Sustainable design services, such as LEED, including commissioning</li> <li>• Costs associated with the preparation of the Environmental Assessment and SHPO consultation</li> </ul>	<ul style="list-style-type: none"> <li>• Architectural and engineering fees for work that is not within the scope of the approved project</li> <li>• Elaborate or extravagant designs or projects that are above the known local costs for comparable buildings</li> <li>• Costs of abandoned designs (i.e., costs associated with a design that will not be used)</li> <li>• Costs for work not directly related to the project</li> </ul>
Project inspection fees	<ul style="list-style-type: none"> <li>• Clerk-of-the-works, inspection fees, structural certification, etc., to be provided by architectural engineering firm or applicant's staff</li> </ul>	<ul style="list-style-type: none"> <li>• Fees not directly related to the project</li> </ul>

<sup>1</sup> Refer to the cost principles embedded in 45 CFR part 75 at <http://www.ecfr.gov/cgi-bin/text-idx?node=pt45.1.75> for details on allowable costs.

COST CATEGORIES	ALLOWABLE	UNALLOWABLE
Site Work	<ul style="list-style-type: none"> <li>Minor alteration at entrances and adjacent sidewalks as required for ADA compliance</li> </ul>	<ul style="list-style-type: none"> <li>Fees not directly related to the project</li> <li>Exterior building work such as paving, retaining walls, foundations, etc.</li> <li>Landscaping costs</li> </ul>
Demolition and removal	<ul style="list-style-type: none"> <li>Costs of demolition or removal of structures for improvements such as wall finishings and fixtures (reduce the costs on this line by the amount of expected proceeds from the sale of salvage)</li> </ul>	<ul style="list-style-type: none"> <li>Costs not directly related to the project</li> <li>Hazardous materials remediation/abatement</li> <li>Demolition and removal of debris that will not result in a usable structure</li> </ul>
Alteration / Renovation	<ul style="list-style-type: none"> <li>Costs of acquisition and installation of fixed equipment<sup>2</sup> necessary for the functioning of the facility</li> <li>Costs for remodeling and alteration of an existing building that will be used for the project</li> <li>Special features for seismic code requirements (use nationally recognized codes adopted by authorities having jurisdiction)</li> <li>Bid guarantees and performance and payment bonds</li> <li>Costs of pollution-control equipment for the facility's boilers, incinerators, waste water treatment, etc., which may be required by local, state, or federal regulations (the facility must meet requirements of both current and future pollution abatement regulations as described in currently approved pollution plans)</li> </ul>	<ul style="list-style-type: none"> <li>Abandoned projects</li> <li>Relocation of utilities that are off site and off-site improvements</li> <li>Prorated cost of existing central utility plant and distribution systems, which serve the proposed facility</li> <li>Interior and exterior decorating fees and purchases (e.g., artwork, sculpture)</li> <li>Elaborate or extravagant materials that are above the known local costs for comparable buildings</li> <li>Fixed equipment if it is not part of the construction contract</li> <li>Bonus payments to contractors</li> </ul>
Equipment	<ul style="list-style-type: none"> <li>Moveable equipment<sup>3</sup> that is pertinent to the project (include details on Equipment List form)</li> </ul>	<ul style="list-style-type: none"> <li>Donated equipment</li> <li>Leased equipment</li> <li>Luxury furniture</li> <li>Vehicles for transportation</li> </ul>

<sup>2</sup> Fixed equipment includes items that require modification of the facility for its satisfactory installation or removal and is included in the construction contract. Examples include HVAC units, ductwork, generators, fume hoods, sinks, fixed shelving, built-in sterilizers, built-in refrigerators, and wiring or cabling inside walls or above ceilings.

<sup>3</sup> Moveable equipment is a non-expendable item with a useful life of more than one year and a unit cost of \$5,000 (or equal to the applicant's capitalization threshold) or more.

COST CATEGORIES	ALLOWABLE	UNALLOWABLE
Contingencies	<ul style="list-style-type: none"> <li>• Contingencies are limited to 5% of the A/R, Site Work, and Demolition/Removal Lines</li> <li>• The contingency does not include moveable equipment costs</li> </ul>	<ul style="list-style-type: none"> <li>• Contingency costs above the allowable percentage</li> </ul>