

SAMPLE MINOR ALTERATION & RENOVATION BUDGET JUSTIFICATION

Total CARES Minor A/R funding request = \$330,000

Total Project Cost = \$331,500

HP Clinic (HPC) proposes minor alteration and renovation of the service delivery site at the HPC West End Health Center. The project proposes to renovate 4,200 square feet of the building. The space will be reconfigured to provide a more controlled waiting area with better circulation and to improve access to the exam rooms, laboratory space, and patient services. The work will include converting an existing large meeting room into five additional exam rooms to support in-person and telehealth visits, which is needed to increase health center capacity, and removal of a wall to expand the existing laboratory space to enable COVID-19 specimen collection and testing. In addition, we will purchase a generator to provide power to critical equipment. The project also includes minor cosmetic work, including new tile flooring in the exam rooms. All the spaces will be re-painted, and the lighting will be replaced to provide energy efficient lighting in the renovated areas. In addition, clinical and non-clinical equipment will be purchased.

Renovation related activities are anticipated to begin within 30 days of obtaining all local approvals and are to be completed within 3 months after the work begins.

The total HPC West End renovation project cost is **\$331,500**. This CARES application requests **\$330,000** in funding to cover the majority of the total renovation and equipment costs. The balance of the project costs (**\$1,500**) will be paid for from private contributions.

| BUDGET JUSTIFICATION | ALLOWABLE COSTS | UNALLOWABLE COSTS |
|---|---|---|
| Administrative and legal expenses | \$18,000 to pay HPC's administrative staff costs directly related to this project. | |
| Architectural and engineering fees | \$24,500 for the architectural and engineering fees, which will cover the following: mechanical and electrical design; bid renovation/construction documents (plans and specifications); and assistance during the construction bidding (answer questions presented by the contractors). | |
| Project inspection fees | \$7,500 for project inspection fees. The inspections will be conducted in accordance with the local Department of Public Works standard and building codes. | |
| Site work | \$8,500 for exterior site work for renovation of the curb/sidewalk to include handicap accessibility. | |
| Demolition and removal | \$10,000 for removal and disposal of interior partitions and materials in the interior of the existing building. | \$1,500 for abatement of asbestos insulation on existing steam pipes in ceiling. |

| BUDGET JUSTIFICATION | ALLOWABLE COSTS | UNALLOWABLE COSTS |
|--|--|-------------------|
| <p>Minor A/R (Construction)</p> | <p>\$213,900 to renovate 4,200 square feet of existing space.</p> <p>This renovation cost is derived from the following cost breakdown: structural (\$28,000), architectural (\$103,500), mechanical (\$48,000), and electrical (\$34,400).</p> <p>The structural cost of \$28,000 is comprised of the following: creating openings in the existing interior walls, wall bracing, supports and minor modifications to the existing structure.</p> <p>The architectural cost of \$103,500 is comprised of the following: concrete patching work for plumbing; metals (aluminum railings and handrails); woods and plastic (cabinets & casework, shelving, table counter tops); doors and interior 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, non-absorbent acoustical ceiling, seamless, poured-in-place flooring with integrated wall base and accessories, and painting new and existing partitions with easily cleaned paint).</p> <p>The mechanical cost of \$48,000 covers the following: water, sewer, and piping systems (plumbing fixtures and equipment - lavatory, water closet, sinks, electric water heater); hot and cold water and piping insulation; oxygen piping lines and accessories; replacement of HVAC air filters with new HEPA filters; and fire protection system (fire sprinkler system - steel piping, sprinkler heads, steel hose, and inspector test valve).</p> <p>The electrical cost of \$34,400 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, security alarm conduit system); and fire sprinkler system (fire alarm cable, fire alarm heat detector, fire alarm control panel) and an emergency generator system.</p> | |
| <p>Equipment</p> | <p>\$36,000 for movable equipment.</p> <p>\$25,000 for clinical equipment; \$11,000 for non-clinical items. See itemized equipment list for additional information.</p> | |
| <p>Contingencies</p> | <p>\$11,600, which is less than 5% of lines 7, 8, and 9.</p> | |
| <p>TOTAL PROJECT COSTS</p> | <p>\$331,500</p> | |
| <p>CARES funding</p> | <p>\$330,000</p> | |

The following chart lists sample allowable and unallowable costs for a proposed minor A/R project.¹

| COST CATEGORIES | ALLOWABLE | UNALLOWABLE |
|------------------------------------|--|---|
| Administrative and legal expenses | <ul style="list-style-type: none"> • Salary and consultant fees that are directly related to the administration of the technical aspects of the proposed project. Administrative and legal expenses should be less than 10% of total project costs. • 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 environmental and historic preservation laws • Bid advertising | <ul style="list-style-type: none"> • Costs of groundbreaking and dedication ceremonies and items such as plaques • Costs related to other sources of project financing • Costs for preparing grant applications |
| Architectural and engineering fees | <ul style="list-style-type: none"> • Fees associated with architectural and engineering professional services including, but not limited to, preparation of bid documents and inspections • Associated expenses for preparation of specifications and reproduction of design documents • 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) • Sustainable design services, such as LEED, including commissioning • Costs associated with the preparation of the Environmental Assessment and SHPO consultation | <ul style="list-style-type: none"> • Architectural and engineering fees for work that is not within the scope of the approved project • Elaborate or extravagant designs or projects that are above the known local costs for comparable buildings • Costs of abandoned designs (i.e., costs associated with a design that will not be used) • Costs for work not directly related to the project |
| Project inspection fees | <ul style="list-style-type: none"> • Clerk-of-the-works, inspection fees, structural certification, etc., to be provided by architectural engineering firm or applicant's staff | <ul style="list-style-type: none"> • Fees not directly related to the project |

¹ 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"> Minor alteration at entrances and adjacent sidewalks as required for ADA compliance | <ul style="list-style-type: none"> Fees not directly related to the project Exterior building work such as paving, retaining walls, foundations, etc. Landscaping costs |
| Demolition and removal | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> Costs not directly related to the project Hazardous materials remediation/abatement Demolition and removal of debris that will not result in a usable structure |
| Alteration / Renovation | <ul style="list-style-type: none"> Costs of acquisition and installation of fixed equipment² necessary for the functioning of the facility. Costs for remodeling and alteration of an existing building that will be used for the project. Special features for seismic code requirements. Use nationally recognized codes adopted by authorities having jurisdiction. Costs of eliminating architectural barriers to the handicapped Bid guarantees and performance and payment bonds 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. | <ul style="list-style-type: none"> Abandoned projects Relocation of utilities that are off site and off-site improvements Prorated cost of existing central utility plant and distribution systems, which serve the proposed facility Interior and exterior decorating fees and purchases (e.g. artwork, sculpture) Elaborate or extravagant materials that are above the known local costs for comparable buildings Fixed equipment if it is not part of the construction contract Bonus payments to contractors |
| Equipment | <ul style="list-style-type: none"> Moveable equipment³ that is pertinent to the project (include details on Equipment List from) | <ul style="list-style-type: none"> Donated equipment Luxury furniture |

² 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 drinking fountains.

³ 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">• Contingencies are limited to 5% of the A/R and Demolition/Removal Lines. The contingency does not include moveable equipment costs. | <ul style="list-style-type: none">• Contingency costs above the allowable percentage |