

**FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Supplemental Funding for
Health Centers
Sample Minor Alteration and Renovation Budget Narrative**

Total ECT Minor A/R funding request = \$137,400

Total Project Cost = \$139,400

AC Clinic (ACC) proposes minor alteration and renovation of the service delivery site at the ACC East Side Health Center. The project proposes to renovate 2,000 square feet of the building. The work will remove an interior wall to expand an existing in-house laboratory space to enable COVID-19 specimen collection and testing. The work will also convert an existing waiting room into two additional exam rooms to support COVID testing services and related telehealth visits, which is needed to increase health center capacity. The project includes minor cosmetic work, including new tile flooring in the exam rooms, painting and lighting replacement to support the conversion of the spaces into exam rooms. In addition, a tent will be purchased for drive-through testing.

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

The ECT application requests \$137,400 to cover the total cost of the ACC East Side renovation project, which is less than the \$150,000 limit specified in the ECT Reporting Requirement Guidance. The total project cost is \$139,400, which does not include the cost of moveable equipment, as specified in the Reporting Requirement Guidance.

Table 1: Example ACC Minor Alteration and Renovation Budget Narrative

CATEGORY	ALLOWABLE COSTS	UNALLOWABLE COSTS
Administrative and legal expenses	\$6,000 to pay ACC’s administrative staff costs directly related to this project.	
Architectural and engineering fees	\$13,500 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	\$5,500 for project inspection fees. The inspections will be conducted in accordance with the local Department of Public Works standard and building codes.	
Site work	\$4,500 for exterior site work for renovation of the curb/sidewalk to include handicap accessibility.	

CATEGORY	ALLOWABLE COSTS	UNALLOWABLE COSTS
Demolition and removal	\$5,000 for removal and disposal of interior partitions and materials in the interior of the existing building.	\$2,000 for abatement of asbestos insulation on existing steam pipes in ceiling.
Minor A/R (Construction)	<p>\$95,900 to renovate 2,000 square feet of existing space.</p> <p>This renovation cost is derived from the following cost breakdown: structural (\$18,000), architectural (\$43,500), mechanical (\$18,000), and electrical (\$16,400).</p> <p>The structural cost of \$18,000 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 \$43,500 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 \$18,000 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 \$16,400 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)</p>	

CATEGORY	ALLOWABLE COSTS	UNALLOWABLE COSTS
Equipment	<p>\$11,000 for movable equipment.</p> <p>\$5,000 is for a tent for drive-through testing. <i>See Equipment List Form for itemized list and additional information.</i></p>	
Contingencies	\$6,600 , which is less than 5% of lines 7, 8, and 9.	
TOTAL PROJECT COSTS	\$139,400	
ECT funding	\$137,400	

Table 2: Allowance of Common Minor A/R Costs

The following table lists sample allowable and unallowable costs for a proposed minor A/R project. Refer to the cost principles embedded in [45 CFR part 75](#) for details on allowable costs.

CATEGORY	ALLOWABLE COST	UNALLOWABLE COST
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

CATEGORY	ALLOWABLE COST	UNALLOWABLE COST
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
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 equipment¹ 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

¹ 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.

CATEGORY	ALLOWABLE COST	UNALLOWABLE COST
Equipment	<ul style="list-style-type: none"> • Moveable equipment² that is pertinent to the project (include details on Equipment List from) 	<ul style="list-style-type: none"> • Donated equipment • Luxury furniture
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

² 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.