

SECTION 7: BUDGET NARRATIVE (PLEASE SEE BUDGET SPREADSHEET FOR DETAILED BREAKDOWN OF BUDGET LINE ITEMS)

BUDGET DETAIL

A. Personnel:

Cedar Rapids

Senior Engineer: Funds (and associated fringe benefits) are requested for salary support at 33% effort for each year of the proposed project. A 3% salary inflation was included in the calculation of salary for each year. The senior engineer will oversee all aspects of the project including planning, construction, and quality assurance. The senior personnel will also oversee the other project engineers and ensure training of staff. The senior engineer will also be the key contact for the coalition, responsible for sharing findings broadly throughout the region.

Project Engineer: Funds (and associated fringe benefits) are requested for salary support at 50% effort for each year of the proposed project. A 3% salary inflation was included in the calculation of salary for each year. In addition to supporting all aspects of project planning and implementation, permitting, the project engineer will work directly with consultants and oversee construction. The project engineer will also be responsible for reporting on GHG reduction measures.

Quality Control Inspector: Funds (and associated fringe benefits) are requested for salary support 2 FTE for each year of the proposed project. A 3% salary inflation was included in the calculation of salary for each year. During construction, the quality control inspector will ensure construction standards are met, accurate measurements are obtained from the digesters, meters, and transportation to the gas utility.

Iowa City

Senior Engineer: Funds (and associated fringe benefits) are requested for salary support at 33% effort for each year of the proposed project. A 3% salary inflation was included in the calculation of salary for each year. The senior engineer will oversee all aspects of the project including planning, construction, and quality assurance. The senior personnel will also oversee the other project engineers and ensure training of staff. The senior engineer will also be the key contact for the coalition, responsible for sharing findings broadly throughout the region.

Quality Control Inspector: Funds (and associated fringe benefits) are requested for salary support 2 FTE for each year of the proposed project. A 3% salary inflation was included in the calculation of salary for each year. During construction, the quality control inspector will ensure construction standards are met, accurate measurements are obtained from the digesters, meters, and transportation to the gas utility.

Description of Personnel Cost Share (Please see personnel cost share tab on budget): Total personnel cost share will be \$223,997.

B. Fringe Benefits

Fringe benefits include health care, paid leave, insurance, and retirement costs associated with the requested salary.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Cedar Rapids	\$47,600	\$49,028	\$50,499	\$52,014	\$53,574	\$252,715
Iowa City	\$40,800	\$42,024	\$43,285	\$44,583	\$45,921	\$216,613
Total	\$88,400	\$91,052	\$93,784	\$96,597	\$99,495	\$469,328

Fringe Benefit Cost Share: Total fringe benefit cost share \$38,079.

C. Travel

The Cedar Rapids and Iowa City partnership will work in tandem to share findings and support workforce development within the Eastern Iowa Corridor and nationally. Both cities request \$1,601 per year for travel expenses, which includes airfare for one trip each year plus luggage fees, ground transportation and hotel. Other travel-related items include a daily per diem for 3.5 days based on GSA rates, parking, and local mileage reimbursement.

D. Equipment

Cedar Rapids requests \$12,000 each year for five years for construction trailers required on site during construction.

Iowa City requests \$2,000 for equipment needed each year for testing and inspections.

E. Supplies

Supplies for Cedar Rapids and Iowa City are estimated based on past projects and contracts, with office supplies being the primary category for expenditures. Cedar Rapids requests \$2,000 each year for 5 years and Iowa City requests \$1,000 each year for 5 years.

F. Contractual

Contract budgets were estimated based on past performances and costs from similar projects.

Cedar Rapids

- *Biogas line to interconnection point (\$2,000,000):* The biogas line will transport methane from WPC digesters and scrubbers to the gas utility. There will be multiple meters located throughout the line. RNG will be compressed to pipeline pressures and injected into the utility line.
- *Anerobic digesters (\$40,410,000):* Solids from the wastewater will be put into the digesters. In the anerobic environment, the solids release methane and other associated gases which are captured in the digesters' head space.
- *Gas cleaning (\$13,910,000):* Equipment is needed to remove gas impurities, including hydrogen sulfide, siloxanes, moisture, and volatile organic compounds. The gas will be compressed, and carbon dioxide will be separated from the methane.
- *Secondary digesters (\$5,340,000):* After going through the primary digester, the solids move to a secondary digester to allow additional time for gases to be released and capture remaining gas.

- Food-to-waste digester (\$29,500,000): Organics will be diverted from the local landfill to a dedicated anaerobic digestion facility, with additional capacity for waste and fats, oils, and greases (FOG). Costs include feedstock receiving facilities and additional digestion, dewatering, and biogas treatment capacity and expanded aerobic granular sludge system.

Iowa City

- *Gas cleaning (\$14,890,137)*: Gas upgrading equipment will be located near the anaerobic digesters and will remove gas impurities, including hydrogen sulfide, siloxanes, moisture, and volatile organic compounds. The gas will be compressed, and carbon dioxide will be separated from the methane using membranes or pressure swing adsorption gas separation equipment. Requested funds include design fees, equipment procurement, construction costs, and engineering services.
- *Digester Upgrades (\$15,363,400)*: Two storage silos will be constructed to provide approximately 40,000 gal of storage, with space for a third tank in the future. The high-strength solid waste will be stored and mixed in the tanks prior to entering the digestion tanks, where the energy is converted to methane gas. The methane will be captured and upgraded to pipeline quality RNG prior to injection. Requested funds include design fees, equipment procurement, construction costs, and engineering services.

G. Other

Internships: Each city will support 2 part-time summer internships in June, July, and August for the 5-year project. Each student will work up to 20 hours per week at a rate of \$16 per hour. The cities will recruit students from local technical colleges such as Kirkwood Community College and the Des Moines Area Community College.

Inspection and Testing Services: Funds are requested for site testing services. Costs will vary over the lifecycle of the project. Testing includes concrete and soil testing, structural testing, safety and wiring testing, welding inspection tests and any required load and impact testing at various points during the project. Cedar Rapids requests \$105,000 and Iowa City requests \$80,000.

H. Indirect Costs

No indirect costs will be expended as part of the proposed projects for Cedar Rapids and Iowa City.

Budget spreadsheet

The budget spreadsheet provided as a separate attachment provides detailed information on requested funds for each year of the project.

The Budget Spreadsheet outlines expenditures for the following categories:

- i. Personnel
- ii. Fringe Benefits
- iii. Travel
- iv. Equipment
- v. Supplies
- vi. Contractual
- vii. Other
- viii. Indirect Charges

Table 1 summarizes the consolidated budget allocation for Cedar Rapids and Iowa City by category and year.

Category	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Total Personnel	\$520,000	\$535,600	\$551,668	\$568,218	\$585,265	\$2,760,751
Total Fringe Benefits	\$88,400	91,052	93,784	96,597	99,495	\$469,328
Total Travel	\$3,202	\$3,202	\$3,202	\$3,202	\$3,202	\$16,010
Total Equipment	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$70,000
Total Supplies	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$15,000
Total Contractual	\$16620637	\$31,165,000	\$35,500,000	\$28,461,900	\$9666000	\$121,413,537
Total Other	\$46,000	\$66,000	\$66,000	\$56,000	\$23,000	\$257,000
Total Direct	\$17,439,602	\$31,843,055	\$36,196,019	\$29,166,409	\$10,356,541	\$125,001,625
Total Indirect	0	0	0	0	0	
Total Funds Requested	\$17,439,602	\$31,843,055	\$36,196,019	\$29,166,409	\$10,356,541	\$125,001,625

Table 2 demonstrates the total funds requested for Cedar Rapids, the lead entity, and Iowa City, the sub-awardee.

PROJECT NAME	TOTAL COST	% OF TOTAL FUNDING REQUEST
Accelerating Methane Capture and Renewable Natural Gas Adoption at Wastewater Facilities in Eastern Iowa	\$93,122,277	74.50%
Sub-Award to Iowa City Accelerating Methane Capture and Renewable Natural Gas Adoption at Wastewater Facilities in Eastern Iowa	\$31,879,348	25.50%
TOTAL FUNDING REQUEST	\$125,001,625	100%
TOTAL COST SHARE	\$262.077	N/A
TOTAL PROJECT COSTS	\$125,987,213	N/A

EXPENDITURE OF AWARDED FUNDS

Cedar Rapids and Iowa City will utilize awarded funding in a timely, efficient manner within the 5-year performance period for the funding program.

Approach

Cedar Rapids procurement policies are not preempted by the requirements for State and Federal grants unless the City requirement is inconsistent with the State or Federal grant requirements, in which case departments shall follow strictest of any applicable policy. City departments shall adhere to the City's procurement policies and all State and Federal requirements. In addition, all applicable conditions of State or Federal funding must be included in bid and proposal solicitations and contracts.

Procedures

Purchases made with Federal, State, or local grant funds shall comply with applicable grant requirements. Care must be taken to review the procurement policy provisions of every grant award package to ensure that all restrictions and special purchase requirements are understood and addressed. The employee administering the grant is responsible for ensuring that purchases are allowable under the grant agreement and in accordance with this policy.

The grant document shall be read carefully, the agency (State or Federal) that has awarded the grant shall be identified and all references to Office of Management Budget (OMB) Circulars, the Code of Regulation (CFR) or other documents that are referred to shall be reviewed and the required terms and conditions included in the solicitation documents (RFB, RFP or RFQ) and in the resulting contract.

Controls

Careful records of bids or proposals for goods or services using grant funds shall be retained in strict accordance with the terms of the grant. Grant retention terms supersede the City's retention policy. If the purchase is subject to the conditions of Federal, State or County grant requirements, the applicable provisions of said grant will determine the method of award.

If no grant provisions apply, the City's Local Preference Policy shall be applied to acceptable quotes from businesses located within Linn County who have submitted an acceptable notarized Local Business Certificate (Reference Local Preference Policy, Section 6). Award of quote shall be made on a purely objective basis to the responsible bidder submitting the lowest responsive quote.

REASONABLENESS OF COSTS

Cost estimates generated by engineers are based on historical costs of related and similar projects. Contractors have partnered with the consultant team to review constructability and cost estimates to assure the validity of the proposed construction budget. Consultant use 'RS Means' data to perform estimates. As the proposed budget is based on estimates, values are subject to flexibility and changes. Each time the project plans and specifications are updated to 30, 60, 90 and 100 percent completion and reviewed by city staff, engineers perform probability cost estimates. To Cedar Rapids and Iowa City's knowledge, the proposed budget is reasonable and has been vetted by third party subject matter experts. Additionally, Chapter 26 of the Iowa State Code requires municipal entities to use the lowest, responsive, responsible bidder.