

Budget Narrative

Consolidated Budget Table

At the end of the 5-year duration of the grant, the main budget categories expect to reach the following expenditure levels:

BUDGET BY YEAR							
COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs	PERSONNEL	\$ 368,333	\$ 2,194,599	\$ 2,260,437	\$ 2,328,250	\$ 2,398,098	\$ 9,549,718
	FRINGE	\$ 257,494	\$ 1,405,356	\$ 1,447,516	\$ 1,490,942	\$ 1,535,670	\$ 6,136,977
	TRAVEL	\$ -	\$ 125,625	\$ 125,625	\$ 125,625	\$ 125,625	\$ 502,500
	EQUIPMENT	\$ 4,410,000	\$ -	\$ -	\$ -	\$ -	\$ 4,410,000
	SUPPLIES	\$ 2,854,250	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,862,250
	CONTRACTUAL	\$ 13,770,758	\$ 13,606,137	\$ 7,570,758	\$ 500,000	\$ 250,000	\$ 35,697,653
	OTHER	\$ 56,100,422	\$ 39,503,113	\$ 18,179,083	\$ 11,300,880	\$ 11,382,456	\$ 136,465,954
	DIRECT	\$ 77,761,257	\$ 56,836,830	\$ 29,585,420	\$ 15,747,697	\$ 15,693,849	\$ 195,625,053
Indirect	TOTAL INDIRECT	\$ 789,008	\$ 372,758	\$ 383,558	\$ 394,682	\$ 406,139	\$ 2,346,145
TOTAL FUNDING		\$ 78,550,264	\$ 57,209,588	\$ 29,968,978	\$ 16,142,379	\$ 16,099,988	\$ 197,971,197

The total funding and percentages as broken down by measures are as follows:

BUDGET BY PROJECT			
Project Number	Project Name	Total Cost	% of Total
1	Waste & Circular Economy	\$ 51,555,313	26%
2	Industrial Decarbonization	\$ 56,560,372	29%
3	Public Buildings Decarbonization	\$ 89,855,513	45%
Total		\$ 197,971,197	100%

I. Personnel

The total personnel costs should add up to **\$9,549,718** and cover multiple new positions for the City of Chicago. These personnel will work for at least 80% full-time of the 5-year grant duration. The roles are defined based on the measures below:

Under Measure 1 (Waste & Circular Economy): **\$8,098,555**

- The Department of Streets & Sanitation (DSS) will hire 15 truck drivers to operate service to compost collection routes starting in Year 2 of the grant. We'll utilize a standard City rate of \$36.45/hour and an annual cost of living adjustment of 3% for an approximate **\$4,757,788** throughout the grant.
- The Department of Streets & Sanitation (DSS) will hire 15 laborers to perform direct pickup along compost collection routes starting in Year 2 of the grant. We'll utilize a standard City rate of \$21.73/hour and an annual cost of living adjustment of 3% for an approximate **\$2,836,399** throughout the grant.

- The Chicago Department of Environment (DOE) will hire 1 project manager to oversee the administration, operations, compliance, monitoring, and reporting for the grant starting in Year 1 for Measure 1. A standard project manager's salary is \$95,000 per year with an annual cost of living adjustment of 3% for an approximate **\$504,368** throughout the grant.
- The Chicago Department of Environment (DOE) will hire 1 project director to oversee the CPRG grant administration, coordinate the implementation of 3 measures, grant compliance, and make sure the reporting for the grant is submitted promptly. Only 33.3% will be allocated to Measure 1. A standard project director's salary is \$125,000 per year with an annual cost of living adjustment of 3% for an approximate **\$221,214** throughout the grant.
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Under Measure 2 (Industrial Decarbonization): **\$725,582**

- The Chicago Department of Environment (DOE) will hire one (1) project manager oversee the administration, operations, compliance, monitoring, and reporting for the grant starting in Year 1. A standard project manager's salary is \$95,000 per year with an annual cost of living adjustment of 3% for an approximate **\$504,368** throughout the grant..
- The Chicago Department of Environment (DOE) will hire 1 project director to oversee the CPRG grant administration, coordinate the implementation of 3 measures, grant compliance, and make sure the reporting for the grant is submitted promptly. Only 33.3% will be allocated to Measure 2. A standard project director's salary is \$125,000 per year with an annual cost of living adjustment of 3% for an approximate **\$221,214** throughout the grant.

Under Measure 3 (Buildings Decarbonization): **\$725,582**

- The Chicago Department of Environment (DOE) will hire 1 project manager to oversee the administration, operations, compliance, monitoring, and reporting for the grant starting in Year 1 for Measure 1. A standard project manager's salary is \$95,000 per year with an annual cost of living adjustment of 3% for an approximate **\$504,368** throughout the grant.
- The Chicago Department of Environment (DOE) will hire 1 project director to oversee the CPRG grant administration, coordinate the implementation of 3 measures, grant compliance, and make sure the reporting for the grant is submitted promptly. Only 33.3% will be allocated to Measure 3. A standard project director's salary is \$125,000 per year with an annual cost of living adjustment of 3% for an approximate **\$221,214** throughout the grant.

II. Total Fringe Benefits

Consolidated Fringe Benefits across the 3 measures will equal a total of **\$6,136,977** across the 5-year period of this grant. The amount over the first year will increase significantly in the second year due to the hiring of 15 truck drivers and 15 laborers operated by DSS. As of FY2023, the Fringe rate is 62.8% of base salary.

Under Measure 1 (Waste & Circular Economy): **\$5,225,647**

Fringe salary is 62.8% of the total base salaries (\$8,098,555) totaling **\$5,225,647**.

Under Measure 2 (Industrial Decarbonization): **\$455,665**

Fringe salary is 62.8% of the total base salaries (\$725,582) totaling **\$455,665**

Under Measure 3 (Buildings Decarbonization Sector): **\$455,665**

Fringe salary is 62.8% of the total base salaries (\$725,582) totaling **\$455,665**

III. Total Travel

Travel costs are expected to remain constant each year at a value of \$125,625, bringing the total for the 5-year period to **\$502,500** across the 3 measures. These are primarily bucketed to Measure 1 for the operation of the 15 pickup routes.

Under Measure 1 (Waste & Circular Economy): **\$502,500**. The City DSS approximates that each of the 15 trucks will service 50 miles of routes estimated 250 per business days at a rate of \$0.67 per mile resulting in approximately \$125,625 in mileage costs per year.

IV. Total Equipment

The City anticipates incurring **\$4,410,000** for equipment costs related to the grant.

Under Measure 1 (Waste & Circular Economy): **\$4,410,000**. The City DSS will purchase 15 trucks (i.e., 6 x 4 tilt cab chassis rear-loading trucks) at approximately \$294,000 each resulting in a total expenditure of \$4,410,000 in Year 1. This will be an upfront cost.

V. Total Supplies

The City anticipates incurring **\$2,862,250** for supply costs related to the grant.

Under Measure 1 (Waste & Circular Economy): **\$2,852,250**

- The City DSS seeks 18,000 curbside carts at \$52 per unit for a total of **\$936,000**.
- 18,000 kitchen pails at \$15 per unit for a total of **\$270,000**.
- 18 million compostable pail liners at \$.09 per unit for a total of **\$1,620,000**.
- Cost of outreach materials to reach 26,250 households across Chicago, with an approximate cost of \$1 per household for mailers, local ads, etc. for a total cost of **\$26,250**.

Under Measure 2 (Industrial Decarbonization): **\$10,000**

- The City DOE seeks \$2,000 in various supplies annually, totaling **\$10,000**.

VI. Total Contractual

The City has allocated **\$35,697,653** for competitive incentives and funding opportunities

Under Measure 1 (Waste & Circular Economy): **\$6,200,000**

- DOE will also issue a local competitive subgrant of \$6,200,000 for local organizations participating in composting operations.

Under Measure 2 (Industrial Decarbonization): **\$22,250,000**

- For the issuance of the Chicago Pollution Prevention funds, DOE requests \$20,000,000 across the first three (3) fiscal years of the grant.
- For the issuance of the competitive bid for a program administrator consultant, DOE requests \$2,250,000 across the five (5) years of the grant.

Under Measure 3 (Industrial Decarbonization): **\$7,247,653**

- The City DOE will utilize **\$7,247,653** for equipment and installation of retrofits on behalf of Chicago Public Libraries for facility decarbonization efforts. The approximate cost per library is **\$1,035,379** for 7 libraries.

VII. Other Direct Costs

Subawards will constitute the largest portion of the grant constituting **\$136,465,954**.

General Other Direct Costs, spread across all 3 measures: Some costs, including the subawards to (1) the technical assistance and implementation partner, (2) the program evaluation and research partner, and (3) the nonprofit community engagement partner will have their respective costs allocated across all 3 measures. Total amount is: **\$4,500,000**

- The City will provide a subgrant of \$200,000 per year per measure (for all 3 measures) to a partner for technical assistance and implementation of the grant. Given the 5-year period of the grant, this will total to \$1,000,000 for each measure. The total amount across all 3 measures is **\$3,000,000**.
- The City will provide a subgrant of \$50,000 per year per measure (for all 3 measures) to a partner for program evaluation & research of the grant. Given the 5-year period of the grant, this will total to \$250,000 per measure. The total amount across all 3 measures is **\$750,000**.
- The City will provide a subgrant of \$50,000 per year per measure (for all 3 measures) to a partner for community engagement and coordination with environmental justice communities. Given the 5-year period of the grant, this will total to \$250,000 per measure. The total amount across all 3 measures is **\$750,000**.

Under Measure 1 (Waste & Circular Economy): **\$22,157,466**

- The City DOE will provide a subaward of **\$10,000,000** to install and operate a new Anaerobic Digester, operational staff, a new truck, and workforce development opportunities.
- The City DOE will provide a subaward of **\$5,000,000** to Chicago Public Schools for composting operations.
- The City DOE will provide a subaward of **\$5,657,466** to Cook County for waste diversion of local County facilities and operations.
 - Direct subaward of \$5,000,000 in direct subaward to Cook County Department of Environment & Sustainability (DES).
 - Salary for one (1) project manager to oversee the administration, operations, compliance, monitoring, and reporting for the grant starting in Year 1. A standard

County Project Manager salary is \$86,700 per year with an annual cost of living adjustment for an approximate \$472,997 throughout the grant.

- Fringe benefits for one (1) project manager at the standard Cook County rate of 39% of base salary will be approximately \$184,469 throughout the grant.
- The General Other Direct Costs includes **\$1,500,000** of the allocation which includes partners for technical assistance (\$1,000,000), program evaluation (\$250,000), and community engagement (\$250,000).

Under Measure 2 (Industrial Decarbonization): **\$33,000,000**

- The City DOE will provide a subaward of **\$3,500,000** to DuPage County for local sustainability industrial decarbonization operations.
- The City DOE will issue a subaward of **\$28,000,000** to Cook County DES. The total funds BRITE Program Retrofit Incentive as well as general personnel costs as broken down below:
 - The Cook County Department of Environment & Sustainability (DES) will hire one (1) BRITE County Manager to oversee the administration, operations, compliance, monitoring, and reporting of the grant starting in Year 1. A standard BRITE County Manager salary is \$86,700 per year with an annual cost of living adjustment for an approximate **\$472,997** throughout the grant.
 - The Cook County Department of Environment & Sustainability (DES) will hire three (3) BRITE Engineers to help businesses within the County boundaries reduce their environmental impact while creating a healthier environment for their employees, customers and community by offering on-site assessments to reduce pollution. A standard BRITE County Engineer salary is \$74,700 per year with an annual cost of living adjustment for an approximate \$407,530 throughout the grant, **\$1,222,592** for the three positions.
 - The Cook County Department of Environment & Sustainability (DES) will hire one (1) BRITE Outreach Coordinator to help businesses within the County boundaries reduce their environmental impact while creating a healthier environment for their employees, customers and community by offering on-site assessments to reduce pollution. A standard BRITE Outreach Coordinator salary is \$69,300 with an annual cost of living adjustment for an approximate **\$378,070** throughout the grant.
 - Fringe benefits for the five employees above at the standard Cook County rate of 39% of base salary will be approximately **\$808,727** throughout the grant.
- The General Other Direct Costs includes **\$1,500,000** of the allocation which includes partners for technical assistance (\$1,000,000), program evaluation (\$250,000), and community engagement (\$250,000).

Under Measure 3 (Building Decarbonization): **\$81,308,488**

The total personnel costs add up to \$873,205 and partially cover five (5) positions as they will be allocating a portion of their time throughout the 5-year grant duration. The roles are defined based on the measures below:

- The City DOE will provide a subaward of **\$19,934,098** to Chicago Public Schools for facility decarbonization efforts.

- The City DOE will provide a subaward of **\$19,977,000** to Chicago Housing Authority for facility decarbonization efforts.
- The City DOE will provide a subaward of **\$29,897,391** to Cook County to fund its Bureau of Asset Management's Build Up Cook program to manage capital investment decarbonization and retrofit efforts in less-resourced Cook County suburban municipalities. Specific costs are broken down as follows, Capital Infrastructure improvements (\$24,000,000) , construction management contracts (\$3,903,030), and the implementation of the project management office (\$780,606), in addition to prorated salaried roles and the standard 39% fringe rate on base salary.
 - The **Cook County Bureau of Asset Management (BAM)** will hire **one (1) Director** to oversee the administration, operations, compliance, monitoring, and reporting for the grant starting in Year 1. A standard County Director salary is \$153,772 and since the employee will allocate ¼ of time for this grant \$38,443 will be appropriated as initial salary for all tasks related to the CPRG with an annual cost of living adjustment for an approximate \$209,728 throughout the grant.
 - The **Cook County Bureau of Asset Management (BAM)** will hire **one (1) Relationship Manager** to oversee the administration, operations, compliance, monitoring, and reporting for the grant starting in Year 1. A standard County Relationship Manager salary is \$128,230 and since the employee will allocate ½ of time for this grant \$64,115 will be appropriated as initial salary for all tasks related to the CPRG with an annual cost of living adjustment for an approximate \$349,782 throughout the grant.
 - The **Cook County Bureau of Asset Management (BAM)** will hire **one (1) Senior Financial Analyst** to oversee the administration, operations, compliance, monitoring, and reporting for the grant starting in Year 1. A standard County Senior Financial Analyst salary is \$130,000 and since the employee will allocate ¼ of time for this grant \$32,500 will be appropriated as initial salary for all tasks related to the CPRG with an annual cost of living adjustment for an approximate \$177,306 throughout the grant.
 - The **Cook County Bureau of Asset Management** will hire **one (1) Project Director** to oversee the administration, operations, compliance, monitoring, and reporting for the grant starting in Year 1. A standard County Project Director salary is \$100,000 and since the employee will allocate ¼ of time for this grant \$25,000 will be appropriated as initial salary for all tasks related to the CPRG with an annual cost of living adjustment for an approximate \$136,389 throughout the grant.

The City DOE will provide a subaward of \$9,999,999 to Housing Authority of Cook County for facilities decarbonization efforts.

- The General Other Direct Costs includes **\$1, 500,000** of the allocation which includes partners for technical assistance (\$1,000,000), program evaluation (\$250,000), and community engagement (\$250,000).

VIII. Indirect Costs

Indirect costs are calculated at a negotiated federal rate of 10% of de minimis costs. We applied 10% de minimis for all direct costs NOT including contractual and other (subaward) costs. The total indirect costs across five years and three (3) measures is **\$2,346,145**

- Under Measure 1 (Waste & Circular Economy): Indirect applied costs total **\$2,108,895**
- Under Measure 2 (Industrial Decarbonization): Indirect applied costs total **\$119,125**
- Under Measure 3 (Building Decarbonization): Indirect applied costs total **\$118,125**

Expenditure of Awarded Funds

Key to our approach is our combination strategy for ensuring funding is expended: the City relies on established programs and public agency existing staff and data to avoid having to build an implementation strategy and entity from scratch. At the same time, this is paired with a streamlined program management function at the City led by a Director of Implementation and several individual measure project managers. We will begin hiring efforts for these key staff immediately upon award and the streamlined PMO can then immediately begin work with existing staff at Cook County and other partner agencies to ensure funding is expended on time.

The City of Chicago will also utilize its existing accounting and management system to move funding through organization auditing checks. Grant agreements and payments to subgrantees will proceed quickly and in compliance with EPA's Subaward Policy and the Automated Standard Application Payments (ASAP) and Proper Payment Draw General Terms and Conditions of EPA Financial Assistance Agreements. The City of Chicago will:

- (1) Ensure subawards and contracted services are clearly identified in reporting to EPA.
- (2) Evaluate contractors and partner risk of noncompliance with Federal statutes, regulations, and other terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.
- (3) Consider imposing specific conditions upon a funded entity, if appropriate.
- (4) Monitor the activities of the recipients to ensure funds are used for authorized purposes.
- (5) Employ monitoring tools, as necessary, to ensure proper accountability and compliance with program requirements and performance goals.
- (6) Verify that every subrecipient is regularly audited and provides sufficient reporting documentation.
- (7) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to organizational practice or partnering obligations; and
- (8) Consider taking enforcement action against noncompliant subrecipients. The City of Chicago will utilize the EPA Subaward Policy Appendix D: Subaward Agreement Template to ensure compliance with the subaward content requirements in 2 CFR 200.332(a).

Reasonableness of Costs

Our overall focus on a streamlined PMO at the City directing implementation built around existing programs and staff at the Coalition partners offers a strength in delivering the application at a reasonable cost. We also offer a second huge advantage if awarded: all of our programs build off of existing pilots, cost estimates, energy data, building improvements or facility assessments, allowing us feel confident that our budget detail is reasonable and realistic.

Personnel and Fringe Benefits: Personnel from City of Chicago, Cook County and other Sub Awardees will be allocated to each of the three measures commensurate with the level of management needed of staff and oversight requirements to contractors and subrecipients. The majority of the staffing costs occur with industrial decarbonization and building energy efficiency measures due to the complexity of the installations, contracting, construction, and oversight. Food Waste measures will require staff time but dramatically more subrecipient services and contracted services in order to reach the underserved target community residents. Salaries and fringe benefits are set at a level that matches entry-level government sustainability manager salaries. The five-year term of CPRG allows for us to rely more on personnel and much less on contracted professional or project management services, a much more cost-effective approach.

Travel costs in Industrial Decarbonization and Building Energy Efficiency Measures are required to ensure the place-based projects, outreach, engagement, and oversight are conducted in a cost efficient, but still rigorous manner. Our project includes the City of Chicago, Cook County and DuPage County so regional travel is required. We included travel to EPA conferences and required expenses related to that travel.

Equipment costs are the vast majority of costs due to the extensive installations of energy efficiency, industrial decarbonization and large purchases like trucks and digesters. Costs include all base units and warranty servicing.

Supplies are minimal, amounting to laptops and telephones for each staff member. Larger supply budgets will be required by sub awards and contractual services.

Contractual Services include certain key properly procured services such as an administrator for the City's portion of industrial decarbonization. Our costs are reasonable in this category because in all cases, we will be seeking contractual services in areas where we have previously procured the same or similar service, allowing us greater confidence in the budget detail proposed in this application.

Other Costs, including Subawards: Subawards will be made to Cook County, Chicago Housing Authority, Chicago Public Library, DuPage County and certain others will be made and include sister municipal agencies and RFP processes in some cases. The subawards are based on negotiated personnel and fringe benefits costs with the municipalities providing offices and administrative support. These costs are categorized in Personnel, Fringe Benefits, Equipment, and Travel but could be changed to be listed as "Contractual" at US EPA direction.

Indirect Charges: The City has chosen an extremely reasonable approach to indirect costs, utilizing the 10% de minimis indirect cost rate.