

Budget Narrative: GHG Reductions for the Lake and Peninsula School District

Budget Detail

The below table provides a summary of costs by type for the total project inclusive of both Measure 1: Community Facilities Energy Efficiency, and Measure 2: Residential Energy Efficiency. Further detail on each individual measure and cost types is provided in this narrative. The below table represents the Budget for the Lake and Peninsula Borough to oversee the Lake and Peninsula School District completion of management requirements with the EPA for the duration of the project.

Budget Table					
CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Personnel					
Borough Projects Manager	\$4,000	\$4,120	\$4,244	\$4,371	\$16,735
TOTAL PERSONNEL	\$4,000	\$4,120	\$4,244	\$4,371	\$16,735
Fringe Benefits					
Borough Projects Manager	\$1,800	\$1,854	\$1,910	\$1,967	\$7,531
TOTAL FRINGE BENEFITS	\$1,800	\$1,854	\$1,910	\$1,967	\$7,531
Travel					
TOTAL TRAVEL	\$ -	\$ -	\$ -	\$ -	\$0
Equipment					
TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0
Supplies					
TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0
Contractual					
Subaward - LPSD	\$167,384	\$1,937,082	\$1,600,202	\$1,601,614	\$5,306,282
TOTAL CONTRACTUAL	\$167,384	\$1,937,082	\$1,600,202	\$1,601,614	\$5,306,282
Other					
TOTAL OTHER	\$0	\$0	\$0	\$0	\$0
TOTAL DIRECT	\$173,184	\$1,943,056	\$1,606,355	\$1,607,952	\$5,330,547
Indirect Costs					
\$3,080	\$597	\$615	\$634		
TOTAL INDIRECT	\$3,080	\$597	\$615	\$634	\$4,927
Total Project Costs	\$176,264	\$1,943,653	\$1,606,971	\$1,608,586	\$5,335,473

Personnel

Borough Projects Manager – This role will perform reporting and oversight of the subaward to the Lake and Peninsula School District. The below table identifies annual salary, FTE, and the anticipated number of hours estimated for this project per year. The budget anticipates 3% annual raises during the period of performance.

Role	Hours	Hourly Rate	Annual Salary	FTE
Borough Projects Manager	85	\$ 48.1	\$ 100,000	4%

The below table outlines anticipated personnel costs by year during the period of performance.

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CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Personnel					
Borough Projects Manager	\$4,000	\$4,120	\$4,244	\$4,371	\$16,735
TOTAL PERSONNEL	\$4,000	\$4,120	\$4,244	\$4,371	\$16,735

Fringe Benefits

Fringe benefits are calculated at 45% of wages. Fringe benefits are comprised of the following individual benefits.

Benefit Type		Benefit Rate as a % of salary
Health Insurance		26%
Personal Leave Earned		6%
Retirement		4%
Medicare Cost		1.45%
Social Security Cost		6.2%
Worker Comp Regular		.29%
Other Benefits		1.06%

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Fringe Benefits					
Borough Projects Manager	\$1,800	\$1,854	\$1,910	\$1,967	\$7,531
TOTAL FRINGE BENEFITS	\$1,800	\$1,854	\$1,910	\$1,967	\$7,531

Travel

No travel is included in this budget

Supplies

No travel is included in this budget

Equipment

No travel is included in this budget

Contractual

A single subaward to the Lake and Peninsula School District is anticipated in the amount of \$5,306,282. Further detail on the cost types associated with this subaward are provided within the budget narrative for each proposed measure.

Other

No other costs are included in the budget

Indirect Costs

The Lake and Peninsula Borough does not maintain a federally negotiated indirect cost rate agreement and will elect to claim the federal de minimis rate of 10%. This will be applied to all direct expenses and to the first \$25,000 of the single proposed "subcontract", the subgrant award to the Lake and Peninsula School District. The below table breaks down anticipated indirect collections by year.

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COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
	Indirect Costs	\$3,080	\$597	\$615	\$634	\$4,927
	TOTAL INDIRECT	\$3,080	\$597	\$615	\$634	\$4,927

Measure 1: Community Buildings Energy Efficiency – 13 School's and School District Office

Measure 1 will be carried out in its entirety by the Lake and Peninsula School District (LPSD). The below table provides a summary of the anticipated expenses for the project organized by cost type over the duration of the project. The project is anticipated to require four years to complete, with year one primarily focusing on conducting energy audits of school and school district facilities, with implementation of energy efficiency measures occurring over a three-year period across all facilities. Work will be carried out by a mix of Borough staff on contractors, with Borough staff focused on project management and sustaining benefits of the implemented retrofits of the facilities.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Personnel					
Capital Projects Manager	\$6,939	\$7,147	\$7,362	\$7,583	\$29,031
Maintenance Manager	\$5,500	\$5,665	\$5,835	\$6,010	\$23,010
Financial Manager	\$2,500	\$2,575	\$2,652	\$2,732	\$10,459
TOTAL PERSONNEL	\$14,939	\$15,387	\$15,849	\$16,325	\$62,500
Fringe Benefits					
Capital Projects Manager	\$2,766	\$2,849	\$2,934	\$3,022	\$11,571
Maintenance Manager	\$2,192	\$2,258	\$2,326	\$2,395	\$9,171
Financial Manager	\$996	\$1,026	\$1,057	\$1,089	\$4,169
TOTAL FRINGE BENEFITS	\$5,954	\$6,133	\$6,317	\$6,506	\$24,910
Travel					
Travel Per Diem	\$1,703	\$1,703	\$ 1,703	\$1,703	\$6,812
Travel Transportation	\$2,047	\$2,047	\$2,047	\$ 2,047	\$8,188
TOTAL TRAVEL	\$3,750	\$3,750	\$3,750	\$ 3,750	\$15,000
Equipment					
TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0
Supplies					
TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0
Contractual					
Energy Audits	\$70,000	\$70,000			\$140,000
Energy Efficiency Retrofits		\$1,420,367	\$1,188,367	\$1,188,367	\$3,797,101
Owner's Rep Support	\$4,408	\$4,408	\$4,408	\$4,408	\$17,632
TOTAL CONTRACTUAL	\$74,408	\$1,494,775	\$1,192,775	\$1,192,775	\$3,954,733
Other					
TOTAL OTHER	\$0	\$0	\$0	\$0	\$0
TOTAL DIRECT	\$99,051	\$1,520,045	\$1,218,691	\$1,219,356	\$4,057,143

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Indirect Costs	\$1,516	\$1,554	\$1,594	\$1,635	\$6,298
TOTAL INDIRECT	\$1,516	\$1,554	\$1,594	\$1,635	\$6,298
TOTAL FUNDING	\$100,567	\$1,521,599	\$1,220,285	\$1,220,990	\$4,063,441

Personnel

The following LPSD will have roles completing the scope of work in the proposed project:

Capital Projects Manager: This role will provide project management and oversee all aspects of completing the project.

Maintenance Manager: This role will coordinate with local school maintenance staff and implement measures as appropriate in conjunction with contracted implementation support.

Financial Manager: This role will oversee bookkeeping, invoicing, and financial reporting for the project.

The three roles have the following estimated hours per year for the project, hourly rate, annual salaries, and FTE percentages for the project. Staff are estimated to receive a 3% raise annually during the course of the project.

Role	Hours	Hourly Rate	Annual Salary	FTE
Capital Projects Manager	126	\$ 55.0	\$ 104,000	6%
Maintenance Manager	147	\$ 37.5	\$ 78,000	7%
Financial Manager	42	\$ 60.0	\$ 124,800	2%

The below table provides detail of personnel costs for each position over the course of the period of performance of the project.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Personnel					
Capital Projects Manager	\$6,939	\$7,147	\$7,362	\$7,583	\$29,031
Maintenance Manager	\$5,500	\$5,665	\$5,835	\$6,010	\$23,010
Financial Manager	\$2,500	\$2,575	\$2,652	\$2,732	\$10,459
TOTAL PERSONNEL	\$14,939	\$15,387	\$15,849	\$16,325	\$62,500

Fringe Benefits

Fringe benefits are calculated at 39.8564% of wages. Fringe benefits are comprised of the following individual benefits.

Benefit Type		Benefit Rate as a % of salary
Health Insurance		23.92%
Personal Leave Earned		5%
Retirement		3%
Medicare Cost		1.45%
Social Security Cost		6.2%
Worker Comp Regular		.29%

The below table provides annual fringe benefits for each position over the course of the period of performance of the project.

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CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Fringe Benefits					
Capital Projects Manager	\$2,766	\$2,849	\$2,934	\$3,022	\$11,571
Maintenance Manager	\$2,192	\$2,258	\$2,326	\$2,395	\$9,171
Financial Manager	\$996	\$1,026	\$1,057	\$1,089	\$4,169
TOTAL FRINGE BENEFITS	\$5,954	\$6,133	\$6,317	\$6,506	\$24,910

Travel

This project assumes travel for the LPSD staff team to each project site (13 communities) twice during the duration of the project. Traveling staff are based out of Naknek, AK. Travel would include round trip flights to each remote community and are anticipated to have a duration of two days each.

Per Diem is estimated at \$314/day based upon federal DOD OCONUS rates, for two days for one personnel. Trips will be split across the four year period of performance.

Transportation to the project site is based upon average round trip airfare from Naknek to each project site. Across the 13 destinations for travel the average roundtrip airfare is estimated at \$525.85 based upon current seat fare pricing via small single engine aircraft, the typical service to each community.

The below table provides total expenditures for air fare and per diem to comprise the totality of travel costs over the duration of the project.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Travel					
Travel Air Fare	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$6,836
Travel Per Diem	\$ 2,041	\$ 2,041	\$ 2,041	\$ 2,041	\$8,164
TOTAL TRAVEL	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$15,000

Equipment

No equipment is anticipated to be purchased for this project.

Supplies

No supplies are anticipated to be purchased for this project.

Contractual

This project anticipates three primary contracts with details provided below:

Owner's Representative

A contract for owner's representative support will be competitively bid to secure a qualified experienced project manager to support the school district in procurement activities and oversee coordination and performance of Engineering and Construction.

Estimates for this project are based upon .45% of implementation costs.

Energy Audits

A single contract will be competitively solicited based upon qualifications to secure the services of a qualified energy auditing entity, which will include at least a Certified Energy Auditor, Certified Energy Manager and/or qualified professional engineering service.

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Estimates for this cost are based upon \$10,000 per facility to include a site assessment, energy modeling using the anticipated Alaska focused AK Warm Energy modeling software, and production of a report identifying recommendations for energy efficiency retrofits for each individual facility.

Energy Efficiency Retrofits

LPSD will competitively solicit qualified construction, renovation, and maintenance contractors using the Best Value solicitation method. Price will be considered the most important factor but not the only factor for consideration. Given the remote and unique arctic conditions, other factors such as experience and project approach will be considered in selection. The selected contractor will oversee all subcontractors, coordinate with the energy auditor, and be responsible for implementation of identified energy efficiency measures from the audits.

Estimates for this scope of work are based upon previously conducted energy audits for the proposed facilities completed in 2012. These audits included estimated costs of implementation of energy retrofits – those estimated costs were adjusted for inflation. For facilities that did not previously receive energy audits – an average of implementation costs from previously audited schools was adjusted on a community population basis to account for facility usage and size to each facility that has not received an audit. For the Borough School District Office, an estimate of \$20/square foot was applied to the 11,200 square foot facility to identify the estimated implementation costs of energy efficiency retrofits.

The below table identifies expected contract costs as described above and accounted for on an annual basis during the proposed period of performance.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Contractual					
Energy Audits	\$70,000	\$70,000			\$140,000
Energy Efficiency Retrofits		\$1,420,367	\$1,188,367	\$1,188,367	\$3,797,101
Owner's Rep Support	\$4,408	\$4,408	\$4,408	\$4,408	\$17,632
TOTAL CONTRACTUAL	\$74,408	\$1,494,775	\$1,192,775	\$1,192,775	\$3,954,733

Indirect Charges

LPSD maintains a federally negotiated indirect rate. A copy of the indirect rate agreement is attached to the budget narrative. LPSD's indirect rate allows for 6.15% on direct expenses, not included contracted expenses.

Total direct expenses for the project are estimated at \$102,410 over the course of the project, generating \$6,298 in indirect collections for the project. The below table identifies the anticipated indirect collections over the course of the period of performance of the project.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Indirect Costs	\$1,516	\$1,554	\$1,594	\$1,635	\$6,298
TOTAL INDIRECT	\$1,516	\$1,554	\$1,594	\$1,635	\$6,298

Measure 2: Residential Energy Efficiency – 29 Teacher Housing Units

Measure 2 will be carried out in its entirety by the Lake and Peninsula School District (LPSD). The below table provides a summary of the anticipated expenses for the project organized by cost type over the

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duration of the project. The project is anticipated to require four years to complete, with year one primarily focusing on conducting energy audits of teacher housing units, with implementation of energy efficiency measures occurring over a three-year period. Work will be carried out by a mix of Borough staff and contractors, with Borough staff focused on project management and sustaining benefits of the implemented retrofits of the teacher housing units.

The below table identified costs by type over the period of performance of the project.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Capital Projects Manager	\$6,939	\$7,147	\$7,362	\$7,583	\$29,031
Maintenance Manager	\$5,500	\$5,665	\$5,835	\$6,010	\$23,010
Financial Manager	\$2,500	\$2,575	\$2,652	\$2,732	\$10,459
TOTAL PERSONNEL	\$14,939	\$15,387	\$15,849	\$16,325	\$62,500
Fringe Benefits					
Capital Projects Manager	\$2,766	\$2,849	\$2,934	\$3,022	\$11,571
Maintenance Manager	\$2,192	\$2,258	\$2,326	\$2,395	\$9,171
Financial Manager	\$996	\$1,026	\$1,057	\$1,089	\$4,169
TOTAL FRINGE BENEFITS	\$5,954	\$6,133	\$6,317	\$6,506	\$24,910
Travel					
Travel Per Diem	\$ 1,709	\$1,709	\$1,709	\$ 1,709	\$6,836
Travel Transportation	\$2,041	\$2,041	\$2,041	\$2,041	\$8,164
TOTAL TRAVEL	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$15,000
Equipment					
TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0
Supplies					
TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0
Contractual					
Energy Audits -	\$36,250	\$36,250			\$72,500
Energy Efficiency Retrofits		\$348,000	\$348,000	\$348,000	\$1,044,000
Owner's Rep Support	\$4,408	\$4,408	\$4,408	\$4,408	\$17,632
TOTAL CONTRACTUAL	\$40,658	\$388,658	\$352,408	\$352,408	\$1,134,132
OTHER					
TOTAL OTHER	\$0	\$0	\$0	\$0	\$0
TOTAL DIRECT	\$65,301	\$413,928	\$378,324	\$378,989	\$1,236,542
Indirect Costs	\$1,516	\$1,554	\$1,594	\$1,635	\$6,298
TOTAL INDIRECT	\$1,516	\$1,554	\$1,594	\$1,635	\$6,298
Total Project Cost	\$66,817	\$415,482	\$379,918	\$380,624	\$1,242,840

Personnel

The following LPSD will have roles completing the scope of work in the proposed project:

Capital Projects Manager: This role will provide project management and oversee all aspects of completing the project.

Maintenance Manager: This role will coordinate with local school maintenance staff and implement measures as appropriate in conjunction with contracted implementation support.

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Financial Manager: This role will oversee bookkeeping, invoicing, and financial reporting for the project.

The three roles have the following estimated hours per year for the project, hourly rate, annual salaries, and FTE percentages for the project. Staff are estimated to receive a 3% raise annually during the course of the project.

Role	Hours	Hourly Rate	Annual Salary	FTE
Capital Projects Manager	126	\$ 55.0	\$ 104,000	6%
Maintenance Manager	147	\$ 37.5	\$ 78,000	7%
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The below table provides detail of personnel costs for each position over the course of the period of performance of the project.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Personnel					
Capital Projects Manager	\$6,939	\$7,147	\$7,362	\$7,583	\$29,031
Maintenance Manager	\$5,500	\$5,665	\$5,835	\$6,010	\$23,010
Financial Manager	\$2,500	\$2,575	\$2,652	\$2,732	\$10,459
TOTAL PERSONNEL	\$14,939	\$15,387	\$15,849	\$16,325	\$62,500

Fringe Benefits

Fringe benefits are calculated at 39.8564% of wages. Fringe benefits are comprised of the following individual benefits.

Benefit Type	Benefit Rate as a % of salary
Health Insurance	23.92%
Personal Leave Earned	5%
Retirement	3%
Medicare Cost	1.45%
Social Security Cost	6.2%
Worker Comp Regular	.29%

The below table provides annual fringe benefits for each position over the course of the period of performance of the project.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Fringe Benefits					
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Financial Manager	\$996	\$1,026	\$1,057	\$1,089	\$4,169
TOTAL FRINGE BENEFITS	\$5,954	\$6,133	\$6,317	\$6,506	\$24,910

Travel

This project assumes travel for the LPSD staff team to each project site (13 communities) twice during the duration of the project. Traveling staff are based out of Naknek, AK. Travel would include round trip flights to each remote community and are anticipated to have a duration of two days each.

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Per Diem is estimated at \$314/day based upon federal DOD OCONUS rates, for two days for one personnel. Trips will be split across the four year period of performance.

Transportation to the project site is based upon average round trip airfare from Naknek to each project site. Across the 13 destinations for travel the average roundtrip airfare is estimated at \$525.85 based upon current seat fare pricing via small single engine aircraft, the typical service to each community.

The below table provides total expenditures for air fare and per diem to comprise the totality of travel costs over the duration of the project.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Travel					
Travel Air Fare	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$6,836
Travel Per Diem	\$ 2,041	\$ 2,041	\$ 2,041	\$ 2,041	\$8,164
TOTAL TRAVEL	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$15,000

Equipment

No equipment is anticipated to purchased for this project.

Supplies

No supplies are anticipated to be purchased for this project.

Contractual

This project anticipates three primary contracts with details provided below:

Owner's Representative

A contract for owner's representative support will be competitively bid to secure a qualified experienced project manager to support the school district in procurement activities and oversee coordination and performance of energy auditing and retrofit implementation.

Estimates for this project are based upon 1.45% of implementation costs. It is anticipated that this individual/entity will be responsible for implementation of both measures simultaneously and the projects will be managed together as a single project.

Energy Audits

A single contract will be competitively solicited based upon qualifications to secure the services of a qualified energy auditing entity, which will include at least a Certified Energy Auditor, Certified Energy Manager and/or qualified professional engineering service.

Estimates for this cost are based upon \$2,500 per facility to include a site assessment, energy modeling using the anticipated Alaska focused AK Warm Energy modeling software, and production of a report identifying recommendations for energy efficiency retrofits for each individual facility. It is anticipated that the selected qualified Energy Auditing entity will be the same entity completing the scope in Measure 1.

Energy Efficiency Retrofits

LPSD will competitively solicit qualified construction, renovation, and maintenance contractors using the Best Value solicitation method. Price will be considered the most important factor but not the only factor for consideration. Given the remote and unique arctic conditions, other factors such as

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experience and project approach will be considered in selection. The selected contractor will oversee all subcontractors, coordinate with the energy auditor, and be responsible for implementation of identified energy efficiency measures from the audits.

Estimates for this scope of work are based upon average costs identified in the AHFC 2019 Weatherization report as identified in the BBNA PCAP. The average cost of implementation on a rural housing unit in these reports was \$30,000 at that point in time, adjusted for inflation this results in a \$36,000 cost per unit.

The below table identifies expected contract costs as described above and accounted for on an annual basis during the proposed period of performance.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Contractual					
Energy Audits	\$36,250	\$36,250			\$72,500
Energy Efficiency Retrofits		\$348,000	\$348,000	\$348,000	\$1,044,000
Owner's Rep Support	\$4,408	\$4,408	\$4,408	\$4,408	\$17,632
TOTAL CONTRACTUAL	\$40,658	\$388,658	\$352,408	\$352,408	\$1,134,132

Indirect Charges

LPSD maintains a federally negotiated indirect rate. A copy of the indirect rate agreement is attached to the budget narrative. LPSD's indirect rate allows for 6.15% on direct expenses, not including contracted expenses.

Total direct expenses for the project are estimated at \$102,410 over the course of the project, generating \$6,298 in indirect collections for the project. The below table identifies the anticipated indirect collections over the course of the period of performance of the project.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Indirect Costs	\$1,516	\$1,554	\$1,594	\$1,635	\$6,298
TOTAL INDIRECT	\$1,516	\$1,554	\$1,594	\$1,635	\$6,298

Reasonableness of Costs

Budget Development Approach

Detailed project cost estimates were prepared using previously experienced costs and detailed energy audit reports conducted previously by qualified and experienced professionals with specific experience in project development in remote and rural Alaska. On top of the specific emissions reductions measures requirements, a bottom's up estimate for project management responsibilities was developed for the Lake and Peninsula School District to carry out the scope of the planned subaward to the School District

Anticipated Grant's Management responsibilities identified for the Lake and Peninsula Borough provided a basis for the level of effort estimates required to oversee the performance of the LPSD subaward.