# Section 7. Budget

This budget narrative includes a detailed overview of the project budget, including an itemized budget table, and discussion of New Bedford’s approach to ensuring proper management of grant funds. This section is organized by budget category.

## Personnel

This section outlines the personnel-related costs associated with the building One-Stop-Shop. Personnel costs cover direct expenses for the salaries of individuals directly engaged in project activities. It is anticipated that successful implementation of this program in the timeline will require New Bedford to hire 3 full-time positions to manage and operate the program and all the reporting requirements and utilize 1 shared staff member with other programs, resulting in a total staff cost for the program to of $1,353,780.

#### Staff Positions

Listed below are the staff positions by title, along with corresponding details for each:

* **Position 1: Program Manager**
  + Annual Salary: $75,000 (5% annual increase)
  + Number of Employees: 1 FTE
  + Percentage of Time Assigned to Project: 100%
  + Total Cost for the Budget Period: $414,422
* **Position 2: Buildings Specialist** 
  + Annual Salary: $85,000 (5% annual increase)
  + Number of Employees: 1 FTE
  + Percentage of Time Assigned to Project: 100%
  + Total Cost for the Budget Period: $469,679
* **Position 3: Program Administrator**
  + Annual Salary: $55,000 (5% annual increase)
  + Number of Employees: 1 FTE
  + Percentage of Time Assigned to Project: 100%
  + Total Cost for the Budget Period: $303,910
* **Position 4: Energy Coordinator**
  + Annual Salary: $60,000 (5% annual increase)
  + Number of Employees: 1 FTE
  + Percentage of Time Assigned to Project: 50%
  + Total Cost for the Budget Period: $165,769

#### Fringe Benefits

In accordance with New Bedford’s compensation structure, fringe benefits constitute an integral component of the overall remuneration provided to employees. This section outlines the percentage allocated for fringe benefits and the specific types of benefits included in the proposed fringe rate.

#### Fringe Benefits Percentage

The fringe benefits percentage utilized by New Bedford is 42.95% of total employee salaries and wages.

#### Types of Included Fringe Benefits

The fringe benefits incorporated within this percentage encompass a range of allowances and services designed to enhance the overall compensation package. The fringe benefit rate includes the following:

* Holidays
* Vacation Leave
* Sick Leave
* Medicare
* Unemployment
* Worker’s Compensation
* Retirement
* Health Benefits
* Life Insurance Benefits

## Travel

Travel costs are categorized based on the nature of the travel, including mileage, per diem, the estimated number of trips, number of travelers, and other associated costs. Only expenses incurred by City Personnel are considered within this category.

#### Out-of-State Travel

The proposed project anticipates that the Program Manager will make 2 trips per year throughout the grant period to attend events and conferences across the U.S. and 1 trip within New England, as it is intended for the One Stop Shop to be a replicable model for other regions.

Per diem allowances are budgeted to cover daily subsistence expenses for project-related travel. We used the 2024 per diem rates for Washington DC from the U.S. General Services Administration (GSA). The per diem rate employed is $79 per day, and the number of days for which per diem is applicable is 4 days per year. This allocation is intended for expenses related to meals and incidental costs during travel. The assumed cost of hotel accommodations is $225 per day (the average GSA rate for hotels for Washington DC in 2024), with 4 days per year. The assumed cost of airfare is $400 roundtrip for 2 roundtrip visits per year. Ground travel (taxis and rideshares) for out-of-state trips is assumed to cost $45 per year, and parking is assumed to cost $20 per day for 4 days per year.

#### In-State/New England Travel

Mileage for local travel is assumed to be 100 miles per year for meetings and conferences within New England. Mileage rates have been increasing approximately $0.025 per year. With the 2024 rate at $0.67, we assume the following rates for each year: $0.695 (2025); $0.72 (2026); $0.745 (2027); $0.77 (2028).

## Supplies

This section provides a breakdown of the tangible personal property categorized as "supplies" for the proposed project. "Supplies" refer to all tangible personal property other than "equipment," and include the following categories: Office Supplies.

#### Supplies Categories

Listed below are the categories of supplies to be procured under the project:

* **Category 1: Office Supplies**
  + Description of Supplies: Laptop Computers for new Personnel
  + Estimated Cost: $2,500 per laptop.
  + Total Cost: $10,000 (assumes 4 new laptops)

## Contractual

This section outlines the proposed contractual services for the project.

##### Contract 1: Program Design & Coordination Contractor(s)

***Estimated Cost****:* $150,000

***Scope of Work****:* New Bedford intends to engage a vendor to supplement the City staff’s capacity to drive the process to design the One Stop Shop, support the development of the Requests for Proposals for the Program Administrator and the Construction Management Contractors, develop initial marketing materials, and manage the extensive coordination required at the beginning of grant, before the other Contractors and the new staff are hired to bring all the stakeholders together to deliver the outcomes proposed within the CPRG timeline.

***Proposed Duration****:* October 2024 through September 2026

***Procurement Method****:* Competitive. The City may leverage existing contracts that have been competitively bid to provide these services in the interest of time and to maintain consistency with the work that is already underway through the EECBG and other funding sources.

##### Contract 2: Program Administration Contractor

***Estimated Cost****:* $6,796,526 for a Program Administrator for the One Stop Shop and $20,000,000 for implementation of home energy retrofits that will run through the One Stop Shop.

***Scope of Work****:* New Bedford intends to contract an organization to serve as the Program Administrator for the One Stop Shop. This organization will have a team of staff dedicated to overseeing and marketing the program, identifying financial and technical resources, coordinating with community partners, evaluating the program, reporting to the City of New Bedford, and directly administering funds for project costs.

***Proposed Duration****:* January 2025 through October 2029

***Procurement Method****:* Competitive

***Breakdown of Staff and Internal Costs****:* It is assumed that the organization will need to hire or identify 9 full-time personnel, including 1 Project Director, 1 Finance Manager, 1 Finance Assistant, 1 Marketing Manager, 1 Marketing Assistant, and 4 Concierges. All staff will be full-time employees and are expected to receive a 5% annual salary increase. Leveraging program documentation from the existing Energy Trust of Oregon[[1]](#footnote-1), New Bedford assumes a 1:1 ratio of staff costs to internal costs for the Program Administrator. These costs are summarized in Table 2.

**Table 2. Staff and Internal Costs for the Program Administrator**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Cost Type** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Total** |
| ***Staff Costs*** | $ 615,000 | $ 645,750 | $ 678,038 | $ 711,939 | $ 747,536 | $ 3,398,263 |
| ***Internal Costs*** | $ 615,000 | $ 645,750 | $ 678,038 | $ 711,939 | $ 747,536 | $ 3,398,263 |
| ***TOTAL*** | $ 1,230,000 | $ 1,291,500 | $ 1,356,075 | $ 1,423,879 | $ 1,495,073 | $ 6,796,526 |

***Breakdown of Project Costs***: New Bedford aims to have $20,000,000 in project funds go directly to assisting low-income households*.* In order to perform the required analyses for Sections 2, 3, and 4 of this grant narrative, New Bedford distributed these funds across projects assuming an average cost of $17,290 per weatherization project and $29,000 per whole-home weatherization and efficiency and decarbonization retrofit projects. These costs were sourced from the Lawrence Berkely National Labs’ compilation of retrofit costs[[2]](#footnote-2), minus relevant available rebates from the MassSave Utility Rebate Program[[3]](#footnote-3).

##### Contract 3: Construction Management Contractor

***Estimated Cost****:* $3,260,122 for Construction Management Oversight.

***Scope of Work****:* New Bedford intends to contract with an organization to serve as the Construction Management lead for the program. This organization will have a team of staff dedicated to supervising and coordinating the home assessments, retrofits, and measurement and verification work and reporting all required information back to program administrator and City of New Bedford.

***Proposed Duration****:* January 2025 through October 2029

***Procurement Method****:* Competitive

***Breakdown of Staff and Internal Costs****:* It is assumed that the organization will need to hire or identify 4 full-time personnel, including 1 Construction Supervisor and 3 Home Assessors/Project Managers. All staff will be full-time employees and are expected to receive a 5% annual salary increase. Leveraging program documentation from the existing Energy Trust of Oregon[[4]](#footnote-4), New Bedford assumes a 1:1 ratio of staff costs to internal costs for the Construction Management Contractor. These costs are summarized in Table 3.

**Table 3. Staff and Internal Costs for Construction Management Contractor**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Cost Type** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Total** |
| ***Staff Costs*** | $ 295,000 | $ 309,750 | $ 325,238 | $ 341,499 | $ 358,574 | $ 1,630,061 |
| ***Internal Costs*** | $ 295,000 | $ 309,750 | $ 325,238 | $ 341,499 | $ 358,574 | $ 1,630,061 |
| ***TOTAL*** | $ 590,000 | $ 619,500 | $ 650,475 | $ 682,999 | $ 717,149 | $3,260,122 |

## Other Costs

This section provides details on direct costs that do not fit into the specified budget categories. It includes items such as rental/lease of commercial space.

#### Description of Other Costs

Listed below are items included in the "Other" category along with sufficient details to determine the reasonableness and allowability of their costs:

* **CRM Software & Support**
  + ***Purpose:*** The customer relationship management (CRM) database will be used to manage program contacts; create and track home assessment and retrofit workorders; house information related to financial assistance; and track and report resident engagement, as well as energy, GHG, and dollar savings achieved.
  + ***Estimated Cost:*** $125,000. $25,000 for initial setup and configuration, $19,200 in annual license costs, $1,000 in annual support costs after the first year.
  + **Cost Assumptions:** Year 1 includes hiring a contractor for configuration of a CRM. Assumes license fee level of Salesforce Service Cloud is maintained for the entire project period from October 2024- October 2029.
* **Lease for Commercial Space**
  + ***Purpose****:* Housing of staff will be necessary for operation of the program. New Bedford will lease commercial space as needed to support the program.
  + ***Estimated******Cost****:* $306,000
  + ***Cost******Assumptions****:* Space will be needed for approximately 17 staff. Calculations Assumes 300 square feet per person at a cost of $12 per square foot per year to lease commercial space, including the cost of utilities.

1. Energy Trust of Oregon (2023). 2024 Annual Budget and 2025-2025 Action Plan. Retrieved from <https://www.energytrust.org/wp-content/uploads/2023/12/2024-Approved-Budget-and-2024-2025-Action-Plan.pdf> [↑](#footnote-ref-1)
2. Less, et al. Lawrence Berkeley National Labs. The Cost of Decarbonization and Energy Upgrade Retrofits for US Homes. August 2021. doi:10.20357/B7FP4D. <https://eta-publications.lbl.gov/sites/default/files/final_walker_-_the_cost_of_decarbonization_and_energy.pdf> [↑](#footnote-ref-2)
3. MassSave. Residential Rebates and Incentives. Accessed March 13th, 2024. <https://www.masssave.com/en/residential/rebates-and-incentives> [↑](#footnote-ref-3)
4. Energy Trust of Oregon (2023). 2024 Annual Budget and 2025-2025 Action Plan. Retrieved from <https://www.energytrust.org/wp-content/uploads/2023/12/2024-Approved-Budget-and-2024-2025-Action-Plan.pdf> [↑](#footnote-ref-4)