

Budget Narrative

Recipient Name:	City of Saint Paul
Project Title:	Clean Heat Saint Paul

As the grant recipient, the City of Saint Paul will manage the grant and oversee the work of the subrecipients to ensure all requirements of the grant and contractual requirements of the grant agreements are met. It has included personnel costs for a Grant Specialist and Attorney to manage the grant. The City of Saint Paul will serve as a pass-through entity and make subawards of grant funds to Ramsey County for workforce services and District Energy St. Paul, a 501(c)(3) non-profit company and Type III functionally integrated support organization to the City of Saint Paul whose non-profit purpose is to "lessen the burdens of government of the City of Saint Paul" for technical implementation of the CHStP Project. District Energy is experienced with design, permitting, construction, commissioning and startup of complex energy infrastructure projects having financed and implemented \$100's of millions capital investments in the district energy system serving the CBD of Saint Paul. District Energy St. Paul will operate the implemented project once completed.

Budget Categories

The budget for the CHStP Project is detailed in the Budget Table below and includes the following categories.

- Personnel
- Fringe Benefits
- Equipment
- Contractual
- Construction
- Other

As the Recipient, the City of Saint Paul has categorized its subawards to Ramsey County and District Energy St. Paul in the Other budget category. The budget details for the subaward to District Energy are described in the Subrecipient section of the Budget Table.

The following activities will be among the responsibilities of District Energy St. Paul as Subrecipient,

- Community engagement, education & outreach in collaboration with the City
- Support Preparation of the Quality Assurance Project Plan
- Support preparation of the required documentation and progress reports including,
 - Semi-annual Progress Reports
 - Final Report
- Competitive bidding and contracting of
 - Engineering and design services
 - Permitting services

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- Construction administration and management services
- Commissioning
- Major equipment procurement
- Construction

Budget Details for Sub-Recipient District Energy St. Paul

In addition to the budget tables included with this narrative, the Budget Spreadsheet includes a tab that has a detailed breakout of the following budget categories.

Personnel Budget:

As a subrecipient, District Energy St. Paul will have staff expenses for implementation of the CHStP Project. The personnel categories, salary, percentage FTE, and estimated funding amounts are described in the Detailed Budget Table for Subrecipient District Energy St. Paul in the Budget Spreadsheet.

Equipment Budget:

The proposed approach for the project is to procure major long lead equipment and materials is to secure competitive bids using Requests for Proposals (RFPs) that includes procurement contracts, drawings and specifications for the equipment and materials to be purchased. The preparation of the RFP and procurement packages will be supported by the company contracted to perform construction administration and management services and the consultants contracted to perform engineering, design services and permitting support services. District Energy is experienced in using this approach to procuring major equipment and materials with long lead times. The major pieces of equipment and materials proposed to be procured and supplied to construction contractors are listed in the budget narrative tables.

Contractual Budget:

Implementation of the project will require contracting for a NEPA consultant, engineering/design and permitting support services, construction administration and management services, and commissioning services. We propose that the design and engineering services for the heat recovery system and integration at the Metro Plant, the Interconnect Pipeline and the integration at the Nyman Energy Center be contracted separately. This approach is consistent with how District Energy has contracted for services on other projects. A competitive RFP and bidding process will be used for all services contracts.

Construction Budget:

Similar to the design of the implementation, the proposed approach to construction of the project is to issue three separate construction contracts. The heat recovery system and Metro Plant integration contract that will include installation of the 30 MW heat pumps and effluent heat exchangers purchased with procurement contracts, the interconnect pipeline contract that includes installation of the piping purchased with a procurement contract, and the Nyman Energy Center integration contract that

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includes installation of the 30 MW electric boiler, and district heating heat exchangers purchased with procurement contracts. A competitive RFP and bidding process will be used for all construction contracts.

Budget Tables

Budget Narrative for the Clean Heat Saint Paul Project

Budget Narrative: Clean Heat Saint Paul Project			
Grant Recipient: City of Saint Paul			
See Narrative Note 1			
Personnel:			
	Requested from EPA	Cost Share provided by recipient (if applicable)	Total
(1) Grant Specialist @\$42.96/hr x 5,000 hrs	\$214,800		\$214,800
(1) Attorney @66.28/hr x 150 hrs	\$9,942		\$9,942
Total	\$224,742	\$0	\$224,742
Fringe Benefits:			
Rate/Base/Composition	Requested from EPA	Cost Share provided by recipient (if applicable)	Total
37% of Personnel costs (FICA, retirement, health, vacation, sick leave)	\$83,155		\$83,155
Travel:			
	Requested from EPA	Cost Share provided by recipient (if applicable)	Total
			\$0
Total	\$0	\$0	\$0
Equipment: (Equipment Capitalization Threshold = \$5,000)			
			\$0
Total	\$0	\$0	\$0
Supplies			
Type	Requested from EPA	Cost Share provided by recipient (if applicable)	Total
			\$0
Total	\$0	\$0	\$0
Contractual			
Contractual	Requested from EPA	Cost Share provided by recipient (if applicable)	Total
			\$0
Total	\$0	\$0	\$0
Construction			
Construction	Requested from EPA	Cost Share provided by recipient (if applicable)	Total
			\$0
Total	\$0	\$0	\$0
Other			
Type	Requested from EPA	Cost Share provided by recipient (if applicable)	Total
Subaward to Ramsey County (See Narrative Notes 1 & 6)	\$375,000		\$375,000
Subaward to District Energy St. Paul (See Narrative Notes 1 & 2)	\$149,827,690		\$149,827,690
Total	\$150,202,690	\$0	\$150,202,690

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Indirect Costs:						
Base				Requested from EPA	Cost Share provided by recipient (if applicable)	Total
						\$0
Total Budget Summary						
				Requested from EPA	Cost Share provided by recipient (if applicable)	Total
Personnel				\$224,742	\$0	\$224,742
Fringe Benefits				\$83,155	\$0	\$83,155
Travel				\$0	\$0	\$0
Equipment				\$0	\$0	\$0
Supplies				\$0	\$0	\$0
Contractual				\$0	\$0	\$0
Construction				\$0	\$0	\$0
Other (See Narrative Notes 1 & 2)				\$150,202,690	\$0	\$150,202,690
Indirect Costs				\$0	\$0	\$0
Total				\$150,510,586	\$0	\$150,510,586
Budget Narrative for Subrecipient District Energy St. Paul						
<i>See Narrative Note 2</i>						
Personnel:						
				Requested from EPA	Cost Share provided by recipient (if applicable)	Total
Salaries and Wages						
1 Project Manager @\$272,000, 1 Engineer @\$131,850, 1 Project Administrator @\$122,250, 1 Communications & Outreach Manager @\$95,150, 1 Construction Site Superintendent @\$175,000				\$796,250		\$796,250
Total				\$796,250	\$0	\$796,250
Fringe Benefits:						
Rate/Base/Composition				Requested from EPA	Cost Share provided by recipient (if applicable)	Total
						\$0
Travel:						
See Narrative Note 3.				Requested from EPA	Cost Share provided by recipient (if applicable)	Total
						\$0
Total				\$0	\$0	\$0
Equipment: (Equipment Capitalization Threshold = \$5,000) - See Narrative Note 4						
Description	Purpose	Unit Cost	Quantity	Requested from EPA	Cost Share provided by recipient (if applicable)	Total
30 MW Water to Water Heat Pump for installation in the Heat Recovery System at the Metro Plant	Increase temperature of waste heat recovered from Metro Plant effluent	\$35,425,000	2	\$70,850,000		\$70,850,000
Effluent Heat Exchangers for installation at the Metro Plant	Recover waste heat from Metro Plant effluent	\$433,500	3	\$1,300,500		\$1,300,500

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Construction			
Construction (See Narrative Note 8)	Requested from EPA	Cost Share provided by recipient (if applicable)	Total
Competitively bid contract for construction of the heat recovery system, building to house equipment, and integration into the Metro Plant. Scope of work includes installation of supplied 30 MW heat pumps and effluent heat exchangers.	\$28,254,712		\$28,254,712
Competitively bid contract for construction of the interconnect pipeline.	\$22,203,864		\$22,203,864
Competitively bid contract for construction of the integration of the interconnect pipeline into the Nyman Energy Center, including installation of the supplied heat exchangers and 30 MW electrode boiler, and integration of the thermal storage tank.	\$12,712,336		\$12,712,336
Total	\$63,170,913	\$0	\$63,170,913
Other:			
Type	Requested from EPA	Cost Share provided by recipient (if applicable)	Total
			\$0
Total	\$0	\$0	\$0
Indirect Costs:			
Base	Requested from EPA	Cost Share provided by recipient (if applicable)	Total
			\$0
Total Subrecipient Budget Summary for District Energy St. Paul			
	Requested from EPA	Cost Share provided by recipient (if applicable)	Total
Personnel	\$796,250	\$0	\$796,250
Fringe Benefits	\$0	\$0	\$0
Travel	\$0	\$0	\$0
Equipment (See Narrative Note 4)	\$76,713,027	\$0	\$76,713,027
Supplies	\$0	\$0	\$0
Contractual (See Narrative Note 7)	\$9,147,500	\$0	\$9,147,500
Construction (See Narrative Note 8)	\$63,170,913	\$0	\$63,170,913
Other	\$0	\$0	\$0
Indirect Costs	\$0	\$0	\$0
Total (See Narrative Note 5)	\$149,827,690	\$0	\$149,827,690

Budget Narrative for the Clean Heat Saint Paul Project

Budget Narrative Notes
Narrative Note 1. The City of Saint Paul will be serving as a pass-through entity and make subawards to Ramsey County and District Energy St. Paul, a 501(c)(3) non-profit company and Type III functionally integrated support organization whose non-profit purpose is to "lessen the burdens of government of the City of Saint Paul." Ramsey County's Workforce Solutions has pioneered programs to reduce and remove barriers to access for lower-income residents to get into pathways into good paying jobs. District Energy St. Paul will be responsible for implementation of the technical aspects of the CHStP Project and its operation following implementation.
Narrative Note 2. The budget for each category within the subaward to District Energy St. Paul is described under the subrecipient table in the budget narrative.
Narrative Note 3. Travel expenses for District Energy St. Paul are not included, however, travel costs incurred by contractors and consultants are included in the Contractual and Construction budgets.
Narrative Note 4. Equipment includes major pieces of equipment with long lead items that will be procured through competitive bidding and supplied to construction contractor for installation. Procurement of equipment will proceed its corresponding construction phase.
Narrative Note 5. The budget for subrecipient District Energy St. Paul includes 25% contingency
Narrative Note 6. The City of Saint Paul will partner with Ramsey County Workforce Solutions to bolster recruitment and placement opportunities into apprenticeship readiness programs and apprenticeships with the local union construction trades, with a particular focus on the Steamfitter/Pipefitters and IBEW locals. The \$375,000 is for a 0.5 FTE Inclusive Employer Program Specialist for 5 years.
Narrative Note 7. The Contractual category covers consulting and engineering fees. The project heavily relies on engineering and will require the generation of request for proposals/bids for equipment and material procurement documents, as well as the issuance of construction and implementation documents for structural, architectural, civil, electrical, mechanical, and plumbing.
Narrative Note 8. These are the construction costs for the buildout of the CHStP Project. It includes the construction of heat recovery system and a building to house heat pumps, heat exchangers and balance-of-plant equipment; the excavation and installation of underground insulated hot water piping; the integration of the hot water piping into the Nyman Energy Center; and installation of an electric boiler at the Nyman Center and integration of a hot water thermal storage tank. Major equipment will be purchased separately and is included in the Equipment section.

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Detailed Budget Table

For Subrecipient District Energy Tab for details on the subrecipient's budget.

CLEAN HEAT SAINT PAUL PROJECT							
BUDGET BY YEAR							
COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs	Personnel						
	Grant Specialist @42.96/hr, .5 FTE	\$42,960	\$42,960	\$42,960	\$42,960	\$42,960	\$214,800
	Attorney @66.28/hr, 150 hours	\$9,942					\$9,942
							\$0
	TOTAL PERSONNEL	\$52,902	\$42,960	\$42,960	\$42,960	\$42,960	\$224,742
	Fringe Benefits						
	Full-time Employees @ 37% of salary	\$19,574	\$15,895	\$15,895	\$15,895	\$15,895	\$83,155
							\$0
							\$0
	TOTAL FRINGE BENEFITS	\$19,574	\$15,895	\$15,895	\$15,895	\$15,895	\$83,155
	Travel						
							\$0
							\$0
	TOTAL TRAVEL	\$0	\$0	\$0	\$0	\$0	\$0
	Equipment						
							\$0
							\$0
							\$0
	TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0	\$0
	Supplies						
							\$0
							\$0
	TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0
	Contractual						
							\$0
							\$0
							\$0
	TOTAL CONTRACTUAL	\$0	\$0	\$0	\$0	\$0	\$0
	Construction						
							\$0
	TOTAL CONSTRUCTION	\$0	\$0	\$0	\$0	\$0	\$0
	OTHER						
	workforce recruitment and placement program, staffed by 1 Inclusive Employer Program Specialist @\$150,000/yr, .5 FTE for 5 years	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$375,000
	Subaward to District Energy St. Paul for implementation of the heat recovery project	\$22,285,723	\$52,605,534	\$61,205,342	\$13,731,091		\$149,827,690
							\$0
	TOTAL OTHER	\$22,360,723	\$52,680,534	\$61,280,342	\$13,806,091	\$75,000	\$150,202,690
	TOTAL DIRECT	\$22,433,199	\$52,739,389	\$61,339,197	\$13,864,947	\$133,855	\$150,510,586
Indirect Costs	Indirect Costs						
							\$0
							\$0
	TOTAL INDIRECT	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL FUNDING		\$22,433,199	\$52,739,389	\$61,339,197	\$13,864,947	\$133,855	\$150,510,586