

## Budget Narrative: Enhancing Local Energy Connectivity in Tribal Regional Communities, (ELECTRC)

### Budget Detail

The below table provides a summary of costs by type for the total project inclusive of both Measure 1: Electrical Transmission Intertie, and Measure 2: Solar PV and BESS. Further detail on each individual measure and cost types is provided in this narrative.

BUDGET BY YEAR	Year 1	Year 2	Year 3	Year 4	Year 5	Total
TOTAL PERSONNEL	\$115,494	\$119,825	\$124,319	\$52,232	\$54,191	\$466,061
TOTAL FRINGE BENEFITS	\$64,833	\$67,264	\$69,787	\$29,321	\$30,420	\$261,625
TOTAL TRAVEL	\$5,080	\$3,709	\$3,709	\$2,774	\$2,774	\$18,046
TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CONTRACTUAL	\$2,186,321	\$9,837,893	\$9,937,912	\$34,092,621	\$34,092,621	\$90,147,368
TOTAL OTHER	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DIRECT	\$2,371,728	\$10,028,692	\$10,135,727	\$34,176,948	\$34,180,006	\$90,893,100
TOTAL INDIRECT	\$170,686	\$555,049	\$562,372	\$1,732,543	\$1,733,555	\$4,754,206
Total	\$2,542,414	\$10,583,741	\$10,698,099	\$35,909,491	\$35,913,561	\$95,647,305

### Measure 1: Electrical Transmission Intertie

#### Personnel

The following TCC staff have been identified to participate in this project:

Rural Energy Specialist: This role will conduct community outreach and provide support to Tribal owners and operators of infrastructure.

Grants and Office Manager: This role will conduct administrative tasks, support invoicing, time tracking, and reporting requirements.

Project Manager: This role will oversee design, construction activities and directly manage the owner's representative and support oversight of contractors as well as interface with utility partners.

Role	Year 1 Annual Salary, FTE	Year 2 Annual Salary, FTE	Year 3 Annual Salary, FTE	Year 4 Annual Salary, FTE	Year 5 Annual Salary, FTE
Rural Energy Specialist	\$104,000, .05	\$107,900, .05	\$111,946, .05	\$116,144, .05	\$120,500, .15
Grants and Office Manager	\$93,600, .05	\$97,110, .05	\$100,752, .05	\$104,530, .1	\$108,450, .1
Project Manager	\$130,000, .2	\$134,875, .2	\$139,933, .2	\$145,180, .2	\$150,625, .2

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CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
<b>Personnel</b>						
Rural Energy Specialist	\$4,773	\$4,951	\$5,137	\$15,989	\$16,589	\$47,439
Grants and Office Manager	\$4,295	\$4,456	\$4,623	\$9,594	\$9,953	\$32,922
Project Manager	\$23,863	\$24,757	\$25,686	\$26,649	\$27,648	\$128,603
<b>TOTAL PERSONNEL</b>	<b>\$32,930</b>	<b>\$34,165</b>	<b>\$35,446</b>	<b>\$52,232</b>	<b>\$54,191</b>	<b>\$208,964</b>

### Fringe Benefits

Fringe benefits are calculated at 56.1252% of wages. Fringe benefits are comprised of the following individual benefits.

Benefit Type	Benefit Rate as a % of salary
Extended Benefits Regular	.12%
Great West AD and D Insurance	.71%
Great West Health Insurance	31.33%
Personal Leave Earned	6.1%
Retirement	7.9%
Medicare Cost	1.6%
Social Security Cost	7%
Worker Comp Regular	.29%

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
<b>Fringe Benefits</b>						
Rural Energy Specialist	\$2,679	\$2,780	\$2,884	\$8,976	\$9,312	\$26,630
Grants and Office Manager	\$2,411	\$2,502	\$2,595	\$5,385	\$5,587	\$18,481
Project Manager	\$13,395	\$13,898	\$14,419	\$14,959	\$15,520	\$72,192
<b>TOTAL FRINGE BENEFITS</b>	<b>\$18,485</b>	<b>\$19,179</b>	<b>\$19,898</b>	<b>\$29,321</b>	<b>\$30,420</b>	<b>\$117,303</b>

### Travel

Per Diem is estimated at \$314/day based upon federal DOD OCONUS rates. Total Per Diem collection assumes two trips lasting two days each per year for the first three years, and then three trips lasting two days each for Years 4 and 5.

Transportation to the project site is based upon an expected vehicle reimbursement for mileage traveled. The assumed starting location is Fairbanks, AK and assumed destination is Tok, AK for a total round trip length of 460 miles. Based upon the federal vehicle reimbursement rate of \$.65/mile. Assume two trips in Years 1-3 and three trips in years 4-5.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
<b>Travel</b>						
Per Diem	\$ 1,256	\$ 1,256	\$ 1,256	\$ 1,884	\$ 1,884	\$7,536
Transportation - Mileage	\$ 599	\$ 599	\$ 599	\$ 890	\$ 890	\$3,576
<b>TOTAL TRAVEL</b>	<b>\$1,855</b>	<b>\$1,855</b>	<b>\$1,855</b>	<b>\$ 2,774</b>	<b>\$2,774</b>	<b>\$11,112</b>

## Budget Narrative: Enhancing Local Energy Connectivity in Tribal Regional Communities, (ELECTRC)

### 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:

#### **1. Owner's Representative**

A contract for owner's representative support will be competitively bid to secure a qualified day to day project manager for the project to oversee coordination and performance of Engineering and Construction contractors and complete coordination activities with the utilities and other stakeholders. Estimates for this project are based upon 1% of design and construction.

#### **2. Engineering, Permitting, and Construction Administration**

A single contract will be competitively solicited based upon qualifications to secure the services of a qualified Engineering firm. This contract is anticipated to include subcontractors to perform geotechnical, survey, environmental, archaeological and all other disciplines required to fully design and permit the project for construction. Additionally, the selected engineering firm will participate in construction administration, to include supporting development of a RFP for a construction firm, reviewing equipment procurement, conducting inspections, and supporting start up and commissioning. Estimates for this cost are based upon 10% of construction costs for engineering design and an additional 2% of construction costs for construction administration activities.

#### **3. Construction**

TCC will competitively solicit a construction contractor 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 Engineering contractor, and be responsible for adherence to all permits and follow the design drawings and specifications and adhering to codes and regulations. Estimates for this scope of work are provided in technical appendices and are based upon cost estimates from a qualified electrical engineering contractor with experience in transmission line construction in Alaska. A copy of the Engineers estimate is provided in the technical appendices.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
<b>Contractual</b>						
Owner's Representative	\$149,100	\$149,100	\$149,100	\$149,100	\$149,100	\$745,499
Engineering Design Permitting	\$1,612,900	\$2,500,000	\$2,550,000			\$6,662,900
Construction Administration				\$626,995	\$626,995	\$1,253,990
Construction				\$33,316,526	\$33,316,526	\$66,633,053

## Budget Narrative: Enhancing Local Energy Connectivity in Tribal Regional Communities, (ELECTRC)

TOTAL CONTRACTUAL	\$1,762,000	\$2,649,100	\$2,699,100	\$34,092,621	\$34,092,621	\$75,295,442
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### Indirect Charges

Tanana Chiefs Conferences maintains a federally negotiated indirect rate. A copy of the indirect rate agreement is attached to the budget narrative. TCC's indirect rate allows for 33.10% on direct expenses and 5% on pass-through expenses such as subcontracted costs.

Total subcontracted costs for the measure are \$75,295,442.

Total direct costs for the measure are \$337,377.64.

COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
<b>Indirect Costs</b>							
5% on subcontracts		\$88,100	\$132,455	\$134,955	\$1,704,631	\$1,704,631	<b>\$3,764,772</b>
33.1% on Direct Costs less subcontracts		\$17,632	\$18,271	\$18,933	\$27,912	\$28,924	<b>\$111,672</b>
<b>TOTAL INDIRECT</b>		<b>\$141,370</b>	<b>\$187,653</b>	<b>\$192,154</b>	<b>\$1,788,957</b>	<b>\$1,792,016</b>	<b>\$3,876,444</b>

## Measure 2: Solar PV and BESS

### Personnel

The following TCC staff have been identified to participate in this project:

Rural Energy Specialist: This role will conduct community outreach and provide support to Tribal owners and operators of infrastructure.

Grants and Office Manager: This role will conduct administrative tasks, support invoicing, time tracking, and reporting requirements.

Project Manager: This role will oversee design and construction activities, provide oversight of contractors as well as interface with the utilities and Tribes.

Role	Year 1 Annual Salary, FTE	Year 2 Annual Salary, FTE	Year 3 Annual Salary, FTE
Rural Energy Specialist	\$104,000, .15	\$107,900, .15	\$111,946, .15
Grants and Office Manager	\$93,600, .1	\$97,110, .1	\$100,752, .1
Project Manager	\$130,000, .5	\$134,875, .5	\$139,933, .5

CATEGORY	YEAR 1	YEAR 2	YEAR 3	TOTAL
Rural Energy Specialist	\$14,318	\$14,854	\$15,411	\$44,583
Grants and Office Manager	\$8,590	\$8,913	\$9,247	\$26,750
Project Manager	\$59,656	\$61,893	\$64,214	\$185,764

**Budget Narrative: Enhancing Local Energy Connectivity in Tribal Regional Communities, (ELECTRC)**

TOTAL PERSONNEL	\$82,564	\$85,660	\$88,873		\$212,514
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**Fringe Benefits**

Fringe benefits are calculated at 56.1252% of wages. Fringe benefits are comprised of the following individual benefits.

Benefit Type	Benefit Rate as a % of salary
Extended Benefits Regular	.12%
Great West AD and D Insurance	.71%
Great West Health Insurance	31.33%
Personal Leave Earned	6.1%
Retirement	7.9%
Medicare Cost	1.6%
Social Security Cost	7%
Worker Comp Regular	.29%

CATEGORY	YEAR 1	YEAR 2	YEAR 3				TOTAL
<b>Fringe Benefits</b>							
Rural Energy Specialist	\$8,037	\$8,339	\$8,651				\$26,630
Grants and Office Manager	\$4,822	\$5,003	\$5,191				\$18,481
Project Manager	\$33,488	\$34,744	\$36,047				\$72,192
TOTAL FRINGE BENEFITS	\$46,348	\$48,086	\$49,889				\$117,303

**Travel**

Per Diem is estimated at \$314/day based upon federal DOD OCONUS rates. Total Per Diem collection assumes two trips lasting two days each for two people per year for the first years, and two trips for one person of two days each the second and third years.

Transportation to the project site is based upon an expected vehicle reimbursement for mileage traveled. Assumed starting location is Fairbanks, AK and assumed destination is Tok, Alaska for two trips for a total round-trip length of 422 miles, and one trip to Delta, AK for a 252 mile round trip. Based upon the federal vehicle reimbursement rate of \$.65/mile. Assume two trips to Tok in Years 1, 2, 3 and one trip to Delta in Year 1.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5		TOTAL
<b>Travel</b>							
Per Diem	\$ 1,256	\$ 1,256	\$ 1,256	\$ 1,884	\$ 1,884		\$7,536
Transportation - Mileage	\$ 599	\$ 599	\$ 599	\$ 890	\$ 890		\$3,576
TOTAL TRAVEL	\$ 3,225	\$ 1,855	\$ 1,855	-	\$ -		\$6,934

**Equipment**

No equipment is anticipated to be purchased for this project.

## Budget Narrative: Enhancing Local Energy Connectivity in Tribal Regional Communities, (ELECTRC)

### Supplies

No supplies are anticipated to be purchased for this project.

### Contractual

This project anticipates two primary contracts with details provided below:

#### **1. Engineering, Permitting, and Construction Administration**

A single contract will be competitively solicited based upon qualifications to secure the services of a qualified Engineering firm. This contract is anticipated to include subcontractors to perform geotechnical, survey, environmental, archaeological and all other disciplines required to fully design and permit the project for construction. Additionally, the selected engineering firm will participate in construction administration, to include supporting development of a RFP for a construction firm, reviewing equipment procurement, conducting inspections, and supporting start up and commissioning. Estimates for this cost are based upon 3% of construction costs for engineering design and an additional 2% of construction costs for construction administration activities.

#### **2. Construction**

TCC will competitively solicit a construction contractor 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 Engineering contractor, and be responsible for adherence to all permits and follow the design drawings and specifications and adhering to codes and regulations. Estimates for this scope of work are provided in technical appendices and are based upon cost estimates from a qualified electrical engineering contractor with experience in transmission line construction in Alaska. A copy of the Engineers estimate is provided in the technical appendices.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	TOTAL
<b>Contractual</b>				
Engineering Design and Permitting	\$424,321			\$424,321
Construction Admin		\$141,447	\$141,447	\$282,894
Construction		\$7,047,346	\$7,097,365	\$14,144,711
<b>TOTAL CONTRACTUAL</b>	<b>\$424,321</b>	<b>\$7,188,793</b>	<b>\$7,238,812</b>	<b>\$14,851,926</b>

### Indirect Charges

Tanana Chiefs Conference maintains a federally negotiated indirect rate. A copy of the indirect rate agreement is attached to the budget narrative. TCC's indirect rate allows for 33.10% on direct expenses and 5% on pass-through expenses such as subcontracted costs.

Total subcontracted costs for the project are \$14,851,926

Total direct costs for the project are \$408,353.

COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
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## Budget Narrative: Enhancing Local Energy Connectivity in Tribal Regional Communities, (ELECTRC)

Indirect Costs	Indirect Costs						
	5% on subcontracts	\$21,216	\$359,440	\$361,941			<b>\$3,764,772</b>
	33.1% on Direct Costs less subcontracts	\$43,737	\$44,884	\$46,544			<b>\$742,596</b>
	<b>TOTAL INDIRECT</b>	<b>\$64,953</b>	<b>\$404,323</b>	<b>\$408,485</b>			<b>\$135,165</b>

### Expenditure of Awarded Funds

TCC's Rural Energy Department is housed under the Infrastructure Division of TCC. This division assists TCC's member communities in developing infrastructure including housing, energy, and broadband. TCC's Energy Department has led the design and construction of \$18 million in energy projects in the last few years. The department leverages in-house project management support from **Dave Pelunis-Messier** in coordination with external contractors and consultants to develop projects, develop financing plans (grants/loans), and assists communities in managing funded projects by leveraging TCC's contracting department to contract design, permitting, and construction activities in coordination with local leadership.

The TCC Finance and Accounting department will provide financial oversight, ensuring grant compliance, and providing timely documentation as required for reporting purposes to EPA. The Finance and Accounting department processes all fiscal transactions that flow through TCC. The department verifies all expenses, ensuring that they follow federal procurement regulations and internal TCC policies, and that they are compliant with granting agencies overseeing all financial transactions on over 300 grants and 700 individual programs TCC's FY23 revenue totaled \$279 million, up \$23 million from the previous year. A companywide grant management tool tracks all TCC grants, and Oracle Software is used for our accounting program.

TCC's contracting and procurement team will assist the TCC Project Manager to setup contracts in compliance with grant requirements to carry out the proposed work under the grant funded project. These departments of TCC are well equipped and well versed in complying with Federal regulations and CFR 200 – Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, including subpart D – Post Federal Award Requirements.

TCC will adhere to their adopted Procurement Policies and follow procurement standards as outlined in the Code of Federal Regulations (CFR) Title 2, Part 200. These regulations govern the procurement of goods and services and provide guidance on competition, documentation, and oversight to ensure transparency, accountability, and cost-effectiveness in the use of federal grant funds. Following these codes will ensure transparency, accountability, and effective utilization of grant funds in all procurement processes related to this project.

### Reasonableness of Costs

#### **Budget Development Approach**

Detailed project cost estimates were prepared using a "bottoms up" methodology by qualified professionals with specific experience in project development in remote and rural Alaska for both Measure 1 and Measure 2. For Measure 1: Electric Transmission Intertie, the cost estimate was based upon an engineering feasibility study evaluating considerations for the project. For Measure 2: Solar PV and BESS, the cost estimate was based upon HOMER and Helioscope modeling software to identify sizing, location, and other critical costs essential to development of a Solar PV and BESS cost estimate. Copies of both estimates are attached to the budget narrative to provide additional detail.