

BUDGET JUSTIFICATION EXAMPLE—Family Medical Center (FMC) Construction

Project Type: Construction

Total HIIP Request = \$1,000,000

Total Project Cost = \$1,217,100

FMC’s proposed Health Infrastructure Investment Program (HIIP) project will completely renovate 1,400 square feet (SF) within the existing health center and construct a 4,700 square foot addition/expansion. These improvements will allow FMC to provide additional services and to provide health care to an estimated 800 additional patients annually at this site. The space will be reconfigured to provide a more controlled waiting area with better circulation and to improve access to the exam rooms, records rooms and patient services. The restrooms will be renovated to comply with accessibility requirements of the Americans With Disabilities Act and local building codes. The project adds examination rooms, offices, health care support functions, communications and mechanical spaces. In addition, the roof above the existing main building will be replaced, a FMC sign will be installed at the entrance of the facility, and moveable medical and office equipment will be purchased. The resulting facility will result in a larger and better organized facility, well suited to deliver services to the patient population.

The total FMC project cost is **\$1,217,100**. This application requests **\$1,000,000** to support the total construction and equipment cost. The balance of **\$217,100** will be paid directly by FMC out of funds in hand.

Costs per square foot: \$725,000 Construction (including renovation) + \$24,500 Demolition + \$37,738 Site + \$39,362 Contingency = \$826,600; \$826,600/6,100 SF = **\$135/SF**

The alteration and renovation and construction expansion is anticipated to begin in July 2016 and completed and occupied, July 2018.

LINE NUMBER	ALLOWABLE COSTS—HIIP	OTHER ALLOWABLE COSTS	UNALLOWABLE COSTS
Line 1— Administrative and legal expenses	<p>\$33,100 is the total administrative cost. \$20,100 is allocated to pay a portion of FMC’s staff / project manager (for work directly related to the construction project). \$13,000 is allocated for an environmental analysis and costs associated with evaluation of the environmental effects of proposed activities and producing an Environmental Statement to the local authorities.</p> <p>Total: \$33,100</p>		
Line 2—Land, structures, right- of-way, appraisals, etc.	<p>The current facility is owned by FMC. No additional land is required for this project.</p>		
Line 3—Relocation expenses and payments	<p>Although temporary relocation will be required for this project, no costs are anticipated for this classification.</p>		
Line 4— Architectural and engineering fees	<p>\$87,300 is the cost for the architectural and engineering fees, which will cover the following: structural, civil engineering, mechanical and electrical design; bid construction documents (plans and specifications); and assistance during the construction bidding (answer questions presented by the contractors).</p> <p>Total: \$87,300</p>		

LINE NUMBER	ALLOWABLE COSTS—HIIP	OTHER ALLOWABLE COSTS	UNALLOWABLE COSTS
Line 5—Other architectural and engineering fees	No other architectural or engineering fees are anticipated for this project.		
Line 6—Project inspection fees	<p>\$8,000 is the cost to cover the following services: inspections by the local department of building construction, shop drawing and submittal review; contractor payment certification; final construction inspection; project close out; fees for topographic survey; and the soil/foundation investigation.</p> <p>Total = \$8,000</p>		
Line 7—Site work	<p>\$37,738 is the total site work, which includes: tree removal, grading, earthwork, exterior improvements, seeding of disturbed areas and connection to underground utilities.</p> <p>Total: \$37,738</p>		<p>\$5,000 is the unallowable cost for ornamental landscaping at the building entrance.</p>
Line 8—Demolition and removal	<p>\$24,500 is the total cost associated with removal of a portion of the exterior wall and window, roof removal and removal of portions of the existing partitions. The cost also includes removal of the existing ceilings, lights, flooring and finish materials.</p> <p>Total: \$24,500</p>		<p>\$20,000 is the unallowable costs for related to removing and disposal of asbestos containing materials in duct insulation and floor tile.</p>
Line 9—Construction	<p>\$725,000 is the total construction cost to renovate the existing 1,400 square feet, including installation of new walls and building services and to build the 4,700 square feet addition to the clinic.</p> <p>\$95,000 is the cost of the alteration and renovation.</p> <p>\$630,000 is the total cost to construct an addition of 4,700 square feet. The entire existing roof will be replaced, but only the area above the health center site will be paid for with HIIP funding.</p> <p>The master format divisions costs are:</p> <p>General Requirements total \$60,373: General (Requirements that cover the full scope of the project work).</p> <ul style="list-style-type: none"> – Safety – Operations and storage areas – Use of utilities – Environmental controls 		<p>\$155,100 is the unallowable cost for the replacement of the roof of the building that is over areas not part of the FMC.</p>

LINE NUMBER	ALLOWABLE COSTS—HIIP	OTHER ALLOWABLE COSTS	UNALLOWABLE COSTS
	<p>Facility Construction total \$560,786:</p> <ul style="list-style-type: none"> – Concrete (Example: Footings) – Masonry (Example: Concrete block and brick work) – Metals (Example: Steel framing) – Wood, Plastics, and Composites (Ex. House framing) – Thermal and Moisture Protection (Example: Insulation and water barriers) – Openings (Example: Doors, windows, and louvers) – Finishes – Building Specialties – Installed Equipment <p>Facility Services total \$74,106:</p> <ul style="list-style-type: none"> – Fire Suppression – Plumbing – Heating Ventilating and Air Conditioning – Integrated Automation – Electrical – Communications – Electronic Safety and Security <p>Process Equipment total \$25,735:</p> <ul style="list-style-type: none"> – Water and Wastewater Equipment – Electrical Power Generation <p>Other Project Costs total \$4,000:</p> <ul style="list-style-type: none"> – Exterior Business Sign – Special Purpose Room <p>Grand Total Construction = \$725,000</p>		
Line 10— Equipment	<p>\$82,000 is the total for equipment.</p> <p>\$37,000 will be used to procure 7 exam tables for the exam rooms @ \$2,000 each (7 x \$2,000=\$14,000) 2 beds with wheels height adjustment @ \$4,000 each (2 x \$4,000=\$8,000). 3 tele-medicine carts @ \$5000 each (3 x \$5000=\$15,000).</p> <p>\$29,900 will be used to purchase office equipment: 6 desks @ \$1,000 (\$6,000), 8 computers, (22" monitor, Intel Core Duo 2 Processor) @ \$2,500 each (8 @ \$2,500=\$20,000) would be purchased for each of the new exam rooms, and 26 chairs would be procured (i.e., 20 chairs for the waiting room and 6 chairs for the offices) (16 @ \$150=\$3,900).</p> <p>\$15,100 for a free standing reception desk</p>		

LINE NUMBER	ALLOWABLE COSTS—HIIP	OTHER ALLOWABLE COSTS	UNALLOWABLE COSTS
	with patient registration spaces. Total = \$82,000		
Line 11—Miscellaneous	No miscellaneous costs are anticipated for this project.		
Line 12—SUBTOTAL	\$1,177,738 (The sum of Lines 1 through 11)		
Line 13—Contingencies	\$39,362 which is 5% of the allowable costs in Lines, 7, 8, and 9 will be included for contingency. However, the contingency must be reduced to 2% of the construction line after the contract is awarded. The contingency does not include moveable equipment costs.		
Line 14—SUBTOTAL	\$1,217,100 (The sum of Lines 12 and 13)		
Line 15—Project (program) income	None		
Line 16—TOTAL PROJECT COSTS	\$1,217,100 (Enter the amount in Line 14)		
Line 17—HIIP GRANT (Note: round to the nearest whole dollar amount)	\$1,000,000		