Budget Narrative:

Applicant Name: Mid-Atlantic Broadband

Proposed Period of Performance: 48 months

Total Project Costs: $23,422,236

Total Federal Grant Request: $16,395,565

Total Matching Funds (Cash): $7,026,671

Total Matching Funds (Cash) as Percentage of Total Project Costs: 30%

MBC has a great deal of experience with grant-funded fiber construction projects. Due to the size of this project and considering MBC's current workload with other fiber builds, the grant and construction administration activities will be handled by experienced partners. The following is a detailed description of specific activities proposed in the project budget:

Administrative and Legal Expenses - $409,000

Activity	Total Time	Rate	Total Cost
Southside PDC Admin	1,250 hours	$100	$125,000
MBC Grant Admin	2,250 hours	$100	$225,000
Legal Expenses	125 hours	$400	$50,000
Pre-Application Expenses – Summit Engineering	52 hours	$125	$6,500
Pre-Application Expenses – Southside PDC	25 hours	$100	$2,500

$125,000 – Grant administration paid to Southside PDC
Grant administration activities may include activities such as receiving contract awards, submitting a complete project design, assisting with the procurement of vendors and contractors, awarding construction contract(s), preparing monthly remittance draws, attending monthly meetings, overseeing the project budget, overseeing Davis-Bacon activities, preparing and submitting agency required reports, and successful project close-out. The Southside Planning District Commission (SPDC) has agreed to act as MBC's grant administration and reporting partner, working with GO Virginia, DHCD, and the NTIA/NIST. SPDC will manage the Davis-Bacon Federal Wage Reporting Compliance activities, in addition to participating in monthly coordination meetings with the MBC team and GO Virginia Regions 3, 4, & 9. Grant administration will be paid on a pay-for-performance basis and will be Federally funded/not match funded.

Southside PDC Pay-for-Performance Activity	**AMOUNT**	**PER UNIT**
Project Contract Awarded	$ 9,550.00	$ 9,550.00
Project Management		
Vendor and Contractor Procurement	$ 5,000.00	$ 5,000.00
Award Construction Contracts	$ 5,000.00	$ 5,000.00
Oversight of Davis-Bacon	$ 68,000.00	$ 8,500.00
Financial Management		
Prepare Monthly Remittance Requests	$ 18,000.00	$ 750.00
Contract Management		
Attend Monthly Meetings	$ 4,800.00	$ 200.00
Prepare and Submit Agency-required Reports	$ 8,400.00	$ 700.00

Project Close-out (5%)	$ 6,250.00	$ 6,250.00
TOTAL PAY FOR PERFORMANCE BUDGET	**$ 125,000.00**	

$225,000 – Grant administration paid to MBC.
Estimated 2,250 hours at $100/hour. Grant administration activities may include managing project budget and preparing financial documents/invoices for monthly remittance draws, attending monthly meetings, assisting with the preparation of agency-required reports, procuring vendors and contractors, and coordinating and communicating with contractors and subcontractors.

$50,000 – Legal Expenses
Estimated 125 hours at $400/hour. MBC anticipates legal services will be needed for construction contract negotiations, grant compliance, bonding representations, and other legal services [redacted]

$6,500 – Pre-Application Expenses: Summit Engineering
Summit Engineering was actively involved with the project development and was a significant contributor to information and guidance on the MBC Middle Mile NTIA Application. Services included climate resiliency narrative, project scoping, project Environmental Review, and application consultation.

$2,500 – Pre-Application Expenses: Southside Planning District Commission
The Southside Planning District Commission assisted the project applicant with application development. Activities conducted by the SPDC for grant writing services included coordinating with MBC and NTIA as needed to gather information and documents required for the grant application, completing the grant application, collaborating and corresponding with the application throughout the grant writing process, and uploading and entering application information into the NTIA grant portal.

Land, structures, rights-of-way, appraisals, etc. - $430,000

Description	Unit Basis	Unit Cost	Number of Units	Total Cost
Segment 3	See below	See below	See below	$395,000
Segment 6	See below	See below	See below	$35,000

$395,000 – ROW/Permitting Segment 3

Description	Unit Basis	Unit Cost	Number of Units	Total Cost
Easement	Item	$150,000	1	$150,000
Permitting	Item	$35,000	7	$245,000

There is one (1) easement that will need to be acquired. It is estimated that the costs associated with acquiring the easement will be $150,000. The cost is based on past experience of crossing under railroads and rights of way negotiation in a nearby location.

There are seven (7) areas/locations where the network will have to cross under the path of a railroad. Rights-of-way must be obtained to cross under the railroads and permits cost about $35,000 per crossing. The cost is based on MBC's experience of crossing under railroads. To complete the project successfully, the network must cross the railroads and cannot go around them.

$35,000 – ROW/Permitting Segment 6

Description	Unit Basis	Unit Cost	Number of Units	Total Cost
Permitting	Item	$35,000	1	$35,000

There is one area/location where the network will have to cross under the path of a railroad. Rights-of-way must be obtained to cross under the railroads and permits cost about $35,000 per crossing. The cost is based on MBC's experience of crossing under railroads. To complete the project successfully, the network must cross the railroad and cannot go around them.

Architectural and Engineering Fees - $1,082,523

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$600,935 – 3rd Party Engineering & Construction Management
MBC will contract with an engineering consulting firm to provide day-to-day construction administration and management services, including tracking contractor performance, approving invoices to be paid (minus retainage fees as applicable), working with the permit and ROW owners on various items, and managing the overall project implementation schedule and budget. The $145/hour is a blended rate, as certain job duties will be performed by both junior and senior level staff engineers for construction management.

$481,588 – Underground Engineering Segments 1 – 8
[redacted] Underground engineering will produce site architectural plans and CAD designs which will be used for permitting and construction bidding.

Project Inspection Fees - $468,000

Description	Unit Basis	Unit Cost	Number of Units	Total Cost
3rd Party Inspections	Hour	$90.00	5200	$468,000

$468,000 – Project Inspection Fees
MBC will have the construction administration firm provide on-site physical inspections for the duration of the construction process. Inspection services will include ensuring the fiber route build follows the designed path, and if there are field conditions that warrant a change, the inspector will approve or deny those changes and track requirements to ensure compliance with the overall project scope and budget. Inspectors will also test the depth of the buried fiber infrastructure and ensure construction methods are appropriately followed. At a $90.00/hour rate for inspections, it is anticipated that 5200 hours will be spent on inspections throughout the construction process.

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Project Budget Breakdown

BUDGET LINE ITEM	TOTAL BUDGET	NTIA Budget	GOVA Budget	MBC Cash Match
Administration				
MBC Internal Staff Support Grant	$225,000	$157,500		$67,500
Southside PDC Admin	$125,000	$87,500		$37,500
Legal Expenses	$50,000	$35,000		$15,000
Pre-Application Expenses-Summit Engineering	$6,500	$4,550		$1,950
Pre-Application Expenses-Southside PDC	$2,500	$1,750		$750
SUTOTAL	**$409,000**	**$286,300**	**-**	**$122,700**
Construction Related Soft Costs				
Architectural and Engineering Fees	$1,082,523	$757,766		$324,757
Land, Structures, ROW, Permitting, Etc.	$430,000	$301,000		$129,000
Project Inspection Fees	$468,000	$327,600		$140,400
SUBTOTAL	**$1,980,523**	**$1,386,366**	**-**	**$594,157**
Construction Costs				
Construction	$20,031,155	$14,021,809	$5,000,000	$1,009,347
Continencies	$1,001,558	$701,091		$300,467
SUBTOTAL	**$21,032,713**	**$14,722,900**	**$5,000,000**	**$1,309,814**
TOTAL	**$23,422,236**	**$16,395,565**	**$5,000,000**	**$2,026,671**

NTIA Grant Request	**$16,395,565**	**70%**
GOVA Grant	**$5,000,000**	**21%**
MBC Cash Match	**$2,026,671**	**9%**
TOTAL	**$23,422,236**	**100%**