

**APPLICANT'S NAME : KINBER**

**BUDGET INFORMATION - Construction Programs**

*NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.*

<b>COST CLASSIFICATION</b>	<b>a. Total Cost</b>	<b>b. Matching Funds (Cash)</b>	<b>c. Matching Funds (In-Kind)</b>	<b>d. Federal Funding Request (Columns a-b-c)</b>
1. Administrative and legal expenses	\$1,153,183	\$1,153,183	\$0	\$0
2. Land, structures, rights-of-way, appraisals, etc.	\$0	\$0	\$0	\$0
3. Relocation expenses and payments	\$0	\$0	\$0	\$0
4. Architectural and engineering fees	\$375,000	\$155,000	\$0	\$220,000
5. Other architectural and engineering fees	\$1,625,000	\$1,625,000	\$0	\$0
6. Project inspection fees	\$0	\$0	\$0	\$0
7. Site work	\$525,000	\$525,000	\$0	\$0
8. Demolition and removal	\$0	\$0	\$0	\$0
9. Construction	\$119,429,848	\$24,229,170	\$0	\$95,200,678
10. Equipment	\$5,850,000	\$1,110,000	\$500,000	\$4,240,000
11. Miscellaneous	\$0	\$0	\$0	\$0
12. SUBTOTAL (add #1 through #11)	\$128,958,031	\$28,797,353	\$500,000	\$99,660,678
13. Contingencies	\$0	\$0	\$0	\$0
14. SUBTOTAL (add #12 and #13)	\$128,958,031	\$28,797,353	\$500,000	\$99,660,678
15. Project (program) income	\$0	\$0	\$0	\$0
<b>16. TOTAL PROJECT COSTS (subtract #15 from #14)</b>	<b>\$128,958,031</b>	<b>\$28,797,353</b>	<b>\$500,000</b>	<b>\$99,660,678</b>
<b>FEDERAL FUNDING</b>				
17. Federal assistance requested, calculated as follows: (Consult Federal agency for Federal percentage share.) Enter the resulting Federal share.			Enter eligible costs from line 16a Multiply X 20%	\$25,791,606



## Budget Narrative

**Applicant Name:** Keystone Initiative for Network Based Education and Research (KINBER)

**EasyGrants Number:** 1029

**Organization Type (from Question 1D on BTOP application):** Non-Profit Corporation

**Proposed Period of Performance:** 2 years from award date the project will be 2/3 completed. Project will be fully completed by year 3.

**Total Project Costs:** \$128,958,031

**Total Federal Grant Request:** \$99,660,678

**Total Matching Funds (Cash):** \$28,797,353

**Total Matching Funds (In-Kind):** \$500,000

**Total Matching Funds (Cash + In-Kind):** \$29,297,353

**Total Matching Funds (Cash + In-Kind) as Percentage of Total Project Costs:** 22.72%

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### 1. Administrative and legal expenses

List breakout of position(s), time commitment(s) such as hours or level-of-effort, and salary information/rates with a detailed explanation, and additional information as needed.

The expenses in this category are for 5 full time personnel for the project plus office space and supplies. The expenses total \$1,153,183 and all will be paid by KINBER. Total salaries are estimated to be \$820,910 and benefits (based upon 30% of salaries) are estimated to be \$246,273 for a total of \$1,067,183. The positions are as follows:

- Project Director position full time for 2.5 years
- Lead Technical position full time for 2.5 years



- Technical position full time for 2.25 years
- Technical position full time for 1.5 years
- Administrative/billing position full time for 2.5 years.

These five positions will continue to be funded by KINBER after the completion of the project for the duration of the network.

Office space and supplies are expected to total \$86,000.

Total salaries, benefits, office space and supplies are \$1,153,183.

In addition KINBER member staff have, and will continue to, provide significant support to the project. We have not attempted to quantify these in kind services but they are significant.

- Provide description, calculation, and basis of evaluation for Cash Matching Funds.

KINBER will provide cash for the positions, office space and supplies above. The total will be \$1,153,183.

- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.

None.

## 2. Land, structure, rights-of-way, appraisals, etc.

- Provide description of estimated costs, proposed activities, and additional information as needed.

None for KINBER, these are included in the Fiber-Tech cost estimates.

- Provide description, calculation, and basis of evaluation for Cash Matching Funds.
- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.

## 3. Relocation expenses and payment

- Provide explanation for the relocation, description of the person involved in the relocation, method used to calculate costs, and additional information as needed.

None.

- Provide description, calculation, and basis of evaluation for Cash Matching Funds.



- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.

#### 4. Architectural and engineering fees

- Provide description of estimated fees, explanation of proposed services, and additional information as needed.

\$375,000 in consulting fees has been budgeted to assist with the development of the network design, management of the project and compliance with the grant. Contracted support is anticipated to be \$100,000, \$140,000 and \$135,000 over the first three years. In years 4 and 5, a small amount of professional fees have been estimated for accounting, audit and legal services.

Of the \$375,000, \$225,000 is for project management services for three fiscal years. The remaining \$150,000 has been allocated at \$50,000 per year for three fiscal years to provide legal, compliance, audit and other professional services for the project.

- Provide description, calculation, and basis of evaluation for Cash Matching Funds.

KINBER will pay \$155,000 of these consulting fees. KINBER is seeking the remainder in Federal funding (\$220,000).

- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.

None.

#### 5. Other architectural and engineering fees

- Provide description of estimated fees, explanation of proposed services, and additional information as needed.

KINBER has estimates from Fiber-Tech for fiber maintenance over the first three years of the project. This maintenance cost is estimated at \$1,625,000 over the three years. Beginning in Year 4 there will be ongoing maintenance costs of \$1,250,000 per year which will be funded out of KINBER operating revenues.

- Provide description, calculation, and basis of evaluation for Cash Matching Funds.

KINBER will pay the \$1,625,000 out of KINBER revenues.



- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.

None.

### 6. Project inspection fees

- Provide description of estimated fees, explanation of proposed services, and additional information as needed.

None.

- Provide description, calculation, and basis of evaluation for Cash Matching Funds.

- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.

### 7. Site work

- Provide description of estimated fees, explanation of proposed services, and additional information as needed.

KINBER has estimated that \$525,000 is needed to prepare and operate the core node sites over the first three years. These costs will include modifications to core node sites, electricity upgrades, ensuring adequate cooling and power.

- Provide description, calculation, and basis of evaluation for Cash Matching Funds.

KINBER will pay the \$525,000 out of KINBER revenues.

- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.

None.

### 8. Demolition and removal

- Provide description of estimated fees, explanation of proposed services, and additional information as needed.

None.

- Provide description, calculation, and basis of evaluation for Cash Matching Funds.



- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.

## 9. Construction

- Provide description of estimated fees, explanation of proposed services, state whether the work is being completed by the applicant or an outside contractor, and additional information as needed.

There are two main items of expense in this category: 1) the costs associated with the contract with Fiber-Tech to construct the network and 2) the expenses to ensure the appropriate network management and monitoring occur.

This first category reflects the cost of the quote received from Fiber-Tech to complete the construction of the network. This cost is \$118,458,848 for 48 strands of fiber connecting the 13 core nodes via a 20 year IRU.

The second category reflects the monitoring equipment that will be procured for a total cost of \$542,000 of which 80% is requested to be funded by the NTIA. Hardware and software maintenance of \$429,000 is included in this total which is funded entirely by KINBER. The total expenses in this category are \$971,000. Monitoring will occur by the KINBER employees outlined above.

- Provide description, calculation, and basis of evaluation for Cash Matching Funds.

Fiber-Tech has agreed to provide 20% of the cost of the construction (\$118,458,848) which is \$23,691,770. The remainder is \$94,767,078 to be covered by the grant.

KINBER cash contributions to the monitoring equipment and software maintenance total \$537,400. The amount requested of NTIA is 80% of the equipment costs (\$542,000) or \$433,600.

- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.

None.

## 10. Equipment

- Provide list of equipment with description, number of units, unit cost, state whether it is being purchased or leased, and additional information as needed.



The total equipment costs in this category include \$2,500,000 for 13 switches for the core nodes, \$500,000 for 3 routers, 13 Force 10 devices to connect to the backbone at \$2,300,000 and \$550,000 for miscellaneous equipment. This totals \$5,850,000. The \$550,000 for miscellaneous equipment is the accumulated amount for item such as 73 equipment racks/cabinets, single-mode and multi-mode fiber optic jumpers for cross connects within the co-location space, 26 rack mounted uninterruptible power supplies, network management systems at two core nodes & associated software and power interface equipment necessary for any power conversion at the 13 core nodes.

- Provide description, calculation, and basis of evaluation for Cash Matching Funds.

KINBER is providing \$1,110,000 in cash toward the purchase of the equipment. In addition to the in kind match outlined below, the remaining funds are being requested from the NTIA.

- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.

Ciena, a KINBER partner, has agreed to supply \$500,000 in in-kind contributions to the cost of the equipment.

## 11. Miscellaneous

- Provide additional information as needed.

None

- Provide description, calculation, and basis of evaluation of Cash Matching Funds.

None

- Provide description, calculation, and basis of evaluation of In-Kind Matching Funds.

None.

## Addendum



- If indirect costs (i.e., indirect, overhead, general and administrative, facilities and administration, etc.) and/or fringe benefits are included in the budget, please provide a copy of your existing Negotiated Indirect Cost Recovery Agreement (NICRA), if available. If the NICRA is applied accordingly in the budget, there is no need to justify the costs. If a NICRA is not available or is not consistent with the rates/calculations in the budget, please provide an explanation of how the amounts were calculated. Please clearly list the manner in which indirect costs are calculated in the budget.