



Comprehensive Community Infrastructure Budget Narrative Template

Applicant Name: Ronan Telephone Company

EasyGrants Number: 6355

Organization Type: Independent Telephone company

Proposed Period of Performance: 8 years

Total Project Costs: \$19,738,925

Total Federal Grant Request: \$13,796,640

Total Matching Funds (Cash): \$1,487,484

Total Matching Funds (In-Kind): \$4,454,801

Total Matching Funds (Cash + In-Kind): \$5,942,285

Total Matching Funds (Cash + In-Kind) as Percentage of Total Project Costs: %30.10 (as percentage of Total Grant Request: 43.07%)

1. Administrative and legal expenses - \$6,354,845

Administrative, Contract Management, and Legal Costs

Expense Item	Months	Hours/Mo.	Rate/Hour	Total
Contract Management	36	24	\$50	\$43,200
Project Management	36	168	\$36.25	\$219,240
Site Supervision	36	10	\$35	\$12,600
Legal Counsel	36	4	\$130	\$18,720
Travel (per month)	36		\$3300	\$118,800
Cash Match from HIEM				\$1,487,484
In Kind fiber match from RTC	\$4,416,300	+\$38,501	=	\$4,454,801
			Total	\$6,354,845



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

Cash Match from Health Information Exchange of Montana (HIEM)...\$ 1,487,484

The Health Information Exchange of Montana (HIEM) has explored opportunities to participate in the Montana West Project including HIEM providing dark fiber from Kila to Kalispell from their network, and in return they will receive dark fiber between Kila and the fiber hotel in Missoula. Such an exchange will help HIEM accomplish their mission which is to provide a high-bandwidth network connecting Health Care facilities throughout Northwestern Montana.

However, HIEM is funded by a FCC grant which requires that any expenditure for new fiber infrastructure construction be the result of a predefined Request for Proposal (RFP) process. Therefore the HIEM's cash match contribution from FCC funding in the Montana West Project will be contingent upon Ronan Telephone Company (RTC) bidding on and winning the RFP that HIEM plans to post on the Internet this fall, for a new fiber build between Kalispell and Missoula.

HIEM recognizes the value that Montana West would bring to the Health Care Network they are building, however they cannot commit to expenditures or provide a letter of intent, because of the RFP requirements of their FCC funding. RTC fully expects to bid on and win the RFP and create a mutually beneficial partnership with HIEM in the Montana West Project.

This cash match will pay for 35.41 new miles of fiber at \$42,000 per mile. HIEM won a grant from the FCC to establish a health care telemedicine project in Northwestern Montana, and will use the facilities from this project to add to facilities already in place from the previous grant. Montana West will allow HIEM to connect to hospitals and health care institutions in Kalispell, through the Flathead and Mission Valleys and on into Missoula.

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

In-Kind Match from Ronan Telephone Company

In-Kind match of 105.15 miles of installed fiber = \$4,454,801. Ronan Telephone Company donates its existing fiber backbone to this project. (See match valuation worksheet in supplemental information)

We further substantiate our estimate of fiber per mile costs, with a letter from HIEM that shows recent bid activity for fiber placement in Northwestern Montana in very similar geography, averaging \$41,767 per mile for aerial and buried fiber placement between Kalispell and Libby, Montana. This letter from HIEM is included in our supplemental submittals.

2. Land, structure, rights-of-way, appraisals, etc. - \$129,600

Finalizing route planning...Middle Mile...Engineering costs--\$129,600 for the entire project...162 days at \$100 per hour, or \$800 per day.

This involves independent engineering of the route, walking/driving the route and preparing final maps for the relevant authorities and obtaining final rights of way prior to buildout. This will be done for each leg (14 legs) of the fiber backbone prior to build start, and will be taking place while the Tribal



installation teams are being trained at the beginning of the project. (see project plan in the supplemental submittal section)

3. Relocation expenses and payment - \$0

We do not anticipate relocating anyone for this project as the entire planned fiber build and coverage area is within Northwestern Montana, and the installation teams from the Tribes and Ronan Telephone company reside in the areas they will be working in.

4. Architectural and engineering fees - \$0

Our engineering fees are described in item 2 above, as they will be related to rights of way acquisition and site preparation.

5. Other architectural and engineering fees - \$0

We do not anticipate any additional architectural or engineering fees other than what is covered in our \$42,000 per mile buildout cost.

6. Project inspection fees - \$50,400

	<u>Months</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Site Inspection	36	40	\$35	\$50,400

7. Site work - \$35,200

Site Development \$35,200

Site Development and Engineering...Last Mile...Engineering costs--\$7,040 for each of five last mile wireless Internet installations. Total...\$35,200.

This is estimated to be 88 hours per installation at \$80 per hour. This will involve working with the Tribes and town councils to establish location and placement of antennae and base stations, and will result in contracts for the duration of the project. As mentioned in our project description, we do not anticipate building any new structures for last mile wireless placement, as we are able to work out antenna/base station placement with municipalities and Tribes on existing structures close to the center of the coverage area.



8.Demolition and removal - \$0

Demolition and removal will be covered in our \$42,000 per mile buildout estimate. When burying fiber, the trench will be covered back up and restored to original condition. All debris and material related to bury or pole installation will be cleared and disposed of within the \$42,000 per mile cost framework.

9.Construction - \$8,189,627

Fiber build

Switching	Juniper MX960	\$247,500
	Juniper Line Cards	\$378,000
	Juniper Line Card DPC	\$148,500
	Cisco 3750G	\$161,850
Transport	Fiber Optic Transceivers	\$189,074
	Power Supplies	\$135,000
Network Mgmt. Hardware	Network servers	\$140,758
Outside Plant	Fiber construction	\$6,765,565
Other upfront costs	Site Acquisition costs	\$23,380

Construction crews will be seven people from the Blackfeet Reservation, seven from the Flathead Reservation and five from Ronan Telephone Company. These crews will be responsible for the buildout in their respective areas of residence. The project schedule has these reservation crews selected and trained during the first 3 months of the project. Costs for training have been included in the \$42,000 per mile buildout cost.

10.Construction and wireless Equipment - \$4,316,305

(3) times_\$1,347,250.00, + \$93,690 + \$180,865 (see below)

Equipment per crew has been included in the \$42,000 per mile breakout above, however for descriptive purposes, here is a list of the equipment that will be required to complete the project. There will be (3) crews, the Blackfeet, the Flathead, and the RTC crews.



	Equipment per crew	New cost	Gross cost
2.33	small pickup	\$25,000.00	\$58,250.00
2	large pickup	\$52,000.00	\$104,000.00
1	Towing Truck	\$75,000.00	\$75,000.00
1	water truck	\$75,000.00	\$75,000.00
2	equipment trailer	\$20,000.00	\$40,000.00
2	reel trailer	\$6,000.00	\$12,000.00
1	boring machine	\$400,000.00	\$400,000.00
1	cable plow	\$152,000.00	\$152,000.00
1	excavator	\$65,000.00	\$65,000.00
1	vactron	\$36,000.00	\$36,000.00
0.66	D8 Cat	\$300,000.00	\$198,000.00
0.66	Semi Tractor	\$100,000.00	\$66,000.00
0.66	Semi Trailer	\$100,000.00	\$66,000.00
			\$1,347,250.00

Remote site last mile wireless Internet equipment

Customer premise radio/modems...(347) at \$270 each...total \$93,690. This is derived from quotes from our existing wireless Internet vendor who supplies our equipment for the Browning installation (Arris Corporation)

Wireless Base stations

(5) base stations at \$36,173 each...total...\$180,865...also from our existing wireless vendor who supplies our equipment for the Browning and Cut Bank installations. (Arris Corporation)

11.Miscellaneous - \$662,948

10-year IRU Lease for 10Gb Cutbank to Missoula from 360 Networks

13. Contingencies - \$0

- Contingencies are an unallowable expenditures under BTOP.

15. Project (program) income - \$0

- The value for this line-item on the SF-424C is \$0. Please do not provide an estimated Project (program income) on the SF-424C.



Addendum

- Very few indirect costs are allowable through BTOP. If any allowable indirect costs 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.

Note: Verify that indirects are calculated correctly and are eligible BTOP costs. To clarify, reasonable indirect costs under BTOP are only allowable for Full Time Employees (FTEs) associated with the construction, deployment, or installation of facilities or equipment used to provide broadband service.

#. Example Budget Narrative - \$724,134 (Confirm to SF-424C)

\$100,000 of this category is estimated for legal expenses for contract reviews based on the average legal cost of (\$4) per mile for 25,000 miles.

\$134 of this category is estimated for legal court filings.

\$624,000 of this category is estimated for Project Engineering Staff which consists of a project manager and two (2) network engineers.



BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP)

Staff	Hours	Years	Rate	Total Cost
Project Manager	2080	3	\$20/hr	\$124,800
Project Engineer	2080	3	\$30/hr	\$187,200
Civil Engineer	2080	3	\$50/hr	\$312,000
TOTAL:				\$624,000

BUDGET INFORMATION - Construction Programs

OMB Approval No. 4040-0008
Expiration Date 07/30/2010

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.

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	\$ 6,354,845.00	\$	\$ 6,354,845.00
2. Land, structures, rights-of-way, appraisals, etc.	\$ 129,600.00	\$	\$ 129,600.00
3. Relocation expenses and payments	\$ 0.00	\$	\$ 0.00
4. Architectural and engineering fees	\$ 0.00	\$	\$ 0.00
5. Other architectural and engineering fees	\$ 0.00	\$	\$ 0.00
6. Project inspection fees	\$ 50,400.00	\$	\$ 50,400.00
7. Site work	\$ 35,200.00	\$	\$ 35,200.00
8. Demolition and removal	\$ 0.00	\$	\$ 0.00
9. Construction	\$ 8,189,627.00	\$	\$ 8,189,627.00
10. Equipment	\$ 4,316,305.00	\$	\$ 4,316,305.00
11. Miscellaneous	\$ 662,948.00	\$	\$ 662,948.00
12. SUBTOTAL (sum of lines 1- 11)	\$ 19,738,925.00	\$ 0.00	\$ 19,738,925.00
13. Contingencies	\$	\$	\$ 0.00
14. SUBTOTAL	\$ 19,738,925.00	\$ 0.00	\$ 19,738,925.00
15. Project (program) income	\$	\$	\$ 0.00
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ 19,738,925.00	\$ 0.00	\$ 19,738,925.00
FEDERAL FUNDING			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share.) Enter eligible costs from line 16c Multiply X <input type="text"/> % Enter the resulting Federal share.			\$ 19,738,925.00

BTOP Comprehensive Community Infrastructure Detailed Budget

Please complete the General Budget Overview and Detailed Project Costs worksheets.

Please refer to the Comprehensive Community Infrastructure Grant Guidance for detailed instructions on the completing this upload.

Applicants are required to provide this upload as an Excel file, and not to convert it to a PDF prior to upload. Applicants should not alter the layout of the provided templates, except to insert additional line-items as needed in the Detailed Project Costs worksheet.

Important Update - 3/19/2010: This template has been updated with the addition of a new column in the Detailed Project Costs worksheet. The new column, titled "Cash Match Percentage" allows Applicants to specify the percentage of the line item cost that will be provided by the cash match. This column is only relevant if "Cash Match" is selected in column C (the "Match" column). If "Cash Match" is selected in column C, Applicants should specify a percentage in the Cash Match Percentage field--100% means that the line item will be paid for entirely from the cash match, 0% means that it is paid for entirely from the federal request, any other amount will allocate the costs between the federal request and the cash match.

Note that *it is not required for Applicants to use this updated template*. Applicants that submit their detailed budget using the previously available template will not be penalized. In the previous version of this template, selecting "Cash Match" in column C indicates that 100% of the line item cost will be paid from the cash match.

General Budget Overview

Budget	Federal Funding Request	Matching Funds (Cash)	Matching Funds (In-Kind)	Budget TOTAL	Last Mile Allocation	Middle Mile Allocation	Allocated TOTAL
Network & Access Equipment (switching, routing, transport, access)	\$2,063,630			\$2,063,630	\$0.00	\$2,063,630.00	\$2,063,630
Outside Plant (cables, conduits, ducts, poles, towers, repeaters, etc.)	\$6,765,565	\$1,487,484	\$4,454,801	\$12,707,850		\$12,707,850.00	\$12,707,850
Buildings and Land – (new construction, improvements, renovations, lease)				\$0			\$0
Customer Premise Equipment (modems, set-top boxes, inside wiring, etc.)	\$93,690			\$93,690	\$93,690.00		\$93,690
Billing and Operational Support Systems (IT systems, software, etc.)				\$0			\$0
Operating Equipment (vehicles, office equipment, other)	\$4,041,750			\$4,041,750		\$4,041,750.00	\$4,041,750
Engineering/Professional Services (engineering design, project management, consulting, etc.)	\$410,760			\$410,760		\$410,760.00	\$410,760
Testing (network elements, IT system elements, user devices, test generators, lab furnishings, servers/computers, etc.)	\$50,400			\$50,400		\$50,400.00	\$50,400
Site Preparation				\$0		\$0.00	\$0
Other	\$370,845			\$370,845	\$239,444.50	\$131,400.00	\$370,845
TOTAL BROADBAND SYSTEM:	\$13,796,640	\$1,487,484	\$4,454,801	\$19,738,925	\$333,135	\$19,405,790	\$19,738,925
Cost Share Percentage:	69.90%	7.54%	22.57%				

DETAIL OF PROJECT COSTS

PLEASE COMPLETE THE TABLE BELOW FOR THE DIFFERENT CATEGORIES OF EQUIPMENT THAT WILL BE REQUIRED FOR COMPLETING THE PROJECT. EACH CATEGORY SHOULD BE BROKEN DOWN TO THE APPROPRIATE LEVEL FOR IDENTIFYING UNIT COST

	Match (Cash/In-kind)	Cash Match Percentage	Unit Cost	No. of Units	Total Cost	Cash Match Amount	Last Mile Allocation	Middle Mile Allocation	Allocated Total	SF-424C Budget Category	Support of Reasonableness
NETWORK & ACCESS EQUIPMENT					\$2,063,630		\$0	\$2,063,630	\$2,063,630		
Switching											
	Juniper MX960		\$49,500	5	\$247,500	\$0		\$247,500	\$247,500	9. Construction	Routing hardware
	Juniper Line Cards		\$54,000	7	\$378,000	\$0		\$378,000	\$378,000	9. Construction	Routing hardware
	Juniper Line Card DPC		\$49,500	3	\$148,500	\$0		\$148,500	\$148,500	9. Construction	Routing hardware
Routing	Cisco 3750G router		\$5,395	30	\$161,850	\$0		\$161,850	\$161,850	9. Construction	Routing hardware
					\$0	\$0			\$0		
Transport	Fiber optic Transceiver Kit		\$5,561	34	\$189,074	\$0		\$189,074	\$189,074	9. Construction	Fiber Transport hardware
	Carrier grade power supply		\$4,500	30	\$135,000	\$0		\$135,000	\$135,000	9. Construction	Power for fiber transport
					\$0	\$0			\$0		
Access	*See fiber mile cost worksheet										
Included in \$42000 per mile	for cross-connect and splicing materials-				\$0	\$0			\$0		
Other	Network Management Hdwr.		\$140,758	1	\$140,758			\$140,758	\$140,758	9. Construction	Network servers
	10Gb IRU 10-yr Lease		\$662,948	1	\$662,948			\$662,948	\$662,948	11. Misc.	360 Networks IRU lease
									\$0		
OUTSIDE PLANT					\$12,707,850	\$0	\$0	\$12,707,850	\$12,707,850		
Cables	96-count fiber installed per mile, includes 2" conduit		\$26,078	259.43	\$6,765,565	\$0		\$6,765,565	\$6,765,565	9. Construction	Fiber cable and conduit
	In-Kind already installed fiber	In-kind Match	\$42,366	105.15	\$4,454,801			\$4,454,801	\$4,454,801	1. Admin and Legal	Existing fiber plant
	Cash Match from HIEM	Cash Match	\$42,000	35.42	\$1,487,484	\$1,487,484		\$1,487,484	\$1,487,484	1. Admin and Legal	Contingent on HIEM RFP
Conduits					\$0			\$0	\$0		
					\$0	\$0			\$0		
					\$0	\$0			\$0		
Ducts					\$0	\$0			\$0		
					\$0	\$0			\$0		
					\$0	\$0			\$0		
Poles					\$0	\$0			\$0		
					\$0	\$0			\$0		
					\$0	\$0			\$0		
Towers					\$0	\$0			\$0		
					\$0	\$0			\$0		
					\$0	\$0			\$0		
Repeaters					\$0	\$0			\$0		
					\$0	\$0			\$0		
					\$0	\$0			\$0		
Other					\$0	\$0			\$0		
					\$0	\$0			\$0		
					\$0	\$0			\$0		

		Match (Cash/In-kind)	Cash Match Percentage	Unit Cost	No. of Units	Total Cost	\$0	Last Mile Allocation	Middle Mile Allocation	Allocated Total	SF-424C Budget Category	Support of Reasonableness
BUILDINGS						\$0	\$0	\$0	\$0	\$0		
New Construction						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Pre-Fab Huts						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Improvements &						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Other						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
CUSTOMER PREMISE EQUIPMENT						\$93,690	\$0	\$93,690	\$0	\$93,690		
Modems						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Set Top Boxes						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Inside Writing						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Other						\$0	\$0			\$0		
Radio/modems	700Mhz CPE			\$ 270.00	347	\$93,690	\$0	\$93,690		\$93,690	10. Equipment	Wireless last mile equipment (Customer)
						\$0	\$0			\$0		
BILLING SUPPORT AND OPERATIONS SUPPORT SYSTEMS						\$0	\$0	\$0	\$0	\$0		
Billing Support						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Customer Care						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Other Support						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		

		Match (Cash/In-kind)	Cash Match Percentage	Unit Cost	No. of Units	Total Cost	\$0	Last Mile Allocation	Middle Mile Allocation	Allocated Total	SF-424C Budget Category	Support of Reasonableness
OPERATING EQUIPMENT						\$4,041,750	\$0	\$0	\$4,041,750	\$4,041,750		
Vehicles	Construction Equipment				1	\$4,041,750	\$0		4041750	\$4,041,750	10. Equipment	Heavy Construction equipment
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Office Equipment /						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Other						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
PROFESSIONAL SERVICES						\$410,760	\$0	\$0	\$410,760	\$410,760		
Engineering Design	Finalize route planning			100	1296	\$129,600	\$0		129600	\$129,600	2. Land, structures	Site Engineering
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Project Mgmt. Contract Management	Scheduling, reporting, changes			36.25	6048	\$219,240	\$0		219240	\$219,240	1. Admin and Legal	Operations Management of overall project
	Oversight, reports, accounting			50	864	\$43,200	\$0		43200	\$43,200	1. Admin and Legal	Interface to Federal Agencies
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Consulting Legal Counsel	Legal Research, advice			130	144	\$18,720	\$0		18720	\$18,720	1. Admin and Legal	Legal assistance with rights of way, etc.
						\$0	\$0			\$0		
Other						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
TESTING						\$50,400	\$0	\$0	\$50,400	\$50,400		
Network						\$0	\$0			\$0		
Inspection fees	Final testing			35	1440	\$50,400	\$0		50400	\$50,400	6. Inspection fees	Final inspection of fiber routes
						\$0	\$0			\$0		
IT System						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
User Devices						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Test Generators						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Lab						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		
Servers/Computer						\$0	\$0			\$0		
						\$0	\$0			\$0		
						\$0	\$0			\$0		

		Match (Cash/In-kind)	Cash Match Percentage	Unit Cost	No. of Units	Total Cost	\$0	Last Mile Allocation	Middle Mile Allocation	Allocated Total	SF-424C Budget Category	Support of Reasonableness
OTHER UPFRONT COSTS												
Site	700Mhz Base Station			\$36,173	5	\$180,865	\$0	\$180,865		\$180,865	10. Equipment	Base station radio equipment
	Engineering and Installation			\$7,040	5	\$35,200	\$0	\$35,200		\$35,200	7. Site work	Tribal and town interfacing
	Site acquisition costs (hours)			\$58	400	\$23,380	\$0	\$23,380		\$23,380	9. Construction	Costs for right of way acquisitions
Other	Site Supervision			\$35	360	\$12,600	\$0		\$12,600	\$12,600	1. Admin and Legal	On-site management during construction
Travel	Travel to sites in Montana			3300	36	\$118,800	\$0		\$118,800	\$118,800	1. Admin and Legal	36 months travel at 3300 per month
						\$0	\$0			\$0		
PROJECT TOTAL:						\$19,738,925		\$333,135	\$19,405,790	\$19,738,925		

SF-424C Cross-check Totals	
1. Admin and Legal	\$6,354,845
2. Land, structures	\$129,600
3. Relocation expenses	\$0
4. Architectural and engr.	\$0
5. Other archit. and engr.	\$0
6. Inspection fees	\$50,400
7. Site work	\$35,200
8. Demolition/removal	\$0
9. Construction	\$8,189,627
10. Equipment	\$4,316,305
11. Misc.	\$662,948

Matching Contribution Cross-check Totals	
Federal Funding Request	\$13,796,640
Cash Match Contribution	\$1,487,484
In-kind Match Contribution	\$4,454,801

Approach to allocating Last Mile and Middle Mile costs:
 Fiber backbone installation and all necessary material and equipment to accomplish it is allocated to middle mile.
 All wireless Internet equipment and labor to install 700Mhz base stations and CPE's is allocated to last mile.