MMG Budget Narrative Template

Applicant Name: Visionary Communications, LLC

Applicant Type: Small Business

Proposed Period of Performance: 2 years

Total Project Costs: $2,293,038

Total Federal Grant Request: $1,261,170.90

Total Matching Funds (Cash): $586,014.10

Total Matching Funds (In-Kind): $445,853

Total Matching Funds (Cash + In-Kind): $1,031,867.10

Total Matching Funds (Cash + In-Kind) as Percentage of Total Project Costs: 45%

1. Administrative and Legal Expenses - $ 315,572

Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed.

Category (Condensed Budget Category)	Sub-Category (Unit Type)	Unit Quantity/Type (No. of Units)	Unit Cost	Total Cost
De Minimus	10% de minimus rate for indirect costs, per 2CFR 200.414(f)	1	$208,458	$208,458
Grant Administration	Accounting	88.4	$60	$5,304
Grant Administration	Chief Strategy Officer	130	$200	$26,000
Grant Administration	GIS Mapping	60	$50	$3,000
Grant Administration	Grant Coordination Manager	60	$60	$3,600
Grant Administration	Regulatory Compliance Specialist	260	$60	$15,600
Oriva Hills Fixed Wireless - Microwave Backhaul	FCC Licenses	5	$1,260	$6,300
Pre-application Expenses	Accounting	3	$60	$180
Pre-application Expenses	Fiber Engineering	38	$60	$2,280
Pre-application Expenses	GIS Mapping	19	$50	$950
Pre-application Expenses	Grant Administration - Chief Strategy Officer	104	$200	$20,800
Pre-application Expenses	Grant Administration - Grant Coordination Manager	359	$60	$21,540
Pre-application Expenses	Grant Administration - Regulatory Compliance Specialist	26	$60	$1,560

Visionary does not have a negotiated indirect cost rate agreement and is applying the de minimis rate in accordance with 2 CFR § 200.414(f). The budget reflects de minimus indirect costs of $208,458.

Pre-application expenses of $47,310 include labor costs for accounting, fiber engineering, GIS mapping and grant administration. Grant administration costs include compilation of the grant by the Grant Coordination Manager and Regulatory Compliance Specialist, with oversite and support from the Chief Compliance Officer. Per-employee hourly rates and time devoted to the project are detailed in the enclosed table.

Grant administration expenses of $53,504 include post-award labor costs associated with ongoing reporting and regulatory compliance, including accounting, GIS mapping and administration. Per-employee hourly rates and time devoted to the project are detailed in the enclosed table.

FCC licenses needed for the fixed wireless backhaul upgrades are also included in the budget. Costs associated with FCC licenses amount to $6,300.

2. Land, structures, rights-of-way, appraisals, etc. - $ 622,566

Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed.

Category	Sub-Category	Unit Quantity/Type	Unit Cost	Total Cost
Oriva Hills Fixed Wireless - Easements	[redacted] and [redacted] Tower Easements	[redacted]		
Southern Drive to West IGO Permitting and Easements	City of Gillette Raceway Lease	1, project component	$12,720	$12,720
Southern Drive to West IGO Permitting and Easements	Easement Procurement	200 hours	$150	$30,000
Fiber Build - Southern Drive to West IGO and Wright POP Easements	Fiber Easements	19137 feet	$1.51	$28,993
Fiber Build - Southern Drive to West IGO, Wright POP and Oriva Hills	Permitting	1, project component	$75,000	$75,000
Wright POP In-Kind Contribution	Gillette to Wright fiber IRU	40.2 strand miles, see valuation explanation, below	$445,853	$445,853

Easements for the [redacted] and [redacted] towers are estimated at two easements of [redacted] each, for a total of [redacted]. Each easement will host a tower site.

The City of Gillette raceway lease includes costs for a 3,089-foot lease of city-owned raceway, costed out over the five-year period of performance per the terms of Visionary's existing contract with the city. Including the annual 3% escalator, the total anticipated cost for the raceway lease is $12,720.

Easement procurement costs of $30,000 include staff time needed to conduct legal research and negotiate agreements for private easements anticipated on the Southern Drive to West IGO fiber build.

Fiber easement costs of $28,993 are based on 19,137 feet of private easements paid at a standard rate of $1.51 per rod.

Permitting costs of $75,000 include all permit-related fees and labor expenses, including but not limited to permissions needed from the Wyoming Department of Transportation, the Town of Wright, the City of Gillette and Campbell County. As all components of the project meet categorical exclusion requirements, no environmental assessment is anticipated or budgeted.

To facilitate redundancy for the Town of Wright, Visionary will provide an in-kind contribution of a 40.2-mile IRU on a 20-year term from the Wright Visitor Center – a federally assisted project and town-owned facility – to the Campbell County administrative building in Gillette, the central resource for numerous services provided by the County to the Town of Wright.

The Town of Wright uses County resources for a variety of critical services including motor vehicle services (DMV), emergency services (911 dispatch), and law enforcement. By linking the Town Hall POP to the Visitor Center IRU, the Town of Wright will have a high-capacity, diverse middle-mile connection to the County's administrative center. This middle-mile augment will ensure connectivity for the Town's mission-critical functions and will provide a substantial benefit to the Town and local residents alike.

The IRU will originate at an existing Visionary fiber facility at the Campbell County administrative building at 500 S Gillette Ave. in Gillette, Wyoming. The other end of the IRU will extend through existing Visionary middle-mile facilities and interface with the new middle-mile fiber contemplated by this application. Through the combination of the IRU of existing Visionary fiber assets and new fiber construction funded by this NTIA application, the fiber will ultimately terminate at the Wright Visitor Center, located at 15089 Hwy 387 in Wright.

To arrive at an estimated value for the in-kind contribution, Visionary reviewed real-life IRU valuations: an NTIA-approved BTOP IRU, three different calculations of an existing IRU of similar scale and term between Visionary and a regional electric utility, and an IRU calculated by utilizing a state department of transportation IRU valuation tool. These examples were specifically chosen due to their relevance to this project.

Using metrics from these real-life examples, Visionary developed a calculator that could compare valuations (see attachment, "IRU Valuations Workbook"). Using the same mileage as the IRU for the Wright Visitor Center, the sample set ranged in cost from $378,066 to $771,608.

The Broadband Technology Opportunities Program IRU was selected for the sample set because it was previously approved by NTIA, so would presumably be acceptable for the Middle Mile Program.

Visionary's IRU with the electric utility, [redacted], was incorporated into the sample set because both Visionary and [redacted] operate in Wyoming and the IRU terms are virtually identical to those of the proposed IRU.

Finally, the [redacted] was used because the proposed IRU is almost entirely within a state transportation department Right of Way. As such, determine how a state transportation department assigns value to IRUs is an appropriate comparison point.

To arrive at the final valuation, Visionary applied the salient metrics – IRU term, mileage and strand count – to the valuation workbook, then used an average of the three lowest valuations to determine the fair value of the proposed IRU. This final valuation incorporates a holistic and below-market evaluation of the project IRU.

3. Relocation expenses and payments - $0

No costs are budgeted under this category.

4. Architectural and engineering fees - $111,729

Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed.

Category	Sub-Category	Unit Quantity/Type	Unit Cost	Total Cost
Grant Administration	Fiber Engineering	265.2 hours	$60	$15,912
Fiber Build - Southern Drive to West IGO and Wright POP	Engineering	Priced as 10% of associated material and labor costs	$95,817	$95,817

Engineering fees of $15,912 are anticipated post-award to assist with grant administration. Visionary anticipates approximately 265 hours of engineering time at $60/hour will be required.

Final engineering of the fiber build is budgeted as 10% of associated material and labor costs, for a total anticipated cost of $95,817.

5. Other architectural and engineering fees - $0

No costs are budgeted under this category.

6. Project Inspection fees - $0

No costs are budgeted under this category.

7. Site work - $0

No costs are budgeted under this category.

8. Demolition and removal - $0

No costs are budgeted under this category.

9. Construction - $998,045

Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed.

Category	Sub-Category	Unit Quantity/Type	Unit Cost	Total Cost
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers	Construction Labor	1, project component	$22483	$22,483
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers	Contractor Placement of Plunk	2, per site	$7000	$14,000
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers	Electrician Labor	2, per site	$5000	$10,000
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers	Installation Labor	2, per site	$1200	$2,400
Fiber Build - Southern Drive to West IGO and Wright POP	Labor - Bore Duel Pac HDPE 1.25" Ducts, cost per foot	22,833	$18.5	$422,411
Fiber Build - Southern Drive to West IGO and Wright POP	Labor - Construct building entrance	1, project component	$6,750	$6,750
Fiber Build - Southern	Labor	Construction management,	$105399	$105,399

Drive to West IGO and Wright POP		priced as 10% of associated material and labor costs		
Fiber Build - Southern Drive to West IGO and Wright POP	Labor - Hydro-Vac, cost per unit	54 units	$250	$13,500
Fiber Build - Southern Drive to West IGO and Wright POP	Labor - Install handhole, cost per unit	7 units	$600	$4,200
Fiber Build - Southern Drive to West IGO and Wright POP	Labor - Install handhole, cost per unit	20 units	$650	$13,000
Fiber Build - Southern Drive to West IGO and Wright POP	Labor - Pull 144-Strand Fiber, cost per foot	59500 feet	$1.5	$89,250
Fiber Build - Southern Drive to West IGO and Wright POP	Labor - Pull 24-Strand Fiber, cost per foot	1200 feet	$1.5	$1,800
Fiber Build - Southern Drive to West IGO and Wright POP	Labor - Splicing, cost per unit	24 units	$120	$2,880
Fiber Build - Southern Drive to West IGO and Wright POP	Labor - Trench/Plow Duel Pac HDPE 1.25" Ducts, cost per foot	42320 feet	$6.5	$275,080
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers	Power Company Fee	2 units	$2000	$4,000
Oriva Hills Fixed Wireless - [redacted] and	Provisioning Labor	6 hours	$100	$600

[redacted] Towers				
Fiber Build - Southern Drive to West IGO and Wright POP	Third-party vault/splice-case access	1 unit	$2000	$2,000
Fiber Build - Southern Drive to West IGO and Wright POP	Trench and Cable for Electric	1, project component	$8045	$8,045
Fiber Build - Southern Drive to West IGO and Wright POP	Trenching Travel Time	1, project component	$248	$248

Construction costs of $998,045 include all labor and material costs associated with the Wright POP fiber build, Southern Drive to West IGO tower site fiber build, deployments of the [redacted] and [redacted] tower sites and fixed wireless backhaul upgrades. Costs are also included for Powder River Energy Corporation electrical hookups at the tower sites, as well as trenching costs necessary to build electric to the facilities. Itemized costs for each budget line are listed in the above table.

10. Equipment - $245,126

Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed.

Category	Sub-Category	Unit Quantity/Type	Unit Cost	Total Cost
Fiber Build - Southern Drive to West IGO and Wright POP Fiber Materials	144 Fiber Strand Loose Tube, cost per foot	59,500 feet	$1.27 feet	$75,565
Fiber Build - Southern Drive to West IGO and Wright POP Fiber Materials	Duel Pac HDPE 1.25" Ducts, cost per foot	65,153 feet	$0.52	$33,880
Fiber Build - Southern Drive to West IGO and Wright POP Fiber Materials	Locate station, cost per unit	27 units	$33.81	$913
Fiber Build - Southern Drive to West IGO and Wright POP Fiber Materials	Traffic-rated handhole w/Tier 22 Lid - 24X36X24, cost per unit	7 units	$332.75	$2,329
Fiber Build - Southern Drive to West IGO and Wright POP Fiber Materials	Traffic-rated handhole w/Tier 22 Lid - 24X36X24, cost per unit	20 units	$655	$13,100

Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers Tower Site Equipment	APC Chassis for Surge Cards	2 units	$49	$98
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers Tower Site Equipment	Backhaul Brackets	12 units	$250	$3,000
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers Tower Site Equipment	CAT5 Cable Ends	20 units	$0.75	$15
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers Tower Site Equipment	Large NEMA Enclosure	4 units	$3000	$12,000
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers Tower Site Equipment	Plunk Tower and Concrete	2 units	$5952.5	$11,905
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers Tower Site Equipment	Shireen CAT5 Cable	4 units	$39.2	$157
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers Tower Site Equipment	Surge Card	6 units	$22	$132
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers Tower Site Equipment	Tower Topper	2 units	$550	$1,100
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers Tower Site Equipment	Zip Ties	32 units	$2	$64
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers Tower Site Equipment	Alpha Battery Backup	2,079	$4	$8,318
Fiber Build - Southern Drive to West IGO and Wright POP Fiber Materials	Rack-mount 144-port FDP with cassette and pigtails, cost per unit	656 units	$1	$656
Fiber Build - Southern Drive to West IGO and Wright POP Fiber Materials	Splice case type D, cost per unit	366 units	$3	$1,098
Fiber Build - Southern Drive to West IGO and Wright POP Fiber Materials	Splice tray type D, cost per unit	23 units	$6	$138
Fiber Build - Southern Drive to West IGO and Wright POP Fiber Materials	24 Fiber Strand Loose Tube, cost per foot	350 feet	$1.20	$420
Fiber Build - Southern Drive to West IGO and Wright POP Fiber Materials	Splice case type C, cost per unit	2 units	$258	$516
Fiber Build - Southern Drive to West IGO and Wright POP Fiber Materials	Splice tray type C, cost per unit	4 units	$17	$68

Fiber Build - Southern Drive to West IGO and Wright POP Fiber Materials	Wall-mount 24-port FDP with cassette and pigtails, cost per unit	2 units	$309	$618
Oriva Hills Fixed Wireless - Microwave Backhaul	SAF 1.4G Radio	5 units	$14,050	$70,250
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers Networking Equipment	Aggregration Services Router (ASR)	4 units	$2,000	$8,000
Oriva Hills Fixed Wireless - [redacted] and [redacted] Towers Networking Equipment	Netonix Router	2 units	$394	$787

Equipment costs of $998,045 include all equipment conponets of the network that are not associated with construction contracts. As itemized in the above table, these include conduit, fiber optic cabling, locate stations, splice cases handholes, NEMA enclosures, tower structures, battery backup, SAF 1.4G backhaul radios, wireless networking equipment and miscellaneous components needed at the wireless sites.

11. Miscellaneous - $0

No costs are budgeted under this category.

12. SUBTOTAL (sum of lines 1-11) - $2,293,039

13. Contingencies - $0

Cost estimates account for inflationary pressures and are conservatively based on Visionary's actual documented costs, with reasonable contingencies added as necessary to improve the precision of estimates. As such, no additional contingencies are needed and no costs are budgeted under this category.

14. SUBTOTAL (sum of lines 12-13) - $0

15. Project (program) income - $0

After non-grant incidental expenses, program income generated during the period of performance is -$1,454.5. As such, the entry for program income is zero.

Visionary will adopt fiscally sustainable middle-mile strategies, as demonstrated by its pro forma financial projections. Pro forma expenses are based on Visionary's actual costs and standard internal estimates for deploying, operating and maintaining fiber and fixed wireless infrastructure.

Pro forma expenses consist of two elements: capital expenses and operational expenses. Cost estimates for capital expenses are reflected in the detailed budget justification and SF-424c, which then flows through to the pro forma. Operational expense estimates reflected in the pro forma are based on Visionary's standard opex calculations for similar fiber and fixed wireless projects.

Pro forma revenues reflect conservative take rate estimates based on Visionary's prior experience in Campbell County. The project would facilitate last-mile service to 1,040 addresses in Oriva Hills and Wright. Pro forma revenues reflect a take rate of just 37.5%, or 390 customers. Even at this low threshold, the project is forecast to be EBITDA positive within five years. These revenues will be sufficient to support long-term provision of service in the proposed project areas.

In addition to conservative pro forma financial projections, Visionary has submitted required financial statements and a letter from a bank committing to issue a letter of credit valued at no less than 25% of the award amount.

16. TOTAL PROJECT COSTS - $2,293,038