

NEW MEXICO ENVIRONMENT DEPARTMENT
Construction Programs Bureau
SPECIAL APPROPRIATIONS PROJECT IMPLEMENTATION GUIDE and FORM LINK

The following guide has been developed to assist communities (also referred to as “grantee” or “owner”) with the implementation and successful completion of a Special Appropriations funded project. It is in no way all inclusive of all circumstances in which a community may find itself, but is simply a guide to assist in understanding the process involved from executing a grant agreement to final reimbursement and the policies and procedures followed by NMED/Construction Programs Bureau. Please review the written grant agreement for further clarification or contact the [NMED/CPB Project Manager](#) or [Program Administrator](#) assigned to the project. You may also obtain information by calling the CPB office at (505) 827-2806. Also available for your convenience and use is a [Grantee Checklist \(excel\)](#) which will assist you in tracking the following steps.

Click on the STEP link below for further information and Click on the FORM link below each step for the required form/document...

STEP 1 – [GRANT AGREEMENT](#)

Project Budget (Exhibit B) – A Financial plan detailing the amount of money that is available for, and assigned to particular aspects of the project

Resolution Sample – Authorizes the signature of a community representative on all required documents

Resolution PDF

Resolution E-Form

Signatory Sheet – Signature card with the authorized signatures for the community

STEP 2 – [SCOPE OF WORK](#)

Project Description (Exhibit A) – Describes the specific project plan or design

STEP 3 – [PROFESSIONAL SERVICES](#)

PTAB Manual – Professional Technical Advisory Board manual available to assist communities with the selection and hiring process for a design professional in compliance with the New Mexico State Procurement Code.

Request For Proposal (RFP) – A document used for soliciting proposals to meet the specific needs of the Community.

STEP 4 – [ENGINEERING AGREEMENT](#)

“Public Funded Project” Standard Engineering Agreement – A standard contract for use by Special Appropriations grantees for contractual engineering services provided by a design professional

STEP 5 – [PLANNING](#)

RUS Bulletin 1780-2 – Planning document format for water projects

RUS Bulletin 1780-3 – Planning document format for wastewater projects

STEP 6 – [DESIGN](#)

Site Certificate – Form used to certify that the community has acquired all property (sites, easements, right-of-way, or specific use permits) necessary for construction of the project. This form may, at NMED discretion, require execution by an attorney or an abstractor qualified to evaluate the community’s interest on the site and make such a determination.



STEP 7 – AD/BID

Advertisement for Bid (Also known as Invitation for Bid) – A method used for the sealed bid process.

Affidavit of Non-Collusion – A document completed by the contractor affirming no fraud or deceitfulness have occurred in preparing and submitting the bid.

Record of Quotations Form – Used to record verbal quotes for construction under \$10,000, when public bids are not required, but at least three (if possible) verbal quotes must be obtained.

STEP 8 – BID AWARD

Notice of Award – A legally binding document that notifies a contractor of a successful bid and subsequent contract.

STEP 9 – PRE- CONSTRUCTION

Pre-Construction Agenda – Items that should be discussed at a meeting held before any work begins between the contractor and the grantee at which time the job specifications are discussed and all details of the work agreed upon.

STEP 10 – CONSTRUCTION and CLOSEOUT

Affidavit of Payment and Release of Liens – A document completed by the contractor prior to closeout affirming that there are no liens on the project. This form must be submitted prior to last payment on project.

Certification of Project Acceptance and Performance – A document used by the community to certify that the project has been completed, is operational, and has been accepted.

Certificate of Substantial Completion – A document verifying that the contractor is to the point when construction is sufficiently complete in accordance with the contract documents.

Consent of Surety to Final Payment – A form completed by the contractor and signed by the Surety Company verifying that the final payment to the contractor shall not relieve the Surety Company of any of its obligations.

Contract Change Order – used when changes to the construction contract documents are required.

Labor Standards Certification – Sample letter used to certify that the project has been completed in compliance with the New Mexico Public Works Minimum Wage Act, §13-4-11 NMSA 1978.

Partial Payment Schedule – Used as needed by the community or design professional to determine the status of the project.

Project Inspection Report – A document used to report on the results of examination and review of the project.

Record Drawings & O&M Manuals Acceptance – A sample letter confirming the receipt of reproducible record drawings for the project and Operation and Maintenance Manuals (if applicable)

STEP 11 – OPERATION AND MAINTENANCE

OTHER – DISBURSEMENT REQUESTS

Authorization to make payment to payee – Memorandum – A document that grants the Construction Programs Bureau (CPB) authority to make payment directly to a contractor on behalf of the community.

Disbursement Request – Form submitted to (CPB) by community or reimbursement of eligible project costs incurred.



Disbursement Request Instructions – Line by line instructions for completing a disbursement request form.

Sample Disbursement Request – A completed sample disbursement request.

Substitute W-9 Taxpayer Identification Number Verification (TIN) – Form required by the Department of Finance and Administration (DFA) to obtain vendor information and ensure that the vendor is on its list of eligible vendors.. Please call 505.827.2806 or Contact Us to obtain copy.

[RECORDS/AUDIT AND INSPECTION](#)

[DEFINITIONS](#)

STEP 1 – GRANT AGREEMENT

Three original grant agreements are either mailed or hand-delivered to the grantee (also referred to as community) by NMED Construction Programs Bureau. Prior to signing the grant agreements, the community's local governing body must meet and pass a **Resolution** which designates (1) an individual to sign the grant agreement (2) the grantee representative who is authorized to submit any documents pertaining to the project and act as the point of contact, and (3) the signature authority of a community representative on all required disbursement requests and other documents pertaining to the project which require a signature for submittal to NMED. Prior to moving on to **STEP 2**, all three signed original grant agreements must be signed and returned to NMED along with:

- **Passed Resolution and Signatory Sheet**
- **Project Budget** (Exhibit B of the Agreement) – a financial plan detailing the amount of money that is available for, and assigned to particular aspects of the project (If multiple funding sources are being used to complete the project, the grantee must identify the sources and may have to certify that the funds are committed to this project.
- **Project Description** (Exhibit A of the Agreement) – project plan or design

NOTE: See **Step 11- Operation and Maintenance** if the grantee is not the system owner.

Funds received by the grantee from NMED and all other funds for the project must be established as separate identifiable ledger accounts or be deposited in separate bank accounts. The grantee must comply with generally accepted accounting principles to account for all funds.

STEP 2 – SCOPE OF WORK

Using the original **Project Description** (submitted previously to NMED) a detailed scope of work that fits the needs of the community and its expectations is then developed. The detailed scope of work is used to start the Request for Proposal process in **STEP 3**. Any changes to the Project Description must be reviewed and approved by NMED.

STEP 3 – PROFESSIONAL SERVICES

Selection and hiring of a design professional must follow the State Procurement Code § [13-1-21 NMSA 1978](#) which requires Qualification – Based Selection (QBS) for design professional services with a fee of more than \$50,000. The QBS process is conducted using a Request for Proposal.



Prepare a **Request for Proposal** (RFP) using the scope of work developed in **STEP 2**. This RFP may be modified to fit the needs of the project and community and a scoring system developed that reflects those needs. More information is available in the **PTAB manual** to assist a community in the development of an RFP and the selection process for procuring professional services. PTAB is the Professional Technical Advisory Board mandated by the State Procurement Code to serve as advisors and assist communities during the QBS process. PTAB may be reached at 505.881.1257.

Once the RFP is prepared it must be submitted to NMED for approval. Upon its approval by the NMED Project Manager, the community advertises the RFP, selects the most qualified professional, conducts contract negotiations, and signs a contract -- **STEP 4**. More detailed information regarding this process can also be found in the PTAB manual. The proposal ranking should be submitted to NMED.

(Click on this web address to access the New Mexico State Statutes Annotated - <http://www.conwaygreene.com>)

STEP 4 – ENGINEERING AGREEMENT

Upon selection of a design professional/engineer the community negotiates a contract. The “**Public Funded Project**” **Standard Engineering Agreement** is a standard contract for use by Special Appropriations grantees and accepted by NMED. Critical elements of the engineering agreement include:

- A clear description of the scope of work to be performed by the engineer
- Each deliverable to be produced by the engineer such as a Preliminary Engineering Report (PER), plans and specifications, etc. and the standards for each deliverable (i.e. PER in RUS format, etc.)
- A schedule for each deliverable with a due date
- The cost for services as well as payment method (hourly, milestones, etc.)

The un-signed draft agreement must be submitted to NMED for review and approval prior to signature. Once a signed engineering agreement (a binding legal document) is in place the community may continue on to **STEP 5**.

STEP 5 – PLANNING

The next step is planning the project. This may require the preparation of a Preliminary Engineering Report (PER) for a water or wastewater project by a professional engineer. The PER is a planning document that is intended to identify problems and the community’s present situation, analyze various alternatives or solutions to the problems, and recommend the desired course of action. The PER must follow the **RUS Bulletin 1780-2** format for water projects or the **RUS Bulletin 1780-3** format for wastewater projects. The PER must be reviewed and approved by NMED before moving on to **STEP 6**.

STEP 6 – DESIGN

Once the approved alternative is known, the professional engineer commences the design of the project. Plans and specifications indicating the scope, extent, and character of the work are drawn up by the engineer and used by the contractor to construct the project. These detailed drawings (plans & specs), along with required or related bid documents (bonding and insurance requirements, special conditions, cost and pricing formats, etc.) are assembled into bidding documents. Any work related to easements,



rights-of-ways, other property rights, and financing provisions prepared must be submitted to NMED for review and approval. A **Site Certificate** is prepared by the community to certify in writing that this has been done prior to award of the construction contract (STEP 7).

Upon completion of the bidding documents, they should be reviewed and approved by the community, its legal counsel, and NMED before advertising the project for construction bids – **STEP 7**.

STEP 7 – AD/BID

A competitive bidding process is then followed in accordance with applicable state laws, [§ 13-1-102 to 110 NMSA 1978](#), including local wage determinations as provided in [§ 13-4-11 NMSA 1978](#). All of the following are considered part of the bidding process:

- **Advertisement for bids** / Invitation for bids
- Record of prospective bidders to whom bid documents have been issued
- Pre-bid conference
- Issue addenda as appropriate to clarify, correct, or change the bid documents
- Receive and process contractor deposits
- Bid opening
- Bid tabulation sheets
- Bid evaluation
- **Bid award** recommendation

The bid award recommendation, certified bid tabulation, copy of bid bond for selected contractor and evidence of full project financing should be submitted to NMED for review and approval prior to awarding the contract and moving on to **STEP 8**.

(You may also click on this web address to access the New Mexico State Statutes Annotated - <http://www.conwaygreene.com>)

STEP 8 – BID AWARD

Once NMED has approved the bid award recommendation, the community may send a **Notice of Award** to the approved contractor. Performance bonds and insurance certificates must be obtained from the contractor and a construction contract executed. The Notice of Award, minutes of meeting approving award, the proposed date and time of the pre-construction conference and copies of the executed construction contract with bonds must be sent to NMED.

STEP 9 – PRE-CONSTRUCTION

A pre-construction conference must be held prior to commencement of work by the contractor. The pre-conference includes discussion of procedures and schedules, project communication, review of contract documents for completeness, utility company coordination, etc. A grantee representative, NMED project manager, contractor and sub-contractor representatives, the professional engineer and utility company representatives should attend. Discussion also includes the resident project representative's duties and qualifications as verified by their resume. A **Notice to Proceed** is issued to the contractor and a construction schedule obtained.



STEP 10 – CONSTRUCTION and CLOSEOUT

The construction should be monitored/reviewed either by the design professional or the resident project representative to observe contractor's compliance with the: (but not limited to)

- Applicable labor standards
- Drawings and specifications and to alert grantee of needed adjustments in design or scope of work
- Accuracy of pay requests
- Verification of quantities

If there is any modification during construction that involves additional cost or time, a written **Change Order** is required. Change orders must be submitted to NMED for review and approval prior to implementation of the change order.

Upon completion of construction, the following documents must be completed and submitted to NMED before closeout of the project and the final disbursement request is paid: **Certificate of Project Acceptance and Performance, Labor Standards Certification, Record Drawings and O & M Manuals Acceptance, Affidavit of Payment and Release of Lien, Consent of Surety to Final Payment,** and a **Certificate of Substantial Completion** which includes a punch list of items that must be completed by the contractor.

STEP 11 – OPERATION AND MAINTENANCE

In signing the grant agreement, the grantee certifies that all operation and maintenance of the project will be performed after completion and acceptance of the work under the construction contract(s) to assure satisfactory operation/services to the users. If the grantee is not the system owner, the grantee must enter into a memorandum of understanding (MOU) with the system owner certifying that all operation and maintenance of the project will be performed. The MOU must be in effect prior to full execution of the grant agreement.

DISBURSEMENT REQUESTS

During the course of the project and as the work progresses, reimbursements for eligible project expenses, up to the limit stated in Article 1 of the grant agreement, may be submitted by the grantee to NMED. Reimbursement requests must be submitted on a **Disbursement Request (DR)** form with original signature and appropriate documentation including a **Project Inspection Report** that details the status of the project and accompanied by a transmittal letter requesting payment. The grantee may submit requests for reimbursement at its discretion, but not more than once in any thirty-day period during the term of the agreement. NMED will approve payment of the DR only after the determination is made that expenditures are within the approved scope of work and budget and have been properly documented. If applicable, copies of all pay request vouchers should be submitted to NMED with the DR form. The DR should include expenditures to date by category.



The Department of Finance requires that all payees/vendors are on its current list of eligible vendors. If not on the list, a community or vendor may complete the **Substitute W-9 Taxpayer Identification Number Verification (TIN)** and submit to NMED for processing.

If the reimbursement is paid to a vendor other than the community, an **Authorization to make payment to payee – Memorandum** is submitted to NMED along with the required DR documentation.

FINAL PAYMENT FOR EQUIPMENT PURCHASE:

If the grant funds are to be used for purchase of equipment, final payment is made after approval by NMED of the submitted DR form and the necessary documentation including appraisal reports and equipment title.

FINAL PAYMENT FOR A PRELIMINARY ENGINEERING REPORT, STUDY OR PLANS AND SPECIFICATIONS:

If the grant funds are to be used in preparation of a PER, Study or Plans & Specs, the final payment is made after approval of the document by NMED and submittal of DR form and the necessary documentation.

FINAL PAYMENT FOR A CONSTRUCTION PROJECT:

If the grant funds are to be used for construction, the final payment is made after the final inspection by NMED and the following items, unless waived by NMED have been provided:

- A final reimbursement request including the final certified construction pay request prepared by the grantee design professional and approved by the grantee
- A **Certificate of Substantial Completion** including punch list items
- **Certification of Project Acceptance and Performance** certifying that the project has been accepted by the grantee and the grantee's design professional certifies that the work has been satisfactorily completed and the construction contractor has fulfilled all of the obligations required under the contract documents. If payment and materials performance bonds are "called", an acceptance close-out settlement to the grantee and contractor is required by NMED for final review and approval.
- Operation and Maintenance Manuals or a letter (sample--**Record Drawings & O&M Manuals Acceptance**) from the owner certifying receipt and acceptance of the Operation and Maintenance Manuals
- Record Drawings prepared by the grantee's design professional or a letter (sample--**Record Drawings & O&M Manuals Acceptance**) from the owner certifying receipt and acceptance of the record drawings
- **Labor Standards Certification** letter certifying that the Labor Standards Contract Provisions have been met
- **Affidavit of Payment and Release of Liens** letter stating complete and legally effective releases or waivers (satisfactory to the grantee) of all liens arising out of the contract documents and the labor services performed and the materials and equipment furnished.
- **Consent of Surety to Final Payment**
- Grantee's ledger sheets including all payments made by the grantee may be requested with the final reimbursement request and before the final reimbursement request can be processed by NMED.



RECORDS/AUDITS AND INSPECTIONS

The grantee must maintain books, records, documents, and other evidence sufficient to reflect properly all costs incurred in the performance of the grant agreement. The project site and grantee facilities which are in any part, the subject of the grant agreement and such books, records, documents, ledgers, and other evidence required by Article 11 of the grant agreement must be preserved and made available to NMED, the State Auditor and/or his agent(s) during the agreement period and for a period of six (6) years from date of final payment.

DEFINITIONS

Bidding (Bid) Documents – written and graphic documents prepared by the design professional used by the bidders to prepare the bid. A typical bid document might include construction drawings, specifications, instructions to bidders, a bid form, and other information used by the bidder in the preparation of a bid.

Change Order – the grantee’s written order to the contractor, issued after execution of the construction contract, which authorizes a change in the construction work and contract time and/or amount. Typically, the design professional also signs the change order and then issues it to the contractor.

Disbursement Request – a form submitted by a grantee requesting reimbursement for eligible grant incurred project costs.

Grantee – also referred to as “Owner” or “Community”, a local public body that is a recipient of a Special Appropriations grant from the New Mexico State Legislature.

Invitation for Bids (IFB) – the method used for the sealed bid process. An IFB usually includes a copy of the specifications for the particular proposed project, instructions for preparation of bids, and the conditions of construction, delivery and payment schedule. The IFB also designates the date and time of bid opening. Following receipt and evaluation of the bids, a contract is usually awarded to the lowest priced bidder, determined to be responsive and responsible by the contracting officer. Each sealed bid is opened in public at the purchasing office at the time designated in the invitation. Facts about each bid are read aloud and recorded. A contract is then awarded to the low bidder whose bid conforms with all requirements of the invitation and will be advantageous to the Grantee in terms of price, and price-related factors included in the invitation.

New Mexico Procurement Code – [Chapter 13, Sections 13-1-28 through 13-1-199 NMSA 1978](#) New Mexico State Statutes which outline the legal process for the acquisition of products and services for all governmental entities throughout New Mexico.

Pre-Bid Conference – a meeting held by the grantee with potential bidders prior to requesting bid deadline for the purpose of clarifying specifications and contract terms and conditions.

Pre-Construction Conference – a meeting held before any work begins between the contractor and the Grantee at which time the job specifications are discussed and all details of the work agreed upon.

Professional Services – the services of architects, archeologists, engineers, surveyors, landscape architects, medical arts practitioners, scientists, management and systems analysts, certified public accountants, registered public accountants, lawyers, psychologists, planners, researchers, construction managers and other persons or businesses providing similar professional services, which may be designated as such by a determination issued by the state purchasing agent or a central purchasing office. ([§13-1-76 NMSA 1978](#))



Request For Proposal (RFP) – all documents, including those attached or incorporated by reference, used for soliciting proposals to meet the specific needs of the grantee. ([§13-1-81 NMSA 1978](#))

