

Board of Education

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J. Vance Lee Superintendent
Capitan Municipal Schools
519 Smokey Bear Blvd. Capitan, NM 88316
575-354-8500
www.capitantigers.org

CAPITAN MUNICIPAL SCHOOLS BOARD OF EDUCATION

AGENDA ITEM EXECUTIVE SUMMARY

1. Board Meeting Date: October 20, 2025
2. Item Title: V.B.5 V26-020 2025-26 Measurement and Verification Project Agreement – NM PSCOC
3. Name of Presenter: V. Lee
4. This item is for: XX Action ___ Consent Agenda ___ Discussion ___ Report/Information
5. Proposed Motion (Action Items Only): I move that we approve the V26-020 2025-26 Measurement and Verification Project Agreement with the PSCOC, as presented.
6. Executive Summary: Please see attached.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL
THE PUBLIC SCHOOL FACILITIES AUTHORITY
AND
CAPITAN MUNICIPAL SCHOOLS**

2025-2026 Measurement & Verification Project

PROJECT NUMBER: V26-020-New

This Memorandum of Understanding (MOU) is made, and entered into by the Public School Capital Outlay Council (PSCOC), through its Public School Facilities Authority (PSFA), and the Capitan Municipal Schools (District); collectively referred to as the Parties, pursuant to the requirements of 6.27.2.11 (C) NMAC. This MOU along with the Master Joint Powers Agreement (Master JPA) having been executed by the Parties represents the full and complete understanding between the Parties regarding the PSCOC Standards-Based Grant Award as more particularly described in **Exhibit A, PSCOC Acceptance Letter**.

EFFECTIVE DATE

This MOU shall not become effective until signed by the District and the PSFA and approved and signed by the PSCOC.

The District will sign and deliver this MOU to PSFA within thirty (30) days of the acceptance of the award, to include the Project scope description, Project delivery and schedule, and the acknowledgement and acceptance of the Project tasks and responsibilities.

PURPOSE AND INTENT

The purpose of this MOU is to define the Scope of Work and the Work to be performed in the Project; to identify the funding and allocation of the funding sources for the Project; to outline the duties and responsibilities of, and between, the Parties; and to incorporate the Master JPA which governs the ability of the Parties to jointly complete the Project based on the PSCOC Measurement and Verification Pilot Project Program.

This is a PSFA Indirect Oversight Project. The District will provide all Direct Oversight for the Work pertaining to the Project.

DEFINITIONS

In this MOU the following definitions will apply:

“Adequacy Planning Guide” means a reference guide to be used in the programming and design of school projects. This document was developed to clarify the standards and to provide assistance through references and ‘best practice’ examples to complement the adopted standards.

“Adequacy Standards” means the New Mexico Public School statewide adequacy standards pursuant to 6.27.30.1 through 6.27.30.22 NMAC which establish the acceptable levels for the physical condition and capacity of school buildings, the educational suitability of those facilities and the need for technological infrastructure at those facilities. The standards are not intended to restrict a facility's size.

“Award” means the PSCOC Standards-Based Grant Award as more particularly described in Exhibit A, PSCOC Acceptance Letter.

“Design Capacity” means the number of students the building can hold based upon a school’s educational program. Design capacity takes into consideration the educational programs of each facility, which includes regular and special use classrooms, special educational programs, these uses compared to their allowable loading per pupil-teacher ratio.

“Direct Oversight” means the District will provide qualified project management personnel that meet the approval of the PSFA, and are capable and knowledgeable in planning, design, and construction management of projects. Project management includes but is not limited to project coordination, development, and oversight efforts of design professionals and other resources to ensure successful project outcomes. The District executes the procurement process, services, and the execution and completion of projects to ensure consistency with the Procurement Code and the Adequacy Standards.

“Indirect Oversight” means the PSFA will act in an advisory capacity, with the District and associated professionals regarding the planning, design, and construction of the Project concerning project coordination, development, and oversight efforts of design professionals and other project delivery resources for effectiveness and accuracy to ensure successful project outcomes. The PSFA also oversees the procurement process, services, and the execution and completion of projects to ensure consistency with the Procurement Code and the Adequacy Standards.

“Master Joint Powers Agreement” means a formal agreement that spells out the member agencies’ intentions, the powers they will share, and other mutually acceptable conditions that define the intergovernmental arrangement.

“MOU” means this Memorandum of Understanding as, required by 6.27.2.11 (C) NMAC, and amended from time to time to include a fully completed Exhibit B, Project Information Statement.

“Preventive Maintenance Plan or PM Plan” means a plan approved by the PSCOC that is in compliance with the requirements of 6.27.3.11 NMAC.

“Project” means the labor, installation and activities for procured equipment, materials and labor at the District location in accordance with approved construction drawings, documents, procedures and specifications as identified at Exhibit B, Project Information Statement.

“Procurement Code” means Sections 13-1-28 through 13-1-199 NMSA 1978 cited as the "Procurement Code" which applies to all contracts solicited or entered into by state agencies and local public bodies after November 1, 1984.

“Scope of Work” means the general description of the desired product or project which captures the desired outcome of the intent of the Award.

“Work” means the requirements of performance to achieve the project objectives.

TERMS

1. **Funding.** The PSCOC, PSFA funding participation towards the Project shall not exceed the Total State Match, except as approved by the PSCOC. Costs not required by or in excess of the scope and funding limits of the Award are solely the responsibility of the District and will not be funded or otherwise paid for by the PSFA.

1.1: The PSFA and the District agree to complete the following Project, as approved by the PSCOC at the July 16, 2025 meeting. (PSCOC Acceptance Letter, Exhibit A):

School Name:	V26-020 Capitan Municipal Schools (M&V)
Project Description:	Capitan HS
PSCOC Approved Project:	\$ 47,683.52
Total State Net Participation:	\$ 47,683.52

1.2: Each allocation is intended to fully complete the Project, phase, or specified purpose;

1.3: All awarded funds are exclusive of land acquisition costs and any utilities and infrastructure expenses outside the surveyed property boundary, which are the sole responsibility of the district and community and will not apply to the district's matching fund requirement.

1.4: This MOU shall identify specific portions of the Project that the District intends to build above the specified funding limit of the Award and above the awarded Design Capacity and commitment to fund these portions at the sole cost of the District.

1.5: Failure to complete the Project by the scheduled deadline does not obligate the PSCOC for any increased costs due to inflation or other time related consequences.

1.6: The Project budget will be utilized from available funds as defined in Section 4: Sources of funding including State and Local matching funds and additional local sources for expenses above the specified funding limit of the Award which may be adjusted from time to time during the course of this Agreement.

1.7: The District shall unconditionally be responsible for costs in excess of the respective amounts set forth in the attached PSFA Project Estimated Cost Summary, though the PSCOC may grant additional funding to a specific PSFA project if allocated funds, based on this estimate, are found to be insufficient to bring the facility up to the approved GSF as indicated in the award language. Any such new allocation or any re-allocation of a PSCOC–PSFA approved funding must be approved by the PSCOC.

2. **Management and Oversight.** The PSFA will provide Indirect Oversight management as a part of this Agreement.

2.1: The District will designate a qualified person to perform the Direct Oversight for the Scope of Work.

2.2: To control and provide Direct Oversight, the District will assign or employ competent and qualified Project Management personnel (*qualified by applicable education, knowledge, or experience*) that are acceptable to PSFA to control and provide Direct Oversight to the Project.

2.3: The PSFA-Regional Project Manager (RPM) will consult with the District Representative (DR) in planning of the Project. This will include, but not be limited to Design Professional selection; coordination and facilitation of development and planning decisions; approval of design solutions;

manage constructive and cost effective interface with the District's other work and Master Plan when appropriate; provide site management and inspection visits, review approval of payments for Design Professionals, builder, materials and other vendors and coordination of and participation in all aspects of the Project close-out process; and coordination of and participation in the one (1) year warranty inspection.

3. **Vendor Payments and Reimbursement Options.** All invoices prepared by vendors will be submitted to the PSFA for payment.

4. **Audit.** All districts receiving awards must have a completed audit for FY submitted to the State Auditor's Office prior to expenditure of PSCOC-awarded funds, and will have a corrective action plan in place to address any and all audit findings. PSFA may, as directed by the PSCOC, assume direct administration of all Projects from districts with serious findings in regard to expenditures or management of capital outlay funds.

5. **Facility Maintenance Plan.** The District shall execute and maintain an effective preventive maintenance (PM) program, as prescribed in its PSCOC approved PM plan (which shall be reviewed and updated annually by the District to ensure a Facility Maintenance Assessment Report (FMAR) score of satisfactory (70.1% or better) at each school, and effectively utilize all Facility Information Management System (FIMS) modules—Maintenance Direct (MD), Preventive Maintenance Direct (PMD), and Utility Direct (UD), or otherwise provide evidence of effective use of an alternate acceptable and equivalent maintenance management process.

5.1: The District shall report to the PSFA every six months on the status of its maintenance program. Should the District fail to meet the FMAR score of satisfactory, the District may be required to report to the PSCOC.

5.2: Prior to construction closeout, the District must submit for PSFA approval an amendment to its Preventive Maintenance Plan defining how it will provide appropriate maintenance for any renovated or added facility space.

6. **Facility Performance.** As deemed necessary by the PSFA, the PSFA and the District shall budget and provide for a Measurement and Verification (M&V) system or a Post-Occupancy (POE) evaluation assessment. The M&V system will be used to collect and store school utility data information that can be used to improve the comfort of school buildings in an effort to reduce utility, maintenance and operational costs. The POE evaluation data will be used to assess how well the school facility meets the Districts' needs and will help to identify ways in which to improve building design, performance and fitness for a particular purpose.

6.1: Quality Control (QC) requirements shall be defined in the Project documents, as well as bid documents. All contracts entered into to complete the Scope of Work shall include provisions to utilize the PSFA's Construction Information Management System (CIMS)

6.2: It is agreed that where either re-roofing or a new roof installation is involved, the PSFA and the District shall budget and provide for inspections by an individual or individuals qualified to ensure their proper installation and, on the same day, distribute a detailed written report of the observations to the District, PSFA-RPM, Design Professional, roofing contractor, general contractor, and roofing manufacturer's representative.

6.3: It is agreed that where the addition, renovation, or new construction of a school is involved, the PSFA and the District shall budget and provide for a Performance Assurance Contractor (PAC) to

participate in both the design and construction phases of the project to ensure that the HVAC systems and associated controls are properly specified, installed, tested and balanced, and distribute a detailed written report of observations and test results to the; District, PSFA-RM, Design Professional, and general contractor

7. **Facility Disposal.** If existing facility disposal is required, an approved commitment from the district to PSCOC will be required prior to construction. Disposal may include demolition of the facilities or by written agreement transferring ownership of property and/or facilities. PSCOC reserves the right to recover a pro-rata share of awarded amounts for the replacement facilities if the original property or facilities are sold or used for another purpose than the award.

8. **Procurement.** All procurements shall comply with the Procurement Code and the District shall act as the purchasing agent for the Scope of Work.

8.1: Requests for Proposals (RFP) for construction, Qualifications-Based Request for Proposal for design services or Invitations to Bid (ITB) for construction services cannot be released without review and written approval from PSFA. RFPs, RFQs or ITBs released without written approval may have to be reissued.

8.2: The District will prepare and manage all procurement and contract documents excluding any purchase documents required to be executed by PSFA for the purpose of direct (PSFA) vendor payment.

8.4: The District shall comply with all vendor notification provisions as may be required by the PSFA.

8.5: The District and PSFA will jointly participate in the selection of all necessary design professionals.

8.6: Contracts shall be executed on PSFA standard forms and shall be approved by the PSFA prior to the start of any work.

9. **Project Expenditures.** On or before the 12th month following substantial completion of the Project or phase, PSFA staff will schedule a review of all Project expenditures that apply to both the Scope of Work and to the Awarded Project to ensure that the overall expenditures align with the match percentages after necessary offsets and waivers as identified in this MOU for the Project. Following mutual agreement on the overall and final financial Project status, Project balances will be reallocated by the Council. All PSCOC awards must be fully reconciled and reallocated no later than 18 months after substantial completion.

9.1: Any legitimate Project expenses anticipating PSCOC/PSFA participation, reimbursement or credit shall be submitted and approved by PSFA in advance of the expenditure through the construction information management system (CIMS). Exception: Allowed Project expenses made prior to award must be submitted within 90 days of the executed MOU.

10. **Scope of Work.** The District will agree to make all reasonable efforts to complete the Scope of Work, and agree that failure to have the Scope of Work completed as set forth at Exhibit B, Project Information Statement does not obligate the PSCOC for any increased costs due to inflation or other time related consequences.

11. **Lease/s.** Any lease associated with an award shall have a 50 year or equivalent minimum available term from onset of the Project.

12. **Portables.** Portable classrooms purchased from proceeds of this or previous PSCOC awards, freed by construction of permanent facilities shall, at the option of the PSFA, become the property of the PSCOC. If freed portables were purchased with district proceeds, then at PSFA's option, portables may be purchased at a fair market price and relocated by PSFA as directed by and at the expense of the PSCOC.
13. **Insurance Recovery.** District shall promptly notify and cooperate with the PSFA concerning all claims, demands, damages, suits, or causes of action resulting from work performed, including subrogation of any rights thereto. The District Representative will prepare and submit a claim to the Insurance Carrier for any Deficiencies that may be covered by insurance in order to start the insurance carrier's review without delay. Funds recovered from an insurance claim that pertain to Work funded and corrected as part of this PSCOC – PSFA Project will be transferred to the PSCOF in an amount(s) equal to the amounts of State funds encumbered or expended for said item(s) in the Scope of Work as defined in this Agreement.

IN WITNESS THEREOF, the Parties have set their signatures hereto:

J. Vance Lee,
District Representative,
Capitan Municipal Schools

Date

Jeff McCurdy,
Regional Project Manager,
Public School Facilities Authority

Date

Larry Tillotson,
Interim Executive Director,
Public School Facilities Authority

Date

Joe Guillen,
Chair,
Public School Capital Outlay Council

Date

ATTACHMENTS:

EXHIBIT A – N/A

EXHIBIT B – PROJECT INFORMATION STATEMENT

EXHIBIT B

PROJECT INFORMATION STATEMENT

PART I: Project Scope Description, Qualifications and Requirements

DISTRICT: Capitan Municipal Schools SCHOOL: V26-020 Capitan Municipal Schools (M&V)	<u>DISTRICT INFORMATION:</u> District Representative J. Vance Lee, District Oversight J. Vance Lee, Phone: (575) 354-8500 E-Mail: vance.lee@capitantigers.org
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PROJECT LABEL: V26-020 Capitan Municipal Schools (M&V)

SCHOOL INFORMATION:

Grade Levels Utilizing School:	N/A
Design Capacity	N/A
Total Square Feet to:	N/A

DETAILED PROJECT SCOPE DESCRIPTION:

Council approval to contract with a measurement and verification (M&V) vendor to perform M&V technology and software services for Capitan Municipal Schools, for a term of three years, and a total cost of \$47,683.52.

PROJECT SPECIFIC QUALIFICATIONS:

N/A

OTHER PROJECT SPECIFIC REQUIREMENTS:

N/A

PART II: Project Delivery Method and Schedule for the Scope of Work

The proposed construction delivery method for the Scope of Work defined in this MOU is:

Design-Bid-Build	Construction Manager at Risk	Other (Please Specify)
☐	☐	Professional Services

The following schedule will be utilized for the Scope of Work defined in this MOU:

Phase	Start Date (mm/dd/yyyy)	End Date (mm/dd/yyyy)
Project Planning	10.06.2025	11.06.2025
Design Development	11.07.2025	12.07.2025
Construction	12.08.2025	06.08.2026
Final Completion	06.09.2026	06.09.2026
Project Closeout	06.10.2029	07.10.2029

PART III: Tasks (Duties and Responsibilities)

The PSFA and District, in conjunction with the Design Professional, further agree to be responsible for the Tasks associated with the Project as follows:

PHASE	TASK	PSFA	DISTRICT
Pre-Design Phase:			
	Develop educational specifications	☐	☒
	Develop initial scope of Project and budget	☒	☒
	Develop Request for Proposals for design professionals	☐	☒
	Advertise Request for Proposals	☐	☒
	Request for Proposal review, interview and selection process	☒	☒
Design Phase:			
	Develop contracts for design professionals, consultants and other services	☐	☒
	Final review and approval of schematic design documents for completeness	☒	☒
	Periodic review and validation of Scope of Work, budget, schedule, value engineering, plans and specifications	☒	☒
	Final review and approval of Construction Documents for completeness	☒	☒
	Issue Invitation to Bid/Request for Proposal	☐	☒
	Conduct pre-bid/pre-proposal conference	☐	☒
	Coordinate bid/proposal opening	☐	☒
	Review and evaluate bids/proposals	☒	☒
	Issue Notice of Award	☐	☒
Construction Phase:			
	Prepare contracts for construction	☐	☒
	Conduct pre-construction conference	☐	☒
	Issue Notice to Proceed	☐	☒
	Provide interface for understanding of issues, disputes, and mediation	☒	☒
	Review, approve and oversee changes to the work	☒	☒
	Periodic review and validation of work to insure conformance with contract and industry standards of quality	☒	☒
Project Close-out:			
	Verify all work complete	☒	☒
	Coordinate with General Contractor of record, operations and maintenance training for District staff	☐	☒
	Review as-built drawings	☐	☒
	Approve final close-out documents	☒	☒
	Review warranties	☐	☒
	Ensure final acceptance by District	☒	☒
	Ensure all required documents related to the Projects are properly held and archived	☒	☒
	Ensure that 11 month warranty walkthroughs are conducted and oversee any required repairs or remedies	☐	☒

Within the Project Manual, as prepared by the Design Professional, there shall be a section named General Requirements that shall define the Contractor and School interface requirements and procedures including, but not limited to, hours of operation and noise control requirements and, if appropriate, a detailed Project site plan delineating boundaries of Project, staging areas and designated Project access points.

ACKNOWLEDGMENT:

J. Vance Lee,
District Representative,
Capitan Municipal Schools

Date

Jeff McCurdy,
Regional Project Manager
Public School Facilities Authority

Date