



**ACTION SHEET**  
**CITY COUNCIL COMMITTEE MEETING OF 10/29/14**  
**ITEM FROM FINANCE COMMITTEE MEETING OF 10/20/14**

**ISSUE:**

9. Request for Approval of Professional Services Agreement – Project Manager for Capital Appropriation Project #13-L-1774; La Comunidad de los Ninos Head Start, Inc./Presbyterian Medical Services. (David Chapman)

**FINANCE COMMITTEE ACTION: APPROVED AS CONSENT ITEM**

Requested approval of professional services agreement for project manager for Capital Appropriation Project #13-L-1774 with La Comunidad de los Ninos Head Start, Inc./Presbyterian Medical Services in the amount \$50,000. Budget is available in project fund.

**FUNDING SOURCE: 32511.572970**

**SPECIAL CONDITIONS OR AMENDMENTS**

**STAFF FOLLOW-UP:**

<b>VOTE</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
COUNCILOR TRUJILLO	X		
COUNCILOR RIVERA	X		
COUNCILOR LINDELL	X		
COUNCILOR MAESTAS	X		
CHAIRPERSON DOMINGUEZ			

3-17-14

**ACTION SHEET  
ITEM FROM THE  
PUBLIC WORKS/CIP AND LAND USE COMMITTEE MEETING  
OF  
MONDAY, OCTOBER 7, 2014**

**ITEM 9**

REQUEST FOR APPROVAL OF A PROFESSIONAL SERVICE AGREEMENT (PSA) BETWEEN THE CITY AND LA COMUNIDAD DE LOS NINOS HEAD START, INC. TO ALLOW LA COMUNIDAD DE LOS NINOS HEAD START TO SERVE AS PROJECT MANAGER FOR THIS PROJECT IDENTIFIED AS 13-L-1774 AND PROVIDE SERVICES AS INDICATED **(DAVID CHAPMAN)**

**PUBLIC WORKS COMMITTEE ACTION: Approved on consent**

**FUNDING SOURCE: 32511.572970**

**SPECIAL CONDITIONS / AMENDMENTS / STAFF FOLLOW UP:**

<b>VOTE</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
<b>CHAIRPERSON TRUJILLO</b>			
<b>COUNCILOR BUSHEE</b>	<b>X</b>		
<b>COUNCILOR DIMAS</b>	<b>X</b>		
<b>COUNCILOR DOMINGUEZ</b>	<b>X</b>		
<b>COUNCILOR RIVERA</b>	<b>X</b>		

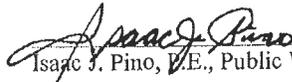
# City of Santa Fe, New Mexico

# memo

**DATE:** October 6, 2014

**TO:** Public Works, CIP & Land Use Committee

**VIA:**

  
Isaac J. Pino, P.E., Public Works Department Director

**FROM:** David A. Chapman, Grant Administrator-Writer / Interim ADA  
Coordinator 

**ISSUE:**

- A. Request approval of a Professional Services Agreement (PSA) between the City and La Comunidad de los Ninos Head Start, Inc. to allow La Comunidad de los Ninos Head Start to serve as Project Manager for this project identified as 13-L-1774 and provide services as indicated in the Scope of Services in the Agreement.

**SUMMARY:**

1. In 2013 the State Legislature appropriated fifty thousand (\$50,000) to plan, design, purchase and install playground improvements and equipment at La Comunidad de los Ninos head start facility in Santa Fe in Santa Fe County. This is a State Fund 892 Capital Appropriation and it will expire on June 30, 2017.
2. La Comunidad de los Ninos has requested that they be allowed to manage this project.
3. This PSA is necessary to resolve any anti-donations issues.
4. The Grant Administrator for the City will oversee the project management.
5. The City of Santa Fe will act as the Fiscal Agent.

**ACTION:**

Please recommend to the Finance Committee approval of this Professional Service Agreement between the City of Santa Fe and La Comunidad de los Ninos Head Start.

**C:** Brian K. Snyder, City Manager  
Teresita Garcia, Assistant, Finance Director

**Enc:** Professional Service Agreement  
Capital Appropriation Project # 13-L-1774  
Lease Agreement Item 07-0298  
Lease Agreement Amendment Item 12-0922  
Summary of Contracts

# City of Santa Fe, New Mexico

## memo

**DATE:** October 29, 2014

**TO:** City Council

**FROM:** David A. Chapman, Grant Administrator-Writer / Interim ADA  
Coordinator 

**ISSUE:**

The following statement was added to the Professional Services Agreement (PSA) between the City and La Comunidad de los Ninos Head Start, Inc. as Item 3.A. under Compensation. The statement reads, "The City shall reimburse the O/A for costs incurred in completing the renovations and improvements to the facility, a sum not to exceed fifty thousand dollars (\$50,000), inclusive of applicable gross receipt taxes."

**SUMMARY:**

The Compensation statement was left off the original PSA and is hereby included. The provision; however, in its entirety was stated in the Recitals.

**ACTION:**

Please approve PSA as provided.

C: Brian K. Snyder, City Manager  
Isaac J. Pino, Public Works Director

CITY OF SANTA FE  
PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between the City of Santa Fe (the "City") and La Comunidad de los Ninos Head Start / Presbyterian Medical Services (the "Operating Agency" or "O/A"). The date of this Agreement shall be the date when it is executed by the City and the O/A, whichever occurs last.

RECITALS

WHEREAS, the O/A, a non-profit organization, provides child development programs to ensure that its residents are able to maintain a reasonable quality of life,

WHEREAS, on May 9, 2007, the City and O/A entered into a Professional Services Agreement ("Agreement") (City Contract #07-0297) and a Lease Agreement ("Lease Agreement") where the City owns real property at 1121 Alto Street, Santa Fe, New Mexico and leased it to O/A at a rental value of \$110,816.00/yr (\$16.00 sq/ft) to and O/A agreement to provide the service of operating a Head Start program for up to seventy-seven (77) children between the ages of 2 and 5 years. O/A provides services in lieu of cash rental payment.

WHEREAS, on October 25, 2012, the City and O/A entered into "Approval of Option to Renew and Amendment to Lease Agreement Dated May 9, 2007" ("Amendment No. 1") and agreed to extend the

term to June 30, 2016 and amend the rental value to \$138,520.00/yr (\$20.00 sq/ft).

WHEREAS, the City and the O/A mutually agree that it would be in the City's best interest to enter into a new Professional Services Agreement and reduce the program to include 59 children, including 35 children in Head Start and 24 children in Early Head Start between the ages of 6 months and 5 years. This will include a wider range in age population and better serve the community. The reduction in the number of children in the program will not represent a cut in services, instead governmental requirements dictate smaller staff/children ratios when offering services for a younger aged population.

WHEREAS, the playground equipment at 1121 Alto Street has become worn, obsolete and diminished in overall value.

WHEREAS, the 2013 NM State Legislature appropriated fifty thousand dollars (\$50,000) in State Severance Tax Bond (STB) appropriations to the City of Santa Fe to plan, design, purchase and install playground improvements and equipment at La Comunidad de los Ninos Head Start facility in Santa Fe in Santa Fe County, identified as Project # 13-1774.

WHEREAS, the City and the O/A mutually agree that it would be in the City's best interest for the O/A to coordinate with the City regarding the use of the funds to plan, design, purchase and install playground improvements and equipment at La Comunidad de los Ninos Head Start.

WHEREAS, this Amendment is entered into to resolve any issues involving the Anti-Donation Clause, Article IX, Section 14 of the New Mexico Constitution.

IN CONSIDERATION of the above recitals, the parties hereby agree to the terms and conditions set forth.

AGREEMENTS

NOW THEREFORE, the parties mutually agree as follows:

1. SCOPE OF SERVICES

During the term of this agreement, the O/A shall provide the following services for the City:

A. Occupy and use the premises at 1121 Alto Street for the purposes of operating a child care center to include 59 children including 35 children in Head Start and an additional 24 children in Early Head Start. Governmental requirements dictate smaller staff/children ratios when offering services for a younger aged population.

(1) The program will serve children between the ages of 6 months and 5 years. The enrollment size will be 59 children allowing for average daily attendance and enrollment/disenrollment vacancies.

(2) The program will meet the State of New Mexico Child Care Licensing regulations and comply with the State of New Mexico Education Department, Head Start Performance Standards, and any other funding terms and conditions, which may apply. The O/A

shall submit to the City for review any written evaluations, notice of deficiency, or other written review of assessment of the program conducted by any local, state or federal agency and/or any written program review of La Comunidad de los Niños Head Start conducted by or on behalf of Presbyterian Medical Services. Presbyterian Medical Services or any of its part shall forward copies of such written evaluations, review, and assessments to the City within 10 days of receipt. If such written evaluation, review or assessment requires a response or correction action, written or otherwise, the City is to be copied on all written responses or notified in writing on all non-written responses at the same time as the response is sent to the agency receiving the response.

B. Clean the premises at the level necessary to provide child care services, utilizing cleaning standards provided by the State of New Mexico Department of Health.

C. Submit a monthly status report to the City's Grant Administrator by the 20<sup>th</sup> of each month in order to facilitate the City's Capital Project Monitoring System (CPMS) Reporting requirements.

D. Provide a copy of a program evaluation with the final report each year.

E. Coordinate with the City in the purchase of and installation of new playground improvements and equipment from the 2013 State Severance Tax Bond appropriations (Project No. 13-1774). The O/A shall provide a written list of recommended

playground improvements and equipment to the City and the City shall accept or reject the recommendations. The O/A shall use the funds entirely for the payment of costs incurred, including gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement. No sum shall be retained by the O/A for its services. The City will retain ownership of the playground improvements and equipment.

F. In lieu of the City asking to raise the rent in the "Lease Agreement" to factor in the value of the new equipment, the O/A shall serve as the Project Manager over the project, and provide such services to include: plan and manage the use of the funds appropriated herewith for the renovation and improvement of the facility, contract for architectural and engineering services as appropriate to complete plans and designs, contract for maintenance and construction labor and contractors to complete the designed improvements and renovations, and acquire such materials and equipment as may be required for the completion of the work to the facility.

2. STANDARD OF PERFORMANCE; LICENSES

A. The O/A represents that it possesses the personnel, experience and knowledge necessary to perform the services described under this Agreement.

B. The O/A agrees to obtain and maintain throughout the term of this Agreement, all applicable professional and

business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

3. COMPENSATION

A. The City shall reimburse the O/A for costs incurred to plan, design, purchase and install playground improvements and equipment at La Comunidad de los Ninos Head Start facility in Santa Fe, in Santa Fe County a sum not to exceed fifty thousand dollars (\$50,000), inclusive of applicable gross receipt taxes.

B. The parties agree that the value of services provided by the Contractor hereunder exceeds the rental value of \$138,520.00 of the Premises.

C. The original playground equipment have become worn, obsolete and caused a diminished rental value. The playground improvements and equipment from the 2013 State Severance Tax Bond appropriations (Project No. 13-1774) restore the rental value of the Premises.

D. The O/A shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

E. Payment shall be made upon receipt and approval by the City of detailed statements containing a report of services completed. Compensation shall be paid only for services actually performed and accepted by the City.

4. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City for the performance of this Agreement. If sufficient appropriations and authorization are not made by the City, this Agreement shall terminate upon written notice being given by the City to the O/A. The City's decision as to whether sufficient appropriations are available shall be accepted by the O/A and shall be final.

5. TERM AND EFFECTIVE DATE

This Agreement shall be effective when signed by the City and terminate on June 30, 2015 unless sooner pursuant to Article 6 below.

6. TERMINATION

A. This Agreement may be terminated by the City upon 10 days written notice.

(1) The O/A shall render a final report of the services performed up to the date of termination and shall turn over to the City original copies of all work product, research or papers prepared under this Agreement.

(2) Compensation is not based upon hourly rates for services rendered, therefore the City shall pay the O/A for the reasonable value of services satisfactorily performed through the date O/A receives notice of such termination, and for which compensation has not already been paid.

7. STATUS OF O/A; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES  
AND SUBCONTRACTORS

A. The O/A and its agents and employees are independent O/As performing professional services for the City and are not employees of the City. The O/A, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City as a result of this Agreement.

B. O/A shall be solely responsible for payment of wages, salaries and benefits to any and all employees or subcontractors retained by O/A in the performance of the services under this Agreement.

C. The O/A shall comply with City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this contract.

8. CONFIDENTIALITY

Any confidential information provided to or developed by the O/A in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the O/A without the prior written approval of the City.

9. CONFLICT OF INTEREST

The O/A warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services

required under this Agreement. O/A further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

10. ASSIGNMENT; SUBCONTRACTING

The O/A shall not assign or transfer any rights, privileges, obligations or other interest under this Agreement, including any claims for money due, without the prior written consent of the City. The O/A shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the City.

11. RELEASE

The O/A, upon acceptance of final payment of the amount due under this Agreement, releases the City, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. The O/A agrees not to purport to bind the City to any obligation not assumed herein by the City unless the O/A has express written authority to do so, and then only within the strict limits of that authority.

12. INSURANCE

A. The O/A, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance covering bodily injury and property damage liability, in a form and with an insurance company acceptable to the City, with limits of

coverage in the maximum amount which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the City is named as an additional insured and that the City is notified no less than 30 days in advance of cancellation for any reason. The O/A shall furnish the City with a copy of a Certificate of Insurance as a condition prior to performing services under this Agreement.

B. O/A shall also obtain and maintain Workers' Compensation insurance, required by law, to provide coverage for O/A's employees throughout the term of this Agreement. O/A shall provide the City with evidence of its compliance with such requirement.

C. O/A shall maintain professional liability insurance throughout the term of this Agreement providing a minimum coverage in the amount required under the New Mexico Tort Claims Act. The O/A shall furnish the City with proof of insurance of O/A's compliance with the provisions of this section as a condition prior to performing services under this Agreement.

### 13. INDEMNIFICATION

The O/A shall indemnify, hold harmless and defend the City from all losses, damages, claims or judgments, including payments of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action or demand whatsoever arising from O/A's performance under this Agreement as well as the

performance of O/A's employees, agents, representatives and subcontractors.

14. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

15. THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the City and the O/A. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

16. RECORDS AND AUDIT

The O/A shall maintain, throughout the term of this Agreement and for a period of three years thereafter, detailed records that indicate the date, time and nature of services rendered. These records shall be subject to inspection by the City, the Department of Finance and Administration, and the State

Auditor. The City shall have the right to audit the billing both before and after payment. Payment under this Agreement shall not foreclose the right of the City to recover excessive or illegal payments.

17. APPLICABLE LAW; CHOICE OF LAW; VENUE

O/A shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the City of Santa Fe. In any action, suit or legal dispute arising from this Agreement, the O/A agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

18. AMENDMENT

This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

19. SCOPE OF AGREEMENT

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the services to be performed hereunder, and all such agreements, covenants and understandings have been merged into this Agreement. This Agreement expresses the entire Agreement and understanding between the parties with respect to said services.

No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

20. NON-DISCRIMINATION

During the term of this Agreement, O/A shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by O/A hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

21. SEVERABILITY

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

22. NOTICES

Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

City of Santa Fe:  
Attn: David A. Chapman  
Public Works Department  
P.O. Box 909  
Santa Fe, NM 87504-0909

O/A: La Comunidad de los  
Ninos Head Start /  
Presbyterian Medical  
1121 Alto Street  
Santa Fe, NM 87501

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth below.

CITY OF SANTA FE:

O/A  
LA COMUNIDAD DE LOS NINOS  
HEAD START

\_\_\_\_\_  
JAVIER M. GONZALES, MAYOR

\_\_\_\_\_  
STEVEN C. HANSEN  
PRESIDENT/CEO

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

CRS # 01-946696-00-2  
City of Santa Fe Business  
Registration # 1300028994

ATTEST:

\_\_\_\_\_  
YOLANDA Y. VIGIL  
CITY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
KELLEY A. BRENNAN, CITY ATTORNEY

APPROVED:

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TERESITA GARCIA, ASSISTANT FINANCE DIRECTOR

081213 DAC

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
FUND 892 CAPITAL APPROPRIATION PROJECT**

**THIS AGREEMENT** is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the Department of Finance and Administration, State of New Mexico, acting through the Local Government Division, Bataan Memorial Building, Room 202, Santa Fe, New Mexico, 87501, hereinafter called the “Department” or abbreviation such as “DFA/LGD”, and City of Santa Fe, hereinafter called the “Grantee”. This Agreement shall be effective as of the date it is executed by the Department.

**RECITALS**

**WHEREAS**, in the Laws of 2013, Chapter 226, the Legislature made an appropriation to the Department, funds from which the Department is making available to the Grantee pursuant to this Agreement; and

**WHEREAS**, the Department is granting to Grantee, and the Grantee is accepting the grant of, funds from this appropriation, in accordance with the terms and conditions of this Agreement; and

**WHEREAS**, pursuant to Sections 9-6-5 and 9-6-5.1 NMSA 1978, the Secretary of the Department of Finance and Administration has the power and the authority to (i) maintain long-range estimates and plans for capital projects and develop standards for measuring the need for, and utility of, proposed projects; (ii) contract for, receive and utilize any grants or other financial assistance made available by the United States government or by any other source, public or private; (iii) provide planning and funding assistance to units of local government, council of government organizations, Indian tribal governments situated within New Mexico, and to nonprofit entities having for their purpose local, regional or community betterment; (iv) incident to any such programs, may enter into contracts and agreements with such units of local government, council of government organizations, Indian tribal governments, nonprofit entities and the federal government; and (v) delegate such authority to the Local Government Division as being necessary and appropriate to such delegation;

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations contained herein, the parties hereby mutually agree as follows:

**ARTICLE I. PROJECT DESCRIPTION, AMOUNT OF GRANT AND REVERSION DATE**

A. The project that is the subject of this Agreement is described as follows:

13-L-1774

**\$50,000.00 APPROPRIATION REVERSION DATE: June 30, 2017**

**Laws of 2013, Chapter 226, Section 31, Para. 187, Fifty Thousand Dollars and No Cents (\$50,000.00), to plan, design, purchase and install playground improvements and equipment at la Comunidad de los Ninos head start facility in Santa Fe in County of Santa Fe.**

The Grantee's total reimbursements shall not exceed the appropriation amount Fifty Thousand Dollars and No Cents (\$50,000.00) (the "Appropriation Amount") minus the allocation for Art in Public Places ("AIPP amount")<sup>1</sup>, if applicable, No Dollars and No Cents (\$0.00), which equals Fifty Thousand Dollars and No Cents (\$50,000.00) (the "Adjusted Appropriation Amount").

In the event of a conflict among the Appropriation Amount, the Reversion Date, as defined herein and/or the purpose of the Project, as set forth in this Agreement, and the corresponding appropriation language in the laws cited above in this Article I(A), the language of the laws cited herein shall control.

This project is referred to throughout the remainder of this Agreement as the "Project"; the information contained in Article I (A) is referred to collectively throughout the remainder of this Agreement as the "Project Description. The Grantee shall reference the Project's number in all correspondence with and submissions to the Department concerning the Project, including, but not limited to, Requests for Payment and reports.

**ARTICLE II. LIMITATION ON DEPARTMENT'S OBLIGATION TO MAKE GRANT DISBURSEMENT TO GRANTEE**

A. Upon the Effective Date of this Agreement, for permissible purposes within the scope of the Project Description, the Grantee shall only be reimbursed monies for which the Department has issued and the Grantee has received a Notice of Department's Obligation to Reimburse<sup>2</sup> Grantee (hereinafter referred to as "Notice of Obligation"). This Grant Agreement and the disbursement of any and all amounts of the above referenced Adjusted Appropriation Amount are expressly conditioned upon the following:

- (i) Irrespective of any Notice of Obligation, the Grantee's expenditures shall be made on or before the Reversion Date and, if applicable, an Early Termination Date (i.e., the goods have been delivered and accepted or the title to the goods has been transferred to the Grantee and/or the services have been rendered for the Grantee); and

<sup>1</sup> The AIPP amount is "an amount of money equal to one percent or two hundred thousand dollars (\$200,000), whichever is less, of the amount of money appropriated for new construction or any major renovation exceeding one hundred thousand dollars (\$100,000)." Section 13-4A-4 NMSA 1978.

<sup>2</sup> "Reimburse" as used throughout this Agreement includes Department payments to the Grantee for invoices received, but not yet paid, by the Grantee from a third party contractor or vendor, if the invoices comply with the provisions of this Agreement and are a valid liability of the Grantee.

- (ii) The total amount received by the Grantee shall not exceed the lesser of: (a) the Adjusted Appropriation Amount identified in Article I(A) herein or (b) the total of all amounts stated in the Notice(s) of Obligation evidencing that the Department has received and accepted the Grantee's Third Party Obligation(s), as defined in subparagraph iii of this Article II(A); and
- (iii) The Grantee's expenditures were made pursuant to the Grantee's legal procurement and execution of binding written obligations or purchase orders with third party contractors or vendors for the provision of services, including professional services, or the purchase of tangible personal property and real property for the Project, hereinafter referred to as "Third Party Obligations"; and
- (iv) The Grantee's submittal of timely Requests for Payment in accordance with the procedures set forth in Article IX of this Agreement ;
- (v) In the event that capital assets acquired with Project funds are to be sold, leased, or licensed to or operated by a private entity, the sale, lease, license, or operating agreement:
  - a. must be approved by the applicable oversight entity (if any) in accordance with law; or
  - b. if no oversight entity is required to approve of the transaction, the Department must approve of the transaction as complying with law.

Prior to the sale, lease, license, or operating agreement being approved pursuant to subparagraph (a) or (b) above, the Department may, in its discretion and unless inconsistent with New Mexico State Board of Finance imposed conditions, reimburse the Grantee for necessary expenditures incurred to develop the Project sufficiently to make the sale, lease, license, or operating agreement commercially feasible, such as plan and design expenditures; and
- (vi) The Grantee's submittal of documentation of all Third Party Obligations and amendments thereto (including terminations) to the Department and the Department's issuance and the Grantee's receiving of a Notice of Obligation for a particular amount in accordance with the terms of this Agreement as follows:
  - a. The Grantee shall submit to the Department one copy of all Third Party Obligations and amendments thereto (including terminations) as soon as possible after execution by the Third Party but prior to execution by the Grantee.
  - b. Grantee acknowledges and agrees that if it chooses to enter into a Third Party Obligation prior to receiving a Notice of Obligation that covers the expenditure, it is solely responsible for such expenditures.
  - c. The Department may, in its absolute discretion, issue to Grantee a Notice of Obligation for the particular amount of that Third Party Obligation that only obligates the Department to reimburse Grantee's expenditures made on or before the Reversion Date or an Early Termination Date. The current Notice of Obligation form is attached to this Agreement as Exhibit 3.
  - d. The date the Department sends, by mail or email, the Notice of Obligation is the date that the Department's Notice of Obligation is effective. After that date, the Grantee is authorized to budget the

particular amount set forth in the Notice of Obligation, execute the Third Party Obligation and request the Third Party begin work.

B. The Grantee shall implement, in all respects, the Project. The Grantee shall provide all necessary qualified personnel, material, and facilities to implement the Project. The Grantee shall finance its share (if any) of the costs of the Project, including all Project overruns.

C. Project funds shall not be used for purposes other than those specified in the Project Description.

D. Unless specifically allowed by law, Project funds cannot be used to reimburse Grantee for indirect Project costs.

**ARTICLE III. NOTICE PROVISIONS AND GRANTEE AND DEPARTMENT DESIGNATED REPRESENTATIVES**

Whenever written notices, including written decisions, are to be given or received, related to this Agreement, the following provisions shall apply.

The Grantee and the Department hereby designate the persons listed below as their official representative concerning all matters related to this Agreement:

Grantee: City of Santa Fe  
Name: David Chapman  
Title: Grant Administrator  
Address: P.O. Box 909, Santa Fe, New Mexico, 87504  
Email: dachapman@ci.santa-fe.nm.us  
Telephone: 505-955-2012  
FAX: 505-955-2020

Department: DFA/Local Government Division  
Name: Mr. Reuben Teran  
Title: Project Manager  
Address: Bataan Memorial Bldg, Rm 202, Santa Fe, New Mexico, 87501  
Email: reubens.teran@state.nm.us  
Telephone: 505-827-4972  
FAX: 505-827-4948

The Grantee and the Department agree that either party shall send all notices, including written decisions, related to this Agreement to the above named persons by facsimile, email, or regular mail. In the case of mailings, notices shall be deemed to have been given and received upon the date of the receiving party's actual receipt or five calendar days after mailing, whichever shall first occur. In the case of facsimile transmissions, the notice shall be deemed to have been given and received on the date reflected on the facsimile confirmation indicating a successful transmission of all pages included in the

writing. In the case of email transmissions, the notice shall be deemed to have been given and received on the date reflected on the delivery receipt of email.

#### **ARTICLE IV. REVERSION DATE, TERM, EARLY TERMINATION**

A. As referenced in Article I(A), the applicable law establishes a date by which Project funds must be expended by Grantee, which is referred to throughout the remainder of this Agreement as the "Reversion Date." Upon being duly executed by both parties, this Agreement shall be effective as of the date of execution by the Department. It shall terminate on June 30, 2017 the Reversion Date unless Terminated Before Reversion Date ("Early Termination") pursuant to Article V herein.

B. The Project's funds must be "expended" on or before the Reversion Date and, if applicable, Early Termination Date of this Agreement. For purposes of this Agreement, it is not sufficient for the Grantee to "encumber" the Project funds on its books on or before the Project's Reversion Date or Early Termination Date. Funds are "expended" and an "expenditure" has occurred as of the date that a particular quantity of goods are delivered to and received by the Grantee or title to the goods is transferred to the Grantee and/or as of the date particular services are rendered for the Grantee. Funds are *not* "expended" and an "expenditure" has *not* occurred as of the date they are "encumbered" by the Grantee pursuant to a contract or purchase order with a third party.

#### **ARTICLE V. EARLY TERMINATION**

##### **A. Early Termination Before Reversion Date Due to Completion of the Project or Complete Expenditure of the Adjusted Appropriation or Violation of this Agreement**

Early Termination includes:

- (i) Termination due to completion of the Project before the Reversion Date; or
- (ii) Termination due to complete expenditure of the Adjusted Appropriation Amount before the Reversion Date; or
- (iii) Termination for violation of the terms of this Agreement; or
- (iv) Termination for suspected mishandling of public funds, including but not limited to, fraud, waste, abuse, conflicts of interest.

Either the Department or the Grantee may early terminate this Agreement prior to the Reversion Date by providing the other party with a minimum of fifteen (15) days' advance, written notice of early termination. Grantee hereby waives any rights to assert an impairment of contract claim against the Department or the State of New Mexico in the event of Early Termination of this Agreement by the Department pursuant to Article V (A).

##### **B. Early Termination Before Reversion Date Due to Non-appropriation**

The terms of this Agreement are expressly made contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. Throughout this Agreement the term "non-appropriate"

or “non-appropriation” includes the following actions by the New Mexico Legislature: deauthorization, reauthorization or revocation of a prior authorization. The Legislature may choose to non-appropriate the Appropriation referred to Article I and, if that occurs, the Department shall early terminate this Agreement for non-appropriation by giving the Grantee written notice of such termination, as of the effective date of the law making the non-appropriation. The Department’s decision as to whether sufficient appropriations or authorizations are available shall be accepted by the Grantee and shall be final. Grantee hereby waives any rights to assert an impairment of contract claim against the Department or the State of New Mexico in the event of Early Termination of this Agreement by the Department pursuant to Article V (B).

**C. Limitation on Department’s Obligation to Make Grant Disbursements to Grantee in the Event of Early Termination**

In the event of Early Termination of this Agreement by either party, the Department’s sole obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth Article II.

**ARTICLE VI. SUSPENSION OF NEW OR FURTHER OBLIGATIONS**

A. The Department may choose, in its absolute discretion, to direct the Grantee to suspend entering into new and further obligations.

- (i) The Grantee shall immediately suspend entering into new or further written obligations with third parties upon the date the Grantee receives written notice given by the Department; and
- (ii) The Department is, upon the date the Grantee receives written notice given by the Department, suspending issuance of any new or further Notice of Obligation under this Agreement; and
- (iii) The Department may direct the Grantee to implement a corrective action plan in accordance with Article VI(D) herein.

B. In the event of Suspension of this Agreement, the Department’s sole obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth in Article II herein.

C. A suspension of new or further obligations under this Agreement shall remain in effect unless or until the date the Grantee receives written notice given by the Department informing the Grantee that the Suspension has been lifted or that the Agreement has been Early Terminated in accordance with Article V herein. If the Suspension is lifted, the Department will consider further requests for Notice of Obligation.

**D. Corrective Action Plan in the Event of Suspension**

In the event that the Department chooses, in its absolute discretion to direct the Grantee to suspend entering into new or further written obligations with third parties pursuant to Article VI(A), the Department may, but is not obligated to, require the Grantee to develop and implement a written corrective action plan to remedy the grounds for the Suspension. Such corrective action plan must be approved by the Department and

be signed by the Grantee. Failure to sign a corrective action plan or meet the terms and deadlines set forth in the signed corrective action plan, is hereby deemed a violation of the terms of this Agreement for purposes of Early Termination, Article V(A)(iii). The corrective action plan is in addition to, and not in lieu of, any other equitable or legal remedy, including but not limited to Early Termination.

## **ARTICLE VII. AMENDMENT**

This Agreement shall not be altered, changed, or amended except by instrument in writing duly executed by both the parties hereto.

## **ARTICLE VIII. REPORTS**

### **A. Paper Periodic Reports**

In order that the Department may adequately monitor Project activity, the Grantee shall submit to the Department Paper Periodic Reports for the Project. Paper Periodic Reports shall be submitted on a form prescribed by the Department. The Paper Periodic and Paper Final Report form are attached hereto as Exhibit 1. The Department shall provide the Grantee with a minimum of thirty (30) days' advance written notice of any change to the Periodic Report format or content.

The Paper Periodic Report shall be due monthly on the last day of each month, beginning with the first full month following execution of this Agreement by the Department and ending upon the submission of a Paper Final Report for the Project. The Department may, in its discretion, change the reporting period from time to time by giving Grantee a minimum of thirty (30) days' advance, written notice of any change to the reporting period; provided, however, that in no event shall the reporting period be less than one month.

### **B. Paper Final Report**

The Grantee shall submit to the Department and the Department of Finance and Administration a Final Report for the Project. The Final Report shall be submitted on a form provided by the Department and contain such information as the Department may require. The Periodic and Final Report form is attached hereto as Exhibit 1. The Department shall provide Grantee with a minimum of thirty (30) days' advance, written notice of any change to the Final Report format or content. The Paper Final Report must be submitted within twenty (20) days after the Project's Reversion Date or within twenty (20) days of the date of Early Termination, whichever first occurs.

### **C. Paperless Reporting**

In addition to the paper reports described in subparagraphs A and B of this Article, the Grantee shall report periodic and final Project activity by entering such Project information as the Department and the Department of Finance and Administration may require directly into a database maintained by the Department of Finance and Administration. The Department shall give Grantee a minimum of thirty (30) days' advance written notice of any changes to the information the Grantee is required to report

on a paperless basis. The Paperless Report shall be due monthly on the last day of each month, beginning with the first full month following execution of this Agreement by the Department and ending upon the submission of a Final Report for the Project. The Paperless Final Report along with a Paper Final Report must be submitted within twenty (20) days after the Project's Reversion Date or within twenty (20) days of the date of Early Termination, which ever first occurs.

**D. Requests for Additional Information/Project Inspection**

During the term of this Agreement and during the period of time during which the Grantee must maintain records pursuant to Article VIII, the Department may (i) request such additional information regarding the Project as it deems necessary and (ii) conduct, at reasonable times and upon reasonable notice, onsite inspections of the Project. Grantee shall respond to such requests for additional information within a reasonable period of time, as established by the Department. Requests made pursuant to this subparagraph D are in addition to and not in lieu of the periodic and final reporting described in subparagraphs A through C of this Article VIII.

**ARTICLE IX. REQUEST FOR PAYMENT PROCEDURES AND DEADLINES**

A. The Grantee shall request payment by submitting a Request for Payment, in the form attached hereto as Exhibit 2. Payment requests are subject to the following procedures:

- (i) The Grantee must submit one original and one copy of each Request for Payment; and
- (ii) Each Request for Payment must contain proof of payment by the Grantee or liabilities incurred by the Grantee in the form of a notarized certification by Grantee's designated representative in Article III herein, that the expenditures are valid or are liabilities incurred by the Grantee in the form of actual unpaid invoices received by the Grantee of services rendered by a third party or items of tangible personal property received by the Grantee for the implementation of the Project; provided, however, that the Grantee may be reimbursed for unpaid liabilities only if the Department, in its discretion, agrees to do so and in accordance with any special conditions imposed by the Department.
- (iii) In cases where the Grantee is submitting a Request for Payment to the Department based upon invoices received, but not yet paid, by the Grantee from a third party contractor or vendor, if the invoices comply with the provisions of this Agreement and are a valid liability of the Grantee, the Grantee shall make payment to those contractors or vendors within five (5) business days from the date of receiving reimbursement from the Department or such shorter period of time as the Department may prescribe in writing.

**B. Deadlines**

Requests for Payments shall be submitted by Grantee to the Department on the earlier of:

- (i) Twenty (20) days from the end of the calendar quarter in which the expenditure was incurred or liability of the Grantee was incurred as evidenced by an unpaid invoice received by the Grantee from a third party contractor or vendor, if total unreimbursed expenditures or liabilities at calendar quarter end exceed \$25,000; or
- (ii) July 15 of each year for all unreimbursed expenditures incurred during the previous fiscal year; or
- (iii) Twenty (20) days from date of Early Termination; or
- (iv) Twenty (20) days from the Reversion Date.

C. The Grantee's failure to abide by the requirements set forth in Article II herein will result in the denial of its Request for Payment or will delay the processing of Requests for Payment. The Department has the right to reject a payment request for the Project unless and until it is satisfied that the expenditures in the Request for Payment are for permissible purposes within the meaning of the Project Description and that the expenditures and the Grantee are otherwise in compliance with this Agreement, including but not limited to, compliance with the reporting requirements and the requirements set forth in Article II herein to provide Third Party Obligations. The Department's ability to reject any Request for Payment is in addition to, and not in lieu of, any other legal or equitable remedy available to the Department due to Grantee's violation of this Agreement.

**ARTICLE X. PROJECT CONDITIONS AND RESTRICTIONS;  
REPRESENTATIONS AND WARRANTIES**

- A. The following general conditions and restrictions are applicable to the Project:
- (i) The Project's funds must be spent in accordance with all applicable state laws, regulations, policies, and guidelines, including, but not limited to, the Procurement Code (or local procurement ordinance, where applicable).
  - (ii) The Project must be implemented in accordance with the New Mexico Public Works Minimum Works Act, Section 13-4-10 through 13-4-17 NMSA 1978, if applicable. Every contract or project in excess of sixty thousand dollars (\$60,000) that the Grantee is a party to for construction, alteration, demolition or repair or any combination of these, including painting and decorating, of public buildings, public works or public roads and that requires or involves the employment of mechanics, laborers or both shall contain a provision stating the minimum wages and fringe benefits to be paid to various classes of laborers and mechanics, shall be based upon the wages and benefits that will be determined by the New Mexico Department of Workforce Solutions to be prevailing for the corresponding classes of laborers and mechanics employed on contract work of a similar nature in the locality. Further, every contract or project shall contain a stipulation that the contractor, subcontractor, employer or a person acting as a contractor shall pay all mechanics and laborers employed on the site of the project, unconditionally and not less often than once a week and without subsequent unlawful deduction or rebate on any

- account, the full amounts accrued at time of payment computed at wage rates and fringe benefit rates not less than those determined pursuant to Section 13-4-11 B. NMSA 1978 to be the prevailing wage rates and prevailing fringe benefit rates issued for the project.
- (iii) The Project may only benefit private entities in accordance with applicable law, including, but not limited to, Article IX, Section 14 of the Constitution of the State of New Mexico, the so-called "Anti-Donation Clause."
  - (iv) The Grantee shall not at any time convert any property acquired or developed with the Project's funds to uses other than those specified in the Project Description without the Department's express, advance, written approval.
  - (v) The Grantee shall comply with all federal and state laws, rules and regulations pertaining to equal employment opportunity. In accordance with all such laws, rules and regulations the Grantee agrees to assure that no person shall, on the grounds of race, color, national origin, sex, sexual preference, age or handicap, be excluded from employment with Grantee, be excluded from participation in the Project, be denied benefits or otherwise be subject to discrimination under, any activity performed under this Agreement. If Grantee is found to be not in compliance with these requirements during the life of this Agreement, Grantee agrees to take appropriate steps to correct any deficiencies. The Grantee's failure to implement such appropriate steps within a reasonable time constitutes grounds for terminating this Agreement.
- B. The Grantee hereby represents and warrants the following:
- (i) The Grantee has the legal authority to receive and expend the Project's funds.
  - (ii) This Agreement has been duly authorized by the Grantee, the person executing this Agreement has authority to do so, and, once executed by the Grantee, this Agreement shall constitute a binding obligation of the Grantee, enforceable according to its terms.
  - (iii) This Agreement and the Grantee's obligations hereunder do not conflict with any law or ordinance or resolution applicable to the Grantee, the Grantee's charter (if applicable), or any judgment or decree to which it is subject.
  - (iv) The Grantee has independently confirmed that the Project Description, including, but not limited to, the amount and Reversion Date, is consistent with the underlying appropriation in law.
  - (v) The Grantee's governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the person identified as the official representative of the Grantee to sign the Agreement and to sign Requests for Payment.
  - (vi) The Grantee shall abide by New Mexico laws regarding Conflict of Interest and Governmental Conduct and whistleblower protection. The Grantee specifically agrees that no officer or employee of the local

jurisdiction or its designees or agents, no member of the governing body, and no other public official of the locality who exercises any function or responsibility with respect to this Grant, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed pursuant to this Grant. Further, Grantee shall require all of its contractors to incorporate in all subcontracts the language set forth in this paragraph prohibiting conflicts of interest.

- (vii) No funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of this or any agency or body in connection with the awarding of any Third Party Obligation and that the Grantee shall require certifying language prohibiting lobbying to be included in the award documents for all subawards, including subcontracts, loans and cooperative agreements. All subrecipients shall be required to certify accordingly.

#### **ARTICLE XI. STRICT ACCOUNTABILITY OF RECEIPTS AND DISBURSEMENTS; PROJECT RECORDS**

A. The Grantee shall be strictly accountable for receipts and disbursements relating to the Project's funds. The Grantee shall follow generally accepted accounting principles, and, if feasible, maintain a separate bank account or fund with a separate organizational code, for the funds to assure separate budgeting and accounting of the funds.

B. For a period of six (6) years following the Project's completion, the Grantee shall maintain all Project related records, including, but not limited to, all financial records, requests for proposals, invitations to bid, selection and award criteria, contracts and subcontracts, advertisements, minutes of pertinent meetings, as well as records sufficient to fully account for the amount and disposition of the total funds from all sources budgeted for the Project, the purpose for which such funds were used, and such other records as the Department shall prescribe.

C. The Grantee shall make all Project records available to the Department of Finance and Administration and the New Mexico State Auditor upon request. With respect to the funds that are the subject of this Agreement, if the State Auditor finds that any or all of these funds were improperly expended, the Grantee may be required to reimburse to the State of New Mexico, to the originating fund, any and all amounts found to be improperly expended.

#### **ARTICLE XII. IMPROPERLY REIMBURSED FUNDS**

If the Department determines that part or all of the Appropriation Amount was improperly reimbursed to Grantee, including but not limited to, Project funds reimbursed to Grantee based upon fraud, mismanagement, misrepresentation, misuse, violation of

law by the Grantee, or violation of this Agreement, the Grantee shall return such funds to the Department for disposition in accordance with law.

**ARTICLE XIII. LIABILITY**

Neither party shall be responsible for liability incurred as a result of the other party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to immunities and limitations of the New Mexico Tort Claims Act.

**ARTICLE XIV. SCOPE OF AGREEMENT**

This Agreement constitutes the entire and exclusive agreement between the Grantee and DFA concerning the subject matter hereof. The Agreement supersedes any and all prior or contemporaneous agreements, understandings, discussions, communications, and representations, written or verbal.

**ARTICLE XV. REQUIRED NON-APPROPRIATIONS CLAUSE IN CONTRACTS FUNDED IN WHOLE OR PART BY FUNDS MADE AVAILABLE UNDER THIS AGREEMENT**

The Grantee acknowledges and agrees that Grantee shall include a "non-appropriations" clause in all contracts between it and other parties that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement that states:

"The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, the City of Santa Fe may immediately terminate this Agreement by giving Contractor written notice of such termination. The City of Santa Fe's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. Contractor hereby waives any rights to assert an impairment of contract claim against the City of Santa Fe or the Department of Finance and Administration, Local Government Division (DFA/LGD) or the State of New Mexico in the event of immediate or Early Termination of this Agreement by the City of Santa Fe or DFA/LGD."

**ARTICLE XVI. REQUIRED TERMINATION CLAUSE IN CONTRACTS FUNDED IN WHOLE OR PART BY FUNDS MADE AVAILABLE UNDER THIS AGREEMENT**

Grantee acknowledges and agrees that Grantee shall include the following or a termination clause in all contracts that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement:

“This contract is funded in whole or in part by funds made available under a Department of Finance and Administration, Local Government Division (DFA/LGD) Grant Agreement. Should the DFA/LGD early terminate the grant agreement, the City of Santa Fe may early terminate this contract by providing Contractor written notice of such termination. In the event of termination pursuant to this paragraph, the City of Santa Fe only liability shall be to pay Contractor for acceptable goods delivered and services rendered before the termination date.”

Grantee hereby waives any rights to assert an impairment of contract claim against the Department or the State of New Mexico in the event of Early Termination of this Agreement by the Department.

#### **XVII. COMPLIANCE WITH UNIFORM FUNDING CRITERIA.**

A. Throughout the term of this Agreement, Grantee shall:

1. submit all reports of annual audits and agreed upon procedures required by Section 12-6-3(A)-(B) NMSA 1978 by the due dates established in 2.2.2 NMAC, reports of which must be a public record pursuant to Section 12-6-5(A) NMSA 1978 within forty-five days of delivery to the State Auditor;
2. have a duly adopted budget for the current fiscal year approved by its budgetary oversight agency (if any);
3. timely submit all required financial reports to its budgetary oversight agency (if any); and
4. have adequate accounting methods and procedures to expend grant funds in accordance with applicable law and account for and safeguard grant funds and assets acquired by grant funds.

B. In the event Grantee fails to comply with the requirements of Paragraph A of this Article XVII, the Department may take one or more of the following actions:

1. suspend new or further obligations pursuant to Article VI(A) of this Agreement;
2. require the Grantee to develop and implement a written corrective action plan pursuant to Article VI(D) of this Agreement to remedy the non-compliance;
3. impose special grant conditions to address the non-compliance by giving the Grantee notice of such special conditions in accordance with Article III of this Agreement; the special conditions shall be binding and effective on the date that notice is deemed to have been given pursuant to Article III; or
4. terminate this Agreement pursuant to Article V(A) of this Agreement.

#### **ARTICLE XVIII. SEVERANCE TAX BOND AND GENERAL OBLIGATION BOND PROJECT CLAUSES**

A. Grantee acknowledges and agrees that the underlying appropriation for the Project is a severance tax bond or general obligation bond appropriation, which is

administered by the New Mexico State Board of Finance (BOF), an entity separate and distinct from the Department. Grantee acknowledges and agrees that (i) it is Grantee's sole responsibility to determine through BOF staff what (if any) conditions are currently imposed on the Project; (ii) the Department's failure to inform Grantee of a BOF imposed condition does not affect the validity or enforceability of the condition; (iii) the BOF may in the future impose further or different conditions upon the Project; (iv) all BOF conditions are effective without amendment of this Agreement; (v) all applicable BOF conditions must be satisfied before the BOF will release to the Department funds subject to the condition(s); and (vi) the Department's obligation to reimburse Grantee from the Project is contingent upon the then current BOF conditions being satisfied.

B. Grantee acknowledges and agrees that this Agreement is subject to the BOF's Bond Project Disbursements rule, 2.61.6 NMAC, as such may be amended or re-codified.

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STATE OF NEW MEXICO  
 CAPITAL GRANT PROJECT  
 PAPER PERIODIC/FINAL REPORT  
 EXHIBIT 1

PERIODIC REPORT       FINAL REPORT

Grantee: \_\_\_\_\_

Project Number: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

1. Please provide a detailed status of project referenced above.

**A. Third Party Obligations**

Purchase Order or Contract # \_\_\_\_\_

Name of Contractor or Vendor: \_\_\_\_\_

Amount of Third Party Obligation: \_\_\_\_\_

Date Executed: \_\_\_\_\_

Termination Date: \_\_\_\_\_

**B. Project Phase**

Bonds Sold  Plan/Design  Bid Documents  Construction   
 (provide anticipated date of commencement and completion for each phase)

2. Grant Amount adjusted for AIPP if applicable: \_\_\_\_\_

Total Amount of all Notices of Obligation to Reimburse: \_\_\_\_\_

Total Grant Amount Expended by Grantee to Date: \_\_\_\_\_

Grant Balance as of this Date: \_\_\_\_\_

Amount of Other Unexpended Funding Sources: \_\_\_\_\_

PERIODIC REPORT

I hereby certify that the aforementioned Capital Grant Project funds are being expended in accordance with all requirements of the Grant Agreement, and in compliance with all other applicable requirements.

FINAL REPORT

I hereby certify that the aforementioned Capital Grant Project funds have been completed and funds were expended in accordance with all requirements of the Grant Agreement, and in compliance with all other applicable state/regulatory requirements.

\_\_\_\_\_  
 Grantee Representative/Title

\_\_\_\_\_  
 Date

STATE OF NEW MEXICO  
CAPITAL GRANT PROJECT  
Request for Payment Form  
Exhibit 2

**I. Grantee Information**

(Make sure information is complete & accurate)

A. Grantee: \_\_\_\_\_  
 B. Address: \_\_\_\_\_  
Complete Mailing, including State, if applicable  
 \_\_\_\_\_  
City State Zip  
 C. Phone No: \_\_\_\_\_  
 D. Grant No: \_\_\_\_\_  
 E. Project Title: \_\_\_\_\_  
 F. Grant Expiration Date: \_\_\_\_\_

**II. Payment Computation**

A. Grant Amount: \_\_\_\_\_  
 B. AIPP Amount (If Applicable) \_\_\_\_\_  
 C. Funds Requested to Date: \_\_\_\_\_  
 D. Amount Requested this Payment: \_\_\_\_\_  
 E. Grant Balance: \$0.00  
 F.  GF  GOB  STB (attach wire if 1st draw)  
 G. Payment Request No. \_\_\_\_\_

**III. Fiscal Year Expenditure Period Ending:**  
(check one)

(Jan-Jun)  Fiscal Year  
 (Jul-Dec)

**IV. Certification:** Under penalty of law, I hereby certify to the best of my knowledge and belief, the above information is correct; expenditures are properly documented, and are valid expenditures or actual receipts; and that the grant activity is in full compliance with Article IX, Sec. 14 of the New Mexico Constitution known as the "anti donation" clause.

**Grantee Fiscal Officer**

Printed Name \_\_\_\_\_  
 Date: \_\_\_\_\_

SWORN TO AND SUBSCRIBED  
 before me on this \_\_\_\_\_ day  
 of \_\_\_\_\_ 20\_\_\_\_

Notary Public \_\_\_\_\_  
 My Commission expires \_\_\_\_\_

**Grantee Representative**

Printed Name \_\_\_\_\_  
 Date: \_\_\_\_\_

SWORN TO AND SUBSCRIBED  
 before me on this \_\_\_\_\_ day  
 of \_\_\_\_\_ 20\_\_\_\_

Notary Public \_\_\_\_\_  
 My Commission expires \_\_\_\_\_

**(Department Use Only)**

Vendor Code: \_\_\_\_\_

Loc No.: \_\_\_\_\_

Fund No.: \_\_\_\_\_

Division Fiscal Officer \_\_\_\_\_ Date \_\_\_\_\_

I certify that the Grantee financial and vendor file information agree with the above submitted information.

Division Project Manager \_\_\_\_\_ Date \_\_\_\_\_

I certify that the Grantee records and related appropriation laws agree with the above submitted information.

**STATE OF NEW MEXICO  
CAPITAL GRANT PROJECT  
NOTICE OF OBLIGATION TO REIMBURSE GRANTEE  
EXHIBIT 3**

DATE: \_\_\_\_\_  
 TO: Grantee Representative: \_\_\_\_\_  
 FROM: Department Representative: \_\_\_\_\_  
 SUBJECT: Notice of Obligation to Reimburse Grantee  
 Project Number: \_\_\_\_\_

As the designated representative of the Department for Grant Agreement number 13-L-1774 entered into between Grantee and the Department, I certify that the Grantee has submitted to the Department the following third party obligation executed, in writing, by the third party's authorized representative:

Third Party Obligation (includes purchase orders and contract) #: \_\_\_\_\_  
 Vendor or Contractor: \_\_\_\_\_  
 Third Party Obligation Amount: \_\_\_\_\_  
 Termination Date: \_\_\_\_\_

I certify that the State is issuing this Notice of Obligation to Reimburse Grantee for permissible purposes within the scope of the project description, subject to all the terms and conditions of the above referenced Grant Agreement.

Grant Amount adjusted for AIPP if applicable: \_\_\_\_\_  
 The Amount of this Notice of Obligation to Reimburse: \_\_\_\_\_  
 The Total Amount of all Previously Issued Notices of Obligation: \_\_\_\_\_  
 The Total Amount of all Notices of Obligation to Reimburse as of this Date:  
 \_\_\_\_\_

Department Representative: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Date: \_\_\_\_\_

LEASE AGREEMENT

This LEASE AGREEMENT (hereinafter "Lease") is made and entered into this 9<sup>th</sup> day of May, 2007, by and between the City of Santa Fe, a municipal corporation (hereinafter "Lessor") and Presbyterian Medical Services (hereinafter "Lessee").

WITNESSETH:

In consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. Premises. Lessor does hereby lease to Lessee that portion of a City owned building and playground located at 1121 Alto Street, commonly known as La Comunidad de Los Ninos, Santa Fe, New Mexico, (hereinafter the "Premises") as more clearly described and identified on Exhibit A (Site Plan) and Exhibit B (Floor Plan), attached hereto.

Lessee accepts the Premises in its present state and agrees that it is in good condition, without any representation or warranty by Lessor as to the condition of the Premises or as to the use which may be made thereof.

2. Use of the Premises. The Premises have been developed and used as a child care center and Lessee will use said Premises solely for the purpose of a child care facility for up to 77 children between the ages of 2-5 years from the City and the County of Santa Fe, at least fifty one percent (51%) of these children shall be from families with low to moderate incomes as determined by applicable Head Start family income guidelines promulgated by the U.S. Department of Health and Human Services.

3. Lease Term. The term of this Lease shall commence on May 1, 2007 and shall terminate on June 30, 2012 unless sooner terminated or unless extended for an additional term, all as provided herein. Either party may upon 60 days notice terminate this Lease.

In the event Lessee shall remain in possession of the Premises after the expiration of the initial term of this Lease, without exercising its option to extend, or after the expiration of any extended term, such possession may, at the sole option of Lessor, be continued as a month-to-month tenancy.

4. Rent.

A. In lieu of payment for rent hereunder, the Lessor hereby agrees to accept the provision of child care services by the Lessee at the Premises under a Professional Services Agreement entered into between the Lessor and the Lessee to coincide with this Agreement.

B. The Parties agree that the value of services provided by the Lessee hereunder is worth the sum of six hundred three thousand three hundred seventy three dollars (\$603,373) per annum. The fair market rent is established as one hundred ten thousand eight hundred sixteen dollars (\$110,816). See Exhibits C, D and E attached hereto. Therefore, the cost of the rent is exceeded by the value of services provided. The cost of services and the fair market rent will be established every five years.

5. Utilities. Lessor pays charges for electrical, gas, garbage, water, and sewage. Lessee pays charges for telephone, and other services, which may be incurred in connection with Lessee's use of the Premises, and agrees to defend, indemnify and hold harmless the Lessor therefrom.

6. Contents Insurance. Lessee, at its sole expense, shall insure any contents or equipment kept by it on the Premises and used by it which it desires to have insured; it is understood that Lessor

shall not be required to furnish such insurance.

7. Signs. Lessee shall not place, nor have placed, any sign on or about the Premises without the prior written consent of Lessor. Upon the expiration of the term of this Lease, or any extension thereof, Lessee shall remove any and all of such signs and shall repair any damage to the Premises and adjacent grounds caused thereby at Lessee's expense.

8. Alterations and Improvements. Lessee shall make no alteration, addition or improvement to the Premises without the prior, written consent of Lessor, which consent shall not be unreasonably withheld. Any alteration, addition or improvement made by Lessee after such consent shall have been given, and any fixtures installed as part thereof, shall become the property of Lessor upon the termination of this Lease, unless Lessee elects to remove them and restore the Premises to the condition existing prior to the installation of such fixtures, ordinary wear and use excepted; provided, however, that Lessor shall have the right to require Lessee to remove such fixtures at Lessee's expense, upon the termination of this Lease.

9. Repair and Maintenance. Lessee hereby agrees to maintain the property surrounding the Premises and shall not cause or permit any waste, damage or injury to the Premises. Lessee shall, at its sole expense, keep and maintain the Premises in good condition and good working order (reasonable wear and tear excepted). Repairs and replacements required to be made by the Lessee shall be made promptly as and when necessary and shall be at least equal in quality of materials and workmanship to that originally existing in the Premises. In the event of a default by Lessee in making such repairs and replacements, Lessor may, but shall not be required to, make such repairs and replacements for Lessee's account, and the expense thereof shall constitute and be collectible as additional rent.

At all reasonable times during the term of this Lease, Lessor, or its duly authorized representatives, shall have the right to enter upon the Premises to inspect the Premises, perform any work under this Lease, or to make any improvements, alterations, and additions that Lessor may elect to make.

10. Exculpatory Clause. Lessor shall not be liable for, and Lessee agrees to defend, indemnify and hold harmless the Lessor against, any and all claims for injury or damage to persons or property occurring within the Premises arising out of preexisting condition without qualification, unless caused by Lessor, its agents, servants or employees. Lessor is not in any way a partner of Lessee in this Lease and Lessee is acting as an Independent Contractor.

11. Liability Insurance. Lessee shall carry and maintain in full force and effect during the term of this Lease and any extension or renewal thereof at Lessee's expense, public liability insurance covering bodily injury and property damage liability, in a form and with an insurance company acceptable to Lessor, with limits of coverage in the aggregate maximum amounts which the City could be liable under the New Mexico Tort Claims Act for each person and for each accident for property damage liability, for the benefit of both Lessor and Lessee as protection against all liability claims arising from the Premises, causing Lessor to be named as an additional-named insured on such policy of insurance, and delivering a copy thereof to Lessor. Such policy shall provide that the coverage evidenced thereby shall not be terminated or modified without ten days prior written notice to Lessor. It shall be the responsibility of the Lessee to be in compliance with the law.

13. Recording - Short Form Memo. This Lease shall not be recorded in its entirety. If desired by either party, both parties shall execute in recordable form a short form memorandum of

this Lease which may be placed of record.

14. Notice. Any and all notices provided for hereunder shall be in writing and shall be deemed delivered, given and received when (i) personally delivered, or (ii) five (5) days after the same are deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the applicable party at the address indicated below for such party, or at such other address as may be designated by either party in a written notice to the other party:

To Lessor: City of Santa Fe  
200 Lincoln, P.O. Box 909  
Santa Fe, N.M. 87504-0909

To Lessee: Presbyterian Medical Services  
Attn: President  
P.O. Box 2267  
Santa Fe, N.M. 87504-2267

15. Captions. Any captions to or headings of the paragraphs of this Lease are solely for the convenience of the parties, are not a part of this Lease and shall not be used for the interpretation or determination of validity of this Lease or any provisions hereof.

16. Severability. In case any one or more of the provisions contained in this Lease or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

17. Applicable Law. This Lease shall be construed, enforced and interpreted in accordance with and governed by the laws of the State of New Mexico.

18. Gender. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in either the

masculine, the feminine or the neuter gender shall include the masculine, feminine and neuter.

19. Assignment and Sublease. Lessor shall not have the right to transfer and assign, in whole or in part, its rights and obligations under this Lease and in the Premises. Lessee shall not assign this Lease or sublet all or any part of the Premises unless otherwise authorized by Lessor.

20. Litigation Expense. In the event of litigation between the parties, the non-prevailing party shall pay any necessary costs, including reasonable attorney's fees, expenses and other costs of collection or otherwise, which the prevailing party shall incur in enforcing this Lease or in recovering any and all damages caused to the Premises by Lessee or Lessor, or their respective agents or permitted assigns.

21. Option. Lessee is granted an option to renew the lease for an additional period of four years on the same terms and conditions as are provided herein. Lessor and Lessee shall renegotiate the rent due upon option to renew. The option shall be exercised by the Lessee, notifying Lessor in writing at least 60 days prior to the expiration date of this lease of its election to exercise the option.

22. No Waiver. No waiver of a breach of any of the covenants contained in this Lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

23. Entire Lease. The foregoing constitutes the entire Agreement between Lessor and Lessee, represents their entire understanding and defines all of their respective rights, title and interest as well as all of their duties, responsibilities and obligations. Any and all prior agreements and understandings between the parties are merged herein. This Lease shall not be modified or amended except by a written document signed by the parties.

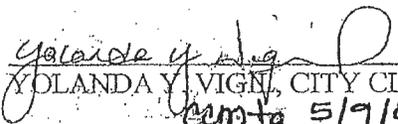
24. Binding Effect. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns and is specifically enforceable.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first written above.

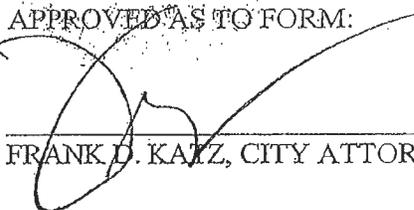
LESSOR:  
CITY OF SANTA FE

  
\_\_\_\_\_  
DAVID COSS, MAYOR

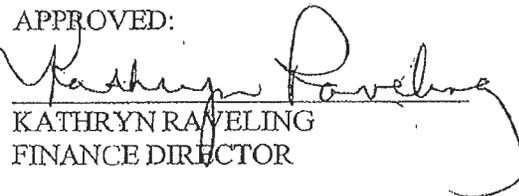
ATTEST:

  
\_\_\_\_\_  
YOLANDA Y. VIGN, CITY CLERK  
cmf 5/9/07

APPROVED AS TO FORM:

  
\_\_\_\_\_  
FRANK D. KATZ, CITY ATTORNEY

APPROVED:

  
\_\_\_\_\_  
KATHRYN RAVELING  
FINANCE DIRECTOR

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

LESSEE:  
PRESBYTERIAN MEDICAL SERVICES

By: *James L. Riebsomer*  
JAMES L. RIEBSOMER, PRESIDENT

ACKNOWLEDGEMENT

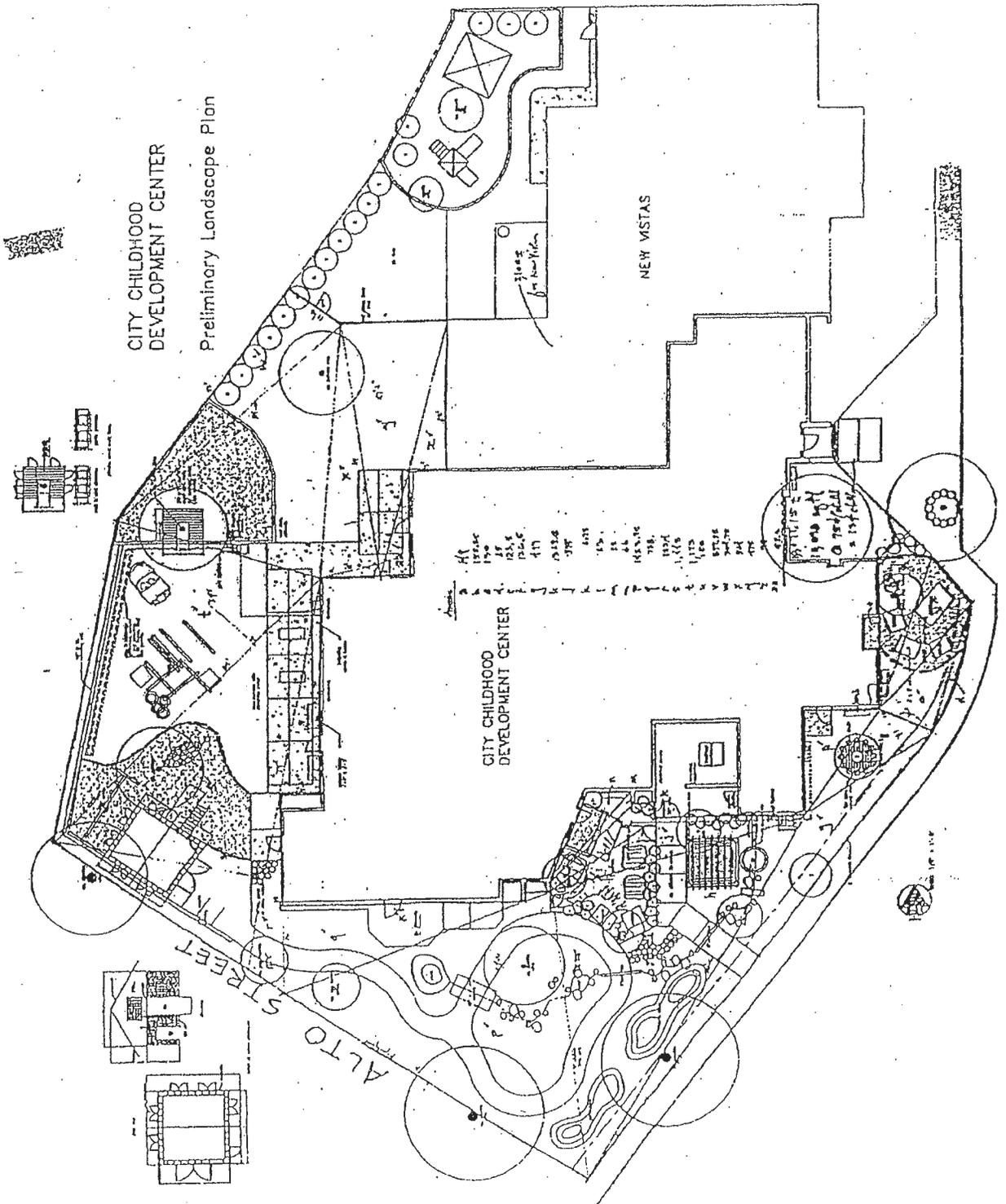
STATE OF NEW MEXICO     )  
  ) ss.  
COUNTY OF SANTA FE     )

The foregoing instrument was duly acknowledged before me this 24<sup>th</sup> day of  
May, 2007 by James L. Riebsomer

*Deborah J. Bonifer*  
NOTARY PUBLIC

My Commission Expires:  
6-28-07







ITEM # 12-0922

APPROVAL OF OPTION TO RENEW AND AMENDMENT TO  
LEASE AGREEMENT DATED MAY 9, 2007

This Approval of Option to Renew Lease Agreement dated May 9, 2007, by and between the City of Santa Fe, a municipal corporation (herein collectively referred to as "Lessor") and Presbyterian Medical Services (herein collectively referred to as "Lessee").

A. Under a certain Lease Agreement dated May 9, 2007 ("Agreement"), Lessor has leased certain real property described therein to Lessee solely for the purpose of providing a child care center for up to 77 children between the ages of 2-5 from the City and County of Santa Fe.

B. Pursuant to Article 21, "OPTION", states therein that "Lessee is granted an option to renew the lease for an additional period of four years on the same terms and conditions as are provided herein. Lessor and Lessee shall renegotiate the rent due upon option to renew. The option shall be exercised by the Lessee, notifying Lessor in writing at least 60 days prior to the expiration date of this lease of its election to exercise the option".

C. Lessee has submitted a written request to Lessor requesting to exercise its option for an additional four year extension to the Lease Agreement dated May 9, 2007.

D. Exhibits A, C, D & E shall be revised and supersede those referenced in Lease Agreement dated May 9, 2007.

E. Paragraph 4 shall be amended to address issue of non-credit for additional services rendered in excess of fair market rental value.

**NOW THEREFORE**, the Lessor hereto acknowledges receipt of request by Lessee

1. Lessor hereby agrees to an additional period of four years, extending the term to June 30, 2016 under the same terms and conditions as contained in Lease Agreement dated May 9, 2007, except as stated herein.

2. As per provisions of Section 21 of Lease Agreement dated May 9, 2007, Lessor and Lessee have renegotiated the rent due and basis of value of services in lieu of rent as contained in Exhibits C, D & E.

3. Lessee agrees to participate in the maintenance and improving of the portion of roof that is over its premises in the amount of \$20,000.

4. Paragraph 4 "Rent" Section B is amended to add the following: The valued services rendered in any year in excess of the fair market rental value as stated herein shall not carry forward to any future years as a credit to the Lessee.

5. Exhibit A showing "Site Plan" has been amended and supersedes that referenced in Lease Agreement dated May 9, 2007.

**IN WITNESS WHEREOF**, the City of Santa Fe, a municipal corporation, on the date set forth below.

LESSOR:  
CITY OF SANTA FE

Robert P. Romero  
ROBERT P. ROMERO, CITY MANAGER

Date: 10-25-12

ATTEST:

Yolanda Y. Vigil  
YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

Geno Zamora  
GENO ZAMORA, CITY ATTORNEY

APPROVED:

Melville L. Morgan  
DR. MELVILLE L. MORGAN,  
FINANCE DIRECTOR



Exhibit "A"

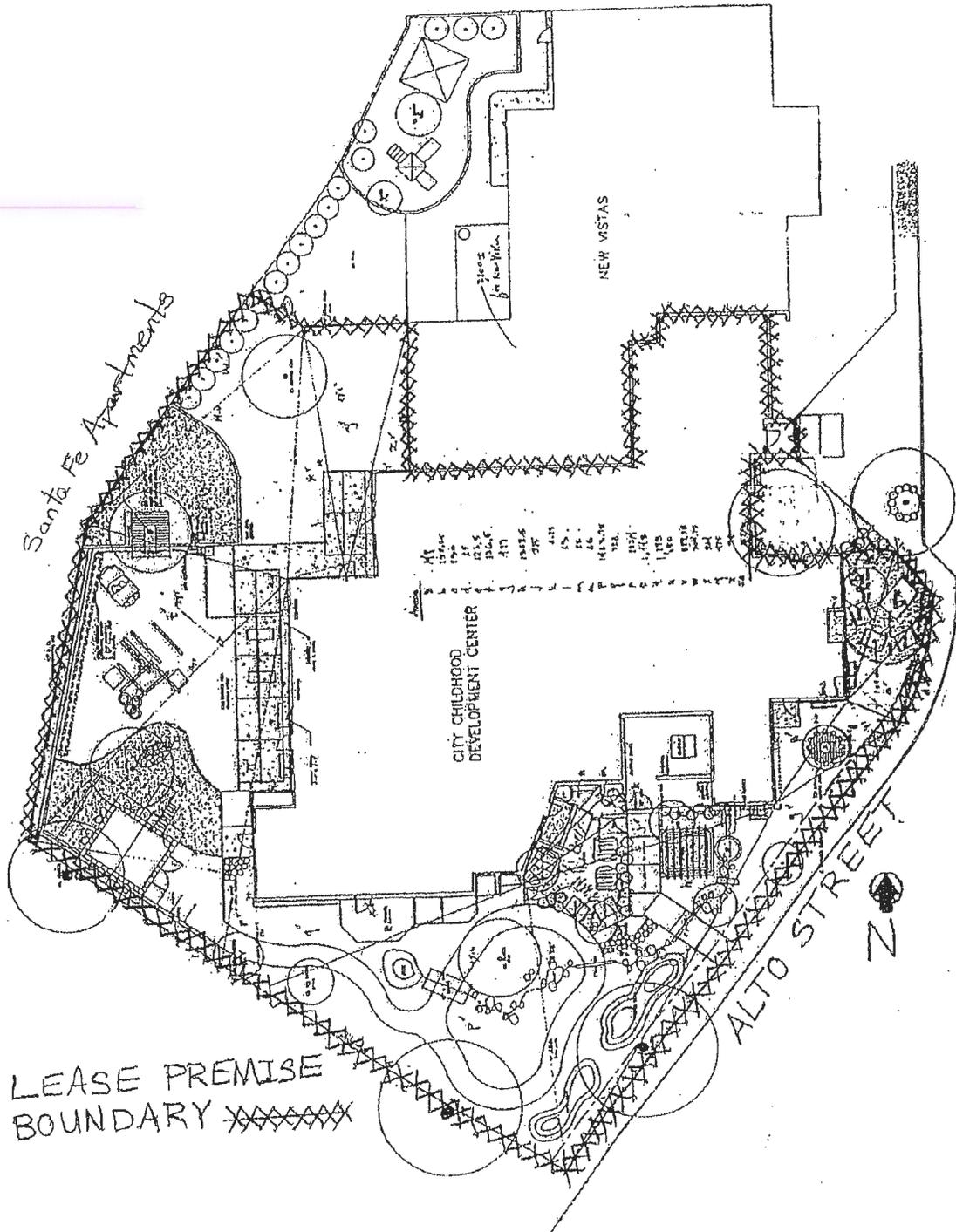




Exhibit C

Amendment to Lease Agreement with Presbyterian Medical Services

Lease Rental Rate in northern area of Santa Fe, New Mexico.

<u>Building</u>	<u>Address</u>	<u>Square Feet (SF)</u>	<u>Cost per SF</u>	<u>Total</u>
La Comunidad De Los Ninos	1121 Alto St.	6926 SF	\$20	\$11,543.33 Per Month or \$138,520.00 Per Year

Average Market Value of Lease Rental \$20.00 per square foot based upon comparables and services as contained in agreement.

Exhibit D

Amendment to Lease Agreement with Presbyterian Medical Services

SERVICE VALUE CHART

<u>Service</u>	<u>Unit Value</u>	<u>Average Units/ Value per Year</u>	<u>Total Average Annual Value</u>
Provision for (60) moderate and low income child care	\$3.1219 per hour	2510 hours/\$7835.80 per child/per year	\$470,148.10

## Exhibit E

### **Methodology:**

Methodology utilized to determine 'Fair Market Value' of the lease rate for use of the facility located at 1121 Alto Street, Santa Fe, NM 87507 was based upon 3 comparables gathered from a local multiple listing site for commercial properties with similar use/zoning; and property values of 3 commercial properties in close proximity to the subject premises compiled from the Santa Fe County Assessor's website.

### **Analysis:**

The area where the facility is located consists of primarily single family housing with a zoning designation of R5. Existing commercial space in the area currently returns lease rates of \$12 to \$20 per square foot based upon location and services provided by landlord. This lease agreement provides for a full service agreement, thereby the lease rate shall be \$20 per square foot.

### **Conclusion:**

Based upon the above described factors it is concluded that the 'Fair Market Value' for leasing the premises currently will be \$20.00 per square foot which is multiplied by the usable square footage of 6926 to arrive at the annual rate of \$138,520.00.



**City of Santa Fe  
Summary of Contracts, Agreements, & Amendments**

**Section to be completed by department for each contract or contract amendment**

**FOR: ORIGINAL CONTRACT** or **CONTRACT AMENDMENT**

2 Name of Contractor City of Santa Fe

Complete information requested Plus GRT

x Inclusive of GRT

Original Contract Amount: \$50,000.00

Termination Date: June 30, 2017

Approved by Council Date: 10/29/14-scheduled

or by City Manager Date: \_\_\_\_\_

Contract is for:

Amendment # N/A to the Original Contract# \_\_\_\_\_

Increase/(Decrease) Amount \$ \_\_\_\_\_

Extend Termination Date to: \_\_\_\_\_

Approved by Council Date: \_\_\_\_\_

or by City Manager Date: \_\_\_\_\_

Amendment is for:

**History of Contract & Amendments:** (option: attach spreadsheet if multiple amendments) Plus GRT

Inclusive of GRT

Amount \$ N/A of original Contract# \_\_\_\_\_ Termination Date: \_\_\_\_\_

Reason: \_\_\_\_\_

Amount \$ \_\_\_\_\_ amendment # \_\_\_\_\_ Termination Date: \_\_\_\_\_

Reason: \_\_\_\_\_

Amount \$ \_\_\_\_\_ amendment # \_\_\_\_\_ Termination Date: \_\_\_\_\_

Reason: \_\_\_\_\_

Amount \$ \_\_\_\_\_ amendment # \_\_\_\_\_ Termination Date: \_\_\_\_\_

Reason: \_\_\_\_\_

Total of Original Contract plus all amendments: \$ \_\_\_\_\_



**City of Santa Fe  
Summary of Contracts, Agreements, & Amendments**

5 **Procurement Method of Original Contract:** (complete one of the lines)

RFP# N/A Date: \_\_\_\_\_

RFQ \_\_\_\_\_ Date: \_\_\_\_\_

Sole Source \_\_\_\_\_ Date: \_\_\_\_\_

Other N/A

6 **Procurement History:** PSA will expire 6/30/16 and no other PSA has been issued for STB appropriations.  
example: (First year of 4 year contract)

7 **Funding Source:** New Mexico LGD, DFA **BU/Line Item:** 32511.572970

8 **Any out-of-the ordinary or unusual issues or concerns:**  
No  
(Memo may be attached to explain detail.)

9 **Staff Contact who completed this form:** David A. Chapman  
Phone # 965-2012

**Certificate of Insurance attached.** (if original Contract)

**Submit to City Attorney for review/signature**  
**Forward to Finance Director for review/signature**  
**Return to originating Department for Committee(s) review or forward to City Manager for review and approval (depending on dollar level).**

**To be recorded by City Clerk:**

Contract # \_\_\_\_\_

Date of contract Executed (i.e., signed by all parties): \_\_\_\_\_

Note: If further information needs to be included, attach a separate memo.

**Comments:**

La Comunidad Project # 13-1774 dac STB Agreement to City Council on 10/8/14.