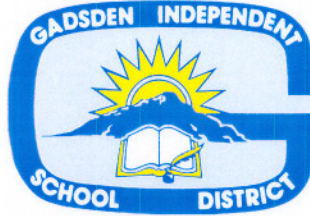


**CONSTRUCTION OFFICE**  
David F. Boyd  
Construction Coordinator



1325 W. Washington St.  
P.O. Drawer 70  
Anthony, NM 88021  
Phone (505) 882-6925  
Fax (505) 882-2508

September 24, 2007

Board of Education  
Gadsden I.S.D.  
P.O. Drawer 70  
Anthony, NM 88021

RE: Acceptance of Bid  
Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association  
Water System Improvements Bid Lot Number Three for Vado Elementary School  
Improvements

On September 13, 2007 at 11:00 am bids were received on the above referenced project at the Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association office. The attached letter from Gannett Fleming West, Inc. outlines the bid analysis.

Alley Associate's engineer Bohannon Huston, Inc. has reviewed and agrees with the Bid Lot Number Three Improvements to the Vado Elementary School site.

Find attached a resolution for \$400,126.00 for these improvements to be forwarded to the Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association that is being funded by the USDA Rural Development.

Alley Associates and Gannett Fleming West, Inc. fees are due for the design of improvements to Vado Elementary School in the amount of \$53,840.93.

The total cost is \$453,966.93, if you approve, please sign and return to my office by October 1, 2007 for USDA RD acceptance.

Respectfully,

David F. Boyd  
Construction Coordinator

## RESOLUTION

### Gadsden Independent School District

Participation in the Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association Administered by the USDA Rural Development

WHEREAS, the Gadsden Independent School District and the Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association have entered into a joint and coordinated effort in the Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association Water System Improvements Phase I Project 2007/2008.

WHEREAS, the total cost of the Bid Lot Number Three will be \$400,126.00 to be funded in proportional share by the parties hereto as follows:

- a. Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association Water System Improvements Phase I Project 2007/2008 shall be including tax \$4,426,587.78

and

- b. Gadsden Independent School District's proportional share including tax shall be \$400,126.00

Total Project Cost is \$4,826,713.78

NOW therefore, be it resolved in official session the Gadsden Independent School District determines, resolves, and orders as follows:

That the "Bid Lot Number Three – Vado Elementary Improvements" for this project agreement is adopted and has a priority standing. (See attached letter dated September 19, 2007).

NOW therefore, be it resolved by the Gadsden Independent School District to enter into Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association Water System Improvements Phase I Project 2007/2008 Bid Lot Number Three – Vado Elementary Improvements within the control of the Gadsden Independent School District in Vado/ Doña Ana, New Mexico.

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Maria E. Saenz, School Board President

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Date



GANNETT FLEMING WEST, INC.  
2155 Louisiana Blvd. NE  
Suite 7000  
Albuquerque, New Mexico 87110

Office (505) 265-8468  
Facsimile (505) 881-2513

September 19, 2007

Board of Directors  
Mesquite MDWC & MSWA  
215 Bryant Street  
Mesquite, NM 88048

Re: Water System Improvements  
Contract Award

Ladies and Gentlemen:

Bids for the Mesquite MDWC & MSWA Water System Improvements Project were opened for the second time on September 13, 2007, at 11:00 a. m. at the Association's Office. Five bids were submitted as shown below:

	<u>Without Gross Receipts Tax</u>
• Smithco Construction -	\$4,556,190.00
• SAMCON, INC.-	\$4,558,030.00
• Burn Construction Inc. -	\$4,635,931.00
• AUI, Inc..-	\$4,991,590.00
• MORROW INTERPRISES, Inc.-	\$5,302,010.55

A certified bid tabulation is included for your review. Based on the analysis by Gannett Fleming West, Inc, of the prospective contractor's (Smithco Construction) potential ability to perform successfully under the terms of the proposed contract, it is recommended that the construction contract be awarded to Smithco Construction for the entire construction cost as shown. Based on available funding, it is recommended that the construction proceed with Lots Two (minus the booster station) and Three. The appropriate change order will be processed prior to the start of construction to bring the project within available funds. A subsequent change order will be processed as additional funding becomes available. Consideration has been given to the contractor's integrity, record of past performance, financial and technical resources, etc.

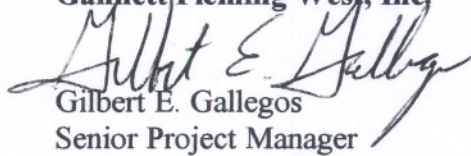
Representatives of the projects included in the attached Bidders Qualification Statement, completed or under construction, were contacted as references to determine those projects completed or on schedule, within budget, and problems noted. Based on the comments from the references, Smithco has the capability of completing the project in

accordance with the contract documents and plans, based on adequate and stringent inspection services being provided during construction. Change orders, including field orders, must be limited and authorized by the owner and consulting engineer to maintain the project within budgetary and time constraints.

The enclosed fund analysis shows that available project funds are not adequate to complete the entire project as bid, including all engineering and legal fees. Approximately \$1,329,006 is required to complete the project as bid. We have been in contact with the USDA Rural Development, and they are willing consider additional funding once the RD allocation is approved by Congress. A formal request for additional funding will be forwarded to the funding agencies with the request for concurrence in the award of the construction contract.

Sincerely,

**Gannett Fleming West, Inc.**



Gilbert E. Gallegos

Senior Project Manager

Enclosures

MESQUITE MDWC & MSWA  
 WATER SYSTEM IMPROVEMENTS PHASE I  
 FUND ANALYSIS 09-19-07

## PROJECT COSTS

**1. CONSTRUCTION**

PROJECT AS BID	\$4,556,190.00
GROSS RECEIPTS TAX @ 5.9375%	<u>\$ 270,523.78</u>
TOTAL CONSTRUCTION COST	\$4,826,713.78

**2. OTHER PROJECT COSTS**

RCAC LOAN PRINCIPAL	\$262,500.00
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REIMBURSABLES TO ASSOCIATION

• RCAC INTEREST PAID	\$30,673.54
• SURVEY FEES TERRA LAND SURVEYS	\$12,765.15
• STATE ENGINEER PERMIT FEES	\$ 30.00
• WELL PERMIT PUBLICATION FEE	<u>\$ 182.22</u>
TOTAL	\$43,650.91

ENGINEERING FEES

• BASIC ENGINEERING @ 6.4% x \$4,826,713.78 $\$308,909.68 + \$21,237.54 = \$330,147.22$ $\$330,147.22 - \$224,812.67 \text{ (Paid to Date)}$	\$105,334.55
• PRELIMINARY ENGINEERING AND ENVIRONMENTAL REPORTS	\$ 14,963.00
• ADDITIONAL ENGINEERING SERVICES	\$307,765.00
• ALLEY ASSOCIATES	<u>\$ 46,203.00</u>
TOTAL	\$474,265.55

INSPECTION	\$ 63,360
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ELECTRICAL UPGRADE	\$ 8,235
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AUDIT	\$ 30,000
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OPERATIONS AND MAINTENANCE MANUAL	\$ 10,688
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LEGAL FEES

\$ 2,000  
\$894,699.46

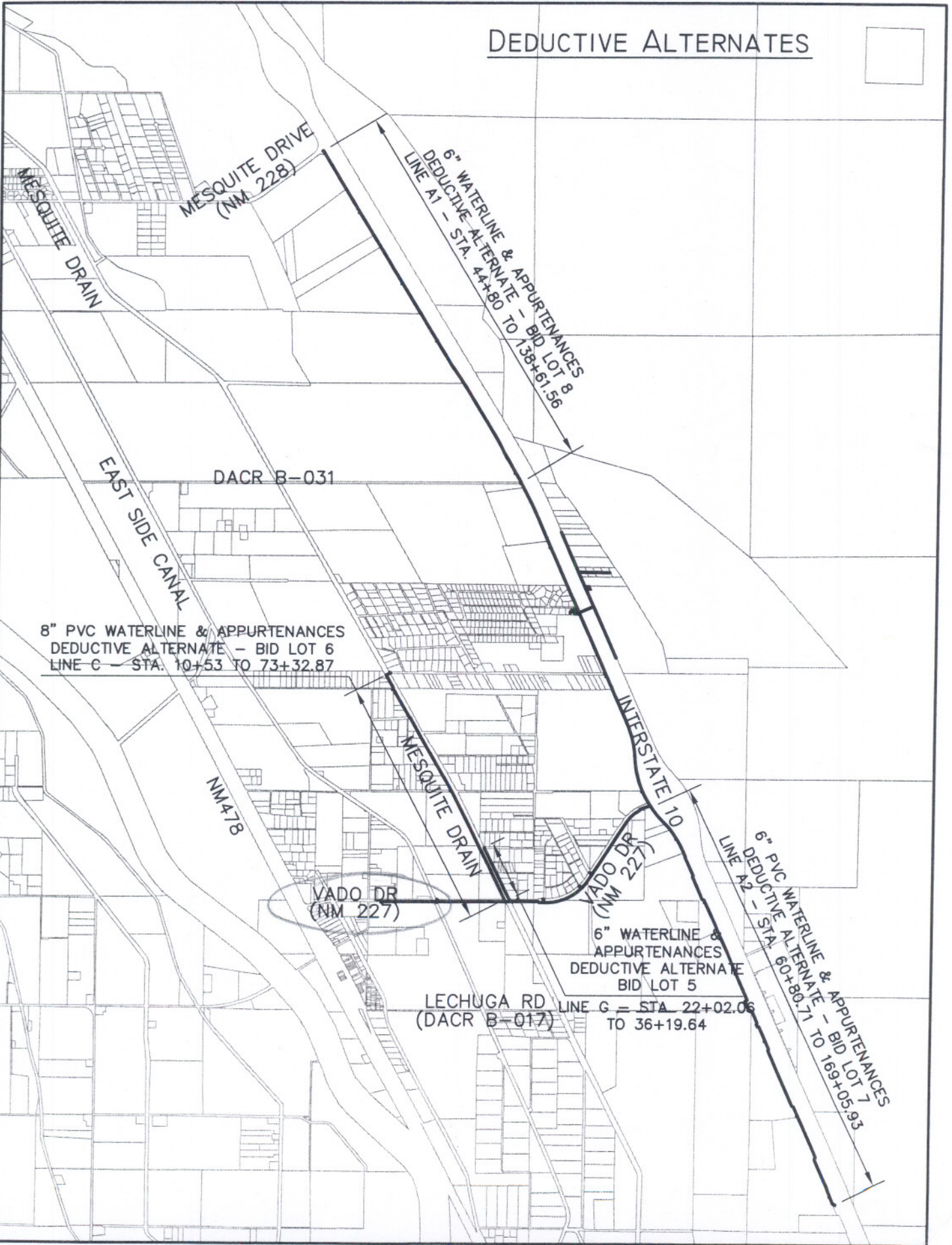
TOTAL PROJECT COSTS

\$5,721,413.24

## PROJECT FUNDING

1.	RURAL DEVELOPMENT	
	• LOAN	\$ 307,400
	• GRANT	\$2,730,719
2.	NEW MEXICO LEGISLATURE	\$ 230,000
3.	NEW MEXICO FINANCE AUTHORITY	\$ 400,000
4.	GADSEN INDEPENDENT SCHOOL DST	\$ 377,700 + TAX (BID LOT #3)
5.	ALLEY ASSOCIATES	\$ 46,203 + TAX + 10% A/E FEES
	<b>TOTAL AVAILABLE FUNDING</b>	<b>\$4,092,022.00</b>
	<b>TOTAL PROJECT COSTS</b>	<b><u>\$5,721,413.24</u></b>
	<b>DEFICIT</b>	<b>(\$1,629,391.24)</b>
	<b>DELETE DEDUCTIVE ALTERNATE 4</b>	<b>\$ 300,385.00</b>
	<b>ACTUAL DEFICIT</b>	<b>\$1,329,006.24</b>
	<b>TOTAL AVAILABLE FUNDING</b>	<b>\$4,092,022.00</b>
	<b>TOTAL AVAILABLE FOR CONSTRUCTION</b>	<b>\$3,197,322.54</b>
	<b>DELETE</b>	
	<b>LOT NUMBER ONE</b>	<b>\$ 211,684.31</b>
	<b>BID ITEM 37, LOT NUMBER TWO</b>	<b>\$ 397,265.62</b>
	<b>LOTS NUMBER 4 + 5 + 6 + 7 + 8 + GRT</b>	<b><u>\$1,051,461.47</u></b>
	<b>TOTAL DELETED PROJECT COSTS</b>	<b>\$1,660,411.40</b>
	<b>RECOMMENDED CONSTRUCTION COSTS</b>	
	<b>\$4,826,713.78 - \$1,660,411.40</b>	<b>\$3,166,302.38</b>
	<b>RECOMMENDED NON-CONSTRUCTION COSTS</b>	<b><u>\$ 813,529.78</u></b>
	<b>TOTAL PROJECT COSTS</b>	<b>\$3,979,832.16</b>
	<b>TOTAL AVAILABLE FUNDS</b>	<b><u>\$4,092,022.00</u></b>
	<b>CONTINGENCIES</b>	<b>\$ 112,189.84</b>

# DEDUCTIVE ALTERNATES



Date: Aug 29, 2007 - 2:22pm  
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