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FISCAL IMPACT REPORT

ORIGINAL DATE 02/20/13

SPONSOR Campos LAST UPDATED _____ HB _____

SHORT TITLE Mora County Complex Project Manager SB 483

ANALYST Boerner

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$150.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)
Mora County Commission

SUMMARY

Synopsis of Bill

Senate Bill 483 appropriates \$150 thousand from the general fund to the Local Government Division of the Department of Finance and Administration (DFA) for the services and expenses of a project manager to provide construction oversight for the Mora county complex that will house the offices of the county manager, treasurer, assessor, clerk, and other critical county functions.

FISCAL IMPLICATIONS

The appropriation of \$150 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

SIGNIFICANT ISSUES

The purpose of the appropriation of \$150 thousand to Mora County is to contract with a professional project manager for the Mora County Complex. The Complex is a major multipurpose facility in Mora County with 35,814 sq. ft. in net usable space. After completion

of only the first phase, the Mora County Complex remains an incomplete project. A building “shell” was completed in 2010 using \$5.6 million in combined local, state, and federal dollars. The total cost of the project is estimated at \$14 million so the total estimated cost to complete the interior of both floors is \$7.41 million.

The project has been the subject of intense scrutiny by local citizens, lawmakers, and the media who have done statewide feature stories on the Mora County Complex as an example of poor project planning and management. A new commission took office in January 2011 and conducted a thorough review of the project and completed a special audit. Based on the findings of the audit, **Mora County developed a corrective action plan that addresses compliance with procurement code, implementation of stronger internal controls and project management and oversight. Because of recent planning efforts and the corrective action plan, the current Mora County Commission has built broad support for completion of the project.** To fully implement the Corrective Action Plan, **Mora County will need to appoint a project manager** dedicated to the management and oversight of the completion of the Mora County Complex.

The amount requested for the position is based on an estimate obtained from the Administrative Office of the Courts (AOC) which was based on a similar position for a project of similar scope. The Capital Outlay request of \$2.6 million is pending. The actual amount requested was \$5.4 million but has since been phased down for completion of only the first floor. There is a possibility that Mora County will not receive the amount requested at which time legislators, the Governor, and Mora County will need to determine if there is a lower amount for a smaller phase or for a re-design phase for the first floor that will need to be funded. In any case, if any amount is funded, the funds for project manager will be essential to making progress on the project.

ADMINISTRATIVE IMPLICATIONS

The county has built a partnership with the AOC that is essential to completing a facility that meets the needs of Mora County, the Magistrate Court, and District Court. To date, the AOC support has been vital in the planning process for completion; however, the AOC also stated their conditions of support. To fully engage in this project, the AOC's expectations include, but are not limited to:

- 1) Mora County shall be in full compliance with all correct action measures set forth in the recent audit prior to moving forward on this project.
- 2) Following established procurement procedures, **Mora County shall retain "professional contract administration services"** to provide project management and serve as Mora County's agent on this project.
- 3) Mora County shall work directly with the AOC to draft, publish, and manage all requests for proposals related to this project. The RFPs for professional contract administration services, architectural design and construction administration, and the general construction contract shall be qualifications based and must comply with the NM Procurement Code.
- 4) The AOC and Mora County shall work together to select members for all evaluation committees. All members of these committees must be acceptable to the AOC.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The county would not be able to meet the conditions of support as indicated by the AOC and the substantial and successful efforts by the new commission to strengthen management and oversight and build broad support for completion of the project could be lost.

CEB/svb