

# Sandoval County Board of County Commissioners

## Agenda Item Summary

**AGENDA ITEM # 2-6-14.9A**

**1. REQUESTED MOTION**

**ACTION REQUESTED:**

Approve an Agreement with Public Service Company of New Mexico for the Relocation of the CE & CY Transmission Lines Located in Permanent, Dedicated Easements within the Boundaries of the Sandoval County Landfill

**WHY ACTION IS NECESSARY (Summary):**

With us entering into this Agreement with PNM, it would allow Sandoval County Landfill more airspace and more years at the current location in Rio Rancho.

**2. REQUESTOR**

COMMISSIONER SPONSORED:  YES  NO

DISTRICT: < SELECT DISTRICT >

DIRECTOR / ELECTED: Tommy Mora Jr.

DIVISION: Public Works

ELECTED OFFICE:

ATTACHMENTS:  YES  NO

**3. MEETING DATE**

February 6, 2014

**4. AGENDA (To be completed by County Manager)**

- PROCLAMATION
- PRESENTATION
- CONSENT
- REGULAR
- APPEAL

**5. RECOMMENDATIONS**

Recommend approval of agreement for services.

**6. FISCAL IMPACT**

Funding has been set aside in the Landfill Budget Professional Services and Sandoval County Solid Waste will gain 48 million dollars of airspace at the Landfill.

**7. RECOMMENDED APPROVAL (Initials & Date)**

Department Director/Elected Official	Human Resources	Purchasing	County Attorney	Finance Budget	County Manager	Other
TMJ 1/27/14	_____	LO 1/30/14	PFT 1/29/14	CCH 1/29/14	PPR 1/29/14	_____

**8. COMMISSION ACTION**

Approved       Denied       Deferred       Other

**PUBLIC SERVICE COMPANY OF NEW MEXICO  
AGREEMENT FOR SERVICES  
WORK NOT COVERED BY REVENUE**

THIS AGREEMENT FOR SERVICES ("Agreement") made this 17<sup>th</sup> day of January, 2014 by and between PUBLIC SERVICE COMPANY OF NEW MEXICO, a New Mexico Corporation, hereinafter called "Company," and Sandoval County, hereinafter called "Customer." Company and Customer may be referred to herein individually as "Party" and collectively as "Parties."

**WITNESSETH:**

1. Customer is desirous of obtaining relocation of portions of the CE and CY transmission lines that are located in permanent, dedicated easements within the boundaries of the Sandoval County Landfill, which will require expenditure on the part of the Company to install equipment (the "Work") described as follows:
  - Install four (4) single circuit dead-end structures, four (4) dual circuit dead-end structures, eight (8) dual circuit tangent structures and five thousand two hundred fifty (5,250) linear feet of conductor and fiber optic shield wire and steel shield wire.
2. The estimated amounts of the expenditures to install the equipment as described above is as follows:

• Material Cost	\$ 1,242,157
• Contractor Cost	\$ 548,800
• PNM Labor	\$ 367,125
• <u>Estimated Total (before tax)</u>	<u>\$ 2,032,194</u>
o IA#:	
o RA#:	
o Tax Payable: 0% (Tax Exempt)	\$ 0
o <u>Estimated Grand Total:</u>	<u>\$ 2,032,194</u>
3. All facilities installed pursuant to this Agreement will become or remain the property of Company.
4. In consideration of the Company providing the service and performing the Work described in Paragraph 1, above, Customer agrees to pay the Estimated Grand Total ("EGT") to Company in three non-refundable payments, with the possibility of a fourth non-refundable, true-up payment, as follows:
  - a. **Payment No. 1:** Customer shall pay to Company \$528,270, which is the total estimated cost of the materials (poles and anchor bolts) required for completion of the project, and shall pay such amount in full and prior to commencement of Work by the Company. Upon receipt of such payment, the Company will place the order for the required materials.
  - b. **Payment No. 2:** Once the Company receives the order of anchor bolts from its supplier, the Company will notify Customer in writing that the second payment of \$356,000 is due from Customer, which is the estimated cost associated with the Company performing the setting of the foundations for the project. Upon receipt of Payment No.2, the Company will commence with setting the foundations.
  - c. **Payment No. 3:** Once the foundations have been set, the Company will bill the Customer for the remainder of the EGT, which is comprised of all remaining costs associated with the performance of the Work, including but not limited to the costs associated with additional

materials such as wire and insulation, and costs associated with labor, such costs being calculated to the best of the Company's ability at the time of issuance ("Final Bill").<sup>1</sup> The Final Bill shall include itemization of the remaining costs determined to the best of the Company's ability at that time, and upon Company's receipt of payment of the Final Bill from Customer, the Company will proceed to complete the remaining Work for this project. The Parties acknowledge and agree, however, that the cost of the Work may ultimately be more or less than the amount of the Final Bill, depending on the actual costs incurred by Company for the final completion of the Work. Any difference between the Final Bill and the actual cost of the Work calculated after completion will be addressed through issuance of an updated Final Bill ("Updated Final Bill"), which will be issued upon completion of the Work and which will amend the Final Bill to reflect the actual costs incurred by the Company.

- (i) If the amount of the Updated Final Bill is less than that of the Final Bill, the Company will remit the difference to the Customer within thirty (30) days of the date of the Updated Final Bill.
  - (ii) If the amount of the Updated Final Bill is more than the amount of the previously issued Final Bill, the Updated Final Bill will note the additional amount due to Company by Customer, and Customer shall remit payment of this amount within thirty (30) days of the date of the Updated Final Bill.
5. The Customer shall grant an alternate dedicated, perpetual easement suitable to accommodate the transmission line relocation in accordance with PNM standards and agrees to execute all agreements reasonably necessary to effectuate this grant of alternate easement from the Customer to the Company, and such shall be in a form approved by PNM. Upon project completion and resolution of final costs, the Company shall vacate the existing easement.
6. The Work and the electric service furnished hereunder will be in accordance with Company's Rules and Regulations and under its rate schedules applicable to the class of service required as filed with the New Mexico Public Regulation Commission.
7. Service furnished hereunder will be in accordance with the Company's Rules and Regulations and under its rate schedules applicable to the class of service required as filed with the New Mexico Public Service Commission, and Work performed hereunder shall be in accordance with all applicable rules, regulations and law.
8. The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by Sandoval County for the performance of this Agreement; however, Customer agrees that it shall make a good faith, diligent effort to take all actions necessary to secure such appropriations and authorizations. If sufficient appropriations and authorizations are not made, Sandoval County shall have the right to terminate this Agreement by giving the Company written notice. Sandoval County's decision as to whether sufficient appropriations are available will be final.
9. This Agreement shall be governed by the laws of the state of New Mexico and if any one or more of the provisions of this Agreement are determined to be illegal or unenforceable by a court of competent jurisdiction, all other provisions shall remain effective.

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<sup>1</sup> At this time, the Company estimates that the amount of the Final Bill will be approximately \$1,147,924.

IN TESTIMONY WHEREOF witnesseth the signatures of the parties hereto.

PUBLIC SERVICE COMPANY OF NEW MEXICO ("Company")

By: \_\_\_\_\_  
Title: Vice President, PNM New Mexico Operations

SANDOVAL COUNTY ("Customer")

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_

WITNESS: \_\_\_\_\_

WITNESS: \_\_\_\_\_

PassPort W.O. #: \_\_\_\_\_

Funding Project: \_\_\_\_\_

R.O. #: \_\_\_\_\_

*Approved as  
form 1/10/2014*