CITY OF SANTA FE

Date: July 13, 2026

To: Governing Body, Finance Committee, and Public Works & Utilities Committee

From: Bill Huey, Water Division Engineer BH

Via: Jesse Roach, Interim Public Utilities Director JR Jesse Roach

Jonathan M. Montoya, Interim Water Division Director JM JM

John Del Mar, Engineering Supervisor JDM JDM

Subject: Request for Approval of a Budget Amendment Request (BAR) in the amount of $6,000,000 for FY2027 to CIP 3058, Item # 21-0484/23-0182 with Sub Surface Contracting, Inc.

Vendor Name: Sub Surface Contracting, Inc.

Munis Vendor Number: 7991

ITEM AND ISSUE:

The Public Utilities Department respectfully request your review and approval of a Budget Adjustment Resolution (BAR) in the amount of $6,000,000.00 from the Water Enterprise Cash Fund to the Water WIP Construction for on-call Construction services for Sub Surface Contracting, Inc. (Bill Huey, Engineer, bchuey@santafenm.gov).

Action Requested: Approval of BAR for Price Agreement #21-0484 and #23-0182

BACKGROUND AND SUMMARY:

The Priority Line Replacement Price Agreement is an on-call requirements contract, with the Water Division issuing work orders as needed for work such as water line replacements. The contract is funded from CIP for Transmission and Distribution to work on their infrastructure.

In July 2021, City Council has awarded bid number '21/43/B for the Priority Line Replacement (PLR) Price Agreement, CIP # 3058 to Sub Surface and AAC for four (4) Fiscal Years, FY 2021-22 until FY2024-25 at the initial funding amount of $3,500,000 inclusive of NMGRT. Future funding was dependent upon the availability of CIP funds.

Contract Amendment #1 was approved April 2023 to correct supply chain delays on the previous Sub Surface PLR contract that required $467,000.00 to be paid under this contract.

Contract Amendment #2 was approved in January 2025 to increase contract amount $1,656,807.

Contract Amendment #3 was approved July 2025 to extend the contract term with Sub Surface Contracting, Inc. to 10 years from award and increase the maximum contract amount to $20,000,000.00 including NMGRT. The extended contract term will end on June 30, 2031.

The Water Division is requesting approval of the attached FY2027 BAR for $6,000,000.00 (including NMGRT) additional funding to allow for FY2027 work to be conducted.

PROCUREMENT METHOD:

ITB/PA No. 21/43/B FY 21/22 Priority Line Replacement Price Agreement, CIP # 3058 approved by City Council on 7/28/2021.

CONTRACT NUMBER:

The FY25 Munis Contract number for Sub Surface is 3202929

The FY25 Project Ledger number for Sub Surface is WTR1950535

PRIOR APPROVALS AND SUPPORTING INFORMATION:

FUNDING SOURCE:

Fund Name/Number: Water Cash Fund / 505

Munis Org Name/Number: WTR Cap Proj / 5050395

Munis Object Name/Number: WIP Construction / 572970

Log # *{Finance use only}*:	
Journal # *{Finance use only}*:	

City of Santa Fe, New Mexico
BUDGET ADJUSTMENT REQUEST (BAR)

DEPARTMENT / DIVISION NAME	DATE
Public Utilities Department / Water Division	6/23/2026

ITEM DESCRIPTION	ORG	OBJECT	PROJECT	INCREASE	DECREASE
EXPENDITURES				*{enter as positive #}*	*{enter as negative #}*
CIP WIP Construction, Priority Line Replacement	5050395	572970	WTR1950535	6,000,000	
REVENUES				*{enter as negative #}*	*{enter as positive #}*
				$ 6,000,000	$ -

JUSTIFICATION: *(use additional page if needed)*
--Attach supporting documentation/memo

BAR is needed to fund On-Call Construction services with Sub Surface Contracting, Inc. for FY27

Munis Contract #3202929

Item#21-0484 / 23-0182

{Complete section below if BAR results in a net change to ANY Fund}	
Fund(s) Affected	Fund Balance Increase/(Decrease)
505	(6,000,000)
TOTAL:	**(6,000,000)**

Amanda Britt 6/23/2026
Prepared By *{print name}* Date

JONATHAN MONTOYA
JONATHAN MONTOYA (Jul 13, 2026 14:59:15 MDT)
Division Director Signature {*optional*} Date

Department Director Signature Date

{Use this form for Finance Committee/ City Council agenda items ONLY}

CITY COUNCIL APPROVAL

City Council Approval Date

Agenda Item #:

Andrew J. Hopkins
Budget Officer Date

Finance Director *{≤ $5,000}* Date

City Manager *{≤ $60,000}* Date

Signature: Bill Huey

Email: bchuey@santafenm.gov

Signature: John Del Mar
John Del Mar (Jul 13, 2026 13:35:41 PDT)

Email: jpdelmar@santafenm.gov