



December 4, 2023

VIA ELECTRONIC MAIL ONLY AT (cindy.vigue@dot.gov)

Ms. Cindy Vigue, Division Administrator
New Mexico Division Office of Federal Highway Administration (FHWA)
4001 Office Court Drive, Suite 801
Santa Fe, New Mexico 87507

Re: 2023 Update of Special Experimental Projects No. 14 (SEP-14) New Mexico Department of Transportation (NMDOT) Contractor Prequalification Program

Dear Ms. Vigue,

As per the SEP-14 Application dated November 8, 2021, the NMDOT will provide an initial report, annual (intermediate) reports and a final report with regard to the NMDOT's Prequalification Program (Program) and Contractor Prequalification Rule NMAC 18.27.5 (Rule). The NMDOT requests that the New Mexico Division Office forward this correspondence and all attachments to the SEP-14's approval office in the FHWA's Office of Infrastructure. The annual reports will be publicly available at:

[Prequalification Requirements | NMDOT](#)

NMDOT reset the scores for all Contractors to 1.0 and began collecting data on the prequalification metrics from June, 2021 through February 2023. The five factors that are being evaluated during Prequal 2.0 are:

- a) Claims (15%)
- b) Disincentives (30%)
- c) Liquidated Damages (30%)
- d) Non-conformances (20%)
- e) Safety (5%)

The prequalification rolling average (Pqfra) is calculated once a year on prequalification projects closed between March first of the previous year and the last calendar day in February of the current year, with the exception of the first year which was not to exceed two years.

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The Pqfra was calculated and posted on the website in March 2023. There was an error in the initial calculations due to a miscommunication with staff at the Office of Inspector General (OIG), who oversees data collection, calculations and posting of the data. OIG worked with the Prequal team to modify the calculations and the Pqfra numbers were updated and posted to the website prior to the May 2023 letting. There were no objections to the modified Pqfra numbers. The Contractor's Pqfra was applied to projects that were let on May 19, 2023.

In May 2023, there were 275 Contractors prequalified, with 179 in-state, and 96 out of state. In November 2023, there were 283 Contractors prequalified, with 189 in-state, and 94 out of state. As shown in the previous Prequal program, the program does not seem to have a negative impact on the number of contractors that are prequalified, and therefore can work on NMDOT construction projects.

There were no instances between May and October 2023 where the Contractor's Pqfra number modified the apparent bid amount to the point that the low bidder was unsuccessful. On November 17, 2023, control number 5101172R2 was let, consisting of a Roadway reconstruction and rehabilitation project, concrete box culverts, lighting, and ITS components. The result of that bid is shown below.

Contractor	Original Amount	Bid	Pqfra	Modified Bid Amount
Oldcastle SW Group, Inc	\$56,919,117.56		1.000	\$56,919,117.56
Mountain States Constructors, Inc.	\$59,412,317.20		0.950	\$56,441,701.34

Mountain States Constructor's Inc. is the apparent low bidder based on the Modified Bid Amount. The project has not yet been awarded.

The NMDOT has only applied the Pqfra number to bids for seven months. The intent is that once NMDOT has a full year's worth of data, we will complete a report on the year. If you would prefer a report by the end of year (7 months of data), please let me know and we will complete it as soon as possible.

Sincerely,



Rick Padilla, PE
Executive Director for Highway Operations

Attachment(s)

cc: Ricky Serna, Cabinet Secretary NMDOT

Trent Doolittle, Deputy Secretary, NMDOT
Shawn Hammer, ACNM Chapter President
Jim Garcia, ACNM Executive Director