

FY26 Standards-Based Capital Outlay Awards

Overview of Planning & Assessment (P&A) Awards

Purpose of this document: This document summarizes PSFA's proposed approach to administering FY26 Planning & Assessment (P&A) awards and explains the rationale for returning to a three-phase Standards-based project delivery model consisting of:

1. Phase 1 – Planning & Assessment
2. Phase 2 – Design
3. Phase 3 – Construction

Intent of New Three-Phase Project Delivery Approach: The intent of the three-phase approach is to improve project definition before design begins, strengthen scope and cost control, reduce administrative burden on school districts, and allow PSFA to play a more active role in delivering successful Standards-based projects.

Background: Over the past several funding cycles, Standards-based projects generally advanced into design shortly after award. While this approach accelerated project initiation, experience demonstrated several recurring challenges:

- Project scope often continued to evolve during design.
- Educational programming decisions were frequently made by designers after design began, rather than specified in advance.
- When educational specifications were developed in advance, they were not consistently reflected in the final design.
- Previously unidentified building and site conditions resulted in design revisions and increased costs.
- Scope expansion during design contributed to higher Maximum Allowable Construction Costs (MACC).
- Smaller districts often lacked the staffing or technical resources necessary to effectively manage early project development.
- PSFA had limited opportunity to influence project definition before major design decisions were made.

As application volume has increased, these issues have become more difficult to manage.

The FY26 delivery model addresses these concerns by restoring Planning & Assessment as a distinct first phase of every Standards-based capital project.

Objectives of the P&A Phase: The intent of the P&A phase is to:

- Resolve major planning, educational, facility, and site issues before design procurement begins.

- Establish project scope before design begins.
- Confirm district readiness.
- Develop comprehensive educational programming requirements.
- Evaluate existing building systems.
- Identify site opportunities and constraints.
- Collect the technical information necessary for informed Council decisions.
- Improve consistency among projects.
- Reduce changes during design.
- Improve cost control.
- Position projects for more efficient progression into future design and construction phases.

PSFA's Role in P&A: Unlike previous years, PSFA will assume primary responsibility for administering the P&A work. Rather than requiring each district to independently procure and manage multiple consultants, we will coordinate the professional services necessary to complete the work. The intent of this approach is to:

- Reduce administrative burden on school districts.
- Improve consistency among projects.
- Ensure P&A activities satisfy PSFA and PSCOC expectations.
- Allow PSFA to participate actively in scope development and technical decision-making.
- Produce better-defined projects before design procurement begins.

District Role in P&A: School districts will remain active and engaged partners throughout the Planning & Assessment process, particularly with respect to educational programming, operational needs, stakeholder engagement, review of technical findings, and project decision-making.

Procurement Strategy: PSFA intends to obtain professional services through a combination of existing statewide price agreements where available; and competitively procured on-call contracts where additional services are required. PSFA will serve as the owner and administrator of these professional service contracts on behalf of participating districts.

Anticipated professional service categories include:

- Educational Specifications (including stakeholder engagement)
- Building Systems Analysis Reports (BSARs)
- Site and boundary surveys
- Land title research
- Topographic analysis
- Flood hazard analysis
- Geotechnical investigations
- Owner's Representative services

- Other specialty services as necessary

Project Regionalization: Where practical, PSFA intends to regionalize or cluster projects so that consultants may perform work on multiple projects within the same geographic area.

Regionalizing work is expected to:

- Reduce procurement costs.
- Improve consultant efficiency.
- Generate economies of scale.
- Increase competition by creating contracts of sufficient size to attract qualified firms.
- Improve scheduling and coordination across projects.

PSFA will administer these consultant contracts throughout the P&A phase.

What Districts Should and Should Not Do: Districts should coordinate P&A efforts with PSFA. Districts may, in coordination with PSFA, undertake certain project readiness activities that support future design. However, districts should not independently procure major professional services or initiate reimbursable work outside the coordinated PSFA process unless specifically authorized by PSFA.

Planning & Assessment work must be coordinated through PSFA to ensure:

- Consistency with Council intent.
- Eligibility for reimbursement.
- Appropriate sequencing of project activities.
- Integration of all technical studies into a unified planning effort.

The relationship between PSFA and each participating district will be formalized through the Memorandum of Understanding (MOU), which will establish roles, responsibilities, project expectations, communication protocols, and implementation procedures.

No reimbursable project work should begin until the applicable MOU has been fully executed.

P&A Implementation Sequence:

- ☐ District returns signed Award Acceptance Letter to PSFA.
- ☐ PSFA prepares and executes project-specific MOU.
- ☐ PSFA completes procurement or assignment of required professional services.
- ☐ PSFA holds a kickoff meeting with leadership in districts to refine the project scopes of work, discuss project schedules, discuss anticipated work products, etc.
- ☐ PSFA requests bids, as appropriate, from on-call consultants.

NMPSFA Approach to FY26 Planning & Assessment Awards

- ☐ P&A activities commence: stakeholder engagement, educational specifications, technical studies.
- ☐ PSFA receives draft P&A work products and reviews them cooperatively with districts.
- ☐ PSFA directs consultants to make changes and additions to work products, as appropriate.
- ☐ PSFA consolidates all deliverables and findings for each project into Phase 1 Reports.
- ☐ PSFA advances projects that it determines are ready for Phase 2 (Design) awards.

Expected Benefits:

This delivery model is expected to:

- Produce better-defined projects.
- Reduce scope changes during design.
- Improve cost certainty.
- Improve educational programming.
- Identify technical risks earlier.
- Reduce administrative burden on districts.
- Improve consistency of project quality statewide.
- Better align future funding decisions with documented project needs.
- Create a more predictable project delivery pipeline by improving the timing and sequencing of planning, design, and construction procurements, improving consultant and contractor capacity and availability, and allowing PSFA to manage a larger statewide capital program more effectively.