



CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

April 27, 2026

TO: Klarissa J. Peña, President, City Council

FROM: Timothy M. Keller, Mayor



SUBJECT: Capital Implementation Program (CIP) Indirect Overhead (IDOH)
FY27

The attached memo provides justification of the CIP IDOH as required by O-26-03.

IDOH represents the City's cost of providing essential services such as financial management, procurement, legal support and project oversight that are required to deliver capital projects.

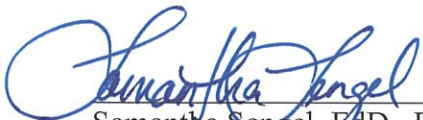
As stated in the attached memo, the FY27 Proposed Budget reflects the application of a 5% Indirect Overhead (IDOH) rate across applicable capital projects. Based off of the calculations outlined in the memo, both before and after the passage of O-26-03, a 5% IDOH rate for FY27 falls between the 5.51% and 4.67% calculations, and is a reasonable application for FY27.

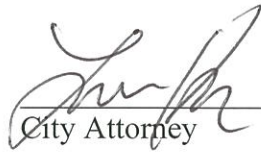
In the spirit of collaboration, the Department of Finance and Administration respectfully requests City Council approve this Executive Communication and adopt a 5% IDOH rate for FY27.

SUBJECT: Capital Implementation Program (CIP) Indirect Overhead (IDOH)
FY27

Approved:

Approved as to Legal Form:

 4/27/26
Samantha Sengel, EDD Date
Chief Administrative Officer

 4/27/26
City Attorney Date

Recommended:

 4/27/2026
Director Date

Cover Analysis

1. What is it?

Executive Communication providing justification for the CIP IDOH required by O-26-03.

2. What will this piece of legislation do?

Executive Communication providing justification for the CIP IDOH required by O-26-03.

3. Why is this project needed?

N/A

4. How much will it cost and what is the funding source?

N/A

5. Is there a revenue source associated with this contract? If so, what level of income is projected?

N/A.

6. What will happen if the project is not approved?

N/A

7. Is this service already provided by another entity?

N/A



City of Albuquerque

Department of Finance & Administrative Services

Timothy M. Keller, Mayor

Interoffice Memorandum

April 27, 2026

To: Carla Martinez, CFO

From: Donna Sandoval, Director

Subject: FY27 Capital Implementation Program (CIP) Indirect Overhead (IDOH) Justification

The FY'27 proposed budget reflects the application of a 5% Indirect Overhead (IDOH) rate across applicable capital projects and programmatic investments. IDOH represents the City's cost of providing essential centralized services such as financial management, procurement, legal support and project oversight that are required to deliver capital projects and other major initiatives.

Historically, these costs have not been fully recovered, resulting in an increased burden on the General Fund. Establishing a consistent 5% rate ensures that we more accurately account for the full cost of delivering projects, improves transparency, and aligns with best practices for sustainable financial management. This approach also supports strong financial controls, clean audit outcomes, and the City's ability to maintain favorable bond ratings, all of which are critical to delivering infrastructure investments efficiently and responsibly.

Currently IDOH funds 52 positions, 16 direct charged to capital funds and 36 general fund positions included within the FY'27 budget. While IDOH is not specifically dedicated to any one position, the positions related to the execution of capital projects largely fall within the Department of Municipal Development (DMD) and include a portion of the total compensation of the Director and Deputy Director and total compensation for Construction Managers, Project Managers, Fiscal Staff, Engineers, the CIP Official, an and a Contract Manager. The annual compensation for the staff that work directly on capital projects within DMD is \$3.8 million. In addition, 5 staff in Parks and Recreation Department (PRD): a portion of the total compensation for the Director and the Deputy Director and the total compensation for CIP Program Manager and CIP Project Supervisors.

The staff, in DMD and in DFAS, work with all the departments that receive capital funding and their daily work includes completing parts of the purchasing cycle:

- Reviewing the scope of each project to ensure it falls within the capital funding guidelines
- Setting up account codes in the financial system PeopleSoft
- Setting up vendors and maintain accurate vendor information in PeopleSoft
- Reviewing and approving on average 1,300 purchase orders annually
- Reviewing and approving invoices
- Receipting goods in the financial system

- Reviewing and setting up contracts
- Reconciling transactions on a monthly basis and making the necessary corrections
- Creating the 60-page monthly capital financial status report (FSR) that is utilized by both the administration and city council

Of the 36 general fund positions included, 32 positions spend 100% of their time managing the capital funding that the city receives. The staff in the central services departments provide the support to comply with financial and legal requirements. Of the total capital funds that were expended in FY'25, the cost of the administrative staff exceeds the 2.75% included in O-26-03. Furthermore, the requirement for verified labor is not possible to include in a proposed budget, the FY'25 verified labor hours were not a requirement during FY25.

The calculation below includes expenses for 305 capital acquisition, 336 Bio-Park GRT, 340 Infrastructure Transportation, 611 Aviation Construction and 653 Solid Waste Construction. The table below follows the parameters of O-26-03.

FY'25 Capital Expenses	\$113,333,473
Total Staff Compensation	\$5,289,625
CIP Indirect Overhead (IDOH)	4.67%

The table below includes all DMD staff that are included in the DFAS calculation.

FY'25 Capital Expenses	\$113,333,473
Total Staff Compensation	\$6,241,354
CIP Indirect Overhead (IDOH)	5.51%

Estimated 10% of total compensation for DFAS staff and 5% of legal staff was used because we cannot provide verified labor hours for FY25.

The staff in Department of Finance and Administrative Services (DFAS) includes Accounting, OMB and Purchasing employees that work hundreds of hours to successfully complete the purchasing cycle for capital projects for the city.

The DFAS staff working jointly with department staff to manage capital funds is vital to receiving a clean audit opinion and minimize findings. The financial controls are key to the city receiving the highest bond rating possible and receive an ideal interest rate for repaying debt related to capital gross receipts tax bonds and general obligations bonds.

The difference in the amount to the general fund between the IDOH rate of 2.75% and 5.00% \$2,550,003. The difference in the amount to the general fund between IDOH rate of 4.67% and 5.00% is \$374,000.

Fund	Program ID	Program Description	Dept Name	Position Name	Job Code	Default V	FTE Calc	Hourly Wage	Total Compensation	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm CIP IDOH	Fiscal Analyst II	700235 - Fiscal Analyst II	40.00	1.00	32.86	97,818.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm CIP IDOH	Fiscal Analyst II	700235 - Fiscal Analyst II	40.00	1.00	32.86	102,174.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm CIP IDOH	CIP Program Mgr / Fiscal	800345 - CIP Program Mgr / Fiscal	40.00	1.00	44.94	122,538.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm CIP IDOH	Fiscal Analyst	700336 - Fiscal Analyst	40.00	1.00	29.84	89,689.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm CIP IDOH	Cip Fiscal Manager	800293 - Cip Fiscal Manager	40.00	1.00	50.69	148,905.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm CIP IDOH	Fiscal Analyst II	700235 - Fiscal Analyst II	40.00	1.00	32.86	97,384.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm CIP IDOH	Accounting Asst	200016 - Accounting Asst	40.00	1.00	22.64	60,636.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm CIP IDOH	Accounting Asst	200016 - Accounting Asst	40.00	1.00	22.64	76,655.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm CIP IDOH	Associate Director Fiscal	U00729 - Associate Director Fiscal	40.00	1.00	67.53	193,564.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm CIP IDOH	CIP Intergovernmental Liaison	800881 - CIP Intergovernmental Liaison	40.00	1.00	41.95	120,942.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm	Sr Office Asst	200003 - Sr Office Asst	40.00	1.00	21.94	65,312.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm	Director	U00130 - Director	40.00	1.00	87.13	119,612.00	50%
110 - General Fund	2400005	MD-Design Recovered Storm	MD-CIP Recovered Design Trnsp	Fiscal Analyst II	700235 - Fiscal Analyst II	40.00	1.00	32.86	101,416.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	Construction Project Manager	800176 - Construction Project Manager	40.00	1.00	47.18	139,796.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	SelectionAdvisoryCommittee Adm	800511 - SelectionAdvisoryCommittee Adm	40.00	1.00	46.03	143,318.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	Cip Program Mgr	800226 - Cip Program Mgr	40.00	1.00	38.77	128,793.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	CIP Strategic Program Manager	800507 - CIP Strategic Program Manager	40.00	1.00	48.57	158,676.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	Construction Project Manager	800176 - Construction Project Manager	40.00	1.00	47.18	139,796.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	Cip Program Coordinator	800057 - Cip Program Coordinator	40.00	1.00	35.66	120,022.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	Construction Project Manager	800176 - Construction Project Manager	40.00	1.00	47.18	139,796.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	CIP Official	800298 - Cip Official	40.00	1.00	67.86	201,106.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	City CIP Sr Project Manager	800599 - City CIP Sr Project Manager	40.00	1.00	55.98	171,780.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	City Architect	800213 - City Architect	40.00	1.00	58.17	177,548.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	Construction Project Manager	800176 - Construction Project Manager	40.00	1.00	47.18	152,407.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	Construction Project Manager	800176 - Construction Project Manager	40.00	1.00	47.18	146,559.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	Construction Project Manager	800176 - Construction Project Manager	40.00	1.00	47.18	152,505.00	
110 - General Fund	2400006	MD-Design Recovered CIP	MD-CIP IDOH Projects	City Sr. Project Manager	800899 - City Sr. Project Manager	40.00	1.00	66.52	198,505.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm	Accountant II	700143 - Accountant II	40.00	1.00	29.84	100,810.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm	Accounting Asst	200016 - Accounting Asst	40.00	1.00	22.64	34,574.00	
110 - General Fund	2400004	MD-Strategic Support	MD-Adm	Deputy Director/DMD	U00512 - Deputy Director/DMD	40.00	1.00	69.66	47,815.00	25%
110 - General Fund	2400004	MD-Strategic Support	MD-Adm	Programmer Analyst II	900005 - Programmer Analyst II	40.00	1.00	33.28	48,672.00	
									3,799,123.00	
110 - General Fund	2400004	MD-Strategic Support	PR-Strategic Support	Deputy Director-Parks & Rec	U00483 - Deputy Director-Parks & Rec	40.00	1.00	69.07	53,305.50	25%
110 - General Fund	4500006	PR-Strategic Support Program	PR-Strategic Support	Director	U00197 - Director	40.00	1.00	87.13	59,806.00	15%
110 - General Fund	4550000	PR-CIP Funded Employees	PR-CIP Park Renovation Constr	Construction Worker II	100044 - Construction Worker II	40.00	1.00	20.47	64,484.00	
110 - General Fund	4552000	PR-CIP Funded Employees	PR-Strategic Planng and Design	Cip Program Mgr	800226 - Cip Program Mgr	40.00	1.00	37.82	115,531.00	
110 - General Fund	4550000	PR-CIP Funded Employees	PR-CIP Park Renovation Constr	Cip Project Supv	700023 - Cip Project Supv	40.00	1.00	29.11	109,232.00	
									402,358.50	
									36.00	4,201,481.50
Additional Positions Included in DFAS Calculation										
110 - General Fund	2400010	MD-Streets	MD-CIP Construction	Construction Inspector II	700090 - Construction Inspector II	40.00	1.00	27.80	95,230.00	
110 - General Fund	2400010	MD-Streets	MD-CIP Construction	Construction Inspector III	700091 - Construction Inspector III	40.00	1.00	28.97	89,423.00	
110 - General Fund	2400010	MD-Streets	MD-CIP Construction	Construction Inspector III	700091 - Construction Inspector III	40.00	1.00	28.97	108,833.00	
110 - General Fund	2400010	MD-Streets	MD-CIP Construction	Construction Inspector III	700091 - Construction Inspector III	40.00	1.00	28.97	108,833.00	
110 - General Fund	2400010	MD-Streets	MD-CIP Construction	Construction Inspector III	700091 - Construction Inspector III	40.00	1.00	28.97	107,092.00	
110 - General Fund	2400010	MD-Streets	MD-CIP Construction	Construction Inspector III	700091 - Construction Inspector III	40.00	1.00	28.97	92,059.00	
110 - General Fund	2400010	MD-Streets	MD-CIP Construction	Engineering Assoc	700153 - Engineering Assoc	40.00	1.00	38.95	117,539.00	
110 - General Fund	2400010	MD-Streets	MD-CIP Construction	GIS / Applications Specialist	700344 - GIS / Applications Specialist	40.00	1.00	27.59	91,994.00	
110 - General Fund	2400010	MD-Streets	MD-CIP Construction	Engineering Assoc	700153 - Engineering Assoc	40.00	1.00	38.95	117,539.00	
									928,542.00	
									5,130,023.5	

CIP IDOH Calculated Rate FY27

Ordinance O-26-03 Calculation		DFAS Calculation	
DMD and Parks Positions	4,178,294	Parks & Recreation CIP Positions	5,130,023
DFAS Purchasing Cycle areas: Purchasing, AP, Vendor maintenance, Financial Reporting, OMB, DFAS Directors Office (assuming 10% of verified labor hours)	819,696	DFAS Purchasing Cycle areas: Purchasing, AP, Vendor maintenance, Financial Reporting, OMB, DFAS Directors Office (assuming 10% of verified labor hours)	819,696
Legal (assuming 5% of verified labor hours)	291,635	Legal (assuming 5% of verified labor hours)	291,635
Total	5,289,625	Total	6,241,354

53xxx	Fund Name	FY25 Expenses
Fund 305	Capital Acquisition	94,129,012
Fund 205	Community Development	0
Fund 336	BioPark GRT Fund	4,455,695
Fund 340	Infra Transportation Tax Fund	4,903,250
Fund 345	Impact Fees	159,615
Fund 611	Aviation	3,346,753
Fund 653	Solid Waste	6,339,148
Total		113,333,474

O-26-03 Calculated Rate		
Total Staff Compensation	5,289,625	
Total Capital Expenses	113,333,474	
	4.67%	

DFAS Calculated Rate		
Total Staff Compensation	6,241,354	
Total Capital Expenses	113,333,474	
	5.51%	