



Forensic Audit Report #1

Bond Funds and Construction Expenditures

Prepared for:

Socorro ISD

December 14, 2023

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Introduction and Scope of Work

I. Introduction

Weaver and Tidwell, L.L.P. (“Weaver”) submits this Forensic Audit Report No. 1 (“Report”) to the Board of Trustees (the “Board”) for Socorro Independent School District (“Socorro ISD” or the “District”). This Report presents the work performed in connection with the forensic audit conducted by Weaver into the District’s use of bond funds and construction expenditures under the 2017 Bond Program during the July 2017 – March 2023 time period. Weaver has made its best effort, given the available time and resources, to conduct an impartial, independent and extensive forensic audit. Certain limitations on the information available to Weaver resulted in constraints on our forensic audit. We had no power to compel third parties to submit to interviews, produce documents, or otherwise provide information.

II. Scope of Work

a. Scope of Work

On January 5, 2023, Weaver submitted a Statement of Qualifications for Forensic Audit Services to the District in response to the District’s Request for Qualifications for Forensic Audit Services (RFQ No. E2342). On March 8, 2023, Weaver was retained by the District to conduct Phase 1 of the forensic audit, which included interviews with the Board for purposes of establishing the scope of work for Phase 2. On April 20, 2023, Weaver received authorization from the District to begin Phase 2 of the forensic audit, comprised of nine (9) scopes of work including the review of the District’s use of bond funds and construction expenditures under the 2017 Bond Program. This Report presents a summary of the forensic audit conducted by Weaver into the scope of work pertaining to the 2017 Bond Program, including our observations, findings and recommendations.¹

b. Work Performed

Weaver performed the following work steps in reaching the observations, findings and recommendations outlined in this Report:

- Reviewed the District’s bond planning process for the 2017 Bond Program, including the selection of projects to be included and cost estimates included in the bond proposition.

¹ At the request of the District, Weaver is issuing this Report in advance of the other scopes of work included in the forensic audit. Weaver will issue a subsequent report presenting the findings for the remaining eight (8) scopes of work, which will be titled Forensic Audit Report No. 2.

- Analyzed financial transaction data from the District's ERP software system, Tyler Munis, for all expenditures allocated to the 2017 Bond Program.^{2,3}
- Obtained and reviewed backup documentation in support of expenditures associated with the 2017 Bond Program, including contracts, purchase orders, invoices, payment applications, and change orders, among other records.⁴
- Obtained and reviewed over 300,000 email communications for certain former employees in the Facilities and Planning Department, including the former Chief Operations Officer, Tom Eyeington ("Mr. Eyeington"), who had primary oversight of the 2017 Bond Program.
- Obtained and reviewed files and other electronic records stored on the shared drive utilized by the Facilities and Planning Department, as well as the construction management software used for the 2017 Bond Program, Owner Insite.⁵
- Performed a review and evaluation of the District's procurement practices for the 2017 Bond Program, including but not limited to:
 - Competitive bidding practices for the selection of architects and construction managers (e.g., Request for Qualifications, Request for Proposals, Competitive Sealed Proposals);
 - District's evaluation of bids and proposals, as well as the tabulation of scores, ranking of proposals and recommendations presented to the Board;
 - Presentations to the Board recommending the award of contracts for architects and construction managers for the 2017 Bond Program;⁶
 - Contracts with architects and construction managers, including contract negotiations, Board approval and contract administration;
- Performed background searches of businesses that received contracts from the District under the 2017 Bond Program for purposes of identifying possible affiliations or conflicts of interest.
- Conducted interviews with all current employees in the Facilities and Planning Department, as well as certain former employees involved in the 2017 Bond Program.

While Weaver performed additional work steps not included above, the above listed work steps reflect the actions performed by Weaver that formed the basis for our observations and findings discussed throughout the remainder of this Report.

² The District established and utilized Fund 692 to record all expenditures associated with the 2017 Bond Program.

³ The District provided Weaver remote access to the District's Tyler Munis software system.

⁴ Backup documentation was obtained either independently by Weaver through the Tyler Munis software system (if available), or through a document request submitted to the Facilities and Planning Department.

⁵ The District provided Weaver remote access to the shared drive for the Facilities and Planning Department, as well as the construction management software, Owner Insite.

⁶ As part of our review, Weaver reviewed Board meeting records including videos of the meetings maintained on the District's YouTube page, meeting agenda, minutes and Board packets.

Executive Summary

The Executive Summary provides an overview of Weaver’s observations, findings and recommendations based on the work performed as part of our forensic audit of the District’s use of bond funds and construction expenditures under the 2017 Bond Program. The Executive Summary is based on the set of facts and findings described in the Report and should be read with the Report itself including the associated exhibits. Standing alone, it does not, and cannot, provide a full understanding of the facts and analysis underlying our observations and findings. In addition, while the Report itself is intended to provide the relevant basis for our observations, findings and recommendations, it does not exhaustively detail all efforts undertaken by Weaver.

I. Background

Prior to 2017, the District’s last bond election was held in 2011 for \$297.4 million. On August 15, 2017, the Board unanimously approved an order calling for a bond election in the amount of \$448,500,000. On November 7, 2017, the bond election was held and passed by a 60% vote. Bond funds for the 2017 Bond Program were received by the District through three (3) bond issuances, as summarized in the table below.⁷

Bond Issuance	Issuance Date	Issuance Amount
Series 2018 (Unlimited Tax Building and Refunding Bonds)	2/8/2018	\$200,000,000
Series 2019 (Unlimited Tax School Building Bonds)	4/30/2019	\$150,000,000
Series 2020 (Unlimited Tax School Building Bonds)	2/27/2020	\$98,500,000
Total		\$448,500,000

II. Summary of Findings

Presented below is a summary of findings for the forensic audit conducted by Weaver into the District’s use of bond funds and construction expenditures under the 2017 Bond Program.

a. Bond Planning Processes – Formation of Facilities Advisory Committee

On June 6, 2017, the Board formed the 2017 Facilities Advisory Committee (“FAC”), which was comprised of 30 community members appointed by the Board, including parents, employees, volunteers, businesses, elected officials and taxpayers.⁸ The FAC was charged with assessing the District’s facility needs over the next five (5) years and providing a recommendation to the Board on a course of action. During the June 2017 – July 2017 time period, the FAC held seven (7) meetings spanning 15 hours to discuss and assess the

⁷ Norton Rose Fulbright US LLP served as Bond Counsel and Hilltop Securities Inc. served as the District’s Financial Advisor for all three (3) bond issuances under the 2017 Bond Program.

⁸ As provided in the FAC charter, Board President Paul Guerra appointed Robert Alvarez as Chair and Oscar Hernandez as Co-Chair of the FAC.

state of the District's existing facilities and review demographic projections concerning future growth. It is our understanding that the FAC meetings were open to the public. It is also our understanding that District personnel made themselves available to support the FAC as needed, including the District's Chief Operations Officer at that time, Tom Eyeington ("Mr. Eyeington"), who was appointed to support FAC leadership in all activities.

b. Bond Planning Processes – Facilities Assessment Report

On August 7, 2017, the FAC submitted its Facilities Assessment Report to the Board recommending ten (10) capital improvement projects to address the facility needs of the District over the next five (5) years. The Facilities Assessment Report included an estimated cost of \$615.5 million for the recommended capital improvement projects. After reviewing the Facility Assessment Report, the Board identified certain projects to exclude, and reduced the estimated costs of others, to lower the total cost to be presented to voters. On August 15, 2017, the Board approved an order for a bond election in the amount of \$448.5 million. A comparison of the capital improvement projects recommended to the Board by the FAC and the projects ultimately approved by the Board for a bond election is provided in the table below.^{9,10}

Comparison of Bond Projects Recommended by FAC and Bond Projects Approved by the Board				
Proposed Bond Project	FAC Recommendation	Approved by Board	Difference	
Reconstruction of Socorro High School	\$ 148,263,000	\$ 135,000,000	\$ 13,263,000	
New Construction (2 EM Schools and 1 Middle School)	105,820,625	105,820,625	-	
Support Services	23,610,000	23,610,000	-	
High School Improvements (Montwood, Americas, El Dorado)	146,007,375	95,759,375	50,248,000	
Auxiliary Gyms (Multi-Purpose Rooms) for 16 EM Campuses	20,810,000	20,810,000	-	
Middle School / Pre-K-8 Improvements (6 Campuses)	68,021,650	-	68,021,650	
Athletic Improvements A (SAC II and HS Field Lighting)	67,500,000	67,500,000	-	
Athletic Improvements B (Field Turf / Aquatic Center Improvements)	23,725,000	-	23,725,000	
Elementary School Improvements (2 Campuses)	1,750,000	-	1,750,000	
Safety & Security Electronic Access	10,000,000	-	10,000,000	
Total	\$ 615,507,650	\$ 448,500,000	\$ 167,007,650	

c. Expenditures for 2017 Bond Program Expected to Total At Least \$474.8 Million

While certain bond projects have yet to be completed as of this Report, we have quantified the total expenditures for the 2017 Bond Program to be at least \$474.8 million, based on actual costs incurred and

⁹ The Board did not approve four (4) projects recommended by the FAC, including improvements at six (6) middle school / pre-k-8 campuses, athletic improvements for the Aquatic Center and installation of artificial turn at baseball and softball fields, improvements at two (2) elementary school campuses, as well as safety and security electronic access improvements.

¹⁰ The Board reduced costs associated with the reconstruction of Socorro High School by approximately \$13.2 million, as well as reduced costs associated with improvements at Montwood High School, Americas High School and El Dorado High School by approximately \$50.2 million.

outstanding costs to complete the bond projects. The projected expenditures of at least \$474.8 million exceed the original fee estimate for the 2017 Bond Program of \$448.5 million by \$26.3 million. A summary of actual expenditures by project compared to the original fee estimate is provided in the table below.

Budgeted v. Actual/Projected Expenditures for 2017 Bond Program (Fund 692)			
Bond Project	Budget / Cost Estimate	Actual / Projected Cost*	Difference
Reconstruction of Socorro High School	\$ 135,000,000	\$ 164,364,837	\$ (29,364,837)
Cactus Trails Elementary	32,725,000	32,632,917	92,083
Montwood High School Improvements	40,349,535	35,018,116	5,331,419
Americas High School Improvements	25,093,440	23,716,129	1,377,311
El Dorado High School Improvements	30,316,400	28,264,657	2,051,743
Student Activities Complex (SAC II)	65,860,141	71,801,005	(5,940,865)
Auxiliary Gyms (16 Campuses)	20,810,000	22,020,271	(1,210,271)
Support and Technology Building	12,500,000	14,791,155	(2,291,155)
New Combo School (Ben Narbutth ES & Eastlake MS)	73,095,625	75,650,441	(2,554,816)
Eastlake High School Sports Lighting	692,667	692,667	-
Pebble Hills High School Sports Lighting	947,192	947,192	-
Bus Canopy	500,000	451,174	48,826
Maintenance Office Facility**	10,610,000	4,486,476	6,123,525
Total	\$ 448,500,000	\$ 474,837,037	\$ (26,337,037)

* Costs for projects not completed as of 3/31/2023 were projected based on balance of remaining construction.
 ** Design of Maintenance Office Facility was reduced from 30,000 sq. feet to 12,000 sq. feet due to budget constraints.

d. Impact of Cost Overruns to General Fund

Based on information provided by the District's Finance Department, the District has earned approximately \$14.8 million in interest on the bond funds held by the District for the 2017 Bond Program since the start of the program. As such, the total amount of bond funds available to the District for the 2017 Bond Program with accumulated interest was \$463.3 million. Based on our calculation of expenditures for the 2017 Bond Program, totaling at least \$474.8 million, cost overruns that would need to be funded through the General Fund are projected to be at least \$11.5 million.

e. Cost Overruns for Reconstruction of Socorro High School

The reconstruction of Socorro High School accounted for the largest cost overruns of the bond projects included in the 2017 Bond Program, with projected cost overruns of \$29.4 million.¹¹ As described previously in this Report, the original cost estimate recommended by the FAC was \$148.2 million, with the Board ultimately approving a reduced fee estimate of \$135 million (\$115 million for construction costs and \$20 million for land purchases and other costs). While the project has yet to be completed as of the date of this Report,

¹¹ A complete summary of our analysis of the reconstruction of Socorro High School is provided in Section A of this Report.

total expenditures are projected to be at least \$164.4 million. We determined that during a Board Workshop meeting on March 28, 2019, the project architect, VLK Architects, Inc. ("VLK") informed the Board that after completing the design for the reconstruction of Socorro High School, estimated costs were approximately \$17.3 million higher than originally budgeted. VLK provided alternate options to reduce construction costs by approximately \$16 million and stay within the budget, including providing cosmetic upgrades to certain areas in the near term instead of a full renovation.¹² Nevertheless, the Board elected to proceed with a complete renovation.¹³ Approximately five (5) months later, during the Board meeting on August 20, 2019, Mr. Eyeington showed the Board an eight-minute video presentation prepared by VLK containing aerial photos and renderings of the design plans for the reconstruction of Socorro High School.¹⁴ Following the presentation, the Board approved the updated construction costs, which now totaled \$151.5 million (\$36.5 million higher than the original budget for construction costs of \$115 million).¹⁵ The Board did not discuss the updated cost information relative to the original budget. Instead the discussion was focused on their excitement after seeing the design renderings. Based on the actions by the Board during the March 2019 Board Workshop and August 2019 Board meeting, it appeared the Board prioritized the original design and vision for the reconstruction of Socorro High School over the costs relative to the budget.

f. Redesign of Maintenance Office Facility to Reduce Costs

While the Board rejected alternatives to reduce costs for the reconstruction of Socorro High School, in April 2023 the Board approved a redesign of the planned Maintenance Office Facility in an effort to reduce costs. During the April 2023 Board meeting, the Board approved a 60% reduction in square footage for the planned facility from 30,000 square feet to 12,000 square feet, which reduced the combined construction and design costs for the facility to \$4.5 million, compared to the original budget of \$10.6 million.

¹² Alternative options presented by VLK during the March 2019 Board Workshop included performing cosmetic upgrades for the Fine Arts and Athletic areas instead of a full renovation, as well as excluding the full renovation of the CTE area and auditorium / stage.

¹³ During the March 2019 Board Workshop, Board members spoke about their preference to complete all construction now rather than delaying portions of the reconstruction into the future due to SHS being the District's flagship campus. Other reasons provided by the Board to proceed with the current design were to fulfill their commitment to the community members who approved the bond proposition (i.e. "promises made promises kept"), and to avoid potentially higher costs in the future.

¹⁴ On May 31, 2019, VLK submitted a proposal to Mr. Eyeington to prepare a design experience video for the reconstruction of SHS for a cost of \$10,000.

¹⁵ During the Board meeting on August 19, 2019, the Board approved the costs presented by Mr. Eyeington for the Phase 2 Guaranteed Maximum Price of \$138 million, which were in addition to the Phase 1 Guaranteed Maximum Price of \$13.4 million.

g. Costs Associated with the 2017 Bond Program Paid out of the General Fund

In October 2022, the Board approved a change order for the New Combo School for the build out 11 additional classrooms at Colonel Ben Narbut Elementary (i.e., Alternate No. 1), which were not included in the primary scope of work. The costs associated with the build out of the 11 classrooms for the New Combo School totaled approximately \$3.1 million.¹⁶ We determined that the District used monies from the General Fund to pay for the change order, instead of monies from the 2017 Bond Program. While it appeared that the build out of 11 additional classrooms for the New Combo School was associated with the 2017 Bond Program (as it was included as an alternate item in the bid documents), it is our understanding that the District used monies from the General Fund due to cost overruns for the 2017 Bond Program discussed previously.

We also determined that in December 2022 and February 2023, the District awarded contracts totaling approximately \$3.1 million to add restrooms for the auxiliary gyms. The auxiliary gyms had previously been constructed as part of the 2017 Bond Program. While it did not appear that restrooms had intended to be included in the auxiliary gyms based on our review of the original design documents, the District used monies from the General Fund to pay for the addition of restrooms in FY2023.

h. Procurement Process for Selection of Architects and Construction Managers

It is our understanding that in or around 2005, the District implemented an 11-step process for competitive bidding and selection of architects and construction managers, which was defined in *District Policy CVA (Local)*. A summary of the 11-step process in effect at the time of the 2017 Bond Program is provided in the table below.

Step	Step Description	Responsible Party	Explanation
1	Authorization to Solicit RFQs, RFPs or CSPs	Board	Board approval required for construction projects over \$1 million
2	Preparation of Advertisement	Director of Purchasing	
3	Review of Advertisement	Chief Operations Officer	
4	Advertisement of RFQs, RFPs or CSPs	Director of Purchasing	Advertise once a week for two consecutive weeks
5	Receipt of proposals and/or bid documents	Director of Purchasing	Received by Purchasing Department
6	Opening of proposals and/or bids	Director of Purchasing	Purchasing Department opens all proposals, checks for complete submission, and prepares for review by Administrative Review Committee
7	Initial Screening and Review	Administrative Review Committee ¹⁷	Administrative Review Committee evaluates proposals, compiles evaluations, and recommends up to four (4) firms per project

¹⁶ We have not included the costs associated with the change order for the New Combo School of \$3.1 million in our calculation of total expenditures for the 2017 Bond Program as they were paid with funds from the General Fund.

¹⁷ Under District Policy CVA (Local), the Administrative Review Committee shall consist of the following persons: Chief Operations Officer, Chief Financial Officer, Director of District Operations, Director of Facilities/Construction, and Director of Purchasing.

Step	Step Description	Responsible Party	Explanation
8	Review by Facility Board Committee	Facility Board Committee	COO presents recommendation from Administrative Review Committee to Facility Board Committee
9	Selection by Board	Board	Board shall be presented all information relating to bidding, including administration's recommendations, tabulation sheets, and any other information deemed appropriate
10	Negotiation of Fees and Contracts	Chief Operations Officer	COO and legal counsel negotiate contracts and fees (subject to approval by the Board)
11	Approval of Contracts and Fees	Board	COO and legal counsel present final contract containing fees for Board approval

District Policy CVA (Local) also included a general guideline about spreading work across different firms. The general guideline included in District Policy CVA (Local) during the selection of firms for the 2017 Bond Program stated the following:

"It is the goal of the District that major projects (being projects over \$1,000,000) be spread so that numerous firms shall have the opportunity to provide services and work for the District. Major projects shall not be consolidated so that only a few firms receive the work."

i. Highest Ranked Firms Being Selected During Procurement Process

We identified six (6) bond projects under the 2017 Bond Program where the highest ranked architectural firm as ranked by the Administrative Review Committee was not recommended to the Board, as well as three (3) bond projects where the highest ranked construction manager as ranked by the Administrative Review Committee was not recommended to the Board.¹⁸ A summary of architects and construction managers recommended to and approved by the Board is provided in the table below, as well as each firm's ranking by the Administrative Review Committee during the competitive bidding process.

Bond Project	Architect	Construction Manager
Reconstruction of Socorro High School	VLK Architects (Ranked 2 out of 14)	Buford-Thompson (Ranked 1 out of 3)
Cactus Trails Elementary	VLK Architects (Selected in 2016)	Banes General Contractors (Ranked 1 out of 3)
Improvements at Montwood High School	MNK Architects (Ranked 1 out of 16)	Buford-Thompson (Ranked 1 out of 5)
Improvements at Americas High School	CDA Architects (Ranked 5 out of 16)	Banes General Contractors (Ranked 3 out of 5)
Improvements at El Dorado High School	PSRBB Architects (Ranked 3 out of 16)	Dantex (Ranked 2 out of 5)
Student Activity Complex (SAC II)	HKS, Inc. (Ranked 2 out of 13)	Banes General Contractors (Ranked 1 out of 4)
Auxiliary Gyms – Phase 1	ArchiPELI (Ranked 2 out of 16)	Pride (Ranked 1 out of 3)

¹⁸ While the construction of auxiliary gyms at 16 elementary campuses was divided into three (3) phases, the District selected a single architect for the design of all phases. As such, the selection of an architect for the auxiliary gyms is treated as one selection.

Bond Project	Architect	Construction Manager
Auxiliary Gyms – Phase 2	ArchiPELI (Ranked 2 out of 16)	Medlock (Ranked 1 out of 3)
Auxiliary Gyms – Phase 3	ArchiPELI (Ranked 2 out of 16)	Aztec (Ranked 5 out of 7)
Support & Technology Building	EXIGO (Ranked 1 out of 16)	Noble (Ranked 1 out of 4)
New Combo School	Mijares-Mora (Ranked 2nd out of 14)	Banes General Contractors (Ranked 1 out of 3)
Maintenance Office Facility	MNK Architects (Rankings not available)	TBD

Based on our review of presentations to the Board by Mr. Eyeington for the recommendation of architects and construction managers for bond projects under the 2017 Bond Program, the explanation for the highest ranked firm not being recommended was due to the guidelines in *District Policy CVA (Local)* pertaining to the spreading of work across firms. For example, when Mr. Eyeington recommended Aztec as the construction manager for Phase 3 of the Auxiliary Gyms project, he informed the Board that Aztec was ranked 5th out of seven (7) firms by the Administrative Review Committee, though the four (4) highest ranked firms all had existing construction contracts with the District under the 2017 Bond Program. Mr. Eyeington explained to the Board that District Policy CVA (Local) required the District to spread work across numerous firms for construction projects over \$1 million. However, we also determined that in April 2022, the Texas Education Agency informed the District that they “may have applied an inappropriate process” for their selection of Aztec using a Competitive Sealed Proposal procurement methodology.

j. Selection of VLK as Architect for Reconstruction of Socorro High School

In January 2018, Mr. Eyeington presented the recommendation to the Board to select Fort Worth-based VLK Architects, Inc. (“VLK”) as the architect for the reconstruction of Socorro High School. According to the meeting minutes, Mr. Eyeington presented administration’s recommendations in order of preference, with VLK listed as the first preference and Mijares-Mora Architects, Inc. (“Mijares-Mora”) listed as the second choice. However, the information presented by Mr. Eyeington to the Board did not reflect the evaluations completed by the Administrative Review Committee, which scored Mijares-Mora as the highest ranked firm for the reconstruction of Socorro High School, with four (4) of the five (5) committee members scoring Mijares-Mora as the highest ranked firm.¹⁹

In the Bid Award Recommendation memorandum addressed to the Board, the memorandum lists the aggregate scores for the Administrative Review Committee showing Mijares-Mora as the highest-ranked firm

¹⁹ It is our understanding that Mr. Eyeington was the only committee member who did not rank Mijares-Mora as the highest-ranked firm, instead ranking VLK as the highest-ranked firm.

with a score of 91.0, compared to VLK who ranked second with a score of 87.8.²⁰ The justification included in the memorandum for the selection of VLK over Mijares-Mora was based on the guidelines from CVA (*Local*) and CVB (*Local*) about spreading the work between firms, noting that Mijares-Mora was selected as the architect for the New Middle School (ultimately the New Combo School). However, the selection of Mijares-Mora for the New Middle School occurred simultaneously with the selection of an architect for the reconstruction of Socorro High School, which was a larger project and the largest bond project for the 2017 Bond Program. It is unclear why Mijares-Mora was not selected for the larger project (i.e., reconstruction of Socorro High School), considering that they were scored higher than VLK by the Administrative Review Committee for both the reconstruction of Socorro High School and the New Middle School. It also appeared that the Board did not receive the scores and rankings prepared by the Administrative Review Committee, instead receiving a list of firms in alphabetical order as part of the Board packet for the January 16, 2018 Board meeting.

We learned from our interview of Mr. Eyeington that VLK assisted the District in providing fee estimates for the bond projects recommended by the Facilities Advisory Committee in the Facility Assessment Report submitted to the Board in August 2017. We also determined that VLK was contracted to prepare a prototypical design in 2016 for the proposed Elementary School No. 30, which would become Cactus Trails Elementary. It appeared that VLK assisted the District with various aspects of planning for the 2017 Bond Program prior to the bond program being approved and the selection of an architect for the largest bond project, the reconstruction of Socorro High School.

k. Relationship Between Mr. Eyeington and Buford-Thompson's President

In January 2018, the Board selected Buford-Thompson as the Construction Manager at Risk for the reconstruction of Socorro High School, which was the largest of the construction projects included in the 2017 Bond Program.²¹ In February 2018, the Board also selected Buford-Thompson as the Construction Manager at Risk for the improvements at Montwood High School.²² It is also our understanding that Buford-Thompson was hired by the District for certain construction projects associated with the 2011 Bond Program.

²⁰ Even though the Bid Award Recommendation memorandum was addressed to the Board, it is our understanding that the memorandum was not provided to the Board.

²¹ The five-member evaluation committee ranked Buford-Thompson as the highest-ranked firm out of three (3) firms that submitted proposals in response to the RFP. However, Buford-Thompson's score was less than a half point higher than the 2nd-ranked firm, whose fee was approximately \$800,000 lower. We also noted that Board members expressed concern about only receiving proposals from three (3) firms. Mr. Eyeington informed the Board that the scale of the project limited the number of firms able to submit a proposal due to bonding requirements, and that issuing a rebid would delay the project from moving forward.

²² The five-member evaluation committee ranked Buford-Thompson as highest-ranked firm out of five (5) firms that submitted proposals in response to the RFP.

Based on our review of email communications by Mr. Eyeington through his District email account, we determined that in or around January 2019, Buford-Thompson's President, Sammy Martin ("Mr. Martin"), was added as a member to Mr. Eyeington's hunting lease in Sonora, Texas. Under the hunting lease, Mr. Eyeington was allowed up to ten (10) members to hunt on the lease for a cost of \$45,000 per year. Information reviewed indicated that each member paid Mr. Eyeington for their portion of the hunting lease (\$4,500 per year), in addition to their portion of other costs incurred (e.g., electricity, deer feed, etc.).²³

While Mr. Martin was added to Mr. Eyeington's hunting lease approximately one year after the District selected Buford-Thompson as Construction Manager at Risk for the reconstruction of Socorro High School and improvements at Montwood High School, negotiations of Guaranteed Maximum Price ("GMP") amounts and contingency change requests occurred while Mr. Martin was a member on the hunting lease. Mr. Martin's participation as a member of Mr. Eyeington's hunting lease raises concerns of a potential conflict of interest as it required Mr. Martin to make payments to Mr. Eyeington for his share of payments on the hunting lease, while at the same time negotiating GMP amounts with the District through Mr. Eyeington.

²³ In January 2019, during the renewal of the hunting lease, Mr. Eyeington emailed the other members and informed them that for the prior year they only had eight (8) members and that he had negotiated with the landowner to pay only \$36,000 for just one year. Mr. Eyeington indicated in his email that he had already arranged for two (2) new full members to be added to the hunting lease in 2019 to ensure they had ten (10) members going forward. Based on our review of email communications from Mr. Eyeington's email account with the District, Mr. Martin was one of the new members added to the hunting lease in early 2019 to bring the membership back up to ten (10) members. It appeared that Mr. Martin continued to be a member of the hunting lease through the 2022 deer hunting season.

III. Recommendations

Based on our observations and findings formed during the forensic audit as summarized in this Report, we have provided the following recommendations for the District's consideration:

1. We determined that in planning for the 2017 Bond Program, the District formed the Facilities Advisory Committee, which held seven (7) meetings culminating in their submission of the Facility Assessment Report to the Board. **While the FAC meetings were open to the public, we recommend the District consider having video/audio recordings of FAC meetings be made available to the public to provide full transparency of the bond planning process.**
2. We determined that certain consultants and architectural firms were involved in the planning of the 2017 Bond Program to provide assistance with cost estimates to be used in the Facility Assessment Report. However, the names of the consulting and architectural firms were not disclosed in the Facility Assessment Report. **We recommend that for future bond issuances, the District disclose any outside firms that were hired to assist the District in the bond planning process, including the name of the firm and the services provided.**
3. We recommend that the Board (or certain Board committees) receive training focused on procurement for construction projects, including legal requirements, construction delivery methods, determination of best value, and competitive bidding processes for selection of architects, engineers and construction managers.
4. Under Board Policy CVA (Local), administration is to present to the Facility Board Committee and the Board the evaluation sheets developed by the administration review committee for all firms that submitted bids or proposals, as well as the full proposal or bid submissions of the firms that are recommended for consideration. **We recommend that the District review their current processes to ensure that evaluation sheets for all bids and proposals are being presented to the Board, in compliance with Board Policy CVA (Local).**
5. In April 2022, the TEA stated that the District may have applied an inappropriate process in their award of a contract to a firm that was not the highest-ranked firm as part of a competitive sealed proposal procurement process. **We recommend that the Board Policy Committee review Board Policy CVA (Local) and CVB (Local) to assess whether the policies conflict with any provisions under Texas Government Code.**
6. We recommend that the Board review the District's current processes for reviewing and approving change orders and contingency change requests to ensure that existing processes provide sufficient transparency to the Board into any changes made during the course of a construction project that have a significant impact on cost (e.g., over \$50,000).
7. We recommend that the District consider an assessment of the cost and benefits of utilizing a third-party Program Manager for future bond issuances to manage the bond program on behalf of the District.
8. We recommend that for future bond programs, the Board receive a dashboard summary either monthly or quarterly with information for each bond project showing costs incurred and estimated costs for completion, with a comparison of costs to the project budget as included in the bond proposition. Cost information should include total costs allocated to the project, including costs for construction, architectural, design and engineering services, furniture, fixtures and equipment, as well as land purchases and other costs.

A. Reconstruction of Socorro High School

I. Background

During the Special Board meeting on August 9, 2017, the Board reviewed the Proposed 2017 Facility Assessment Report submitted by the Facilities Advisory Committee, which recommended a budget of \$615.5 million. The Facility Assessment Report included costs for the reconstruction of Socorro High School ("SHS"), with an estimated total project cost of \$148.3 million. During the Board meeting on August 15, 2017, the Board approved a reduced budget of \$135 million for the reconstruction of SHS, which included an estimated \$115 million in construction costs and \$20 million for land purchases and other costs.^{24,25} Below is the information approved by the Board outlining the vision for the reconstruction of SHS.

Socorro High School
Estimated Cost: \$135,000,000.00

To provide a total re-construction of Socorro High School to include the incorporation of its existing facilities (auditorium, gym, fine arts) into a NEW safe and supportive learning environment.

Purchase of adjacent property to accommodate construction and to provide additional ingress and egress to campus.

The re-construction will include all programs comparable to our newest high school to incorporate 21st Learning and Collaborative Environment.

II. Selection of Architect

a. Request for Qualifications

During the Special Board meeting on November 15, 2017, the Board authorized a resolution to allow the Facilities and Planning and Purchasing Departments to prepare and advertise Request for Qualifications ("RFQ") for professional services (e.g., architect and design services) for the initial phase of the 2017 Bond Program. On December 1, 2017, the District issued a RFQ for Architectural Professional Services for Socorro High School Reconstruction, New Student Activities Complex (SAC II) and New Middle School, with submissions due by December 15, 2017 (RFQ No. 199-1215-E1830).²⁶

²⁴ See **Exhibit A.1**

²⁵ The estimated project cost of \$135 million includes land purchases, construction costs, fees for architect/design, geotechnical and material testing, as well as costs for furniture/fixtures/equipment (FF&E).

²⁶ The District's bid notice was published in the El Paso Times newspaper on December 1, 2017 and December 8, 2017.

b. Evaluation of Proposals

The District received proposals from 14 firms for the reconstruction of SHS, which were opened on December 15, 2017 at 10:00am.²⁷ On January 11, 2018, the 14 proposals were evaluated by a five-member evaluation committee based on the criteria outlined in the bidding documents.^{28,29} The evaluation committee ranked Mijares-Mora Architects, Inc. (“Mijares Mora”) as the highest ranked firm, with an average score of 91 out of 100 points. A summary of the scores for each of the 14 firms by each of the five (5) evaluators is provided in the table below.³⁰

Architectural Firm	Eval. 1	Eval. 2	Eval. 3	Eval. 4	Eval. 5	Average
Mijares-Mora Architects, Inc.	94	93	86	93	89	91.0
VLK Architects, Inc.	96	87	81	89	86	87.8
MNK Architects, Inc.	91	90	85	84	84	86.8
Carl Daniel Architects	90	87	82	84	87	86.0
PSRBB Architects	94	87	82	85	82	86.0
McCormick Architecture, LLC	83	90	79	86	80	83.6
PBK Architects, Inc.	78	84	77	85	82	81.2
Rodney Kroeger Architect	88	84	75	80	72	79.8
Parkhill Smith & Cooper, Inc.	72	84	68	82	73	75.8
Corgan	81	75	65	77	66	72.8
GA Architecture, Inc.	65	73	70	76	70	70.8
In*Situ Architecture, PLLC	65	75	65	68	66	67.8
ERO Architects	60	75	55	75	58	64.6
ASA Architects	52	74	65	66	61	63.6

c. Recommendation to Select VLK Architects, Inc.

While the evaluation committee scored Mijares-Mora as the highest ranked firm of the 14 proposals with an average score of 91 points, the evaluation committee’s recommendation to the Board was to select Fort Worth-based VLK Architects, Inc. (“VLK”), who ranked as the second highest firm with a score of 87.8.³¹ According to the memorandum sent to the Board, Mijares-Mora was the highest ranked architectural firm, however, the evaluation committee decided to recommend Mijares-Mora as the architect for the construction of the New Middle School (a separate project under the same RFQ).³² According to the

²⁷ While the District received a total of 17 proposals in response to the RFQ, only 14 of 17 submissions included proposals for the reconstruction of SHS.

²⁸ The evaluation committee was comprised of Thomas Eyeington (Chief Operations Officer), Tony Reza (Chief Financial Officer), David Carrasco (Director of Maintenance & Operations), Gabriel Crespo (Director of Facilities/Construction) and Samuel Garcia (Purchasing Director).

²⁹ The rating criteria outlined in the bidding documents was Ability to Perform (20 points), References (20 points), Past Relations with SISD (20 points), Number of Personnel Available (5 points), Number of Registered Architects and/or Engineers assigned to the project (15 points), Previous Experience with Schools (15 points) and Local Presence (5 points).

³⁰ See **Exhibit A.2**

³¹ VLK was established in 1984 and has 128 employees located across five (5) locations, including Fort Worth, Dallas, Houston, Austin and San Antonio.

³² See **Exhibit A.3**

memorandum, the evaluation committee's decision to select the second-ranked firm (VLK) over the highest ranked firm (Mijares-Mora) was based on the guidelines under Policy CVB (Local), which discusses the spreading of work and projects such that "numerous firms shall have the opportunity to provide services and work for the District."³³ As a result of Mijares-Mora being recommended to provide architectural services on another project, the evaluation committee recommended the selection of the next highest ranked firm, which was VLK. During the Board meeting on January 16, 2018, Mr. Eyeington presented the evaluation committee's recommendation to select VLK as architect for the reconstruction of SHS, which was unanimously approved by the Board.³⁴

d. Contract with VLK

On February 21, 2018, the District executed a contract with VLK to provide architectural services for the reconstruction of SHS.³⁵ As outlined in the contract, the project included the reutilization of the most viable existing structures of the existing campus, resulting in an entirely new campus for approximately 2,800 students. Under the contract, VLK would earn a fee of 6% of the cost of new construction and 7% of the cost of additions and/or renovations. At the time of the District's contract with VLK, the District's budget for the cost to complete the work was \$90 million, inclusive of all architect and design fees, construction costs, materials testing and other costs.

III. Selection of a Construction Manager

a. Request for Proposals

During the Special Board meeting on November 15, 2017, the Board authorized a resolution to allow the Facilities and Planning and Purchasing Departments to prepare and advertise Request for Proposals for Construction Managers for the initial phase of the 2017 Bond Program (RFP #199-0103-E1831). On December 8, 2017, the District issued a Request for Proposals for Construction Management at Risk Services for a New Middle School and Re-construction of SHS, with submissions due by January 3, 2018.³⁶

b. Evaluation of Proposals

The District received proposals from three (3) firms, which included Banes General Contractors, Inc. ("Banes"), Buford-Thompson Company ("Buford-Thompson") and Jordan Foster Construction, LLC ("Jordan Foster"). On January 11, 2018, the proposals were evaluated by a five-member evaluation committee based

³³ See **Exhibit A.4**

³⁴ See **Exhibit A.5**

³⁵ See **Exhibit A.6**

³⁶ The District's bid notice was published in the El Paso Times newspaper on December 8, 2017 and December 15, 2017.

on the criteria outlined in the bidding documents.^{37,38} The evaluation committee ranked Buford-Thompson as the highest ranked firm, with an average score of 96 out of 100 points.³⁹ A summary of the proposed fees and scores for each firm is provided in the table below.

Scoring Criteria	Buford-Thompson	Banes	Jordan Foster
Experience: 20% (100 Points)	98	96	96
Project Management and Scheduling: 15% (75 Points)	73	72	59
Fee Schedule: 15% (75 Points)	65	75	45
Past Performance: 15% (75 Points)	71	71	66
Qualifications of Assigned Personnel: 10% (50 Points)	48	49	48
Safety Record: 5% (25 Points)	25	17	22
References: 5% (25 Points)	25	25	25
Return of Savings: 5% (25 Points)	25	25	25
Bonding Capacity: 5% (25 Points)	25	23	24
Local Presence: 5% (25 Points)	25	25	25
Total Points	480	478	435
<i>Average Score per Evaluator</i>	96.0	95.6	87.0
Fee Schedule:			
<i>Pre Construction Fee</i>	\$35,000	\$25,000	\$125,000
<i>Construction Fee</i>	\$1,995,000	\$2,160,000	\$2,925,000
<i>General Conditions Fee</i>	\$3,995,000	\$2,985,805	\$5,286,571
Total Fee	\$6,025,000	\$5,170,805	\$8,336,571

c. Board Approval of Buford-Thompson as Construction Manager at Risk (CMAR)

The evaluation committee recommended the selection of the highest ranked firm, Buford-Thompson, as the Construction Manager at Risk for the reconstruction of SHS, which was presented to the Board by Mr. Eyeington on January 16, 2018. During the Board meeting, several Board members expressed concerns about only receiving proposals from three (3) contractors and asked whether the District should to re-advertise the RFP. Mr. Eyeington responded that due to the project size being over \$100 million, many local contractors could not meet the bonding requirements and did not submit a proposal. Mr. Eyeington also indicated that a re-advertisement of the RFP would delay the start of the project. Following the discussion, the Board approved the recommendation to select Buford-Thompson as CMAR for the reconstruction of SHS.

³⁷ The evaluation committee was comprised of Thomas Eyeington (Chief Operations Officer), Tony Reza (Chief Financial Officer), David Carrasco (Director of Maintenance & Operations), Gabriel Crespo (Director of Facilities/Construction) and Samuel Garcia (Purchasing Director).

³⁸ The rating criteria outlined in the evaluation criteria ranking sheets was Experience (20 points), Project Management and Scheduling (15 points), Fee Schedule (15 points), Past Performance (15 points), Qualifications of assigned Personnel (10 points), Safety Record (5 points), References (5 points), Return of Savings (5 points), Bonding Capacity (5 points), and Local Presence (5 points).

³⁹ See **Exhibit A.7**

During the subsequent Board meeting on February 20, 2018, the Board approved a general conditions contract with Buford-Thompson for a fee of \$5,841,000, as shown below.⁴⁰

Administration recommends consideration and approval of the Construction Management @ Risk fees for Socorro High School Re-Construction with Buford-Thompson Company as presented.	
On January 16, 2018 the Board awarded the Construction Management @ Risk (Contractor) to Buford-Thompson Company.	
Per the procedures approved by the Board, fees were negotiated and legal counsel prepared a contract with Buford-Thompson Company for Socorro High School Re-Construction with the following fees:	
Pre-Construction Fee:	\$ 35,000.00
Construction Fee:	\$1,995,000.00
General Conditions:	<u>\$3,811,000.00</u>
	\$5,841,000.00

On March 27, 2018, the District executed the general conditions of the contract for construction with Buford-Thompson for the reconstruction of SHS.⁴¹

IV. Guaranteed Maximum Price for Reconstruction of SHS

Following the Board's selection of VLK as architect and Buford-Thompson as construction manager, the District worked with VLK and Buford-Thompson to establish the guaranteed maximum price ("GMP") for the reconstruction of SHS.

a. Board Workshop Meeting on March 28, 2019

The budget for the 2017 Bond Program included total project costs of \$135 million for the reconstruction of SHS, which included a budgeted amount of \$115 million for construction costs. During a Board Workshop held on March 28, 2019, VLK informed the Board that the updated construction cost estimate based on the current design was \$132.3 million, which was approximately \$17.3 million higher than the original construction cost budget of \$115 million (15% increase).^{42,43} During the Board Workshop, VLK provided two (2) alternative options to reduce construction costs by performing cosmetic upgrades to certain areas instead of a full renovation, while leaving space for future expansion. A summary of the alternative options presented to the Board by VLK during the March 28, 2019 Board Workshop is provided below.

⁴⁰ See **Exhibit A.8**

⁴¹ See **Exhibit A.9**

⁴² <https://www.youtube.com/watch?v=FUqYPbgWzfk> (see 51:30 minute mark).

⁴³ Cost estimates were prepared by VLK in conjunction with the construction manager, Buford-Thompson.

Scope Item	Current Design	Option 1	Option 1A
Construction Cost	\$132,278,526	\$116,151,022	\$117,551,022
Student Capacity	2,500	2,500	2,500
Fine Arts Areas	Full Renovation and Expansion	Cosmetic Upgrades (space for future expansion)	Cosmetic Upgrades (space for future expansion)
Athletic Areas	Full Renovation and Expansion	Cosmetic Upgrades (space for future expansion)	Cosmetic Upgrades (space for future expansion)
Auditorium / Stage	Full Renovation	N/A	Full Renovation
CTE	Full Renovation	N/A	Provides for future expansion for Automotive, Diesel and Barbering programs

Following the presentation of design options to reduce costs, several Board members spoke in favor of keeping the current design option, while acknowledging that costs under the current design were estimated to be \$15 - \$20 million higher than the original budget.⁴⁴ Board members also spoke about their preference to complete all construction now rather than delaying portions of the reconstruction into the future due to SHS being the District's flagship campus. Other reasons provided by the Board to proceed with the current design were to fulfill their commitment to the community members who approved the bond proposition (i.e. "promises made promises kept"), and to avoid potentially higher costs in the future. Mr. Eyeington also informed the Board that there were other options for savings that could mitigate a portion of the cost increases relative to the budget.

b. Board Approval of GMP Phases 1 and 2

The reconstruction of SHS was divided into two (2) phases or packages, with Phase 1 to include the site work and utilities and Phase 2 to include the construction of the new facilities. During the Board meeting on May 21, 2019, the Board approved a Phase 1 GMP amount of \$13,429,181 for Buford-Thompson to begin the sitework portion of the reconstruction of SHS.⁴⁵ The District executed Amendment No. 1 to their contract with Buford-Thompson for Phase 1 on May 21, 2019 and issued a Notice to Proceed on June 5, 2019.⁴⁶ Subsequently on August 20, 2019, the Board approved a Phase 2 GMP amount of \$138,036,113 for Buford-Thompson to complete the reconstruction of SHS.^{47,48} The District executed Amendment No. 2 to their contract with Buford-Thompson for Phase 2 on September 17, 2019 and issued a Notice to Proceed on

⁴⁴ <https://www.youtube.com/watch?v=FUqYPbaWzfk> (see 1 hour 2 minute mark).

⁴⁵ See **Exhibit A.10**

⁴⁶ See **Exhibit A.11**

⁴⁷ See **Exhibit A.12**

⁴⁸ During the Board meeting on August 20, 2019, the Board approved alternate items #1 and #2 to install artificial turf at the existing baseball and softball fields for a cost of \$1,556,124, which increased the Phase 2 GMP amount from a base bid of \$136,479,989 to \$138,036,113.

October 1, 2019.⁴⁹ The total construction costs based on the GMP for Phase 1 and Phase 2 approved by the Board totaled \$151,465,294, with an estimated completion of April 2023.

V. Analysis of Actual Expenditures

Based upon our review of the District's financial records through March 2023 (project was 84% complete as of March 2023), we identified expenditures for the reconstruction of Socorro High School totaling \$140.3 million which were paid with funds from the 2017 Bond Program (Fund 692). We quantified additional costs to complete the project after March 2023 to be approximately \$24.0 million, for a total project cost of \$164.4 million.⁵⁰ A summary of expenditures by cost category is provided in the table below.

Summary of Actual Expenditures (as of 3/31/2023): Reconstruction of Socorro High School								
Vendor Name	Expenditures by Fiscal Year						Projected	Total
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
Construction Manager								
Buford-Thompson Co.	\$ -	\$ -	\$ 17,532,669	\$ 51,958,747	\$ 44,656,603	\$ 13,322,929	\$ 22,658,360	\$ 150,129,308
Subtotal	\$ -	\$ -	\$ 17,532,669	\$ 51,958,747	\$ 44,656,603	\$ 13,322,929	\$ 22,658,360	\$ 150,129,308
Architectural/Engineering								
VLK Architects Inc.	\$ -	\$ 4,884,340	\$ 2,612,514	\$ 385,979	\$ 890,767	\$ 209,373	\$ 1,359,502	\$ 10,342,474
Terracon Consultants Inc.	-	43,500	70,927	197,989	114,944	14,506	-	441,866
Frank X Spencer and Associates Inc.	-	67,618	-	-	-	-	-	67,618
Amec Foster Wheeler	-	-	2,200	-	-	-	-	2,200
Subtotal	\$ -	\$ 4,995,458	\$ 2,685,641	\$ 583,968	\$ 1,005,711	\$ 223,878	\$ 1,359,502	\$ 10,854,158
Furniture, Fixtures & Equipment								
Virco MFG. Corp.	\$ -	\$ -	\$ -	\$ -	\$ 560,215	\$ 481,322	\$ -	\$ 1,041,536
Howell Business Services	-	-	-	-	508,489	357,096	-	865,585
Wenger Corporation	-	-	-	-	53,745	166,953	-	220,698
C&C Distributing Co. Inc.	-	-	-	-	75,760	1,965	-	77,725
School Specialty LLC	-	-	-	-	52,121	8,955	-	61,076
Indoff Inc.	-	-	-	-	51,508	-	-	51,508
Redgear LLC	-	-	-	765	40,855	-	-	41,620
Home Depot	-	-	-	-	18,504	22,011	-	40,515
National Restaurant Supply Co.	-	-	-	-	35,760	-	-	35,760
Best Buy Stores LP.	-	-	-	-	2,181	10,300	-	12,481
DEMCO Inc.	-	-	-	-	10,719	-	-	10,719
Max-Ability Inc.	-	-	-	-	7,375	-	-	7,375
Nasco Education LLC	-	-	-	3,779	-	-	-	3,779
Complete Reprographics	-	90	416	-	-	-	-	506
Subtotal	\$ -	\$ 90	\$ 416	\$ 4,544	\$ 1,417,232	\$ 1,048,601	\$ -	\$ 2,470,883
Utilities								
El Paso County Emergency Serv #2	\$ -	\$ 240,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,665
El Paso Electric Co.	-	-	-	163,228	27,550	-	-	190,777
El Paso County Water Imp. Dist. #1	-	-	9,000	55,010	-	-	-	64,010
Texas Gas Service	-	-	-	56,371	-	-	-	56,371
AT&T	-	-	-	-	-	14,583	-	14,583
City of Socorro	-	1,306	2,506	8,900	-	-	-	12,712
Lower Valley Water District	-	-	-	-	-	10,793	-	10,793
Subtotal	\$ -	\$ 241,971	\$ 11,506	\$ 283,509	\$ 27,550	\$ 25,376	\$ -	\$ 589,911
Land								
Lone Star Title Company of El Paso	\$ 156,952	\$ -	\$ 163,626	\$ -	\$ -	\$ -	\$ -	\$ 320,577
Subtotal	\$ 156,952	\$ -	\$ 163,626	\$ -	\$ -	\$ -	\$ -	\$ 320,577
Grand Total	\$ 156,952	\$ 5,237,519	\$ 20,393,858	\$ 52,830,767	\$ 47,107,095	\$ 14,620,784	\$ 24,017,862	\$ 164,364,837

⁴⁹ See Exhibit A.13

⁵⁰ It is our understanding that the District's goal is to complete the project in January 2024.

VI. Summary of Findings

a. Estimated Costs Expected to Exceed Budget by \$29.6 Million

As described previously in this Report, the Facilities Assessment Report approved by the Board in August 2017 included a total cost estimate of \$135 million for the reconstruction of Socorro High School, which was the amount included in the 2017 bond proposition.⁵¹ While the reconstruction of SHS is not expected to be completed until January 2024 at the earliest, we determined that total expenditures will be at least \$164.4 million, which is approximately \$29.6 million higher than the amount included in the 2017 Facilities Assessment Report and bond proposition.

b. Board Rejected Cost Saving Alternative Design Plans in March 2019

During the Board Workshop on March 28, 2019, VLK informed the Board that estimated construction costs for the reconstruction of Socorro High School were approximately \$132.3 million, compared to the original budget of \$115 million (original budget was for \$135 million, with \$115 million budgeted for construction costs). The Board rejected alternative options presented by VLK to delay portions of the reconstruction which would have decreased construction costs by \$15 - \$16 million. Based on our review of the Board Workshop on March 28, 2019, the Board was made aware of large cost increases to the project when it was still in the design phase and elected to proceed with the complete design package, rejecting alternative design plans that could have reduced costs by \$15 - \$16.

c. Board Approved GMP Phase 2 without Discussion of Cost Increases Relative to Budget

During the Board meeting on August 20, 2019, Mr. Eyeington presented the agenda item for GMP Phase 2 of \$136.5 million (\$138 million with alternate items for artificial turf), which began with an eight-minute video presentation prepared by VLK showing aerial photos and renderings of the design plans.^{52,53} The Board applauded upon completion of the video and complemented the design plans presented, with one Board member saying they were speechless after seeing the "gorgeous" design plans.⁵⁴ Mr. Eyeington subsequently recommended that the Board approve the proposed GMP Phase 2 amount – prepared by Buford-Thompson of \$136.5 million, which was unanimously approved by the Board. Neither the Board nor Mr. Eyeington mentioned that the total cost for GMP Phase 1 and GMP Phase 2 was \$151.5 million, which was \$19.2 million

⁵¹ As described previously in this Report, the original Facility Assessment Report submitted to the Board included a recommended budget of \$148.3 million for the reconstruction of Socorro High School, which was ultimately reduced to \$135 million prior to being approved by the Board.

⁵² <https://www.youtube.com/watch?v=rB11cVByJZQ> (1 hour 49 minute mark of the Board meeting).

⁵³ On May 31, 2019, VLK submitted a proposal to Mr. Eyeington to prepare a design experience video for the reconstruction of SHS for a cost of \$10,000.

⁵⁴ <https://www.youtube.com/watch?v=rB11cVByJZQ> (1 hour 57 minute mark of the Board meeting).

higher than the cost estimate presented during the Board Workshop on March 28, 2019 and \$36.5 million higher than the original budget for construction costs of \$115 million.

d. Contingency Amount Totaled Over \$4 Million

The District's contract with Buford-Thompson for Phase 2 of the reconstruction of Socorro High School totaled approximately \$138 million, of which approximately \$4.1 million was allocated for contingency (equal to 3% of the total contract).

e. Contingency Change Requests (CCRs)

Based on our review of information provided by the Facilities and Planning Department, we identified 121 Contingency Change Requests ("CCRs") totaling approximately \$3.9 million for Phase 2 of the reconstruction of Socorro High School.⁵⁵ While the list of CCRs has not been finalized, the current list of CCRs totaling \$3.9 million accounts for approximately 95% of the contingency budget for Phase 2 of \$4.1 million (with a remaining contingency budget of approximately \$0.2 million). A summary of CCRs for Phase 2 of the reconstruction of Socorro High School is provided below, including information about which party requested each CCR.

Requested By	# of CCRs	Total of CCRs
Socorro ISD	60	\$1,864,048
VLK Architects	48	\$1,301,012
Buford-Thompson	5	\$351,634
Socorro ISD / VLK	4	\$164,724
VLK / Buford-Thompson	1	(\$21,703)
TxDOT / Texas Gas	2	\$131,898
Unforseen	1	\$113,207
Total	121	\$3,904,820

f. Highest Ranked Architectural Firm (Mijares-Mora) Not Selected

As described previously in this Report, the five-member evaluation committee scored Mijares-Mora as the highest ranked architectural firm for the reconstruction of Socorro High School, with four (4) of the five (5) members scoring Mijares-Mora as the highest ranked firm. However, the evaluation committee's recommendation to the Board as presented by Mr. Eyeington in January 2018 was to recommend VLK (ranked second by the evaluation committee), with Mijares-Mora as the second choice. While Mijares-Mora was selected as the architect for the construction of the New Middle School in a subsequent agenda item, it is unclear why they were not recommended to the Board for the reconstruction of Socorro High School given that it was a larger project and Mijares-Mora was scored higher than VLK for both projects.

⁵⁵ See **Exhibit A.14**

g. Relationship Between Mr. Eyeington and Buford-Thompson's President

Mr. Eyeington held a deer hunting lease in Sonora, Texas with R&D Malone Ranches, LLC ("Malone"), who was the landowner and Licensor on the lease.⁵⁶ Under the terms of the hunting lease, Mr. Eyeington, as the Licensee, was responsible for payment to Malone for the cost of the lease, which was \$45,000 per year payable in quarterly installments. Based on information contained in emails obtained through Mr. Eyeington's email account with the District, Mr. Eyeington was allowed up to ten (10) members for the hunting lease, which primarily included family members.⁵⁷ Each member was responsible for their portion of the cost of the hunting lease, which included a membership cost of \$4,500 each year and their share of miscellaneous expenses, which were paid to either Mr. Eyeington or his son, who would make the quarterly payments to Malone.⁵⁸

In January 2019 during the renewal of the hunting lease, Mr. Eyeington emailed the other members on the hunting lease and informed them that for the prior year they only had eight (8) members and he negotiated with Malone to only pay \$36,000 for one-year only.⁵⁹ Mr. Eyeington indicated in his email that he had already arranged for two (2) new full members to be added to the hunting lease in 2019, to ensure they had ten (10) members.⁶⁰ Based on our review of email communications from Mr. Eyeington's District email account, as well as our interview of Mr. Eyeington, we determined that the President of Buford-Thompson, Sammy Martin ("Mr. Martin"), was one of the new members added to the hunting lease in early 2019 to bring the membership back up to ten (10) members. We determined that Mr. Martin continued to be a member of the hunting lease through the 2022 deer hunting season.^{61,62} As a member of the hunting lease during the 2019 – 2022 time period, Mr. Martin would have been obligated to make payments to Mr. Eyeington each year, including a payment of \$4,500 for the annual membership and his share of additional miscellaneous expenses. While the timing of Mr. Martin becoming a member of Mr. Eyeington's hunting lease in January 2019 occurred after the District had selected Buford-Thompson as the Construction Manager at Risk for the reconstruction of Socorro High School, the contract amounts for GMP 1 and GMP 2 had yet to be negotiated in addition to contract adjustments for CCRs. Given Mr. Eyeington's role as Chief Operating Officer and Mr. Martin's role as President of Buford-Thompson, negotiations for contract amounts for GMP 1 and GMP 2 would have been chiefly conducted by Mr. Eyeington and Mr. Martin, subject to Board approval.

⁵⁶ See **Exhibit A.15**

⁵⁷ See **Exhibit A.16**

⁵⁸ See **Exhibit A.16**

⁵⁹ See **Exhibit A.16**

⁶⁰ See **Exhibit A.16**

⁶¹ See **Exhibit A.17**

⁶² Based on our interview of Mr. Eyeington, it is our understanding that Mr. Martin is no longer a member of the hunting lease.

B. Cactus Trails Elementary (Elem. #30)

I. Background

a. Prototypical Design Prepared in 2017

On November 15, 2016, the District entered into a contract with Fort Worth based VLK Architects ("VLK") to design a new elementary school for approximately 800 students.⁶³ The elementary school was to be approximately 80,000 to 100,00 square feet in size to include an administrative office, classrooms, kitchen, cafeteria, multi-purpose rooms, restrooms, library, site amenities and related facilities. Under the terms of the contract, VLK would receive compensation equal to 6% of the cost of the work for basic services for new construction of the elementary school. The design documents completed by VLK on May 22, 2018 included an estimated budget of \$30 million for the construction of the new elementary school.⁶⁴

b. Facility Assessment Report

The Facility Assessment Report submitted by the FAC to the Board in August 2017 recommended the construction of two (2) new elementary schools and a new middle school, with an estimated cost of \$105.8 million.⁶⁵ On August 15, 2017, the Board approved the FAC's recommendation to include the construction projects as part of the 2017 Bond Program.⁶⁶ The Facility Assessment Report did not breakout the estimated cost for each school, only the total amount for the three (3) schools combined.

II. Selection of a Construction Manager

a. Request for Proposals

During the Special Board meeting on November 15, 2017, the Board authorized a resolution to allow the Facilities and Planning and Purchasing Departments to prepare and advertise Request for Proposals for Construction Managers for the initial phase of the 2017 Bond Program. On May 30, 2018, the District issued CSP No. 199-0620-1861 requesting sealed submissions for the construction of SISD New Elementary School #30, with submissions due by June 20, 2018.⁶⁷

⁶³ See **Exhibit B.1**

⁶⁴ See **Exhibit B.2**

⁶⁵ See **Exhibit B.3**

⁶⁶ On November 7, 2017, the \$448.5 million bond proposition was approved by the voters by a 60% vote.

⁶⁷ The District's bid notice was published in the El Paso Times newspaper on May 30, 2018 and June 6, 2018.

b. Evaluation of Proposals

The District received proposals from three (3) firms, which were opened on June 20, 2018. On June 21, 2018, the proposals were evaluated by a three-member evaluation committee based on the criteria outlined in the bidding documents.⁶⁸ The evaluation committee ranked Banes General Contractors, Inc. ("Banes") as the highest ranked firm, with an average score of 98.67 out of 100 points.⁶⁹ Banes also submitted the lowest price of the three (3) proposals with a base proposal price of \$27,369,800, as summarized below.

Scope Description	Banes	Dantex	Urban Associates
Base Proposal (includes allowances and contingencies)	\$27,369,800	\$29,714,000	\$28,298,000
Alternate No. 1: for substantial completion by June 10, 2019	\$590,000	\$528,000	\$654,000
Alternate No. 2: Booster pump, fire pump and jockey pump	\$105,600	\$94,000	\$100,000
Alternate No. 3: Generator	\$134,600	\$155,000	\$130,000
Alternate No. 4: Lighting protection system	\$92,700	\$147,000	\$89,000
Alternate No. 5: Motorized sliding chain link gate system	\$21,700	\$44,500	\$42,000
Alternate No. 6: Fabric duct socks with graphics	(\$21,800)	(\$18,700)	(\$21,000)
Alternate No. 7: Wall talkers instead of marker boards	\$118,400	\$128,000	\$145,000
Total (with alternates)	\$28,411,000	\$30,791,800	\$29,437,000

c. Construction Contract with Banes

During the Special Board meeting on June 26, 2018, the Board approved the evaluation committee's rankings and recommendation presented by Mr. Eyeington to select Banes as construction manager. The same day, the District executed a contract with Banes for the construction of New Elementary School No. 30 (i.e., Cactus Trails Elementary), with a contract sum of \$27,369,800 (inclusive of owner's contingency and allowances) plus any alternate items approved by the District based on the pricing submitted by Banes.⁷⁰ The date for substantial completion outlined in the contract was June 10, 2019.

d. Payment Applications

Banes submitted 16 payment applications to the District during the October 2018 – September 2020 time period totaling \$26,881,940.⁷¹ A comparison of the actual costs paid to Banes relative to the contract amounts is provided in the table below:

⁶⁸ The rating criteria outlined in the bidding documents was Purchase Price (40 points), Experience and Reputation of Vendor (15 points), Quality of Goods and Services (15 points), Past Relationship (10 points), Safety Record (10 points) and Ability to meet District needs (10 points).

⁶⁹ See **Exhibit B.4**

⁷⁰ See **Exhibit B.5**

⁷¹ On December 15, 2020, the Board accepted the work completed by Banes and authorized the final payment to Banes under the contract.

Scope Description	Contract Amount	Amount Paid	Difference
Base Proposal	\$25,590,300	\$25,590,300	\$0
<i>Allowance 1 – Signage, TA&B Plaque</i>	\$179,500	\$152,538	(\$26,962)
<i>Allowance 2 – Owners Contingency</i>	\$1,500,000	\$443,603	(\$1,056,397)
<i>Allowance 3 – Commissioning Items</i>	\$100,000	\$0	(\$100,000)
Alternate No. 1: for substantial completion by June 10, 2019	\$590,000	\$590,000	\$0
Alternate No. 2: Booster pump, fire pump and jockey pump	\$105,600	\$105,600	\$0
Alternate No. 3: Generator	\$134,600	\$0	(\$134,600)
Alternate No. 4: Lighting protection system	\$92,700	\$0	(\$92,700)
Alternate No. 5: Motorized sliding chain link gate system	\$21,700	\$21,700	\$0
Alternate No. 6: Fabric duct socks with graphics	(\$21,800)	(\$21,800)	\$0
Alternate No. 7: Wall talkers instead of marker boards	\$118,400	\$0	(\$118,400)
Total (with alternates)	\$28,411,000	\$26,881,941	(\$1,529,059)

III. Analysis of Actual Expenditures

Based upon our review of the District's financial records, we identified expenditures for the construction of Cactus Trails Elementary totaling \$32.6 million, which were paid with funds from the 2017 Bond Program (Fund 692). A summary of expenditures by cost category is provided in the table below.

Summary of Actual Expenditures (as of 3/31/2023): Cactus Trails Elementary							
Vendor Name	Expenditures by Fiscal Year						Total
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
Construction Manager							
Banes General Contractors Inc.	\$ -	\$ 20,827,565	\$ 5,876,705	\$ 262,841	\$ -	\$ -	\$ 26,967,111
Subtotal	\$ -	\$ 20,827,565	\$ 5,876,705	\$ 262,841	\$ -	\$ -	\$ 26,967,111
Architectural/Engineering							
VLK Architects Inc.	\$ 866,432	\$ 233,485	\$ 190,161	\$ 99,372	\$ -	\$ -	\$ 1,389,450
Bath Group Inc.	-	42,641	88,725	10,584	-	-	141,950
Amec Foster Wheeler	36,145	34,750	24,516	-	-	-	95,411
Subtotal	\$ 902,577	\$ 310,876	\$ 303,402	\$ 109,956	\$ -	\$ -	\$ 1,626,811
Furniture, Fixtures & Equipment							
Howell Business Services	\$ -	\$ -	\$ 349,267	\$ 387	\$ -	\$ -	\$ 349,654
Virco MFG. Corp.	-	-	320,572	-	-	-	320,572
School Specialty Inc.	-	-	49,187	-	-	-	49,187
Lakeshore Equipment Company	-	27,192	920	-	-	-	28,111
School Health Corporation	-	4,004	16,618	-	-	-	20,622
Home Depot	-	-	17,927	-	-	-	17,927
DEMCO Inc.	-	-	14,715	-	-	-	14,715
Complete Reprographics	4,291	-	-	-	-	-	4,291
William V. MacGill & Co.	-	2,770	-	-	-	-	2,770
Staples	-	-	1,679	-	-	-	1,679
Office Depot - Business Services Division	-	548	-	-	-	-	548
Subtotal	\$ 4,291	\$ 34,513	\$ 770,885	\$ 387	\$ -	\$ -	\$ 810,076
Utilities							
El Paso Water Utilities	\$ -	\$ 164,303	\$ -	\$ -	\$ -	\$ -	\$ 164,303
Subtotal	\$ -	\$ 164,303	\$ -	\$ -	\$ -	\$ -	\$ 164,303
Land							
Lone Star Title Company of El Paso	\$ 3,064,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,064,616
Subtotal	\$ 3,064,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,064,616
Grand Total	\$ 3,971,483	\$ 21,337,258	\$ 6,950,992	\$ 373,184	\$ -	\$ -	\$ 32,632,917

IV. Summary of Findings

a. Commencement of Project Delayed 35 Days Due to Building Permit

While the District provided Banes the executed contract and Notice to Proceed on June 27, 2018, the District did not receive a building permit from the City of El Paso until August 1, 2018 due to design comments from the City that needed to be resolved.⁷² As a result, the start date for Banes to begin construction was delayed 35 days from June 27, 2018 to August 1, 2018.

b. Date of Substantial Completion Revised from June 10, 2019 to July 12, 2019

The District's contract with Banes included an increase to the contract amount by \$590,000 if Banes could meet a substantial completion date of June 10, 2019, as included in Alternate Item No. 1 (base package included a substantial completion date of July 8, 2019). Based on discussions with District personnel, Alternate Item No. 1 was included in the contract because the earlier date of substantial completion required Banes to incur additional costs for overtime and extra personnel to meet the earlier timeline.⁷³ It is our understanding that Banes met with the District to discuss changes to the substantial completion date referenced in the contract due to the delay in being able to start construction as a result of the building permit not being issued until August 1, 2018. According to Banes' President, John Panahi ("Mr. Panahi"), Mr. Eyeington agreed to change the substantial completion date for Alternate Item No.1 from June 10, 2019 to July 12, 2019, which was reflected in the payment applications submitted by Banes and authorized by the District.⁷⁴

c. Certificate of Substantial Completion Issued on July 19, 2019

During the January 2019 – August 2019 time period, the District paid Banes \$590,000 for Alternate Item No. 1 (i.e., substantial completion by July 12, 2019).⁷⁵ Based on our review of the Certificate of Substantial Completion, the project architect determined that construction was sufficiently complete in accordance with Banes' contract as of July 19, 2019.^{76,77} On July 20, 2019, the District authorized Change Order 1 to decrease the contract amount by approximately \$1.2 million to credit back unused contingency amounts,

⁷² See **Exhibit B.6**

⁷³ We were also informed by personnel from the District's Facilities and Construction Department that the earlier completion date required additional work to obtain occupancy due to issues related to the City of El Paso Inspection Department.

⁷⁴ The date of substantial completion for Alternate Item No. 1 referenced in each payment application was July 12, 2019.

⁷⁵ The District made the first payment for Alternate Item No. 1 in January 2019 as part of payment application 3, with subsequent payments each month until August 2019 (payment application 10) for a total of \$590,000.

⁷⁶ See **Exhibit B.7**

⁷⁷ Based on the General Conditions of the Contract for Construction (AIA Document A201-2007) under Section 9.8.4, "When the work or designated portion thereof is substantially complete, the Architect will prepare, sign and issue Owner's Certificate of Substantial Completion that shall establish the date of Substantial Completion..."

as well as change the substantial completion date from July 12, 2019 to July 20, 2019.⁷⁸ While the contractual substantial completion date was revised retroactively (i.e., after the certificate was issued), the revision was approved by all parties, including the District, Banes and VLK. It is our understanding that the basis for approval was that the District received a Temporary Certificate of Occupancy on June 21, 2019 for the District to move furniture in earlier than anticipated, which allowed the District to open the new school on July 29, 2019, in time for the new school year.

d. Project Completed Under Budget

The budgeted cost estimated provided by VLK in their design documents completed in May 2018 was \$30 million for the construction of Cactus Trails Elementary. Based on our review of the District's financial records, the actual construction costs for Cactus Trails Elementary (including soft costs and FF&E) were \$29.6 million.

⁷⁸ See **Exhibit B.8**

C. Montwood High School Improvements

I. Background

During the Special Board meeting on August 9, 2017, the Board reviewed the Proposed Facility Assessment Report submitted by the Facilities Advisory Committee, which recommended a budget of \$615.5 million for the 2017 Bond Program. The Facility Assessment Report included costs for improvements at Montwood High School, with an estimated cost of \$56.6 million. During the Board meeting on August 15, 2017, the Board approved a revised Facility Assessment Report with a reduced cost of \$448.5 million for the 2017 Bond Program, including a reduced cost estimate of \$40.3 million for the improvements at Montwood High School.⁷⁹ A summary of the proposed improvements for Montwood High School as outlined in the Facility Assessment Report is provided in the table below.⁸⁰

Improvement Category	Description of Improvement
Safety & Security	<ul style="list-style-type: none"> Secured Entrance Security Station at Reception Area Accessibility Upgrades
Exterior Improvements	<ul style="list-style-type: none"> Main Entrance Additional parking as required Lights at Baseball & Softball Fields
Interior Enhancement	<ul style="list-style-type: none"> Convert existing space to larger science/lab classrooms Convert substandard classrooms to larger classrooms Convert existing space to new programs for Career & Technology Renovate/enlarge auditorium Plumbing and Electrical Upgrades
Building Additions	<ul style="list-style-type: none"> To accommodate Fine Arts To accommodate Career & Technology Enlarge existing cafeteria & kitchen area to accommodate enrollment
Mechanical System	<ul style="list-style-type: none"> Upgrade building mechanical system and energy management system

⁷⁹ On November 7, 2017, the \$448.5 million bond proposition was approved by the voters by a 60% vote.

⁸⁰ The Facility Assessment Report included improvements and renovations for Montwood High School based on a comparison to Pebble Hills High School.

II. Selection of Architect

a. Request for Qualifications

During the Special Board meeting on November 15, 2017, the Board authorized a resolution to allow the Facilities and Planning and Purchasing Departments to prepare and advertise a Request for Qualifications (“RFQ”) for professional services (e.g., architect and design services) for the initial phase of the 2017 Bond Program. On January 23, 2018, the District issued RFQ No. 199-0206-E1837 requesting sealed submissions for architectural professional services for improvements at Montwood High School, El Dorado High School and Americas High School, with a firm to be selected for each project.⁸¹

b. Evaluation of Proposals

The District received proposals from 16 architectural firms, which were opened on February 6, 2018. On February 12, 2018, the proposals were evaluated by a five-member evaluation committee based on the criteria outlined in the bidding documents.⁸² The evaluation committee ranked MNK Architects, Inc. (“MNK”) as the highest ranked firm, with an average score of 93.8 out of 100 points.⁸³ The ranking of all 16 proposals is summarized in the table below.

Architectural Firm	Rank	Average Score
MNK Architects, Inc.	1	93.8
VLK Architects, Inc.	2	93.2
PSRBB Architects Commercial Group, Inc.	3	92.4
Mijares-Mora Architects, Inc.	4	91.8
Carl Daniel Architects/Pfluger	5	90.6
Wright & Dalbin Architects	6	86.8
New Republic Architects	7	85.4
GA Architecture, Inc.	8	84.8
Huitt-Zollars, Inc.	9	84.4
Parkhill, Smith & Cooper, Inc.	10	83.8
In*Situ Architecture PLLC	11	75.4
EXIGO (ACM Designs, LLC)	11	75.4
Dekker/Perich/Sabatini	13	71.8
PBK Architects, Inc.	13	71.8
Munoz & Company	15	69.4
Vigil & Associates Architectural Group, P.C.	16	67.6

⁸¹ The District’s bid notice was published in the El Paso Times newspaper on January 23, 2018 and January 30, 2018, with submissions due by February 6, 2018.

⁸² The five-member evaluation committee was comprised of Samuel Garcia (Director of Purchasing), Tony Reza (Chief Financial Officer), Gabriel Crespo (Director of Facilities), David Carrasco (Director of M&O), and Thomas Eyeington (Chief Operations Officer).

⁸³ See **Exhibit C.1**

During the Board meeting on February 20, 2018 the Board approved the evaluation committee's recommendation as presented by Mr. Eyeington to select the firm ranked highest by the evaluation committee, MNK, as the architect for the improvements at Montwood High School.

c. Contract with MNK

On March 27, 2018 the District entered into a contract with MNK to provide architectural services for improvements at Montwood High School.⁸⁴ Under the terms of the contract, MNK would receive compensation equal to 7.25% of the cost of the work for basic services for new construction on the project. The Board approved the contract and fee for MNK during the Regular Board meeting on March 27, 2018. The contract with MNK included an estimated budget of \$30 million for the total costs to construct all elements of the improvements to Montwood High School, excluding the compensation paid to MNK.

III. Selection of a Construction Manager at Risk

a. Request for Proposals

During the Regular Board meeting on January 16, 2018, the Board authorized a resolution to prepare and advertise Request for Proposals for Construction Management at Risk for Phase II of the 2017 Bond Program. On January 23, 2018, the District issued RFP No. 199-0206-E1838 requesting proposals for Construction Management at Risk Services for the improvements at Montwood High School, El Dorado High School and Americas High School.⁸⁵

b. Evaluation of Proposals

The District received proposals from five (5) firms, which were opened on February 6, 2018. On February 12, 2018, the proposals were evaluated by a five-member evaluation committee based on the criteria outlined in the bidding documents.^{86,87} The evaluation committee ranked Buford-Thompson Company ("Buford-Thompson") as the highest ranked firm, with an average score of 98 out of 100 points.⁸⁸ Buford-

⁸⁴ See **Exhibit C.2**

⁸⁵ The District's bid notice was published in the El Paso Times newspaper on January 23, 2018 and January 30, 2018 with submissions due by February 6, 2018.

⁸⁶ The rating criteria outlined in the bidding documents was Experience (20 points), Project Management and Scheduling (15 points), Fee Schedule (15 points), Past Performance (15 points), Qualifications of Assigned Personnel (10 points), Safety Record (5 points), Reference (5 points), Return of Savings (5 points), Bonding Capacity (5 points), and Local Presence (5 points).

⁸⁷ The evaluation committee consisted of Samuel Garcia (Director of Purchasing), Gabriel Crespo (Director of Facilities), David Carrasco (Director of M&O), Thomas Eyeington (Chief Operations Officer), and Tony Reza (Chief Financial Officer).

⁸⁸ See **Exhibit C.3**

Thompson also submitted the lowest price of the five (5) proposals with a total fee of \$1,595,327, as summarized below.

Scoring Criteria	Banes	Buford Thompson	Dantex	HB Construct.	Jordan Foster
Experience: 20%	20	20	20	18	18
Project Management and Scheduling: 15%	10	14	14	11	12
Fee Schedule: 15%	10.57	15.00	11.88	12.05	7.92
Past Performance: 15%	12	14	12	0	10
Qualifications of Assigned Personnel: 10%	10	10	10	8	8
Safety Record: 5%	3	5	3	3	4
References: 5%	5	5	5	3	5
Return of Savings: 5%	5	5	5	5	5
Bonding Capacity: 5%	5	5	5	5	5
Local Presence: 5%	5	5	5	5	5
Total	85.6	98.0	90.9	70.05	79.9
Fee Schedule:					
<i>Pre Construction Fee</i>	\$20,000	\$30,000	\$25,000	\$10,000	\$30,000
<i>Construction Fee</i>	\$780,000	\$690,000	\$975,000	\$600,000	\$825,000
<i>General Conditions Fee</i>	\$1,464,336	\$875,327	\$828,678	\$1,280,757	\$2,167,459
<i>Other Fees:</i>	\$0	\$0	\$185,034	\$0	\$0
Total Fee	\$2,264,336	\$1,595,327	\$2,013,712	\$1,890,757	\$3,022,459

During the February 20, 2018 Board Meeting, the Board approved a resolution to move the discussion into Executive Session for the selection of Construction Managers at Risk for the improvements at Montwood High School, El Dorado High School and Americas High School. Following discussion in Executive Session, the Board selected the highest ranked firm Buford-Thompson as the construction manager for the improvements at Montwood High School, which was the largest of the three (3) improvement projects based on estimated cost.⁸⁹

c. Board Approval of General Conditions Contract with Buford-Thompson

During the Regular Board meeting on March 27, 2018, the Board approved a contract with Buford-Thompson for Construction Manager at Risk for the improvements at Montwood High School, with a fee of \$1,595,327. The same day, the District executed a contract with Buford-Thompson for the general conditions of the improvements at Montwood High School.⁹⁰

⁸⁹ The Board selected the second highest ranked firm Dantex as the construction manager for the improvements at El Dorado High School, which was the next largest improvements project. The Board selected the third highest ranked firm Banes as the construction manager for the improvements at Americas High School.

⁹⁰ See **Exhibit C.4**

d. Board Approval of Guaranteed Maximum Price (GMP)

On January 16, 2019, the District executed Amendment No. 1 to the contract with Buford-Thompson to establish a Guaranteed Maximum Price ("GMP") of \$1,173,502 for the Sports Lighting Package scope of work related to the improvements at Montwood High School.⁹¹ On September 17, 2019, the District executed Amendment No. 2 to the contract with Buford-Thompson with a GMP amount of \$32,885,449 for the primary improvements at Montwood High School (excluding the Sports Lighting Package).^{92,93} The combined GMP total for the improvements at Montwood High School and the Sports Lighting Package was \$34,058,951.

e. Buford-Thompson Payment Applications (Primary Scope of Work)

Buford-Thompson submitted 31 payment applications to the District during the January 2020 – November 2022 time period totaling \$30,896,547. During the Board meeting on January 17, 2023, the Board accepted the work performed by Buford-Thompson for improvements at Montwood High School and authorized final payment under the contract. The final cost for improvements at Montwood High School of \$30.9 million were approximately \$2 million less than the GMP amount of \$32.9 million as a result of buyout savings and unused contingency amounts. On December 15, 2022, the District approved a deductive change order of \$1,988,902 to credit back savings related to buyout and unused contingency.⁹⁴

f. Buford-Thompson Payment Applications (Sports Lighting Package)

Buford-Thompson completed the Sports Lighting Package for the improvements at Montwood High School in December 2019. Based on our review of the six (6) payment applications submitted by Buford-Thompson and the District's check register, the final cost for construction of the Sports Lighting Package was \$986,343, which was approximately \$187,000 less than the GMP amount of \$1,173,502.

g. Additional Payments to Buford-Thompson for Reimbursements

In addition to payments to Buford-Thompson for payment applications associated with construction costs for improvements, we identified seven (7) payments to Buford-Thompson for reimbursement of fees incurred totaling \$69,250. A summary of reimbursement payments to Buford-Thompson is provided in the table below.

⁹¹ See **Exhibit C.5**

⁹² See **Exhibit C.6**

⁹³ The date of substantial completion included in the contract was September 1, 2021. The actual date of substantial completion was September 27, 2021.

⁹⁴ See **Exhibit C.7**

Invoice Date	Check No.	PO Line Description	Amount
1/22/2020	101107	Reimbursement building permit fees (58,000 SF Auditorium & Fine Arts addition to Montwood High School).	\$35,391.72
1/22/2020	101107	Reimbursement building permit fees (Partial renovation of the existing facilities & Black Box).	\$9,813.91
1/22/2020	101107	Reimbursement grading permit fees	\$1,372.65
3/19/2020	102807	Reimbursement for New building permit	\$580.51
8/31/2020	106250	Reimbursement for the installation of 4" domestic water and 8" fire line at Montwood High School Improvement Project.	\$21,160.00
9/15/2020	106695	Reimbursement for Food Service CHP Permit	\$79.54
5/20/2021	110889	Reimbursement for grading permit fee	\$851.53
Total			\$69,249.86

IV. Analysis of Actual Expenditures

Based upon our review of the District's financial records, we identified expenditures for the improvements at Montwood High School totaling \$35.0 million, which were paid with funds from the 2017 Bond Program (Fund 692). A summary of expenditures by cost category is provided in the table below.

Summary of Actual Expenditures (as of 3/31/2023): Montwood High School							
Vendor Name	Expenditures by Fiscal Year						Total
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
Construction Manager							
Buford-Thompson Co. - GMP	\$ -	\$ -	\$ 6,825,768	\$ 18,238,099	\$ 5,193,976	\$ 638,704	\$ 30,896,547
Buford-Thompson Co. - Field Lighting	-	-	986,343	-	-	-	986,343
Buford-Thompson Co. - Reimbursements	-	-	47,159	22,091	-	-	69,250
Subtotal	\$ -	\$ -	\$ 7,859,269	\$ 18,260,190	\$ 5,193,976	\$ 638,704	\$ 31,952,139
Architectural/Engineering							
MNK Architects	\$ 21,750	\$ 793,432	\$ 1,047,768	\$ 286,987	\$ 119,647	\$ 144,898	\$ 2,414,482
CQC Testing and Engineering Inc.	-	22,950	2,550	47,349	1,769	10,197	84,815
Huitt-Zollars Inc.	-	31,935	-	-	-	-	31,935
Subtotal	\$ 21,750	\$ 848,317	\$ 1,050,318	\$ 334,336	\$ 121,416	\$ 155,095	\$ 2,531,231
Furniture, Fixtures & Equipment							
The EDU-Source Corporation	\$ -	\$ -	\$ -	\$ 292,461	\$ -	\$ -	\$ 292,461
Virco MFG. Corp.	-	-	-	-	107,715	-	107,715
Home Depot	-	-	-	24,551	167	-	24,718
Howell Business Services	-	-	-	17,723	-	-	17,723
Wenger Corporation	-	-	-	-	17,488	-	17,488
Guitar Center Stores Inc.	-	-	-	8,960	-	-	8,960
Best Buy Stores LP.	-	-	-	-	7,557	-	7,557
Redgear LLC	-	-	-	6,890	-	-	6,890
Complete Reprographics	-	275	3,098	176	-	21	3,571
Subtotal	\$ -	\$ 275	\$ 3,098	\$ 350,762	\$ 132,927	\$ 21	\$ 487,083
Utilities							
El Paso Electric Co.	\$ -	\$ 43,475	\$ -	\$ -	\$ -	\$ -	\$ 43,475
City of El Paso, Texas	-	4,188	-	-	-	-	4,188
Subtotal	\$ -	\$ 47,663	\$ -	\$ -	\$ -	\$ -	\$ 47,663
Grand Total	\$ 21,750	\$ 896,255	\$ 8,912,685	\$ 18,945,287	\$ 5,448,318	\$ 793,820	\$ 35,018,116

V. Summary of Findings

a. Project Completed Under Budget

The budget for improvements at Montwood High School was \$40.3 million based on the 2017 Facility Assessment Report approved by the Board in August 2017. We determined that actual expenditures for improvements at Montwood High School totaled \$35.0 million, which was approximately \$5.3 million less than the original budget.

b. Relationship Between Mr. Eyeington and Buford-Thompson's President

As described previously in Section A of this Report, based on our interview of Mr. Eyeington and our review of email communications obtained from Mr. Eyeington's email account with the District, we determined that the President of Buford-Thompson, Sammy Martin ("Mr. Martin"), joined as a member of Mr. Eyeington's hunting lease in or around January 2019. As a member of the hunting lease, Mr. Martin was obligated to pay \$4,500 to Mr. Eyeington each year for his portion of the cost of the hunting lease, in addition to his portion of additional miscellaneous expenses. While the timing of Mr. Martin joining the hunting lease in January 2019 occurred after the District had already selected Buford-Thompson as the Construction Manager at Risk for the improvements at Montwood High School in February 2018, the District did not negotiate GMP amounts until 2019. As such, GMP contract negotiations between Mr. Martin and Mr. Eyeington would have occurred shortly after Mr. Martin joined as a member of Mr. Eyeington's hunting lease, which raises concerns of a potential conflict of interest.

D. Americas High School Improvements

I. Background

During the Special Board meeting on August 9, 2017, the Board reviewed the Proposed Facility Assessment Report submitted by the Facilities Advisory Committee, which recommended a budget of \$615.5 million for the 2017 Bond Program. The Facility Assessment Report included costs for improvements at Americas High School, with an estimated cost of \$43.8 million. During the Board meeting on August 15, 2017, the Board approved a revised Facility Assessment Report with a reduced cost of \$448.5 million for the 2017 Bond Program, including a reduced cost estimate of \$25.1 million for the improvements at Americas High School.⁹⁵ A summary of the proposed improvements for Americas High School as outlined in the Facility Assessment Report is provided in the table below.⁹⁶

Improvement Category	Description of Improvement
Safety & Security	<ul style="list-style-type: none"> • Secure all exterior doors • Fencing at Baseball Field Area • Accessibility Upgrades
Exterior Improvements	<ul style="list-style-type: none"> • Seal building envelope • Additional parking as required • Lights at Baseball & Softball Fields
Interior Enhancement	<ul style="list-style-type: none"> • Convert existing space to larger Combo Science/Lab classrooms • Convert existing space to new Career & Technology programs • Convert existing space for the Fine Arts and associated program spaces • Plumbing and Electrical Upgrades
Building Additions	<ul style="list-style-type: none"> • To accommodate Fine Arts • To accommodate Career & Technology Programs • Enlarge Cafeteria to meet enrollment
Mechanical System	<ul style="list-style-type: none"> • Upgrade building energy management system

⁹⁵ On November 7, 2017, the \$448.5 million bond proposition was approved by the voters by a 60% vote.

⁹⁶ The Facility Assessment Report included improvements and renovations for Americas High School based on a comparison to Pebble Hills High School.

II. Selection of Architect

a. Request for Qualifications

During the Special Board meeting on November 15, 2017, the Board authorized a resolution to allow the Facilities and Planning and Purchasing Departments to prepare and advertise a Request for Qualifications (“RFQ”) for professional services (e.g., architect and design services) for the initial phase of the 2017 Bond Program. On January 23, 2018 the District issued RFQ No. 199-0206-E1837 requesting sealed submissions for architectural professional services for improvements at Montwood High School, El Dorado High School and Americas High School, with a firm to be selected for each project.⁹⁷

b. Evaluation of Proposals

The District received proposals from 16 firms, which were opened on February 6, 2018. On February 12, 2018, the proposals were evaluated by a five-member evaluation committee based on the criteria outlined in the bidding documents.⁹⁸ The evaluation committee ranked MNK Architects, Inc. (“MNK”) as the highest ranked firm, with an average score of 93.8 out of 100 points.⁹⁹ The ranking of all 16 proposals is summarized in the table below.

Architectural Firm	Rank	Average Score
MNK Architects, Inc.	1	93.8
VLK Architects, Inc.	2	93.2
PSRBB Architects Commercial Group, Inc.	3	92.4
Mijares-Mora Architects, Inc.	4	91.8
Carl Daniel Architects/Pfluger	5	90.6
Wright & Dalbin Architects	6	86.8
New Republic Architects	7	85.4
GA Architecture, Inc.	8	84.8
Huitt-Zollars, Inc.	9	84.4
Parkhill, Smith & Cooper, Inc.	10	83.8
In*Situ Architecture PLLC	11	75.4
EXIGO (ACM Designs, LLC)	11	75.4
Dekker/Perich/Sabatini	13	71.8
PBK Architects, Inc.	13	71.8
Munoz & Company	15	69.4
Vigil & Associates Architectural Group, P.C.	16	67.6

While the evaluation committee ranked MNK as the highest ranked architectural firm, during the Board meeting on February 20, 2018 the Board approved Mr. Eyeington’s recommendation to select Carl Daniel

⁹⁷ The District’s bid notice was published in the El Paso Times newspaper on January 23, 2018 and January 30, 2018, with submissions due by February 6, 2018.

⁹⁸ The five-member evaluation committee was comprised of Samuel Garcia (Director of Purchasing), Tony Reza (Chief Financial Officer), Gabriel Crespo (Director of Facilities), David Carrasco (Director of M&O), and Thomas Eyeington (Chief Operations Officer).

⁹⁹ See **Exhibit D.1**

Architects/Pfluger (“CDA Architects”) as the architect for the improvements at Americas High School. It is our understanding that the Board selected CDA Architects for the improvements project at Americas High School because the top four (4) ranked firms were already selected as the architect for other projects.^{100,101}

c. Contract with CDA Architects

On March 27, 2018 the District entered into a contract with CDA Architects to provide architectural services for improvements at Americas High School.¹⁰² Under the terms of the contract, CDA Architects would receive compensation equal to 7.5% of the cost of the work for basic services for new construction on the project. The Board approved the contract and fee for CDA Architects during the Regular Board meeting on March 27, 2018. The contract with CDA Architects included an estimated budget of \$20 million for the total cost to construct all elements of the improvements to Americas High School, excluding the compensation paid to CDA Architects.

III. Selection of a Construction Manager at Risk

a. Request for Proposals

During the Regular Board meeting on January 16, 2018, the Board authorized a resolution to prepare and advertise Request for Proposals for Construction Management at Risk for Phase II of the 2017 Bond Program. On January 23, 2018, the District issued RFP No. 199-0206-E1838 requesting proposals for Construction Management at Risk Services for the improvements at Montwood High School, El Dorado High School and Americas High School.¹⁰³

b. Evaluation of Proposals

The District received proposals from five (5) firms, which were opened on February 6, 2018. On February 12, 2018, the proposals were evaluated by a five-member evaluation committee based on the criteria

¹⁰⁰ MNK was selected as the architect for the improvements at Montwood High School and PSRBB was selected as the architect for the improvements at El Dorado High School. VLK was previously selected as the architect for the construction of Cactus Trails Elementary and the reconstruction of Socorro High School and Mijares-Mora Architects was selected as the architect for the construction of Eastlake Middle School.

¹⁰¹ Under Board Policy CVA (Local), it is the goal of the District that major projects over \$1 million be spread so that numerous firms have the opportunity to provide services and work for the District, which provides the best value for the District so that all work is not at risk with one vendor.

¹⁰² See **Exhibit D.2**

¹⁰³ The District's bid notice was published in the El Paso Times newspaper on January 23, 2018 and January 30, 2018, with submissions due by February 6, 2018.

outlined in the bidding documents.^{104,105} The evaluation committee ranked Buford-Thompson Company ("Buford-Thompson") as the highest ranked firm, with an average score of 98 out of 100 points, with Dantex General Contractors ("Dantex") ranked second with an average score of 90.1 and Banes General Contractors, Inc. ("Banes") ranked third with an average score of 89.6.¹⁰⁶ A summary of the average scores for each firm based on the evaluations of the five-member committee is provided in the table below, including a breakout of scores for each scoring criteria.

Scoring Criteria	Banes	Buford Thompson	Dantex	HB Construct.	Jordan Foster
Experience: 20%	20	20	20	18	18
Project Management and Scheduling: 15%	12	14	13	11	12
Fee Schedule: 15%	10.63	15.00	11.78	13.07	8.22
Past Performance: 15%	14	14	13	11	12
Qualifications of Assigned Personnel: 10%	10	10	10	8	8
Safety Record: 5%	3	5	3	3	4
References: 5%	5	5	5	5	5
Return of Savings: 5%	5	5	5	5	5
Bonding Capacity: 5%	5	5	5	5	5
Local Presence: 5%	5	5	5	5	5
Total	89.6	98.0	90.8	73.1	80.2
Fee Schedule:					
<i>Pre Construction Fee</i>	\$20,000	\$20,000	\$25,000	\$10,000	\$25,000
<i>Construction Fee</i>	\$570,000	\$520,000	\$650,000	\$400,000	\$590,000
<i>General Conditions Fee</i>	\$1,184,932	\$718,138	\$803,928	\$965,368	\$1,681,441
<i>Other Fees:</i>	\$0	\$0	\$123,321	\$0	\$0
Total Fee	\$1,774,932	\$1,258,138	\$1,602,249	\$1,375,368	\$2,296,441

During the February 20, 2018 Board Meeting, the Board approved a resolution to move discussion into Executive Session for the selection of Construction Managers at Risk for the improvements at Montwood High School, El Dorado High School and Americas High School. Following the discussion, the Board selected the highest ranked firm Buford-Thompson as the construction manager for the improvements at Montwood High School, which was the largest of the three (3) improvement projects based on estimated cost. The Board selected the second highest ranked firm Dantex as the construction manager for the improvements at El Dorado High School, which was the next largest improvements project. Finally, the Board selected the third highest ranked firm Banes as the construction manager for the improvements at Americas High School.

¹⁰⁴ The rating criteria outlined in the bidding documents was Experience (20 points), Project Management and Scheduling (15 points), Fee Schedule (15 points), Past Performance (15 points), Qualifications of Assigned Personnel (10 points), Safety Record (5 points), Reference (5 points), Return of Savings (5 points), Bonding Capacity (5 points), and Local Presence (5 points).

¹⁰⁵ The evaluation committee consisted of Samuel Garcia (Director of Purchasing), Gabriel Crespo (Director of Facilities), David Carrasco (Director of M&O), Thomas Eyeington (Chief Operations Officer), and Tony Reza (Chief Financial Officer).

¹⁰⁶ See **Exhibit D.3**

c. Board Approval of General Conditions Contract with Banes

During the Regular Board meeting on March 27, 2018, the Board approved a contract with Banes for Construction Manager at Risk for the improvements at Americas High School, with a fee of \$1,734,932 (which was \$40,000 less than the fee included in the proposal submitted by Banes).¹⁰⁷ The same day, the District executed a contract with Banes for the general conditions of the improvements at Americas High School.¹⁰⁸

d. Board Approval of Guaranteed Maximum Price (GMP)

On October 1, 2019, the District executed Amendment No. 1 to the contract with Banes to establish a Guaranteed Maximum Price ("GMP") of \$877,980 for the Sports Lighting Package scope of work related to the improvements at Americas High School.¹⁰⁹ On February 7, 2020, approximately two (2) years after execution of the general conditions contract, Banes submitted a proposed GMP to the District of \$21,895,897 for the improvements at Americas High School. During the Board meeting on February 18, 2020, Mr. Eyeington recommended the proposed GMP submitted by Banes of \$21,895,897, which was unanimously approved by the Board. The same day, the District executed Amendment No. 2 to their contract with Banes to incorporate the GMP amount approved by the Board of \$21,895,897, which included the estimated cost of the work, the fee paid to the construction manager of \$1,734,932, general conditions, insurance, bonds and owner's contingency in the amount of \$500,000.¹¹⁰ The District provided Banes with a Notice to Proceed for the initial phases of the improvements at Americas High School on May 4, 2020, with a date of substantial completion of May 4, 2022 per the contract amendment executed on February 18, 2020.

e. Payment Applications

Banes submitted 22 payment applications to the District during the May 2020 – October 2022 time period totaling \$20,829,876 related to the primary improvements at Americas High School.¹¹¹ During the Board meeting on December 13, 2022, the Board accepted the work completed by Banes and authorized payment of the final payment application. The final construction costs of \$20.8 million was approximately \$1.1 million less than the GMP amount of \$21.9 million due to buyout savings and unused contingency amounts. On April 14, 2022, the District authorized a deductive change order for \$1.4 million to credit savings back to the District. A summary of the final amount paid to Banes after change orders for the improvements at Americas High School is provided in the table below.

¹⁰⁷ The construction phase fee was decreased by 2.65% which reduced the fees by \$40,000 resulting in a fee of \$1,734,932.

¹⁰⁸ See **Exhibit D.4**

¹⁰⁹ See **Exhibit D.5**

¹¹⁰ See **Exhibit D.6**

¹¹¹ The project was certified as being substantially complete on January 20, 2022, which was earlier than the substantial completion date included in the District's contract with Banes of May 4, 2022.

Scope Description	Amount
Guaranteed Maximum Price (GMP)	\$21,895,897
Plus: Change Order No. 1 (approved 9/21/2021) – Cafeteria Furniture and Graphics	\$377,978
Less: Change Order No. 2 (approved 4/12/2022) – Buyout Savings and Owner's Contingency	(\$1,443,999)
Final Amount After Change Orders	\$20,829,876

IV. Analysis of Actual Expenditures

Based upon our review of the District's financial records, we identified expenditures for the improvements at Americas High School totaling \$23.7 million, which were paid with funds from the 2017 Bond Program (Fund 692). A summary of expenditures by cost category is provided in the table below.

Summary of Actual Expenditures (as of 3/31/2023): Americas High School							
Vendor Name	Expenditures by Fiscal Year						Total
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
Construction Manager							
Banes General Contractors Inc. - GMP	\$ -	\$ -	\$ 350,809	\$ 15,613,255	\$ 4,699,676	\$ 166,136	\$ 20,829,876
Banes General Contractors Inc. - Field Lighting	-	-	695,917	-	-	-	695,917
Banes General Contractors Inc. - Reimbursements	-	-	60,087	-	-	-	60,087
Subtotal	\$ -	\$ -	\$ 1,106,813	\$ 15,613,255	\$ 4,699,676	\$ 166,136	\$ 21,585,880
Architectural/Engineering							
Carl Daniel Architects	\$ -	\$ 203,658	\$ 1,003,000	\$ 448,210	\$ 172,299	\$ -	\$ 1,827,168
Professional Services Industries Inc.	-	13,940	-	74,523	6,034	-	94,497
Huitt-Zollars Inc.	-	34,173	-	-	-	-	34,173
Subtotal	\$ -	\$ 251,771	\$ 1,003,000	\$ 522,733	\$ 178,333	\$ -	\$ 1,955,837
Furniture, Fixtures & Equipment							
Virco MFG. Corp.	\$ -	\$ -	\$ -	\$ -	\$ 56,216	\$ -	\$ 56,216
Wenger Corporation	-	-	-	-	42,229	-	42,229
Howell Business Services	-	-	-	3,696	26,331	-	30,027
Home Depot	-	-	-	3,548	2,402	21,911	27,861
Guitar Center Stores Inc.	-	-	-	-	13,440	-	13,440
Redgear LLC	-	-	-	2,618	-	-	2,618
Complete Reprographics	-	-	1,974	47	-	-	2,021
Subtotal	\$ -	\$ -	\$ 1,974	\$ 9,909	\$ 140,618	\$ 21,911	\$ 174,412
Grand Total	\$ -	\$ 251,771	\$ 2,111,787	\$ 16,145,897	\$ 5,018,626	\$ 188,048	\$ 23,716,129

V. Summary of Findings

a. Project Completed Under Budget

The original budget for improvements at Americas High School was \$25.1 million based on the 2017 Facility Assessment Report approved by the Board in August 2017. We determined that the actual cost incurred by the District for improvements at Americas High School was \$23.7 million, which was approximately \$1.4 million less than the original budget.

b. District Selected the 5th Ranked Architectural Firm

As described previously in this Report, the Board approved the recommendation presented by Mr. Eyeington to select CDA Architects, which was the fifth highest ranked architectural firm out of the 16 firms ranked by the evaluation committee. We were informed that the decision to select the fifth-ranked firm was based on Policy CVA (Local), which states that the goal of the District was to spread work across multiple firms for construction projects over \$1 million.¹¹² While an audio recording of the February 20, 2018 Board meeting was not available, it is our understanding that CDA Architects was recommended to the Board by Mr. Eyeington because the four (4) highest ranked firms had previously been contracted for other projects with the District.^{113,114}

c. District Selected the 3rd Ranked Construction Manager

As described previously in this Report, the Board approved the recommendation to select Banes as the construction manager for improvements at Americas High School even though they were the third-ranked firm and had the second highest fee. It is our understanding that the selection was based on the District's goal to spread work between firms as described under Policy CVA (Local), and the fact that the two (2) highest ranked firms (Buford-Thompson and Dantex) were awarded contracts for the improvements at Montwood High School and El Dorado High School.

¹¹² Under Board Policy CVA (Local), it is the goal of the District that major projects over \$1 million be spread so that numerous firms have the opportunity to provide services and work for the District, which provides the best value for the District so that all work is not at risk with one vendor.

¹¹³ MNK was selected as the architect for the improvements at Montwood High School and PSRBB was selected as the architect for the improvements at El Dorado High School. VLK was previously selected as the architect for the construction of Cactus Trails Elementary and the reconstruction of Socorro High School and Mijares-Mora Architects was selected as the architect for the construction of Eastlake Middle School.

¹¹⁴ The Board approved the recommendation by Mr. Eyeington to select CDA Architects for the improvements at Americas High School during the Board meeting on February 20, 2018. While there was likely discussion between Mr. Eyeington and the Board regarding the recommendation, audio of the discussion was not available (only video).

E. El Dorado High School Improvements

I. Background

During the Special Board meeting on August 9, 2017, the Board reviewed the Proposed Facility Assessment Report submitted by the Facilities Advisory Committee, which recommended a budget of \$615.5 million for the 2017 Bond Program. The Facility Assessment Report included improvements at El Dorado High School, with an estimated cost of \$45.6 million. During the Board meeting on August 15, 2017, the Board approved a revised Facility Assessment Report with a reduced cost of \$448.5 million, including a reduced cost estimate of \$30.3 million for the improvements at El Dorado High School.¹¹⁵ A summary of the proposed improvements for El Dorado High School as outlined in the Facility Assessment Report is provided below.¹¹⁶

Improvement Category	Description of Improvement
Safety & Security	<ul style="list-style-type: none"> • Accessibility Upgrades
Exterior Improvements	<ul style="list-style-type: none"> • Improve drainage around building • Additional parking as required • Secured band practice area • Lights at Baseball & Softball Fields • Roofing Upgrades
Interior Enhancement	<ul style="list-style-type: none"> • Repair and replace aluminum windows • Plumbing and Electrical Upgrades
Building Additions	<ul style="list-style-type: none"> • To accommodate Fine Arts • To accommodate Career & Technology • Enlarge cafeteria to meet enrollment needs
Mechanical System	<ul style="list-style-type: none"> • Replace evaporate cooling • Replace kitchen and Culinary hoods

II. Selection of Architect

a. Request for Qualifications

During the Special Board meeting on November 15, 2017, the Board authorized a resolution to allow the Facilities and Planning and Purchasing Departments to prepare and advertise Request for Qualifications

¹¹⁵ On November 7, 2017, the \$448.5 million bond proposition was approved by the voters by a 60% vote.

¹¹⁶ The Facility Assessment Report included improvements and renovations for El Dorado High School based on a comparison to Pebble Hills High School.

("RFQ") for professional services (e.g., architect and design services) for the initial phase of the 2017 Bond Program. On January 23, 2018 the District issued RFQ No. 199-0206-E1837 requesting sealed submissions for architectural professional services for improvements at Montwood High School, El Dorado High School and Americas High School, with a firm to be selected for each project.¹¹⁷

b. Evaluation of Proposals

The District received proposals from 16 firms, which were opened on February 6, 2018. On February 12, 2018, the proposals were evaluated by a five-member evaluation committee based on the criteria outlined in the bidding documents.¹¹⁸ The evaluation committee ranked MNK Architects, Inc. ("MNK") as the highest ranked firm, with an average score of 93.8 out of 100 points.¹¹⁹ The ranking of all 16 proposals is summarized in the table below.

Architectural Firm	Rank	Average Score
MNK Architects, Inc.	1	93.8
VLK Architects, Inc.	2	93.2
PSRBB Architects Commercial Group, Inc.	3	92.4
Mijares-Mora Architects, Inc.	4	91.8
Carl Daniel Architects/Pfluger	5	90.6
Wright & Dalbin Architects	6	86.8
New Republic Architects	7	85.4
GA Architecture, Inc.	8	84.8
Huitt-Zollars, Inc.	9	84.4
Parkhill, Smith & Cooper, Inc.	10	83.8
In*Situ Architecture PLLC	11	75.4
EXIGO (ACM Designs, LLC)	11	75.4
Dekker/Perich/Sabatini	13	71.8
PBK Architects, Inc.	13	71.8
Munoz & Company	15	69.4
Vigil & Associates Architectural Group, P.C.	16	67.6

While the evaluation committee ranked MNK as the highest ranked architectural firm, during the Board meeting on February 20, 2018 the Board approved the recommendation presented by Mr. Eyeington to select the third-ranked firm, PSRBB Architects Commercial Group, Inc. ("PSRBB") as the architect for the improvements at El Dorado High School. It is our understanding that the Board selected PSRBB for the improvements project at El Dorado High School because the top two (2) ranked firms were previously selected as the architect for other projects with the District.¹²⁰

¹¹⁷ The District's bid notice was published in the El Paso Times newspaper on January 23, 2018 and January 30, 2018, with submissions due by February 6, 2018.

¹¹⁸ The evaluation committee was comprised of Samuel Garcia (Director of Purchasing), Tony Reza (Chief Financial Officer), Gabriel Crespo (Director of Facilities), David Carrasco (Director of M&O), and Thomas Eyeington (Chief Operations Officer).

¹¹⁹ See **Exhibit E.1**

¹²⁰ MNK was selected as the architect for the improvements at Montwood High School and VLK was previously selected as the architect for the construction of Cactus Trails Elementary and the reconstruction of Socorro High School.

c. Contract with PSRBB

On March 27, 2018 the District entered into a contract with PSRBB to provide architectural services for improvements at El Dorado High School.¹²¹ Under the terms of the contract, PSRBB would receive compensation equal to 7.375% of the cost of the work for basic services for new construction on the project. The Board approved the contract and fee for PSRBB during the Regular Board meeting on March 27, 2018. The contract with PSRBB included an estimated budget of \$24 million for the total costs to construct all elements of the improvements to El Dorado High School, excluding the compensation paid to PSRBB.

III. Selection of a Construction Manager at Risk

a. Request for Proposals

During the Regular Board meeting on January 16, 2018, the Board authorized a resolution to prepare and advertise Request for Proposals for Construction Management at Risk for Phase II of the 2017 Bond Program. On January 23, 2018, the District issued RFP No. 199-0206-E1838 requesting proposals for Construction Management at Risk Services for the improvements at Montwood High School, El Dorado High School and Americas High School.¹²²

b. Evaluation of Proposals

The District received proposals from five (5) firms, which were opened on February 6, 2018. On February 12, 2018, the proposals were evaluated by a five-member evaluation committee based on the criteria outlined in the bidding documents.^{123,124} The evaluation committee ranked Buford-Thompson as the highest ranked firm, with an average score of 96 out of 100 points and Dantex Construction, LLC (“Dantex”) as the second highest ranked firm with an average score of 88.6.¹²⁵ A summary of the average scores compiled by the evaluation committee, as well as the proposed fees is provided in the table below.

Scoring Criteria	Banes	Buford Thompson	Dantex	HB Construct.	Jordan Foster
Experience: 20%	19	19	19	19	19
Project Management and Scheduling: 15%	11	14	13	12	12
Fee Schedule: 15%	10.57	15.00	11.60	12.90	7.84
Past Performance: 15%	15	15	14	0	13

¹²¹ See **Exhibit E.2**

¹²² The District’s bid notice was published in the El Paso Times newspaper on January 23, 2018 and January 30, 2018 with submissions due by February 6, 2018.

¹²³ The rating criteria was as follows: Experience (20 points), Project Management and Scheduling (15 points), Fee Schedule (15 points), Past Performance (15 points), Qualifications of Assigned Personnel (10 points), Safety Record (5 points), Reference (5 points), Return of Savings (5 points), Bonding Capacity (5 points), and Local Presence (5 points).

¹²⁴ The evaluation committee consisted of Samuel Garcia (Director of Purchasing), Gabriel Crespo (Director of Facilities), David Carrasco (Director of M&O), Thomas Eyeington (Chief Operations Officer), and Tony Reza (Chief Financial Officer).

¹²⁵ See **Exhibit E.3**

Scoring Criteria	Banes	Buford Thompson	Dantex	HB Construct.	Jordan Foster
Qualifications of Assigned Personnel: 10%	9	9	9	9	9
Safety Record: 5%	3	5	3	3	5
References: 5%	4	4	4	4	4
Return of Savings: 5%	5	5	5	5	5
Bonding Capacity: 5%	5	5	5	5	5
Local Presence: 5%	5	5	5	5	5
Total	86.6	96.0	88.6	74.9	84.8
Fee Schedule:					
<i>Pre Construction Fee</i>	\$20,000	\$24,000	\$25,000	\$10,000	\$28,000
<i>Construction Fee</i>	\$684,000	\$600,000	\$780,000	\$480,000	\$708,000
<i>General Conditions Fee</i>	\$1,238,132	\$744,343	\$816,303	\$1,025,498	\$1,881,896
<i>Other Fees:</i>	\$0	\$0	\$148,006	\$0	\$0
Total Fee	\$1,942,132	\$1,368,343	\$1,769,309	\$1,515,498	\$2,617,896

During the February 20, 2018 Board Meeting, the Board approved a resolution to move discussion into Executive Session for the selection of Construction Managers at Risk for the improvements at Montwood High School, El Dorado High School and Americas High School. Following discussion in Executive Session, the Board selected the highest ranked firm Buford-Thompson as the construction manager for the improvements at Montwood High School, which was the largest of the three (3) improvement projects based on estimated cost. The Board selected the second highest ranked firm Dantex as the construction manager for the improvements at El Dorado High School, which was the next largest improvements project.

c. Board Approval of General Conditions Contract with Dantex

During the Regular Board meeting on March 27, 2018, the Board approved a contract with Dantex for Construction Manager at Risk for the improvements at El Dorado High School, with a fee of \$1,834,793. The same day, the District executed a contract with Dantex for the general conditions of the improvements at El Dorado High School.¹²⁶

d. Board Approval of Guaranteed Maximum Price (GMP)

On May 21, 2019, the District executed Amendment No. 1 to the contract with Dantex to establish a Guaranteed Maximum Price (“GMP”) of \$881,649 for the Sports Lighting Package scope of work related to the improvements at El Dorado High School.¹²⁷ On October 15, 2019, the District executed Amendment No. 2 to the contract with Dantex to include a GMP amount of \$25,094,894 for the primary improvements at El

¹²⁶ See Exhibit E.4

¹²⁷ See Exhibit E.5



Dorado High School (excluding the Sports Lighting Package).¹²⁸ The combined GMP for the improvements at El Dorado High School and the Sports Lighting Package totaled \$25,976,543.

e. Dantex Payment Applications – Primary Scope of Work

Dantex submitted 31 payment applications to the District during the January 2020 – August 2023 time period totaling \$24,937,736 for the primary scope of work. It is our understanding that the Board accepted the work completed by Dantex in October 2023 and approved payment of the final change order. The District authorized a deductive change order for \$157,158 to credit savings back to the District for unused contingency amounts.

IV. Analysis of Actual and Projected Expenditures

Based upon our review of the District's financial records through March 2023, we identified expenditures for the improvements at El Dorado High School totaling \$26.9 million which were paid with funds from the 2017 Bond Program (Fund 692). We quantified additional costs to complete the project after March 2023 to be approximately \$1.4 million, for a total project cost of \$28.3 million. A summary of expenditures by cost category is provided in the table below.

Summary of Actual Expenditures (as of 3/31/2023): El Dorado High School							
Vendor Name						Projected	Total
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
Construction Manager							
Dantex General Contractors - GMP	\$ -	\$ 4,457,216	\$ 13,652,944	\$ 5,335,370	\$ 181,019	\$ 1,311,188	\$ 24,937,736
Dantex General Contractors - Field Lighting	-	845,146	-	-	-	-	845,146
Subtotal	\$ -	\$ 5,302,362	\$ 13,652,944	\$ 5,335,370	\$ 181,019	\$ 1,311,188	\$ 25,782,882
Architectural/Engineering							
PSRBB Commercial Group Inc.	\$ 1,106,250	\$ 544,380	\$ 111,510	\$ 35,400	\$ -	\$ 96,700	\$ 1,894,240
CQC Testing and Engineering Inc.	21,228	372	61,125	9,427	-	-	92,152
Huitt-Zollars Inc.	36,291	-	-	-	-	-	36,291
Subtotal	\$ 1,163,769	\$ 544,752	\$ 172,635	\$ 44,827	\$ -	\$ 96,700	\$ 2,022,683
Furniture, Fixtures & Equipment							
Virco MFG. Corp.	\$ -	\$ -	\$ -	\$ 122,563	\$ 5,897	\$ -	\$ 128,460
Howell Business Services	-	-	29,145	38,930	58,769	-	126,843
Redgear LLC	-	-	72,798	15,641	-	-	88,439
Wenger Corporation	-	-	-	58,419	-	-	58,419
Guitar Center Stores Inc.	-	-	-	15,940	-	-	15,940
Nasco Education LLC	-	-	-	-	8,700	-	8,700
School Health Corporation	-	-	6,368	-	-	-	6,368
Complete Reprographics	-	1,062	52	-	-	-	1,114
William V. MacGill & Co.	-	-	1,110	-	-	-	1,110
Subtotal	\$ -	\$ 1,062	\$ 109,471	\$ 251,493	\$ 73,366	\$ -	\$ 435,392
Utilities							
El Paso Electric Co.	\$ -	\$ 23,700	\$ -	\$ -	\$ -	\$ -	\$ 23,700
Subtotal	\$ -	\$ 23,700	\$ -	\$ -	\$ -	\$ -	\$ 23,700
Grand Total	\$ 1,163,769	\$ 5,871,876	\$ 13,935,050	\$ 5,631,690	\$ 254,384	\$ 1,407,888	\$ 28,264,657

¹²⁸ See Exhibit E.6

V. Summary of Findings

a. Project Completed Under Budget

The budget for improvements at El Dorado High School was \$30.3 million based on the 2017 Facility Assessment Report approved by the Board in August 2017. We determined that the actual cost incurred by the District for improvements at El Dorado High School was \$28.3 million, which was approximately \$2.0 million less than the budget.

b. District Selected the 3rd Ranked Architect

As described previously in this Report, the Board approved the recommendation presented by Mr. Eyeington to select PSRBB, which was the third highest ranked architectural firm out of the 16 firms ranked by the evaluation committee. We were informed that the decision to select the third-ranked firm was based on Policy CVA (Local), which states that the goal of the District is to spread work across multiple firms for construction projects over \$1 million.¹²⁹ While an audio recording of the February 20, 2018 Board meeting was not available, it is our understanding that PSRBB was recommended to the Board by Mr. Eyeington because the two (2) highest ranked firms had previously been contracted for other projects with the District.¹³⁰

c. District Selected the 2nd Ranked Construction Manager

As described previously in this Report, the Board approved the recommendation to select Dantex as the construction manager for improvements at El Dorado High School even though they were the second-ranked firm. It is our understanding that the selection was based on the District's goal to spread work between firms as described under Policy CVA (Local), and the fact that the highest ranked firm (Buford-Thompson) was awarded a contract for the improvements at Montwood High School.

¹²⁹ Under Board Policy CVA (Local), it is the goal of the District that major projects over \$1 million be spread so that numerous firms have the opportunity to provide services and work for the District, which provides the best value for the District so that all work is not at risk with one vendor.

¹³⁰ MNK was selected as the architect for the improvements at Montwood High School and VLK was previously selected as the architect for the construction of Cactus Trails Elementary and the reconstruction of Socorro High School.

F. Student Activity Complex II (SAC II)

I. Background

During the Board meeting on August 15, 2017, the Board approved the revised 2017 Facility Assessment Report submitted by the Facilities Advisory Committee, which recommended a budget of \$448.5 million for the 2017 Bond Program.¹³¹ The Facility Assessment Report included costs for improvements to the District's athletics facilities with an estimated total cost of \$67.5 million. Improvements outlined in the Facility Assessment Report included upgrades to the existing lighting at all baseball and softball fields as well as the construction of an additional Student Activity Complex ("SAC II") with approximately 6,000 – 8,000 seats.¹³²

II. Selection of Architect

a. Request for Qualifications

During the Special Board meeting on November 15, 2017, the Board authorized a resolution to allow the Facilities and Planning and Purchasing Departments to prepare and advertise Request for Qualifications ("RFQ") for professional services (e.g., architect and design services) for the initial phase of the 2017 Bond Program. On December 1, 2017, the District issued a RFQ for Architectural Professional Services for Socorro High School Re-construction, New Student Activities Complex (SAC II) and New Middle School, with submissions due by December 15, 2017 (RFQ No. 199-1215-E1830).¹³³

b. Evaluation of Proposals

The District received proposals from thirteen (13) firms, which were opened on December 15, 2017. On January 11, 2018, the proposals were evaluated by a five-member evaluation committee based on the criteria outlined in the bidding documents.¹³⁴ The evaluation committee ranked VLK Architects, Inc. ("VLK") as the highest ranked firm, with an average score of 85.8 out of 100 points.¹³⁵ A summary of the scores for each of the 13 firms by each of the five (5) members of the evaluation committee is provided in the table below.

¹³¹ On November 7, 2017, the \$448.5 million bond proposition was approved by the voters by a 60% vote.

¹³² The Facility Assessment Report did not include a breakout of cost estimates for the SAC II. Instead, cost estimates were shown as a combined \$67.5 million for both the construction of SAC II and the lighting projects for the baseball and softball fields.

¹³³ The District's bid notice was published in the El Paso Times newspaper on December 1, 2017 and December 8, 2017.

¹³⁴ The evaluation committee was comprised of Samuel Garcia (Director of Purchasing), Tony Reza (Chief Financial Officer), Gabriel Crespo (Director of Facilities), David Carrasco (Director of M&O), and Thomas Eyeington (Chief Operations Officer).

¹³⁵ See **Exhibit F.1**

Architectural Firm	Eval. 1	Eval. 2	Eval. 3	Eval. 4	Eval. 5	Average
VLK Architects, Inc.	81	81	88	83	96	85.8
HKS, Inc.	85	82	84	85	78	82.8
PSRBB Architects	81	77	83	80	92	82.6
Mijares-Mora Architects, Inc.	81	75	81	82	82	80.2
PBK Architects, Inc.	75	70	82	81	91	79.8
Carl Daniel Architects	80	75	78	83	82	79.6
GA Architecture, Inc.	70	72	78	81	83	76.8
MNK Architects, Inc.	81	75	80	78	81	79.0
Rodney Kroeger Architect	80	72	78	79	78	77.4
McCormick Architecture, LLC	75	73	70	77	82	75.4
Corgan	76	61	63	78	64	68.4
ASA Architects	50	67	63	74	68	64.4
In*Situ Architecture, PLLC	60	61	63	55	68	61.4

While the evaluation committee ranked VLK as the highest ranked architectural firm for the construction of the SAC II, the recommendation presented to the Board by Mr. Eyeington during the Board meeting on January 16, 2018 was for the selection of the second ranked firm, HKS, Inc. ("HKS"). It is our understanding that HKS was recommended due to VLK being recommended for the architectural services for the reconstruction of Socorro High School during the same Board meeting.¹³⁶

c. Contract with HKS

On February 21, 2018 the District entered into a contract with HKS for the design of the SAC II.¹³⁷ Under the terms of the contract, HKS would receive compensation equal to 6.5% of the cost of the work for basic services for new construction on the project, which was approved by the Board during the Board meeting on February 20, 2018. The budget outlined in the District's contract with HKS included \$40 million for the design and construction of the SAC II.¹³⁸

III. Selection of a Construction Manager at Risk

a. Request for Proposals

During the Regular Board meeting on January 16, 2018, the Board authorized a resolution to prepare and advertise a Request for Proposals for Construction Management at Risk for Phase II of the 2017 Bond Program.

¹³⁶ Under Board Policy CVA (Local), it is the goal of the District that major projects over \$1 million be spread so that numerous firms have the opportunity to provide services and work for the District, which provides the best value for the District so that all work is not at risk with one vendor.

¹³⁷ See **Exhibit F.2**

¹³⁸ During the Board meeting on August 20, 2019, the Board approved an Additional Services Proposal from HKS for an additional fee of \$100,000 to develop a Master Plan for newly acquired land. The Master Plan would include a long-term plan for the 60+ acre site area that would comprise the entire Student Activity Center I and II Complex and other future District facilities.

On July 29, 2021, the District issued CSP No. 2220 requesting Competitive Seal Proposals for the construction of the SAC II, with submissions due by August 17, 2021.¹³⁹

b. Evaluation of Proposals

The District received proposals from four (4) firms, which were opened on September 23, 2021. On October 13, 2021, the proposals were evaluated by a four-member evaluation committee based on the criteria outlined in the bidding documents.^{140,141} The evaluation committee ranked Baner General Contractor ("Baner") as the highest ranked firm, with an average score of 95.2 out of 100 points.¹⁴² A summary of the average scores aggregated for the four-member evaluation committee, as well as the proposed fees submitted by each vendor is provided in the table below.

Scoring Criteria	Baner	Dantex	HB Construct.	Hensel Phelps
Purchase Price: 40% (160 Points)	156.8	149.0	153.9	160.0
Experience and Reputation: 15% (60 Points)	60	54	29.5	29.5
Quality of Goods and Services: 15% (60 Points)	60	55	30	30
Past Relationship: 10% (40 Points)	40	34	20	20
Safety Record: 10% (40 Points)	24	0	28	40
Ability to Meet District's Needs: 10% (40 Points)	40	38	34	34
Total	380.8	333.0	295.4	313.5
<i>Average Score per Evaluator</i>	95.2	82.5	73.8	78.4
Fee Schedule:				
<i>Base Bid</i>	\$60,760,800	\$64,060,000	\$61,906,000	\$59,494,000
<i>Owner's Contingency</i>	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
<i>Alternate No. 1 – Lighting Protection</i>	\$105,000	N/A	N/A	N/A
Total Fee	\$63,365,800	\$66,560,000	\$64,406,000	\$61,994,000

c. Construction Contract with Baner

During the Board Meeting on October 19, 2021, the Board approved a motion to begin negotiating the final price with the highest ranked vendor, Baner. On November 12, 2021, Baner submitted a reduced price of \$58,959,500, which included a revised owner's contingency amount of \$1 million (reduced from \$2.5 million). The final bid submitted by Baner for \$59.0 million was approximately \$4.4 million less than their original

¹³⁹ The District's bid notice was published in the El Paso Times newspaper on July 29, 2021 and August 5, 2021.

¹⁴⁰ The rating criteria outlined in the bidding documents was Purchase Price (40 points), Experience and Reputation of Vendor (15 points), Quality of Good and Services (15 points), Past Relationship (10 points), Safety Record (10 points), and Ability to Meet District Needs – Deviations, Specification, and Terms and Conditions (10 points).

¹⁴¹ The evaluation committee was comprised of Samuel Garcia (Director of Purchasing), Tony Reza (Chief Financial Officer), Susie Godina (Facilities Coordinator), Hector Sanchez (Facilities Coordinator), and Thomas Eyeington (Chief Operations Officer). It is our understanding that Mr. Garcia facilitated the evaluation process and did not submit an evaluation.

¹⁴² See **Exhibit F.3**

bid of \$63.4 million. During the Board meeting on November 16, 2021, the Board approved a contract amount of \$58,959,500 with Banes for the construction of the SAC II building. The same day, the District executed a contract with Banes for the construction of the SAC II for a total contract sum of \$58,959,500.¹⁴³

IV. Analysis of Actual and Projected Expenditures

As of March 2023, construction of the SAC II was approximately 45% complete. Based upon our review of the District's financial records, actual expenditures incurred through March 2023 for the construction of the SAC II totaled approximately \$36.0 million, which were paid with funds from the 2017 Bond Program (Fund 692). In October 2023, the Board approved a change order to increase the contract amount for Banes by \$1 million for additional contingency. Based on the remaining construction and design costs after March 2023 (including the \$1 million change order), we determined that the total costs for the construction of the SAC II will be at least \$71.8 million. A summary of actual expenditures incurred through March 2023 and projected expenditures to complete the project by cost category and by vendor is provided in the table below.

Summary of Actual Expenditures (as of 3/31/2023): New Student Activities Center II								
Vendor Name	Expenditures by Fiscal Year						Projected	Total
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
Construction Manager								
Banes General Contractors Inc.	\$ -	\$ -	\$ -	\$ -	\$ 4,749,854	\$ 21,631,092	\$ 33,578,554	\$ 59,959,500
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ 4,749,854	\$ 21,631,092	\$ 33,578,554	\$ 59,959,500
Architectural/Engineering								
HKS Inc.	\$ -	\$ -	\$ 207,741	\$ 2,081,758	\$ 542,969	\$ 564,773	\$ 2,182,606	\$ 5,579,847
Terracon Consultants Inc.	-	17,725	2,500	17,200	41,410	142,528	-	221,363
Frank X Spencer and Associates Inc.	-	-	28,620	59,640	25,750	-	-	114,010
Parkhill Smith and Cooper Inc.	-	-	50,635	37,571	16,986	1,142	-	106,334
Gayle Reid Appraisal Services Inc.	-	2,900	-	-	-	-	-	2,900
Conde Inc	-	-	1,500	-	-	-	-	1,500
Subtotal	\$ -	\$ 20,625	\$ 290,996	\$ 2,196,169	\$ 627,116	\$ 708,444	\$ 2,182,606	\$ 6,025,955
Furniture, Fixtures & Equipment								
Complete Reprographics	\$ -	\$ -	\$ -	\$ 467	\$ -	\$ -	\$ -	\$ 467
Subtotal	\$ -	\$ -	\$ -	\$ 467	\$ -	\$ -	\$ -	\$ 467
Utilities								
El Paso Electric Co.	\$ -	\$ -	\$ -	\$ -	\$ 5,586	\$ 75,396	\$ -	\$ 80,982
El Paso Water Utilities	-	-	-	-	21,790	2,000	-	23,790
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ 27,376	\$ 77,396	\$ -	\$ 104,772
Land								
Lone Star Title Company of El Paso	\$ 375,629	\$ 2,700,972	\$ 2,633,711	\$ -	\$ -	\$ -	\$ -	\$ 5,710,312
Subtotal	\$ 375,629	\$ 2,700,972	\$ 2,633,711	\$ -	\$ -	\$ -	\$ -	\$ 5,710,312
Grand Total	\$ 375,629	\$ 2,721,597	\$ 2,924,706	\$ 2,196,636	\$ 5,404,345	\$ 22,416,932	\$ 35,761,160	\$ 71,801,005

¹⁴³ See Exhibit F.4

V. Summary of Findings

a. Estimated Costs Expected to Exceed Budget by \$5.9 Million

As described previously in this Report, the Facilities Assessment Report approved by the Board in August 2017 included an estimate of \$67.5 million, which included the construction of the SAC II and field lighting at Eastlake High School and Pebble Hills High School. The Facilities Assessment Report did not include an allocation of estimated costs between the SAC II and field lighting projects, however, the actual costs for the field lighting at Eastlake High School and Pebble Hills High School totaled approximately \$1.6 million. As such, the remaining budget for the SAC II was approximately \$65.9 million. While the SAC II is not expected to be completed until May 2024 at the earliest, we quantified total expenditures for the construction of the SAC II to be at least \$71.8 million, which is approximately \$5.9 million higher than the remaining budget for the athletic improvements included in the 2017 Bond Program.

b. \$1 Million Change Order Added to Contingency

During the Board meeting on October 18, 2023, the Board approved an increase of \$1 million to Banes' contract for additional contingency amounts, as recommended by the Facilities and Planning Department. It is our understanding that the increase in contingency was to fund additional request items from various stakeholders, including the departments that would ultimately utilize the facility and local regulatory agencies such as the fire department. During the October 2023 Board meeting, the Facilities and Planning Director reminded the Board that the original cost proposal submitted by Banes in September 2021 included \$2.5 million in contingency amounts, which was reduced to \$1 million during contract negotiations and the value engineering process.

c. Design Plans Only 75% Completed When Contracts Approved

Based on our review of discussions between the Facilities and Planning Department and the Board during the October 18, 2023 Board meeting, it is our understanding that the design documents prepared by the architect were only 75% complete when the District went out for bid on the construction of the SAC II. It is also our understanding that certain cost increases associated with the project were a result of the bids being submitted before the final design drawings were complete.

G. Auxiliary Gym at 16 Campuses

I. Background

During the Board meeting on August 15, 2017, the Board approved the revised 2017 Facility Assessment Report submitted by the Facilities Advisory Committee, which recommended a budget of \$448.5 million for the 2017 Bond Program.¹⁴⁴ The Facility Assessment Report included costs for the construction of auxiliary gyms (also referred to as multi-purpose rooms) at 16 elementary school campuses, with an estimated total cost of \$20.8 million.¹⁴⁵ According to the Facilities Assessment Report, each auxiliary gym or multi-purpose room would consist of approximately 4,350 square feet to accommodate a space for P.E. and health instruction, and would contain an area for a small play court, offices and storage.

II. Selection of Architect

a. Request for Qualifications

During the Regular Board meeting on January 16, 2018, the Board authorized a resolution to prepare and advertise a Request for Qualifications for Professional Services (Architect/Engineers) for Phase II of the 2017 Bond Program. On March 26, 2018, the District issued RFQ No. 199-0409-E1854 requesting sealed submissions for architectural professional services for auxiliary gyms at 16 campuses, with submissions due by April 9, 2018.¹⁴⁶

b. Evaluation of Proposals

The District received proposals from 15 architectural firms, which were opened on April 9, 2018. The proposals were evaluated by a five-member evaluation committee based on the criteria outlined in the RFQ.¹⁴⁷ The evaluation committee ranked ACM Designs, LLC (dba "EXIGO") as the highest ranked firm, with an average score of 88.8 out of 100 points.¹⁴⁸ A summary of the scores for the 15 architectural firms for each of the five (5) evaluators is provided in the table below.

¹⁴⁴ On November 7, 2017, the \$448.5 million bond proposition was approved by the voters by a 60% vote.

¹⁴⁵ The Facility Assessment Report did not provide an estimated cost for each auxiliary gym, only the total amount for all 16 auxiliary gyms.

¹⁴⁶ The District's bid notice was published in the El Paso Times newspaper on March 26, 2018 and April 2, 2018.

¹⁴⁷ The five-member evaluation committee was comprised of Samuel Garcia (Director of Purchasing), Tony Reza (chief Financial Officer), Gabriel Crespo (Director of Facilities), David Carrasco (Director of M&O), and Thomas Eyeington (Chief Operations Officer).

¹⁴⁸ See **Exhibit G.1**

Architectural Firm	Eval. 1	Eval. 2	Eval. 3	Eval. 4	Eval. 5	Average
ACM Designs, LLC (dba EXIGO)	78	89	98	86	93	88.8
ArchiPELI, PLLC	85	83	89	88	91	87.2
GA Architecture, Inc.	78	83	96	85	81	84.6
Carl Daniel Architects	76	80	90	85	68	79.8
MNK Architects, Inc.	75	80	89	82	71	79.4
PSRBB Architects	76	80	89	80	71	79.2
ASA Architects, P.A.	68	82	90	73	83	79.2
Wright & Dalbin	87	80	91	69	65	78.4
Fokus On Architecture, Inc.	65	82	94	72	76	77.8
McCormick Architecture LLC	74	77	98	70	69	77.6
Nine Degrees Arch. + Design	75	70	89	79	63	75.2
New Republic Design Co.	72	74	88	73	58	73.0
In*Situ Architecture PLLC	71	74	85	64	56	70.0
Liev Arch	43	65	81	60	58	61.4
True North Consulting Group	35	60	74	30	40	51.8

While the evaluation committee scored EXIGO as the highest ranked architectural firm, the evaluation committee recommended the second ranked firm, ArchiPELI Architecture Design Studio (“ArchiPELI”). During the Board meeting on April 24, 2018, the Board approved the evaluation committee’s recommendation to select ArchiPELI, as presented by Mr. Eyeington. It is our understanding that ArchiPELI was recommended over EXIGO due to EXIGO being selected to provide architectural services for the Support and Technology Building, which also occurred during the April 24, 2018 Board meeting.¹⁴⁹

c. Contract with ArchiPELI

On May 15, 2018 the District entered into a contract with ArchiPELI for the design of the 16 auxiliary gyms for the elementary school campuses.¹⁵⁰ Under the terms of the contract, ArchiPELI would receive compensation equal to 7.00% of the cost of the work for basic services for new construction of the auxiliary gyms.¹⁵¹

III. Selection of Construction Manager (Package 1)

a. Request for Proposals

During the Regular Board meeting on January 16, 2018, the Board authorized a resolution to allow the Facilities and Planning and Purchasing Departments to prepare and advertise Request for Proposals for Construction Managers for Phase II of the 2017 Bond Program. On October 1, 2019, the District issued CSP

¹⁴⁹ Under Board Policy CVA (Local), it is the goal of the District that major projects over \$1 million be spread so that numerous firms have the opportunity to provide services and work for the District, which provides the best value for the District so that all work is not at risk with one vendor.

¹⁵⁰ See **Exhibit G.2**

¹⁵¹ The District’s contract with ArchiPELI included an estimated budget of \$15 million for the cost to construct the auxiliary gyms.

No. 2024 requesting sealed submissions for the construction of Package 1 of the auxiliary gyms for six (6) elementary schools, with submissions due by October 30, 2019.^{152, 153}

b. Evaluation of Proposals

The District received proposals from three (3) firms, which were opened on November 5, 2019. On November 14, 2019, the proposals were evaluated by the Chief Operations Officer (Mr. Eyeington) and the Facilities and Construction Coordinator (Victor Gonzalez) based on the criteria outlined in the bid documents.¹⁵⁴ The two-person evaluation committee ranked Pride General Contractors, LLC (“Pride”) as the highest ranked firm, with an average score of 86.25 out of 100 points.¹⁵⁵ Pride also submitted the lowest price of the three (3) proposals with a base proposal price of \$7,095,000, as summarized below.

Scope Description	Pride	Medlock	Spartan
Base Proposal (all six campuses combined)	\$7,095,000	\$7,510,167	\$7,505,600
Totals by Campus (with alternates and owner’s contingency)			
Campus No. 1: Benito Martinez Elementary School	\$1,338,000	\$1,414,330	\$1,420,000
Campus No. 2: Elfida Chavez Elementary School	\$1,273,000	\$1,406,809	\$1,362,000
Campus No. 3: Helen Ball Elementary School	\$1,265,000	\$1,398,496	\$1,312,000
Campus No. 4: Lujan Chavez Elementary School	\$1,283,000	\$1,385,619	\$1,315,600
Campus No. 5: O’Shea Keleher Elementary School	\$1,363,000	\$1,550,141	\$1,465,000
Campus No. 6: Roberto Ituarte Elementary School	\$1,269,000	\$1,403,695	\$1,323,000
Total (with alternates and owner’s contingency)	\$7,791,000	\$8,559,090	\$8,197,600

c. Construction Contract with Pride

During the Regular Board meeting on November 19, 2019, the Board approved the evaluation committee’s ranking and recommendation as presented by Mr. Eyeington and selected Pride as the construction manager for the initial six (6) auxiliary gyms (i.e., Package 1). The same day, the District executed a contract with Pride for the construction of new auxiliary gyms at six (6) campuses for a sum of \$7,791,000 (inclusive of owner’s contingency and allowances).^{156, 157}

¹⁵² The District completed the construction of the 16 auxiliary gyms in three (3) phases or packages, with six (6) auxiliary gyms to be constructed during Package 1.

¹⁵³ The District’s bid notice was published in the El Paso Times newspaper on October 1, 2019 and October 8, 2019.

¹⁵⁴ The rating criteria outlined in the bidding documents was Purchase Price (40 points), Experience and Reputation of Vendor (15 points), Quality of Goods and Services (15 points), Past Relationship (10 points), Safety Record (10 points) and Ability to meet District needs (10 points).

¹⁵⁵ See **Exhibit G.3**

¹⁵⁶ The date for substantial completion outlined in the contract was to be no later than 240 days from the Notice to Proceed date of January 23, 2020.

¹⁵⁷ See **Exhibit G.4**

d. Payment Applications Submitted by Pride

Pride submitted 13 payment applications to the District during the February 2020 – July 2020 time period totaling \$7,690,247. On July 20, 2021, the District issued a deductive change order for \$100,753 to credit back the District for unused contingency amounts and other savings. On September 21, 2021, the Board accepted the work completed by Pride for construction of the six (6) auxiliary gyms under Package 1 and authorized payment of Pride’s final payment application. A comparison of the construction costs included in Pride’s contract and actual amounts paid to Pride is provided in the table below.

Scope Description	Contract Amount	Actual Amount	Difference
Campus No. 1: Benito Martinez Elementary School	\$1,338,000	\$1,331,961	(\$6,039)
Campus No. 2: Elfida Chavez Elementary School	\$1,273,000	\$1,250,411	(\$22,589)
Campus No. 3: Helen Ball Elementary School	\$1,265,000	\$1,240,318	(\$24,682)
Campus No. 4: Lujan Chavez Elementary School	\$1,283,000	\$1,253,702	(\$29,298)
Campus No. 5: O’Shea Keleher Elementary School	\$1,363,000	\$1,359,429	(\$3,571)
Campus No. 6: Roberto Ituarte Elementary School	\$1,269,000	\$1,254,426	(\$14,574)
Total (with alternates and owner’s contingency)	\$7,791,000	\$7,690,247	(\$100,753)

e. Package 1 Contingency Change Requests Totaled \$180,497

The District’s contract with Pride for the construction of six (6) auxiliary gyms included an owner’s contingency amount of \$281,250 to allow for owner’s change requests. Based on our review of payment applications submitted by Pride, the final contingency change requests totaled \$180,497, which resulted in a final deductive change order of **\$100,753**. A summary of the contingency change requests by campus is provided in the table below.

Campus	Original Contingency	Total CCRs	Change Order
Campus No. 1: Benito Martinez Elementary School	\$46,875	\$40,836	(\$6,039)
Campus No. 2: Elfida Chavez Elementary School	\$46,875	\$24,586	(\$22,289)
Campus No. 3: Helen Ball Elementary School	\$46,875	\$21,893	(\$24,982)
Campus No. 4: Lujan Chavez Elementary School	\$46,875	\$17,577	(\$29,298)
Campus No. 5: O’Shea Keleher Elementary School	\$46,875	\$43,304	(\$3,571)
Campus No. 6: Roberto Ituarte Elementary School	\$46,875	\$32,301	(\$14,574)
Total	\$281,250	\$180,497	(\$100,753)

IV. Selection of Construction Manager (Package II)

a. Request for Proposals

On January 7, 2020, the District issued CSP No. 2035 requesting sealed submissions for Package 2, which included the construction of auxiliary gyms at five (5) elementary schools. The deadline for submissions for CSP No. 2035 was February 4, 2020.¹⁵⁸

¹⁵⁸ The District’s bid notice was published in the El Paso Times newspaper on January 7, 2020 and January 14, 2020.

b. Evaluation of Proposals

The District received proposals from three (3) firms for Package 2, which were opened on February 4, 2020. The proposals were evaluated by the Chief Operations Officer (Mr. Eyeington) and the Facilities and Construction Coordinator (Victor Gonzalez) based on the criteria outlined in the bid documents.¹⁵⁹ The two-person evaluation committee ranked Medlock Commercial Contractors (“Medlock”) as the highest ranked firm, with an average score of 97.5 out of 100 points.¹⁶⁰ Medlock also submitted the lowest price of the three (3) proposals with a base proposal price of \$5,463,753, as summarized below.

Scope Description	AO General Contractor	Medlock	Spartan
Base Proposal (all five campuses combined)	\$6,043,600	\$5,463,753	\$5,943,000
Totals by Campus (with alternates and owner’s contingency)			
Campus No. 1: Horizon Heights Elementary School	\$1,243,500	\$1,158,993	\$1,256,000
Campus No. 2: Loma Verde Elementary School	\$1,372,800	\$1,294,563	\$1,375,000
Campus No. 3: Myrtle Cooper Elementary School	\$1,366,300	\$1,208,027	\$1,311,000
Campus No. 4: Sierra Vista Elementary School	\$1,291,000	\$1,139,461	\$1,290,000
Campus No. 5: Vista Del Sol Elementary School	\$1,279,400	\$1,264,575	\$1,313,500
Total (with alternates and owner’s contingency)	\$6,553,000	\$6,065,619	\$6,545,500

c. Construction Contract with Medlock

During the Board meeting on February 18, 2020, the Board approved the evaluation committee’s ranking and recommendation presented by Mr. Eyeington to select Medlock as the construction manager for the construction of five (5) auxiliary gyms (Package 2). The same day, the District executed a contract with Medlock for the construction of new auxiliary gyms at five (5) campuses for a sum of \$6,065,619 (inclusive of owner’s contingency and allowances).^{161,162}

d. Payment Applications Submitted by Medlock

Medlock submitted 20 payment applications to the District during the April 2020 – November 2021 time period totaling \$5,988,026. Prior to the final payment application, the District issued a deductive change order for \$77,593 to credit back the District for unused contingency amounts and other savings. On February 15, 2022, the Board accepted the work completed by Medlock for the construction of five (5) auxiliary gyms and authorized payment of the final payment application submitted by Medlock. A comparison of the

¹⁵⁹ The rating criteria outlined in the bidding documents was Purchase Price (40 points), Experience and Reputation of Vendor (15 points), Quality of Goods and Services (15 points), Past Relationship (10 points), Safety Record (10 points) and Ability to meet District needs (10 points).

¹⁶⁰ See **Exhibit G.5**

¹⁶¹ See **Exhibit G.6**

¹⁶² The date for substantial completion outlined in the contract was to be no later than 240 days from the Notice to Proceed date of March 20, 2020.

construction costs included in Medlock's contract and actual amounts paid to Medlock is provided in the table below.

Scope Description	Contract Amount	Actual Amount	Difference
Campus No. 1: Horizon Heights Elementary School	\$1,158,993	\$1,132,268	(\$26,725)
Campus No. 2: Loma Verde Elementary School	\$1,294,563	\$1,270,285	(\$24,278)
Campus No. 3: Myrtle Cooper Elementary School	\$1,208,027	\$1,186,670	(\$21,357)
Campus No. 4: Sierra Vista Elementary School	\$1,139,461	\$1,137,738	(\$1,723)
Campus No. 5: Vista Del Sol Elementary School	\$1,264,575	\$1,261,065	(\$3,510)
Total (with alternates and owner's contingency)	\$6,065,619	\$5,988,026	(\$77,593)

e. Package 2 Contingency Change Requests Totaled \$156,782

The District's contract with Medlock for the construction of five (5) auxiliary gyms included an owner's contingency amount of \$234,375 to allow for owner's change requests. Based on our review of payment applications submitted by Medlock, the final contingency change requests totaled \$156,782, which resulted in a final deductive change order of **\$77,593**. A summary of the contingency change requests by campus is provided in the table below.

Campus	Original Contingency	Total CCR	Change Order
Campus No. 1: Horizon Heights Elementary School	\$46,875	\$20,150	(\$26,725)
Campus No. 2: Loma Verde Elementary School	\$46,875	\$22,597	(\$24,278)
Campus No. 3: Myrtle Cooper Elementary School	\$46,875	\$25,518	(\$21,357)
Campus No. 4: Sierra Vista Elementary School	\$46,875	\$45,152	(\$1,723)
Campus No. 5: Vista Del Sol Elementary School	\$46,875	\$43,365	(\$3,510)
Total	\$234,375	\$156,782	(\$77,593)

V. Selection of Construction Manager (Package III)

a. Request for Proposals

On September 30, 2020, the District issued CSP No. 2115 (re-bid) requesting sealed submissions for the construction of Package 3 for the construction of five (5) auxiliary gyms at the remaining elementary school campuses. The deadline for submissions for CSP No. 2115 (re-bid) was October 29, 2020.^{163,164}

b. Evaluation of Proposals

The District received proposals from seven (7) firms, which were opened on October 29 2020. The proposals were evaluated by the Chief Operations Officer (Mr. Eyeington) and the Facilities and Construction

¹⁶³ During the initial request for proposals, administration recommended on September 15, 2020 that the Board reject all bids received for Package 3 and re-bid due to budget concerns.

¹⁶⁴ The District's bid notice was published in the El Paso Times newspaper on September 30, 2020 and October 7, 2020.

Coordinator (Victor Gonzalez) based on the criteria outlined in the bidding documents.¹⁶⁵ The two-person evaluation committee ranked Medlock as the highest ranked firm, with an average score of 91 out of 100 points.¹⁶⁶ While the evaluation committee scored Medlock as the highest ranked firm, Mr. Eyeington recommended that the Board select Aztec Construction (“Aztec”) during the November 19, 2020 Board meeting. Aztec was scored as the 5th ranked firm by the evaluation committee, while also submitting the lowest bid with a bid of \$6,113,000. During the November 19, 2020 Board meeting, Mr. Eyeington informed the Board that the four (4) highest ranked firms (Medlock, Banes, Noble and Pride) had existing construction contracts with the District for other projects related to the 2017 Bond Program. Mr. Eyeington further explained to the Board that he was recommending Aztec because they did not have any contracts with the District under the 2017 Bond Program.^{167,168} A summary of the bids received by the District for Package 3 is provided in the table below.

Scope Description	AO	Aztec	Banes	Medlock	Noble	Pride	Spartan
Base Proposal (all five campuses; with owner’s contingency)	\$6,786,100	\$6,113,000	\$6,680,300	\$6,382,467	\$6,552,000	\$6,880,000	\$6,190,000
Totals by Campus (with alternates and owner’s contingency)							
Campestre Elementary	\$1,419,525	\$1,289,000	\$1,408,500	\$1,409,905	\$1,413,000	\$1,495,000	\$1,343,000
Escontrias Elementary	\$1,481,965	\$1,286,000	\$1,421,200	\$1,393,096	\$1,433,000	\$1,500,000	\$1,361,000
H.D. Hilley Elementary	\$1,586,740	\$1,402,000	\$1,535,300	\$1,504,802	\$1,574,000	\$1,530,000	\$1,490,000
Hueco Elementary	\$1,372,404	\$1,216,000	\$1,327,600	\$1,289,056	\$1,356,000	\$1,405,000	\$1,287,000
Rojas Elementary	\$1,543,510	\$1,417,000	\$1,527,600	\$1,467,496	\$1,539,000	\$1,570,000	\$1,235,000
Total	\$7,404,144	\$6,610,000	\$7,220,200	\$7,064,355	\$7,315,000	\$7,500,000	\$6,716,000

c. Construction Contract with Aztec

During the Board meeting on November 17, 2020, the Board approved the evaluation committee’s recommendation presented by Mr. Eyeington to select Aztec as construction manager for the remaining five (5) auxiliary gyms (Package 3). The same day, the District executed a contract with Aztec for the construction

¹⁶⁵ The rating criteria outlined in the bidding documents was Purchase Price (40 points), Experience and Reputation of Vendor (15 points), Quality of Goods and Services (15 points), Past Relationship (10 points), Safety Record (10 points) and Ability to meet District needs (10 points).

¹⁶⁶ See **Exhibit G.7**

¹⁶⁷ <https://www.youtube.com/watch?v=AZ7RvaFK5C4> (see 27:30 minute mark)

¹⁶⁸ Under Board Policy CVA (Local), it is the goal of the District that major projects over \$1 million be spread so that numerous firms have the opportunity to provide services and work for the District, which provides the best value for the District so that all work is not at risk with one vendor.

of new auxiliary gyms at the remaining five (5) campuses for a sum of \$6,610,000 (inclusive of owner's contingency and allowances).^{169,170}

d. Payment Applications Submitted by Aztec

Aztec submitted 12 payment applications to the District during the January 2021 – March 2022 time period totaling \$6,496,921. Prior to the final payment application, the District issued a deductive change order for \$113,079 to credit back the District for unused contingency amounts and other savings. On March 22, 2022, the Board accepted the work completed by Aztec and authorized payment of the final payment application submitted by Aztec. A comparison of the construction costs included in Aztec's contract and actual amounts paid to Aztec is provided in the table below.

Scope Description	Contract Amount	Actual Amount	Difference
Campus No. 1: Campestre Elementary School	\$1,112,451	\$1,100,481	(\$11,970)
Campus No. 2: Escontrias Elementary School	\$1,119,739	\$1,085,136	(\$34,603)
Campus No. 3: H.D. Hilley Elementary School	\$1,163,405	\$1,189,173	\$25,768
Campus No. 4: Hueco Elementary School	\$1,011,337	\$970,288	(\$41,049)
Campus No. 5: Robert R. Rojas Elementary School	\$1,198,587	\$1,147,361	(\$51,226)
General Conditions:	\$1,004,482	\$1,004,482	\$0
Total	\$6,610,000	\$6,496,921	(\$113,079)

e. Package 3 Contingency Change Requests Totaled \$136,922

The contract for Package 3 of the auxiliary gym project included an owner's contingency amount of \$250,000 to allow for owner's change requests. Based on our review of payment applications submitted by Aztec, the final contingency change requests totaled \$136,922, which resulted in a final deductive change order of **\$113,079**. A summary of the contingency change requests by campus is provided in the table below.

Campus	Original Contingency	Total CCR	Change Order
Campus No. 1: Campestre Elementary School	\$50,000	\$38,030	(\$11,970)
Campus No. 2: Escontrias Elementary School	\$50,000	\$15,398	(\$34,602)
Campus No. 3: H.D. Hilley Elementary School	\$50,000	\$75,769	\$25,769
Campus No. 4: Hueco Elementary School	\$50,000	\$8,951	(\$41,049)
Campus No. 5: Robert R. Rojas Elementary School	\$50,000	(\$1,226)	(\$51,226)
Total:	\$250,000	\$136,922	(\$113,078)

¹⁶⁹ See **Exhibit G.8**

¹⁷⁰ The date for substantial completion outlined in the contract was to be no later than 360 days from the date of the Notice to Proceed.

VI. Analysis of Total Expenditures

Based upon our review of the District's financial data, we identified expenditures for the construction of 16 auxiliary gyms at elementary school campuses (i.e., Packages 1, 2 and 3) totaling approximately \$22.0 million, which were paid with funds from the 2017 Bond Program (Fund 692). A summary of expenditures by cost category is provided in the table below.

Summary of Actual Expenditures (as of 3/31/2023): Auxiliary Gym Phases I, II, and III							
Vendor Name	Expenditures by Fiscal Year						Total
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
Construction Manager							
Pride (Package I)*	\$ -	\$ -	\$ 2,302,455	\$ 5,022,334	\$ 381,377	\$ -	\$ 7,706,167
Medlock (Package II)	-	-	275,012	5,039,570	544,695	-	5,859,277
Aztec (Package III)	-	-	-	4,189,479	2,307,442	-	6,496,921
Subtotal	\$ -	\$ -	\$ 2,577,468	\$ 14,251,383	\$ 3,233,514	\$ -	\$ 20,062,365
Architectural/Engineering							
ArchiPELI (Packages I, II, and III)	\$ -	\$ 262,571	\$ 598,050	\$ 269,628	\$ 416,989	\$ -	\$ 1,547,238
Encon International Inc. (Package III)	-	-	17,160	54,677	62,842	-	134,679
LOI Engineering Inc. (Package I)	-	-	46,305	55,231	9,552	-	111,087
Atlas Technical Consultants LLC (Package II)	-	-	8,260	36,132	1,740	-	46,132
Pavetex Engineering (Package II)	-	-	13,600	-	-	-	13,600
Protech Roofing Systems LLC (Package III)	-	-	-	-	1,175	-	1,175
Subtotal	\$ -	\$ 262,571	\$ 683,375	\$ 415,667	\$ 492,296	\$ -	\$ 1,853,909
Furniture, Fixtures & Equipment							
Redgear LLC (Packages II and III)	\$ -	\$ -	\$ -	\$ -	\$ 510	\$ 14,422	\$ 14,932
Complete Reprographics (Packages II and III)	-	-	6,454	1,631	-	-	8,085
Knox Company (Package II)	-	-	-	-	2,109	-	2,109
Subtotal	\$ -	\$ -	\$ 6,454	\$ 1,631	\$ 2,619	\$ 14,422	\$ 25,126
Utilities							
El Paso County Emergency Services #2 (Package III)	\$ -	\$ -	\$ -	\$ 40,650	\$ -	\$ -	\$ 40,650
Texas Gas Service (Package II)	-	-	19,881	-	-	-	19,881
Lower Valley Water District (Package III)	-	-	-	10,048	-	-	10,048
AT&T (Packages II and III)	-	-	-	-	8,291	-	8,291
Subtotal	\$ -	\$ -	\$ 19,881	\$ 50,698	\$ 8,291	\$ -	\$ 78,871
Grand Total	\$ -	\$ 262,571	\$ 3,287,178	\$ 14,719,380	\$ 3,736,721	\$ 14,422	\$ 22,020,271

* Payments to Pride included reimbursements of \$15,920 for El Paso water service installations for the auxiliary gyms at Benito Martinez & O'Shea Keleher Elementary Schools.

VII. Summary of Findings

a. Actual Costs for Auxiliary Gym Exceeded Budget by \$1.2 Million

As described previously in this Report, the Facilities Assessment Report submitted by the FAC and approved by the Board in August 2017 included an estimated cost of \$20.8 million for the construction of 16 auxiliary gyms. The actual costs incurred by the District to construct the 16 auxiliary gyms totaled \$22.0 million, which was approximately \$1.2 million higher than the original cost estimate. In addition to the \$22.0 million to construct the auxiliary gyms, we determined that the District incurred an additional \$3.2 million to add restrooms for the auxiliary gyms in 2023, which was paid out of funds from the District's general fund.

b. District Selected Fifth-Ranked Construction Manager for Package 3

As described previously in this Report, the two-person evaluation committee consisting of Mr. Eyeington and Mr. Gonzalez scored Aztec as the 5th ranked firm out of the seven (7) proposals received. However, during the Board meeting on November 19, 2020, Mr. Eyeington made a recommendation for the Board to select Aztec as the construction manager for Package 3 of the construction of auxiliary gyms, due to the four (4) highest ranked firms having existing construction contracts with the District. The Board's approval of Mr. Eyeington's recommendation was based on the District's goal to spread work between firms as described under Policy CVA (Local).¹⁷¹ In April 2022, the Texas Education Agency provided comments to the District as part of their review of the annual financial and compliance report, which included a comment that the District's selection of Aztec may have been an "inappropriate process for this type of procurement," as shown below.¹⁷²

4. ML 4- Procurement

It was noted that for a competitive sealed proposal, the contract was not awarded to the highest ranked firm based on the published criteria, but to a ranked firm deemed to be capable and offering the best price. It appears this award was influenced by the District's local policy, which states:

It is the goal of the District that major projects (being projects over \$1,000,000) be spread so that numerous firms shall have the opportunity to provide services and work for the District. Major projects shall not be consolidated so that only a few firms receive the work.

While this shows good stewardship by selecting the lowest cost from a responsive, responsible bidder, the District may have applied an inappropriate process for this type of procurement.

c. Restrooms Added to Auxiliary Gyms in 2023 Using Funds from General Fund

On December 13, 2022, the Board awarded a contract to Pride for \$595,000 for improvements to five (5) of the auxiliary gyms previously completed under the 2017 Bond Program. On February 23, 2023, the Board awarded two (2) contracts to Medlock for \$1,156,328 and \$1,388,617 for improvements to an additional 11 auxiliary gyms previously completed under the 2017 Bond Program. The contracts to Pride and Medlock for improvements to the 16 auxiliary gym campuses were to be paid with funds from the District's general fund, rather than funds from the 2017 Bond Program. Based on our review of project documents, the improvements to the auxiliary gyms included the construction of restrooms that were not previously included in the scope

¹⁷¹ Under Board Policy CVA (Local), it is the goal of the District that major projects over \$1 million be spread so that numerous firms have the opportunity to provide services and work for the District, which provides the best value for the District so that all work is not at risk with one vendor.

¹⁷² See **Exhibit G.8**

of construction for the 16 auxiliary gyms under the 2017 Bond Program.¹⁷³ While it is unclear why the 16 auxiliary gyms were constructed under the 2017 Bond Program without restrooms, it appeared that the District added restrooms in 2023 using funds from the general fund.

d. Package 1 Substantial Completion Date Delayed Over 6 Months

The original date of substantial completion for Package 1 was September 19, 2020 (based on 240 days from the Notice to Proceed date of January 23, 2020). During the Board meeting on September 15, 2020, Mr. Eyeington indicated that the construction phase for Package 1 would be extended to December 2020 due to issues related to permitting and the COVID-19 pandemic. Ultimately, the date of substantial completion for the six (6) auxiliary gyms included in Package 1 was not achieved until April 5, 2021, which was over six (6) months later than scheduled.

e. Package 2 Substantial Completion Date Delayed 12 Months

The original date of substantial completion for Package 2 was November 15, 2020 (based on 240 days from the Notice to Proceed date of March 30, 2020). However, due to issues related to permitting and the COVID-19 pandemic, substantial completion for the five (5) auxiliary gyms included in Package 2 was not achieved until November 15, 2021, which was one (1) year after the original date scheduled for substantial completion.

¹⁷³ ArchiPELI meeting minutes from a design meeting on May 22, 2018 indicated that no restrooms would be provided in the auxiliary gyms.

H. Support and Technology Building

I. Background

During the Board meeting on August 15, 2017, the Board approved the revised 2017 Facility Assessment Report submitted by the Facilities Advisory Committee, which recommended a budget of \$448.5 million for the 2017 Bond Program.¹⁷⁴ The Facility Assessment Report included the construction of a DSC/Technology building (referred to in this Report as “Support and Technology Building”), with an estimated cost of \$12.5 million. According to the Facilities and Assessment Report, the proposed Support and Technology Building would provide the following benefits to the District:

- *Additional parking with overflow capabilities*
- *Provide a more secure location for the Network Operation Center (NOC)*
- *Provide additional office space for Technology Department*
- *Provide additional meeting rooms for training and staff development*

II. Selection of Architect

a. Request for Qualifications

During the Special Board meeting on November 15, 2017, the Board authorized a resolution to allow the Facilities and Planning and Purchasing Departments to prepare and advertise a Request for Qualifications (“RFQ”) for professional services (e.g., architect and design services) for the initial phase of the 2017 Bond Program. On January 23, 2018 the District issued RFQ No. 199-0206-E1837 requesting sealed submissions for architectural professional services for the construction of the Support and Technology Building, with submissions due by February 6, 2018.¹⁷⁵ However, during the Regular Board meeting on February 20, 2018, the Board elected to postpone the selection of an architectural firm for the Support and Technology Building. On March 26, 2018 the District issued another RFQ (RFQ No. 199-0409-E1853) requesting sealed submissions for architectural professional services for the construction of the Support and Technology Building, with submissions due by April 9, 2018.¹⁷⁶

b. Evaluation of Proposals

The District received proposals from 16 architectural firms, which were opened on April 9, 2018. On April 16, 2018, the proposals were evaluated by a five-member evaluation committee based on the criteria

¹⁷⁴ On November 7, 2017, the \$448.5 million bond proposition was approved by the voters by a 60% vote.

¹⁷⁵ The District's bid notice was published in the El Paso Times newspaper on January 23, 2018 and January 30, 2018.

¹⁷⁶ The District's bid notice was published in the El Paso Times newspaper on March 26, 2018 and April 2, 2018.

outlined in the bidding documents.^{177,178} The evaluation committee ranked ACM Designs, LLC (dba “EXIGO”) as the highest ranked firm, with an average score of 88 out of 100 points.¹⁷⁹ The rankings by the evaluation committee of all 16 proposals are summarized in the table below.

Architectural Firm	Eval. 1	Eval. 2	Eval. 3	Eval. 4	Eval. 5	Average
EXIGO(ACM Designs, LLC)	81	87	98	88	86	88.0
GA Architecture, Inc.	73	89	98	86	78	84.8
VLK Architects, Inc.	83	77	94	78	89	84.2
ArchiPELLI	77	79	93	87	83	83.8
PSRBB Architects	78	81	90	80	81	82.0
Parkhill Smith & Cooper, Inc.	83	77	90	82	77	81.8
Mijares-Mora Architects, Inc.	76	79	91	80	82	81.6
MNK Architects, Inc.	71	82	86	82	80	80.2
Nine Degrees Architecture	75	77	91	79	73	79.0
Carl Daniel Architects	70	79	90	83	68	78.0
New Republic Architects	73	69	89	71	68	74.0
ASA Architects	60	76	86	71	73	73.2
In*Situ Architecture, PLLC	56	83	93	65	63	72.0
McCormick Architecture, LLC	60	73	91	67	69	72.0
Live Arch	48	68	81	63	58	63.6
True North Consulting Group	45	61	77	50	40	54.6

c. Contract with EXIGO for Architectural Services

During the Special Board meeting held on April 24, 2018, the Board approved the rankings and recommendation from the evaluation committee as presented by Mr. Eyeington to select EXIGO to provide architectural services for the Support and Technology Building. On May 15, 2018 the District entered into a contract with EXIGO to provide architectural services for the construction of the Support and Technology Building.¹⁸⁰ Under the terms of the contract, EXIGO would receive compensation equal to 7.45% of the cost of the work for basic services for new construction on the project.^{181,182}

¹⁷⁷ The evaluation committee was comprised of Thomas Eyeington (Chief Operations Officer), Tony Reza (Chief Financial Officer), David Carrasco (Director of Maintenance & Operations), Gabriel Crespo (Director of Facilities/Construction) and Samuel Garcia (Purchasing Director).

¹⁷⁸ The rating criteria outlined in the bidding documents was Ability to Perform (20 points), References (20 points), Past Relations with SISD (20 points), Number of Personnel Available (5 points), Number of Registered Architects and/or Engineers assigned to the project (15 points), Previous Experience with Schools (15 points) and Local Presence (5 points).

¹⁷⁹ See **Exhibit H.1**

¹⁸⁰ See **Exhibit H.2**

¹⁸¹ The professional services fee of 7.45% was approved by the Board during the Regular Board meeting on May 15, 2018.

¹⁸² The District's contract with EXIGO included a budget of \$10 million for construction of the Support and Technology Building (excluding compensation amounts paid to EXIGO).

III. Selection of a Construction Manager at Risk

a. Request for Proposals

During the Regular Board meeting on January 16, 2018, the Board authorized a resolution to prepare and advertise Request for Proposals for Construction Managers for Phase II of the 2017 Bond Program. On January 23, 2018, the District issued RFP No. 199-0206-E1838 requesting proposals for Construction Management at Risk Services for the Support and Technology Building, with submissions due by February 6, 2018.¹⁸³ However, during the Board meeting on February 20, 2018, the Board elected to postpone the selection of a construction manager and re-bid. On May 10, 2019, the District issued CSP No. 1965 requesting sealed submissions for all labor and materials for the construction of the Support and Technology Building, with submissions due by May 30, 2019.¹⁸⁴ The District received proposals from two (2) firms, both of which were rejected during the Regular Board Meeting on July 23, 2019. On August 21, 2019, the District issued a third request for proposals under CSP No. 2017 for the construction of the Support and Technology Building, with submissions due by September 25, 2019.¹⁸⁵

b. Evaluation of Proposals

The District received proposals from four (4) firms in response to CSP No. 2017, which were evaluated by a two-member evaluation committee based on the criteria outlined in the bid documents.^{186, 187} The evaluation committee scored Noble General Contractors (“Noble”) as the highest ranked firm, with an average score of 98.19 out of 100 points, as summarized in the table below.

Evaluation Committee Member	AO General Contractor	Banes	Dantex	Noble
Evaluator 1	86.82	95.88	98.15	98.69
Evaluator 2	79.32	94.88	98.15	97.69
Average Score	83.07	95.38	98.15	98.19

c. Construction Contract with Noble

In October 2019, Noble submitted a best and final offer of \$13,036,600 for the construction of the Support and Technology Building, which was reduced from their original bid of \$13,082,000. During the Regular Board meeting on October 15, 2019, the Board approved Noble to construct the Support and Technology Building

¹⁸³ The District's bid notice was published in the El Paso Times newspaper on January 23, 2018 and January 30, 2018.

¹⁸⁴ The District's bid notice was published in the El Paso Times newspaper on May 10, 2019 and May 17, 2019.

¹⁸⁵ The District's bid notice was published in the El Paso Times newspaper on August 21, 2019 and August 28, 2019.

¹⁸⁶ The rating criteria outlined in the bidding documents was Purchase Price (40 points), Experience and Reputation of Vendor (15 points), Quality of Goods and Services (15 points), Past Relationship (10 points), Safety Record (10 points), and Ability to meet District Needs – Deviations, Specifications and Terms and Conditions (10 points).

¹⁸⁷ It is our understanding that the evaluation committee was comprised of the Chief Operations Officer (Tom Eyeington) and Facilities Coordinator (Victor Gonzalez).

for a maximum cost of \$13,036,500. The same day, the District executed a contract with Noble for the construction of the Support and Technology Building for a sum of \$13,036,500, as summarized in the table below.¹⁸⁸

Description	Amount
Base Bid (Best and Final Offer)	\$12,170,000
Project Contingency	\$500,000
Alternate No. 1 – Horizontal Suspended Acoustical Panels at Flex Space	\$65,000
Alternate No. 2 – Exterior Green Wall	\$67,000
Alternate No. 3 – Premanufactured Sunshade Screens	\$123,000
Alternate No. 4 – Mural (Best and Final Offer)	\$55,500
Alternate No. 5 – Lightning Protection	\$56,000
Alternate No. 6 – Exterior Steel Canopies (Deductive)	(\$94,000)
Total	\$13,036,500

d. Payment Applications Submitted by Noble

The District provided the Notice to Proceed to Noble on October 17, 2019. Noble submitted 25 payment applications to the District during the December 2019 – September 2022 time period totaling \$12,918,877. On April 11, 2022, the District issued a deductive change order for \$117,623 to credit back the District for unused contingency amounts.¹⁸⁹ On October 18, 2022, the Board accepted the work completed by Noble and authorized payment of the final payment application submitted by Noble.

¹⁸⁸ See **Exhibit H.3**

¹⁸⁹ See **Exhibit H.4**

IV. Analysis of Actual Expenditures

Based upon our review of the District's financial records, we identified expenditures for the construction of the Support and Technology Building totaling approximately \$14.8 million, which were paid with funds from the 2017 Bond Program (Fund 692). A summary of expenditures by cost category is provided in the table below.

Summary of Actual Expenditures (as of 3/31/2023): Support and Technology Building							
Vendor Name	Expenditures by Fiscal Year						Total
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
Construction Manager							
Noble General Contractors LLC	\$ -	\$ -	\$ 2,432,725	\$ 9,044,143	\$ 1,344,842	\$ 97,167	\$ 12,918,877
Subtotal	\$ -	\$ -	\$ 2,432,725	\$ 9,044,143	\$ 1,344,842	\$ 97,167	\$ 12,918,877
Architectural/Engineering							
ACM Designs LLC	\$ -	\$ 597,120	\$ 263,612	\$ 100,320	\$ 18,178	\$ -	\$ 979,230
Amec Foster Wheeler Environment & Infrastructure	-	6,640	28,125	25,689	233	-	60,688
Subtotal	\$ -	\$ 603,760	\$ 291,738	\$ 126,010	\$ 18,411	\$ -	\$ 1,039,918
Furniture, Fixtures & Equipment							
Contract Associates of El Paso	\$ -	\$ -	\$ -	\$ 532,964	\$ 36,876	\$ -	\$ 569,840
Irwin Seating Company	-	-	-	-	121,919	-	121,919
Saenz Material & Handlings of El Paso Inc.	-	-	-	-	44,010	-	44,010
DEMCO Inc.	-	-	-	-	-	25,817	25,817
1st Choice Restaurant Equipment & Supply	-	-	-	-	4,807	-	4,807
CDW LLC	-	-	-	-	4,416	-	4,416
Complete Reprographics	-	923	2,267	-	-	-	3,190
W. W. Grainger Inc.	-	-	-	-	1,088	-	1,088
Subtotal	\$ -	\$ 923	\$ 2,267	\$ 532,964	\$ 213,116	\$ 25,817	\$ 775,086
Utilities							
El Paso Electric Co.	\$ -	\$ -	\$ 53,819	\$ -	\$ -	\$ -	\$ 53,819
AT&T	-	-	-	-	3,455	-	3,455
Subtotal	\$ -	\$ -	\$ 53,819	\$ -	\$ 3,455	\$ -	\$ 57,274
Grand Total	\$ -	\$ 604,682	\$ 2,780,549	\$ 9,703,117	\$ 1,579,824	\$ 122,984	\$ 14,791,155

V. Summary of Findings

a. Actual Costs for Support and Technology Building Exceeded Budget by \$2.3 Million

The original cost estimate for the construction of the Support and Technology Building based on the 2017 Facility Assessment Report was \$12.5 million. We determined that actual costs for completion of the Support and Technology Building totaled approximately \$14.8 million, which exceeded the budget amount by approximately \$2.3 million.

b. Rejection of Bids for Architect and Construction Services

As described previously in this Report, during the February 20, 2018 Board meeting, the Board met in executive session and elected to postpone their selection of an architectural firm and a construction contractor for the Support and Technology Building. Subsequently the District solicited bids and proposals under a Competitive Sealed Proposal methodology as opposed to the previous Construction Manager at

Risk methodology. Due to the discussion during the February 20, 2018 Board meeting being conducted in executive session, it is unclear why the Board elected to reject the bids for a Construction Manager at Risk and solicit bids using the Competitive Sealed Proposal methodology.

c. Affiliation Between Mr. Eyeington and EXIGO

Based on our review of email communications obtained and review from Mr. Eyeington's email account with the District, we determined that Mr. Eyeington served on the Board of Directors of the Foundation for the Diocese of El Paso. We also determined that a Vice President for EXIGO, Cecilia Mesta, also served on the Board of the Foundation for the Diocese of El Paso during the same time period. We did not identify any email communications between Mr. Eyeington and Ms. Mesta concerning the District's selection of EXIGO as architect for the Support and Technology Building.¹⁹⁰

¹⁹⁰ Based on our review of the Foundation for the Diocese of El Paso's website, Ms. Mesta is still a member of the Board, while Mr. Eyeington is no longer a Board member.

I. New Combo School

I. Background

a. Facility Assessment Report

The Facility Assessment Report submitted by the FAC to the Board in August 2017 recommended the new construction of two (2) new elementary schools (new elementary no. 30 and no. 31) and a new middle school, with an estimated cost of \$105.8 million.^{191,192} On August 15, 2017, the Board approved the FAC's recommendation to include the construction projects as part of the 2017 Bond Program. The Facility Assessment Report did not breakout the estimated cost for each school, only the total amount for the three (3) schools combined. The information included in the Facility Assessment Report for the construction of new schools is provided below.

New Construction: \$105,820,625.00

New Elementary No. 30 (Proto-Typical Design) (2019-2020)

To be built in the Pebble Hills feeder to relieve Butler Elementary School.

New Middle School (2019/2020)

To be built in the Eastlake feeder to relieve Col. John O. Ensor Middle School.

New Elementary No. 31 (Proto-Typical Design) (2022-2023)

To be built in the Eastlake feeder to accommodate growth.

b. Combining of New Middle School and New Elementary School No. 31

On December 1, 2017, the District issued a Request for Qualifications ("RFQ") for Architectural Professional Services for Socorro High School Re-construction, New Student Activities Complex (SAC II) and New Middle School, with submissions due by December 15, 2017 (RFQ No. 199-1215-E1830).¹⁹³ The District received 17 proposals and selected Mijares-Mora Architects, Inc. ("Mijares-Mora") as the architect for the New Middle

¹⁹¹ On November 7, 2017, the \$448.5 million bond proposition was approved by the voters by a 60% vote.

¹⁹² New Elementary No. 30 is Cactus Trails Elementary, which is discussed in more detail in Section B of this Report.

¹⁹³ The District's bid notice was published in the El Paso Times newspaper on December 1, 2017 and December 8, 2017.

School.¹⁹⁴ On December 8, 2017, the District issued a Request for Proposals (“RFP”) for Construction Management at Risk Services for New Middle School and Re-construction of SHS (RFP #199-0103-E1831), with submissions due by January 3, 2018.¹⁹⁵ The District received four (4) proposals and selected Banes General Contractor (“Banes”) as the construction manager for the New Middle School.¹⁹⁶

While the District originally planned to build the New Middle School No. 10 and New Elementary School No. 31 as separate facilities, during the Regular Board Meeting on March 26, 2019 administration recommended that the Board consider and approve the combination of the two projects (referred to in this Report as the “New Combo School”).¹⁹⁷ Administration also requested authorization from the Board to solicit new requests for proposals for architectural and construction management services for the New Combo School. During the March 2019 Board meeting, the Board elected to terminate the existing awards for the New Middle School and issue new RFQs and RFPs for the New Combo School.

II. Selection of Architect for the New Combo School

a. Request for Qualifications

Following the Board's decision to issue a new RFQ for the New Combo School, on May 2, 2019 the District issued a RFQ for Architectural Professional Services for the New Combo School (RFQ No. E1959), with submissions due by May 16, 2019.¹⁹⁸

b. Evaluation of Proposals

The District received proposals from 14 architectural firms, which were evaluated by a five-member evaluation committee based on the criteria outlined in the bidding documents.¹⁹⁹ The evaluation committee scored PSRBB Architects Commercial Group, Inc. (“PSRBB”) as the highest ranked firm, with an average score of 86.6 out of 100 points.²⁰⁰ A summary of the evaluation committee's scores for each of the 14 firms is provided in the table below.

¹⁹⁴ Mijares-Mora was the 2nd ranked firm by the evaluation committee. During the February 20, 2018 Regular Board Meeting, the Board approved a fee of 6.25% to be paid to Mijares-Mora for the design of the New Middle School.

¹⁹⁵ The District's bid notice was published in the El Paso Times newspaper on December 8, 2017 and December 15, 2017.

¹⁹⁶ Banes was the highest ranked firm by the evaluation committee. During the February 20, 2018 Regular Board Meeting, the Board approved a total fee for Banes of \$1,735,108 (including fees for pre-construction, construction management and general conditions).

¹⁹⁷ During the Regular Board Meeting on September 21, 2021, the Board approved a motion to name the New Middle School as Eastlake Middle School, and to name the New Elementary School No. 31 as Ben Narbutth Elementary School.

¹⁹⁸ The District's bid notice was published in the El Paso Times newspaper on May 2, 2019 and May 9, 2019.

¹⁹⁹ The rating criteria outlined in the bidding documents was Ability to Perform (20 points), References (20 points), Past Relations with SISD (20 points), Number of Personnel Available (5 points), Number of Registered Architects and/or Engineers assigned to the project (15 points), Previous Experience with Schools (15 points) and Local Presence (5 points).

²⁰⁰ See **Exhibit I.1**

Architectural Firm	Eval. 1	Eval. 2	Eval. 3	Eval. 4	Eval. 5	Average
PSRBB Architects	87	75	85	94	92	86.6
Mijares-Mora Architects, Inc.	84	74	84	94	95	86.2
MNK Architects, Inc.	86	71	84	96	86	84.6
Carl Daniel Architects	85	77	89	80	90	84.2
VLK Architects, Inc.	71	74	89	98	85	83.4
GA Architecture, Inc.	88	70	77	83	81	79.8
EXIGO (ACM Designs, LLC)	69	67	73	85	72	73.2
HKS, Inc.	72	70	71	65	64	68.4
ASA Architects	62	54	67	70	63	63.2
ADM Group, Inc.	60	52	66	68	60	61.2
ERO Architects	57	48	47	65	58	55.0
Vigil & Associates	56	47	53	60	55	54.2
Munoz & Company	57	48	49	60	57	54.2
True North Consulting Group, LLC	29	23	34	37	35	31.6

c. Recommendation to Select Mijares-Mora Architects, Inc.

While the evaluation committee scored PSRBB as the highest ranked firm of the 14 proposals, during the Board meeting on June 18, 2019, the evaluation committee's recommendation to the Board as presented by Mr. Eyeington was to select Mijares-Mora Architects, Inc. ("Mijares-Mora"), which was the 2nd ranked firm. The Board unanimously approved the recommendation presented by Mr. Eyeington to begin negotiations with Mijares-Mora for architectural services for the New Combo School. It is our understanding that Mijares-Mora was recommended as the architect for the New Combo School instead of PSRBB because PSRBB had previously been contracted by the District as the architect for the improvements at El Dorado High School.²⁰¹ We also noted that Mijares-Mora was originally selected as the architect for the New Middle School before the decision was made to combine the project into the New Combo School.²⁰²

d. Contract with Mijares-Mora

On July 23, 2019, the District executed a contract with Mijares-Mora to provide architectural services for the New Combo School.²⁰³ Under the contract, Mijares-Mora would earn a fee of 5.95% of the cost of new construction, with an additional 1% fee for LEED certification. The contract with Mijares-Mora included a budget of \$58 million for the total cost of construction for the New Combo School, which did not include the architect fees paid to Mijares-Mora.

²⁰¹ PSRBB was awarded a contract for architectural services for the improvements at El Dorado High School in March 2018.

²⁰² Under Board Policy CVA (Local), it is the goal of the District that major projects over \$1 million be spread so that numerous firms have the opportunity to provide services and work for the District, which provides the best value for the District so that all work is not at risk with one vendor.

²⁰³ See **Exhibit I.2**

III. Selection of a Construction Manager at Risk for the New Combo School

a. Request for Proposals

Following the Board's decision to issue a new RFP for construction management services for the construction of the New Combo School, on May 2, 2019 the District issued a RFP for Construction Management at Risk Services for the New Combo School (RFP No. E1960), with submissions due by May 16, 2019.²⁰⁴

b. Evaluation of Proposals

The District received proposals from three (3) firms, which included Banes, Buford-Thompson Company ("Buford-Thompson"), and Dantex Construction, LLC ("Dantex"). The proposals were evaluated by a five-member evaluation committee based on the criteria outlined in the bid documents.²⁰⁵ The evaluation committee ranked Banes as the highest ranked firm, with an average score of 95.2 out of 100 points.²⁰⁶ Banes also submitted the lowest construction fee of the three (3) proposals. A summary of the evaluation committee's scores for each firm as well as proposed fees is provided in the table below.

Evaluator Scoring	Banes	Buford-Thompson	Dantex
Evaluator No. 1	94	87.17	77.87
Evaluator No. 2	91	90.17	89.87
Evaluator No. 3	95	93.17	92.87
Evaluator No. 4	98	97.17	94.87
Evaluator No. 5	98	97.17	95.87
Total Average Score:	95.2	92.97	90.27
Fee Schedule:			
Pre-Construction Fee	\$15,000	\$35,000	\$30,000
Construction Fee	\$1,508,000	\$1,740,000	\$1,722,600
General Conditions Fee	\$2,046,100	\$2,622,585	\$2,106,444
Total Fee	\$3,569,100	\$4,397,585	\$3,859,044

c. Selection of Banes as Construction Manager at Risk (CMAR)

During the Board meeting on June 18, 2019, the Board approved the recommendation presented by Mr. Eyeington to select Banes as the CMAR for the construction of the New Combo School. During a subsequent Board meeting on July 23, 2019, the Board approved fees to be paid to Banes for CMAR services for the New

²⁰⁴ The District's bid notice was published in the El Paso Times newspaper on May 2, 2019 and May 9, 2019.

²⁰⁵ The rating criteria outlined in the bidding documents was Experience (20 points), Project Management and Scheduling (15 points), Fee Schedule (15 points), Past Performance (15 points), Qualifications of Assigned Personnel (10 points), Safety Record (5 points), References (5 points), Return of Savings (5 points), Bonding Capacity (5 points), and Local Presence (5 points).

²⁰⁶ See **Exhibit I.3**

Combo School of \$3,519,000, which had been reduced by approximately \$50,000 during contract negotiations from the original fee proposed by Banes. The same day, the District executed a contract with Banes for the general conditions of the New Combo School project.²⁰⁷

d. Board Approval of the Guaranteed Maximum Price (GMP) for Phase I and Phase II

Following the Board's selection of Mijares-Mora as architect and Banes as CMAR, the District worked with Mijares-Mora and Banes to establish the guaranteed maximum price ("GMP") for the construction of the New Combo School. During the Board meeting on September 15, 2020, Mr. Eyeington presented a recommendation to the Board to approve a Phase I GMP for the New Combo School in the amount of \$14,124,437.²⁰⁸ The Board approved the Phase 1 GMP and executed Amendment No. 1 to the contract with Banes for a Phase 1 GMP of \$14,124,437.²⁰⁹ During a subsequent Board meeting on October 20, 2020, the Board approved the recommendation presented by Mr. Eyeington for a Phase 2 GMP in the amount of \$55,797,132, which was approved by the Board and a contract amendment with Banes for the Phase 2 GMP was executed.²¹⁰ The total GMP for Phase 1 and Phase 2 for the construction of the New Combo School totaled \$69,936,569 (includes an additional pre-construction fee of \$15,000).

e. Change Orders No. 1 and No. 2

During the Board meeting on May 17, 2022, the Board approved Change Order No. 1 for the installation of traffic control as required by El Paso County for the New Combo School in the amount of \$164,640.²¹¹ During the Board meeting on October 18, 2022, the Board approved Change Order No. 2 in the amount of \$107,760 to finish the installation of traffic control for the New Combo School.²¹²

f. Payment Applications Submitted by Banes

Through March 2023, Banes submitted 28 payment applications to the District beginning in November 2020 totaling \$69,674,738. According to payment application #28 submitted in February 2023, the remaining balance to finish construction of the New Combo School was \$1,940,127.

²⁰⁷ See **Exhibit I.4**

²⁰⁸ The GMP for Phase 1 included costs for Earthwork, Building Concrete, and Structural Steel. The project was divided into phases to allow Banes in conjunction with the Purchasing Department to accept subcontractor proposals for the construction of the New Combo School.

²⁰⁹ See **Exhibit I.5**

²¹⁰ See **Exhibit I.6**

²¹¹ See **Exhibit I.7**

²¹² See **Exhibit I.8**

IV. Analysis of Actual and Projected Expenditures

Based upon our review of the District's financial records, actual expenditures incurred through March 2023 for the construction of the New Combo School totaled \$73.6 million, which were paid with funds from the 2017 Bond Program (Fund 692). Including the remaining construction costs estimated to be \$1.9 million plus associated professional fees, the total cost for the construction of the New Combo School is projected to be approximately \$75.7 million. A summary of actual and projected expenditures by cost category and by vendor is provided in the table below.

Summary of Actual Expenditures (as of 3/31/2023): New Combo School (Ben Narbutth ES & Eastlake MS)							
Vendor Name	Expenditures by Fiscal Year					Projected	Total
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
Construction Manager							
Banes General Contractors Inc.	\$ -	\$ -	\$ 18,686,823	\$ 39,354,328	\$ 10,227,691	\$ 1,940,127	\$ 70,208,969
Subtotal	\$ -	\$ -	\$ 18,686,823	\$ 39,354,328	\$ 10,227,691	\$ 1,940,127	\$ 70,208,969
Architectural/Engineering							
Mijares - Mora Architects Inc.	\$ -	\$ 1,915,900	\$ 797,681	\$ 487,782	\$ 918,377	\$ 115,438	\$ 4,235,177
Terracon Consultants Inc.	-	6,550	132,502	39,691	56,694	-	235,436
Star SW Inspections LLC	-	-	44,039	27,741	14,000	-	85,780
TRE & Associates LLC	-	-	1,964	-	-	-	1,964
Subtotal	\$ -	\$ 1,922,450	\$ 976,185	\$ 555,214	\$ 989,070	\$ 115,438	\$ 4,558,356
Furniture, Fixtures & Equipment							
Virco MFG. Corp.	\$ -	\$ -	\$ -	\$ -	\$ 359,525	\$ -	\$ 359,525
Howell Business Services	-	-	-	-	238,363	-	238,363
Public Partners Group LLC	-	-	-	-	75,002	-	75,002
School Specialty LLC	-	-	-	725	50,009	-	50,735
Best Buy Stores LP.	-	-	-	4,188	19,620	-	23,808
School Health Corporation	-	-	-	11,382	10,694	-	22,076
Lakeshore Parent LLC	-	-	-	15,125	-	-	15,125
DEMCO Inc.	-	-	-	-	12,557	-	12,557
Blick Art Materials LLC	-	-	-	-	6,118	-	6,118
William V. MacGill & Co.	-	-	-	-	3,611	-	3,611
Complete Reprographics	-	237	2,950	-	-	-	3,188
Subtotal	\$ -	\$ 237	\$ 2,950	\$ 31,420	\$ 775,499	\$ -	\$ 810,107
Utilities							
El Paso County Emergency Servic	\$ -	\$ -	\$ 46,666	\$ -	\$ -	\$ -	\$ 46,666
Paseo Del Este Mud	-	13,000	-	-	3,343	-	16,343
Subtotal	\$ -	\$ 13,000	\$ 46,666	\$ -	\$ 3,343	\$ -	\$ 63,009
Land							
Weststar Bank Holding Compan	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Subtotal	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Grand Total	\$ 10,000	\$ 1,935,687	\$ 19,712,625	\$ 39,940,962	\$ 11,995,603	\$ 2,055,564	\$ 75,650,441

V. Summary of Findings

a. Actual Costs for Construction of New Combo School Exceeded Budget by \$2.3 Million

While the 2017 Facility Assessment Report did not provide a cost estimate or budget specific to the New Combo School, the implied cost estimate for the New Combo School was approximately \$73.2 million.²¹³ Based on the actual costs incurred through March 2023 and projected cost to complete construction, the total cost for the New Combo School is approximately \$75.6 million, which is \$2.3 million higher than the implied cost estimate included in the 2017 Facility Assessment Report.

b. Alternate No. 1 Paid with General Funds

During the Regular Board meeting on October 18, 2022, administration presented a recommendation to the Board to consider and approve a Change Order for the New Combo School for the build out of 11 additional classrooms at Colonel Ben Narbuth Elementary School (referred to as Alternate No. 1). The cost estimate for Alternate No. 1 was \$3,107,336, which would also be completed by Banes under a separate contract. While Alternate No. 1 was associated with the construction of the New Combo School (even though it was not included in the base construction package), we determined that the District did not use bond funds for the build out of the additional 11 classrooms at the New Combo School, and instead used funds from the General Fund. It is our understanding that the reason bond funds were not used was due to the cost overruns experienced with other bond projects, which resulted in budget constraints for the 2017 Bond Program.

²¹³ The Facility Assessment Report included a total cost estimate of \$105.8 million for the construction of New Elementary No. 30 (i.e., Cactus Trails Elementary), New Elementary No. 31 and the New Middle School (i.e., New Combo School). After deducting the actual costs to complete the construction of Cactus Trails Elementary (\$32.6 million), the remaining budget for the construction of the New Combo School was \$73.2 million.

J. Maintenance Office Facility

I. Background

During the Board meeting on August 15, 2017, the Board approved the revised 2017 Facility Assessment Report submitted by the Facilities Advisory Committee, which recommended a budget of \$448.5 million for the 2017 Bond Program.²¹⁴ The Facility Assessment Report included the construction of an office facility for the Maintenance & Operations Department (referred to in this Report as “Maintenance Office Facility”), with an estimated cost of \$10.6 million. According to the Facilities and Assessment Report, the proposed Maintenance Office Facility would provide a more centralized location for the Maintenance & Operations Department as the warehouse currently used for operations was built in 1960 and inadequate for operations.

II. Selection of Architect

a. Request for Qualifications

The District did not issue a separate Request for Qualifications for architectural services for the Maintenance Office Facility, and instead selected a firm from the list of architects previously approved by the Board as part of a general solicitation for architectural firms from 2018. During the Board meeting on February 16, 2021, administration recommended three (3) architectural firms from the RFQ No. 199-0303-E1841 for Miscellaneous Professional Services District Wide, as approved by the Board on March 27, 2018.²¹⁵ The firm recommended by administration was MNK Architects, Inc. (“MNK”), which was approved by the Board.

b. Contract with MNK

On March 23, 2021, the District executed a contract with MNK to provide architectural services for the Maintenance Office Facility, as approved by the Board.²¹⁶ Under the contract, MNK would earn a fee of \$667,720, based on 7% of construction costs plus certain additional services listed in the contract.²¹⁷

c. Redesign of Maintenance Office Facility

During the Board meeting on April 18, 2023, the Board approved design changes for the Maintenance Office Facility to reduce the size of the facility. The original design plans were for 30,000 square feet to house all staff members in the Maintenance & Operations Department and approximately 100 spaces for various

²¹⁴ On November 7, 2017, the \$448.5 million bond proposition was approved by the voters by a 60% vote.

²¹⁵ See **Exhibit J.1**

²¹⁶ See **Exhibit J.2**

²¹⁷ The construction budget for the Maintenance Office Facility included in the contract with MNK was \$8 million.

vehicles. Under the redesign approved by the Board, the plans were reduced to 12,000 square feet to house staff members in the Maintenance & Operations Department, but did not include additional space for vehicles.

III. Selection of Construction Manager

As of this Report, the District has not issued a solicitation for bids for a construction manager.

IV. Summary of Findings

a. Estimated Construction Costs After Redesign were \$3.6 million

Based on discussions with personnel from the Facilities and Planning Department, the 60% reduction in square footage (30,000 square feet to 12,000 square feet) approved by the Board in April 2023 resulted in a reduced estimate of construction costs to \$3.6 million, as determined by MNK. The original budget recommended by the Facilities Advisory Committee in August 2017 included a budget of \$10 million for construction costs, in addition to \$610,000 for design costs. When the District executed the contract with MNK in March 2021, the budget for construction costs had been reduced to \$8 million. It is our understanding that the reduction in square footage for the Maintenance Office Facility was part of an effort to reduce remaining costs for the 2017 Bond Program due to the cost overruns experienced in other bond projects.

b. Increased Architectural Fees After Redesign

While the reduction in size of the Maintenance Office Facility reduced estimated construction costs, the redesign resulted in additional fees for architectural services as MNK had already incurred approximately 80% of the fees associated with the design of the 30,000 square foot facility at the time of the redesign. MNK was required to perform additional work to redesign the Maintenance Office Facility. Based on discussions with the Facilities and Planning Department, the total fees anticipated to be paid to MNK increased by \$218,756, from \$667,720 to \$886,476, as a result of additional work to be performed under the redesign.

Exhibits
