

# **Investigation Report for Fort Bend ISD Board of Trustees**

**Regarding the Budget Planning Process for the 2023  
Bond Program**

**April 11, 2024**

**Prepared by:**

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## I.

### INTRODUCTION AND EXECUTIVE SUMMARY

The Board's request for this investigation stems from a Bond Update presentation made by the Administration at a Special Meeting of the Fort Bend ISD Board of Trustees on February 5, 2024.<sup>1</sup> During the presentation, the Administration shared preliminary estimates projecting a potential \$132.6 million funding shortfall for the 2023 Bond Program. In the February 5<sup>th</sup> presentation, Deputy Superintendent Steve Bassett - with a slide reading "How Did We Get Here?" - explained that the shortfall was the result of "initial budget planning issues" and "construction inflation." The scope and purpose of this investigation was to examine the two stated explanations for the projected shortfall, including a review of evidence regarding the knowledge, or lack thereof, of individuals involved in the bond budget planning process.

As explained below, the District retained PBK Architects to prepare cost estimates for the major projects proposed to be included within the bond program. PBK's cost projections were originally prepared in 2021 in anticipation of the possibility of a November 2022 bond election. This work was memorialized in Project Cost Worksheets. An example of a Project Cost Worksheet for Clements HS can be found herein at Figure 2. Importantly, in order to account for projected construction inflation, PBK's cost projections increased year over year. By way of example, the total projected cost to rebuild Clements HS in 2022 was \$222,854,405 while the total projected cost to rebuild Clements HS in 2025 was \$267,927,154. The year over year increase in PBK's cost projection was attributable to anticipated construction inflation. PBK used varying projected annual inflation rates for each year.

Upon PBK's completion of the cost estimates, the administration did not include PBK in ongoing bond planning for the major projects, and in several instances chose not to use PBK's recommended cost projections. In some instances, decisions not to use PBK's cost projections resulted in budgeting decisions that did not adequately account for anticipated inflation or failed to account for inflation altogether. While there were several administrative decisions that have led to the current projected shortfall, the primary cause relates to the failure to properly account for anticipated construction inflation during the budget planning. As further detailed below, the administration's explanation of the causes of the budget shortfall is lacking, as it omits that the administration knowingly made the decision not to adjust cost projections in order to align with the decision to delay the bond election to May 2023 – which resulted in delays in the proposed construction schedules for all projects. Again, using Clements HS as an example, PBK's cost estimate for the construction of Clements HS in 2022 dollars was \$222,854,405. Given that the bond election was pushed to May 2023, it was obvious that the rebuild of Clements HS would not commence in 2022 but likely commence in late 2024 or early 2025. Nevertheless, the evidence supports the conclusion that the administration made the decision to use PBK's original 2022 cost projections without accounting for anticipated inflation attributable to the delay in calling for the bond election. As further explained below, the evidence also supports the conclusion that certain administrators voiced concerns over the decision not to adjust for inflation to both Superintendent Dr. Whitbeck, as well as Bassett.

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<sup>1</sup> A recording of the presentation to Board of Trustees on February 5, 2024 is available at <https://fortbendisd.new.swagit.com/videos/296463>.

With respect the claim that a former District employee failed to share information contained in a November 2022 email from PBK, the evidence, as set forth in this report, does not support the conclusion that the email - or the District's failure to act on that email - has contributed to the current projected shortfall.

## **II.**

### **SCOPE OF THE INVESTIGATION**

In conducting this investigation, I had one or more discussions or written communications with the following individuals:

- Carolina Fuzetti, former FBISD Executive Director of Design and Construction
- Steve Bassett, Deputy Superintendent
- Dr. Christie Whitbeck, former FBISD Superintendent
- Oscar Perez, former Chief Operations Officer
- Bryan Guinn, FBISD Chief Financial Officer
- Beth Martinez, FBISD Deputy Superintendent
- Ashley Dixon, FBISD Construction Director
- Ryan Keifer, FBISD Design Manager
- Melissa Turnbaugh, Principal, PBK Architects
- Ron Bailey, Principal, PBK Architects

I also reviewed various documents, including the following:

- Meeting agendas and videos of Board of Trustees meetings
- Meeting agendas and handouts of the Bond Oversight Committee
- Bond related e-mails and attachments, specifically discussions including Fuzetti, Bassett, Perez, Dr. Whitbeck, PBK, Ronna Johnson (FBISD bond election consultant), Guinn, and Martinez
- Text messages between Fuzetti and Bassett
- Agendas and handouts of FBISD Administration "Brass to Brass" bond planning meetings
- Internal bond planning spreadsheets and reports
- PBK files, including Project Cost Estimates, bond information materials, Facility Study documents and estimates, Board workshop presentation materials
- FBISD Educational Specifications
- FBISD Owner-Architect Agreements and CM-at-Risk concerning bond projects
- Recent cost estimates and GMP Amendments for bond projects

The resulting findings and analysis of my investigation are detailed below.

### III.

## ANALYSIS OF INITIAL BUDGET PLANNING ISSUES

### A. The Overall Bond Planning Process

As referenced above, PBK was asked in 2021 to develop a “Project Cost Worksheet” for each major project being considered as part of the District’s next bond program, which the administration planned to propose for a November 2022 election. PBK prepared “Project Cost Worksheets” for all major projects proposed for a 2022 bond program, although the scope of certain projects changed after the worksheets were developed (which will be further discussed below). PBK provided the completed worksheets to Fuzetti in or around early late November/early December of 2021. Each worksheet stated the estimated cost of construction in 2021 dollars, then added 23% for various necessary soft costs, to arrive at a “Total Project Cost.” Given that the estimates were generated in 2021, using 2021 construction cost data, PBK also included a Total Project Cost estimate for years 2022 through 2026, which adjusted the budgets for compounding inflation from year to year.<sup>2</sup> An example of one of the Project Cost Worksheets is depicted in **Figure 2** below:

**Figure 2:**  
**Example of PBK Project Cost Worksheet (Clements HS)**

Fort Bend Independent School District Clements High School Rebuild Project Cost Worksheet		
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<b>Total Construction Cost</b>		<b>\$167,761,522</b>
Construction Non-Contract Cost:	6.0%	\$10,065,691
Furniture & Equipment:	5.5%	\$9,226,884
Technology:	5.5%	\$9,226,884
A & E Fee:	6.0%	\$10,065,691
<b>Total Project Cost - 2022</b>	8%	<b>\$222,854,405</b>
<b>Total Project Cost - 2023</b>	7%	<b>\$238,454,214</b>
<b>Total Project Cost - 2024</b>	6%	<b>\$252,761,466</b>
<b>Total Project Cost - 2025</b>	6%	<b>\$267,927,154</b>
<b>Total Project Cost - 2026</b>	6%	<b>\$284,002,784</b>
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<b><i>The following items are included in the estimated Project Cost:</i></b>		
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• Clements High School Rebuild - Two-Story		\$151,536,000
Includes: Academic Classrooms, Administration, Fine Arts/Theater, Cafeteria/Kitchen, Central Plant, Athletics, Field House, Competition Fields; based on HS #12 Program. Existing CHS Auditorium will remain and is not included in new SF.		
• Site Improvements		\$5,550,000
Includes: Landscaping improvements, courtyard areas, site directional signage, repave student parking lot, new visitor/staff parking lots, new bus parking, new drives.		
• Demolition & Abatement of Existing Buildings		\$2,840,000
• Premium for Phased Construction & Building Tie-In (Auditorium)		\$4,546,080
• Design and Estimating Contingency		\$3,289,442
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<small>1. Costs shown are estimated costs and have assumed estimated projected inflation rates using various construction industry data.</small>		
<small>2. All non-contract, FF&amp;E, technology and other soft cost percentages are estimated from most recently completed projects of similar scope and size.</small>		
<small>3. Costs shown on this sheet exclude required property purchases and unknown site infrastructure considered not typical to a typical green field site.</small>		

Following receipt of the worksheets, Fuzetti worked to develop budget numbers for a capital plan that would guide the overall budgeting process for a proposed bond program. Based

<sup>2</sup> All Project Cost Worksheets prepared by PBK related to the major projects in the 2023 Bond Program are attached as Exhibit B.

on my review of public documents, the first time the administration publicly shared the 2022 capital plan was on July 21, 2022, at a meeting of the District’s Bond Oversight Committee (BOC). BOC meetings were regularly attended by Dr. Whitbeck, Bassett, Perez and Fuzetti. At the July 2022 BOC meeting, the Administration made a presentation titled “2018 Bond Update and 2022 Bond Planning,” which included the following draft capital plan:

**Figure 3:  
Bond 2022 Presentation to BOC on July 21, 2022**

# Bond 2022 – DRAFT Capital Plan – As of June 2022

DESIGN & CONSTRUCTION		\$1.064B
Major Projects	Elementary School 55 (North West)	\$46M
	Ferndell Henry Renovations & Additions - ES 56 (South East)	\$18M
	New Middle School 16	\$82M
	Briargate Re-Build	\$47.2M
	Mission Bend Re-Build	\$47.2M
	Clements HS Re-Build	\$222.8M
	Natatorium	\$22.9M
	Transportation Facility	\$19.2M
	<b>Sub-Total Major Projects</b>	<b>505.3M</b>
	Facility Deficiencies & Life Cycle Needs, Educational Adequacy Deficiencies	\$558.9M

SAFETY & SECURITY		\$5.6M
	Security Cameras	\$3M
	Police Vehicles	\$1.02M
	Floor Mounted Door Locks	\$200K
	Standardized Weapons and Response Kits	\$200K
	Emergency Notification System	\$175K
	Safety and Security Contingency	\$1.05M

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TRANSPORTATION		\$6.7M
	Buses & Other Vehicles	\$4.6M
	District Wide White Fleet	\$2.1M

TECHNOLOGY		\$100M
	Infrastructure	\$1.5M
	Network	\$43.6M
	Systems	\$2.7M
	Classroom Toolset	\$48.1M
	Staff Computer Refresh	\$4.3M

LAND		\$3.2M
	Property Required for Growth	\$3.2M

ESTIMATED TOTAL		\$1.18B
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The list of “Major Projects” presented in the above document is identical to the list of major projects currently in the 2023 Bond Program. Notably, each budget stated for the major projects matches the budgets published in the lead up to the 2023 bond election. As further explained below, not all of the major project budgets are based on PBK’s estimates. A review of documents and interviews with witnesses revealed that various factors resulted in deviations from PBK’s recommended numbers for certain projects. Thus, a brief discussion of the underlying rationale for each major project budget is necessary.

## B. Analysis of the Budgeting Process for Each Major Project

### Briargate ES Rebuild and Mission Bend ES Rebuild:

Major Project	Total Project Cost for 2022 (Per PBK) (\$M)	Total Project Cost for 2023 (Per PBK) (\$M)	Capital Plan Budget Used by FBISD (\$M)
Briargate ES Rebuild	44.2	47.3	47.3
Mission Bend ES Rebuild	PBK did not prepare	PBK did not prepare	47.3
New Elementary 55	53.8	57.5	46.1

While the administration used PBK's 2023 worksheet estimate for the Briargate ES Rebuild, PBK did not prepare a Project Cost Worksheet for the Mission Bend ES Rebuild because at the time PBK prepared the worksheets in 2021, the District was only considering façade upgrades to Mission Bend. According to Fuzetti, the administration subsequently recommended rebuilding Mission Bend ES and consolidating the Mission Bend and Mission Glenn elementary campuses at Mission Bend ES. When budgeting for the Mission Bend ES rebuild, Fuzetti used the same 2023 budget estimate PBK prepared for Briargate ES because she believed the scope of the two rebuild projects were comparable. In my opinion, Fuzetti's decision to rely upon PBK's cost estimate for the Briargate ES rebuild when setting the budget for Mission Bend ES rebuilt was justified. However, the cost projections for both campus rebuilds were based upon 2023 cost projections, at a time when the District hoped for a 2022 bond election. Upon learning that the election would not occur until 2023, the budget should have been based upon PBK's 2024 cost estimate (which would have accounted for an additional year of compounding inflation), as construction of these campuses is commencing this year.

Subsequent to Fuzetti setting the budgets for the two elementary school rebuilds, PBK sent Fuzetti an email dated November 3, 2022 in which it recommended an increase to its initial cost per square foot assumption for Briargate ES. PBK made this recommendation because it was experiencing unanticipated cost escalations on projects it was handling for other districts. PBK's original cost projections for Briargate ES was predicated upon a cost of \$315 per square foot in 2021 dollars for a 100,000 square foot building. However, as stated above, Fuzetti based her budget on PBK's projected cost in 2023 dollars, which was \$364 per square foot (the baseline cost per square foot of \$315 having increased due to the annual inflation factors applied by PBK for 2022 and 2023).<sup>3</sup> PBK recommended that in 2023 dollars, the District should use a cost per square foot of \$400.

As explained below, PBK's November 3, 2022 email was the email Bassett referenced during his February 5, 2024 presentation to the board in which he explained the causes for the budget shortfall.<sup>4</sup> According to Bassett, the budget shortfall was in significant part a failure in planning caused by the Design and Construction team not having shared the contents of the November 3,

<sup>3</sup> In her November 2, 2022 email to PBK, Fuzetti mistakenly referenced the \$315 number as the "2023 Dollars. The Project Cost Worksheet used the \$315 figure for the year 2021 starting year, and after applying the year to year inflation increases, the total budget in 2023 dollars was actually based on \$364 per square foot.

<sup>4</sup> Although Bassett did not mention Fuzetti by name, Bassett verified that the "consultant" email he referenced was the email exchange initiated by Fuzetti on November 2, 2022 and responded to by PBK on November 3, 2022, which is attached to this report as Exhibit A.

2022 email with others, including Oscar Perez and him. Specifically, Bassett offered the following explanation:

*“Back in November 22, ... our Design & Construction team ... asked our consultants for some information, trying to verify where we were on some of our planning factors.... question was sent, response was received and since that time we’ve learned that we didn’t act on that information. It wasn’t shared with me, it wasn’t shared with Oscar [Perez], and it wasn’t shared with anybody else in the organization...[It] asked about square footage, for our assumptions about square footage for new schools as well as our square footage, price per foot, price per square foot assumptions...[W]henver that information was received, the consultant at the time gave the information, but as I said, that information wasn’t used and we didn’t modify our planning assumptions with any new information, okay? ... [T]hat e-mail [from the consultant] focused on Major Projects, it didn’t focus on anything else. It was about the Major Projects, it was new schools and the big rocks in our bond plan.”*

Bassett then showed the following slide, which lists major projects in the 2023 Bond Program:

**Figure 1:**  
**List of Major Projects and Variances Presented on February 5, 2024**

### Variance in Initial Major Project Bond Plan

Major Projects (\$M)	All-In Original Bond Budget	Assessment Budget w/ Consultant Info	Delta	Percent
Briargate ES Rebuild	\$ 47.3	\$ 61.1	\$ (13.7)	29%
Mission Bend ES Rebuild	\$ 47.3	\$ 61.1	\$ (13.7)	29%
Clements HS Rebuild	\$ 222.8	\$ 249.9	\$ (27)	12%
Ferndell Henry Reno & Adds	\$ 18.0	\$ 18.0	\$ -	0%
Middle School 16	\$ 82.0	\$ 106.5	\$ (24.5)	30%
Elementary School 55	\$ 46.1	\$ 55.8	\$ (9.7)	21%
Aquatic Practice Facility	\$ 22.9	\$ 27.4	\$ (4.5)	20%
Transportation Facility	\$ 19.2	\$ 19.7	\$ (0.5)	3%
	\$ 505.6	\$ 599.3	\$ (93.6)	19%



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Discussing the above slide, Bassett continued:

*“and so the purpose of this slide is to show that if we had acted on the information received by the consultant, we would have come to the Board, we would have asked for more to add to the budgets, ok, that’s what would have happened ... if we had included that information, calculating everything out, the budget for those should have been closer to \$600 million . . But if we’d had this information, and it had been acted on, then we*

*would've had a chance at that time, back in November [2022], to adjust our budgets..."*

Bassett's explanation that the District's failure to act on PBK's November 2022 recommendation is a cause of the budget shortfall is incorrect for two reasons. First, Bassett misreads the scope of PBK's recommendation to extend to all major projects when it only addressed the projected costs of the two elementary rebuild projects. And second, as will be further explained below, PBK's concern about the higher cost per square foot has ultimately proved to be overstated in light of the current cost per square foot for the elementary rebuild projects.

In the email exchange, Fuzetti asked PBK whether she would need to increase the budget for the elementary rebuilds if the District were to expand the elementary schools to accommodate 1,200 students as opposed to a plan for 1,000 students. PBK followed up the next day with a recommendation that, regardless of the ultimate student capacity, the District update its current cost estimate to use closer to a \$400 per square foot for an elementary demo/rebuild.<sup>5</sup>

In his explanation to the Board, Bassett states that PBK's November 2022 email contained information about "new schools" and that the email was focused on the "major projects" in the bond program and "didn't focus on anything else," and that this information "wasn't used" to modify the administration's planning assumptions. Review of the November 2022 email exchange reveals that Bassett's statement that the email was *"about the major projects, it was new schools and the big rocks in our bond plan"* was not accurate. PBK's recommendation was not directed towards all major projects, rather, the recommendation was specific to the elementary demo/rebuild projects only. PBK confirmed that it did not recommend increases to the cost per square foot assumptions for any other major projects.

Fuzetti confirmed that she did not share the November 2-3, 2022 email exchange with anyone. She ignored PBK's recommendation to increase the projected budgets for the two elementary rebuilds because she thought PBK's \$400 per square foot recommendation was too high, based on her review of elementary school projects recently completed in the area, including in FBISD. She explained that based on the design flexibility afforded under the District's new 2022 qualitative Education Specifications, she would never have recommended permitting an architect to budget or design a \$400 per square foot elementary school. Fuzetti shared her belief that architects "love high numbers" because it translates into higher design fees and gives them flexibility to design "Taj Majal" schools that are larger than necessary, with overly extravagant finishes.

Importantly, it is not the District's budgeted cost per square foot assumption that has impacted the current cost of the elementary rebuilds. Rather, it appears that the budget shortfall is resulting from an increase in the size of the rebuild elementary schools. In PBK's cost estimates (and as revealed in its November 3, 2022 email to Fuzetti), PBK had assumed a size of 100,000 square feet for a "demo/rebuild" elementary. In my interview with representatives from PBK (who is also the architect for the Mission Bend ES rebuild), Melissa Turnbaugh pointed out that the Owner-Architect agreements that the District issued for both the Briargate ES and Mission Bend ES rebuild projects specified a targeted size of 125,000 square feet, rather than the 100,000 square

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<sup>5</sup> In response to a second aspect of Fuzetti's question regarding necessary space adjustments if the district were to shift to a 1,200 capacity elementary model, PBK responded that if the District used an assumption of "\$400/SF for 136,000 SF" it would be covered on both fronts for a 1,200 capacity school. Ultimately, the 2022 Education Specifications adopted by the Board set an elementary capacity of 1,000 students, not 1,200 students.



feet assumed in PBK's Project Cost Worksheet for Briargate ES. In a follow up discussion with Fuzetti, I asked whether she was aware of this fact. She expressed surprise, stating that she did not notice that higher square footages were used in the agreements. Ryan Keifer, the District's Design Manager (who reported to Fuzetti when she was Executive Director of Design & Construction) verified to me that he is the one that prepared the agreements and inserted the 125,000 requirements into the architect agreements for both Briargate ES and Mission Bend ES, to align the demo/rebuilds to the District's Educational Specifications for "new" elementary schools. According to PBK, the larger size specifications set in the design agreements (compared to the size assumed in their Briargate ES rebuild worksheet) have contributed to the higher costs of the rebuild projects.

Bassett, who may not have been privy to the underlying history regarding the size discrepancies, was therefore incorrect when he stated that ignorance about PBK's recommendation in the November 2-3, 2022 email exchange accounted for \$94.7 million of the projected \$132.6 million funding shortfall. In reality, the decision not to follow PBK's recommendation did not contribute to the projected budget deficit at all. To date, the District has only locked in contractor pricing for Briargate ES. The actual square footage for Briargate ES will be 127,200, and the construction cost per square foot, per the two Guaranteed Maximum Price Amendments approved by the Board as of April 8, 2023 is \$350 per square foot. Had Briargate ES remained as a 100,000 square foot building, as assumed by both PBK and Fuzetti when the bond budgets were developed, the cost per square foot assumed for the Briargate ES budget would have been \$364 per square foot, as confirmed by the construction budget that the Board adopted for Briargate ES at its June 5, 2023 Board meeting (\$38,100,000 plus \$1,500,000 in construction contingency).

Evidence supports that the primary reason the actual construction cost for Briargate ES is \$5,700,000 higher than originally budgeted is that the project, as designed, is 27,200 square feet larger than the square footage on which the original PBK estimate was based. With a final construction cost of \$44,570,000 (as presented to the Board at the meeting on April 8, 2024), the final cost per square foot for Briargate ES is roughly \$350 per square foot. This is less than the \$364 that Fuzetti initially budgeted for the project, which appears to support her decision to ignore and not act on the \$400 per square foot recommendation by PBK in November 2022. Given that Fuzetti used the same size assumption for the Mission Bend ES budget as she used for the Briargate ES budget, the final cost for the Mission Bend ES project will also be impacted by its increased size. The Mission Bend ES project is also going to be 127,200 square feet, 27.2% larger than the 100,000 square foot assumption on which Mission Bend ES budget was based prior to the election.

As detailed above, Bassett additionally told the Board that had the administration acted on the information contained in PBK's email (which predated the District's decision to increase the size of the rebuild elementary schools from 100,000 square feet to their current square footage), the total budget for major projects should have been closer to \$600 million rather than \$505.3 million, and that the administration would have adjusted its budgets accordingly.<sup>6</sup> This statement

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<sup>6</sup> After watching Bassett's February 5, 2024 presentation to the Board, Fuzetti vehemently disputed Bassett's claim that he would have asked the Board for more money to increase the bond budgets had they known about PBK's November 2022 email. Her belief was based on two reasons. First, she claims that they would have agreed that PBK's recommendation was too high. Second, during that time frame, the administration was being questioned by certain trustees and the public about the proposed budgets, specifically the Clements HS estimate. When I interviewed Bassett, he clarified that had he been aware of PBK's November 2022 email, he would have discussed with Dr. Whitbeck and the Board the possibility of eliminating certain projects from the 2023 Bond program.

appears to have been incorrect, given the limited scope of the email to only certain projects.

It is also important to point out that had the District adjusted the total project budgets for Briargate ES and Mission Bend ES for inflation once it realized that the 2022 Bond election would be delayed to 2023, and that construction pricing for the two schools would not be locked in until 2024 (rather than the 2023 start date assumed in the budgets), the budget shortfalls for these two projects - as for all bond projects - would have been lower.

**Elementary 55:**

Major Project	Total Project Cost for 2022 (Per PBK) (\$M)	Total Project Cost for 2023 (Per PBK) (\$M)	Capital Plan Budget Used by FBISD (\$M)
New Elementary 55	53.8	57.5	46.1

PBK's cost estimate for new Elementary 55 was significantly higher than its cost estimate for the Briargate ES rebuild. Turnbaugh (with PBK) explained that the Briargate ES estimate was based upon a 100,000 square foot building, while its estimate for Elementary 55 was based on a 126,000 square foot building, which aligned with the square foot requirement in the District's Educational Specifications for new elementary schools. Other than the size difference, PBK's budget for Elementary 55 was based on the same price per square foot adjustments (\$315 per square foot in 2021 dollars). Turnbaugh explained that PBK used a smaller building size for Briargate ES because it is a rebuild of the existing campus (which is approximately 75,000 square feet) with an additional 25,000 square feet planned for program adjustments and capacity increases. Despite the difference in the size assumptions used in PBK's worksheets for Briargate ES and Elementary 55, Fuzetti stated that she wanted the budgets to be similar, because she believed she had more opportunities for cost savings on new elementary schools. She also explained that the District's new qualitative Educational Specifications gave her the flexibility to meet the 1000 capacity standard without having to a build larger, more expensive building.

According to Fuzetti, she arrived at the Elementary 55 budget of \$46.1 million by taking PBK's \$47.3 million estimate for Briargate ES and subtracting the demolition and abatement numbers included in PBK's estimate for Briargate ES. These costs were subtracted based on the fact that Elementary 55 is a new school (as opposed to a rebuild) with no existing building to abate and demolish.

Depending on the final size of Elementary 55, Fuzetti's decision to reduce the budget for this school and use an assumption based on a 100,000 rebuild, rather than the 126,000 square feet assumption that PBK used in its worksheet, may prove to lead to a budget shortfall. The 26,000 square foot difference in the size assumptions between the demo/rebuild elementary schools and the new elementary school was addressed in PBK's November 3, 2022 email. The weight of the evidence does not support Bassett's speculation that had he or others known of the PBK email, the District would have increased any budget numbers, especially once Fuzetti explained her rationale for her proposed project budgets. Bassett stated that the District had a lot of faith in Fuzetti to make the numbers work. He described Fuzetti as a "rock star," who had been able to make everything work in the both the 2014 and 2018 Bond programs, even generating substantial contingency savings under both programs. He stated that going into the 2023 election, District

leadership believed that Fuzetti would make the numbers work this time around, as well.

### **Middle School 16:**

<b>Project</b>	<b>Total Project 2022 Cost (Per PBK) (\$M)</b>	<b>Total Project 2023 Cost (Per PBK) (\$M)</b>	<b>FBISD Published Budget (\$M)</b>
<b>New Middle School 16</b>	102.3	109.5	82.0

Middle School 16 was designed as part of the 2018 Bond Program, but funding for construction was to be included in a later bond program. Under the District’s original design contract with Corgan, the school was designed as a LEED 4 certified “net zero” school (a building that produces enough renewable energy to meet its own energy consumption needs). PBK’s Project Cost Worksheet for Middle School 16 recommended a \$102.3 million in 2022 dollars. Upon sharing the PBK estimate for Middle School 16 in a Brass to Brass meeting sometime in early 2022, Fuzetti stated that Dr. Whitbeck expressed shock and disbelief at the proposed budget. According to Fuzetti, Dr. Whitbeck stated that while at Bryan ISD, Dr. Whitbeck’s administration had completed a new middle school for far less money. Fuzetti further stated that Dr. Whitbeck made clear that she would not “pay a penny more than \$80 million” for a new middle school. Fuzetti recalled explaining to Dr. Whitbeck that it would not be possible to build a “net zero” middle school for less than \$80 million, and that Dr. Whitbeck responded with words to the effect of “then we’re not going to do a ‘net zero’ school.”

Dr. Whitbeck, Bassett and Perez all recalled discussions about the “net zero” concept, and agreed there was consensus among the group that the additional cost to build a “net zero” school was not worth the savings. However, neither Bassett nor Perez recalled Dr. Whitbeck insisting on an \$80 million budget. During my interview with Ryan Keifer, the District’s Design Manager, I asked whether he knew how the bond budget for Middle School 16 was determined. Keifer independently recalled a discussion in 2022 in which Fuzetti told him they were abandoning the “net zero” concept for Middle School 16, and that Dr. Whitbeck said she wanted the budget set at around \$80 million based on the fact that she (Dr. Whitbeck) had built a new middle school in Bryan ISD for under \$80 million.

Dr. Whitbeck recalls a discussion about the cost of Middle School 16, but stated that she does not believe she made an “apples to apples” comparison between Middle School 16 and the campus in Bryan ISD, because the campus in Bryan ISD was a smaller 5/6 campus and was in a different construction market. Dr. Whitbeck also did not recall “capping” the budget at a particular number. She did recall, however, that she told her staff to rework the numbers in an attempt to get the costs down.

Following this discussion regarding Middle School 16, the District issued an amendment to Corgan’s design contract, requesting a redesign of Middle School 16 without the “net zero” concept. However, rather than requesting PBK to update its proposed cost estimate in light of this change, the administration set the total project budget for Middle School 16 at \$82 million.

Although Fuzetti and Dr. Whitbeck have differing recollections of the budget discussions related to Middle School 16, Keifer’s independent and contemporaneous knowledge and recollection of the same 2022 conversation described by Fuzetti, lends credibility to Fuzetti’s

account. Dr. Whitbeck’s recollection about the details of what was said at the meeting was vague, with her instead stating “I do not recall, nor does it match my leadership style to ‘direct’ or ‘demand’ a specific final number.” Fuzetti, by contrast, had specific recollection of phrases used, and displayed certainty and emotion when characterizing Dr. Whitbeck’s demeanor as an “over my dead body” reaction. When Keifer shared the story of Fuzetti’s contemporaneous description of Dr. Whitbeck’s reaction and direction, I found him to be credible for two reasons. First, he was otherwise generally critical of Fuzetti, and expressed frustration with her overall leadership style, particularly the fact that she did not include Jacobs or her staff more in the bond planning process with PBK. In other words, his specific description of the events surrounding the reduction of the budget for Middle School 16 support Fuzetti’s account, and he otherwise did come across as eager to defend Fuzetti on other issues. Second, Keifer shared the story with me in response to my open ended question regarding his understanding of the basis for the Middle School 16 budget, I had not shared any details of Fuzetti’s independent explanation.

Regardless of whether Dr. Whitbeck directed that the budget be reduced by \$20.3 million (\$102.3 million to \$82 million) or Fuzetti misunderstood Dr. Whitbeck’s instructions, it is undisputed that the administration independently set the budget for Middle School 16 without first requesting a recommendation from PBK, Corgan or any other consultant. The preponderance of the evidence supports the conclusion that the administration set the budget for this project in an amount that was intended to satisfy the superintendent’s expectations based upon her experience at a prior school district. Given the methodology – or lack of thereof – employed to set this budget there is no evidence that inflation was ever a consideration, and it is undisputed that the budget remained at \$82 million despite the delay in calling the bond election. And while Corgan, subsequent to the bond election provided a construction cost estimate that would have appeared to validate the administration’s budget, Corgan was only able to do so after shrinking the building’s size from the original target of 240,700 square feet to 221,946 square feet. Despite these measures, it would appear that Corgan missed the mark. According to Ashley Dixon, the District’s Director of Construction, the department was shocked when contractor proposals received at the end of October 2023 for Middle School 16 were approximately \$15 million over budget. The administration canceled its solicitation and Corgan is reworking the scope of the Middle School 16 design, at no cost to the district.<sup>7</sup>

### **Clements HS Rebuild:**

<b>Project</b>	<b>Total Project 2022 Cost (Per PBK) (\$M)</b>	<b>Total Project 2023 Cost (Per PBK) (\$M)</b>	<b>FBISD Published Budget (\$M)</b>
<b>Clements HS Rebuild</b>	222.8	238.4	222.8

PBK estimated the total budget for the Clements HS Rebuild project at \$222.8 million if it were constructed in 2022. In the event Clements HS were to be rebuilt in 2023, PBK recommended that the budget be set at \$238.4 million. Detailed discussions regarding the Clements HS budget occurred at both BOC meetings and board meetings, including the February 9, 2023 workshop. A review of the workshop video and presentation materials show that the budget communicated for Clements HS was visibly based on 2022 pricing estimates. Construction of the Clements rebuild

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<sup>7</sup> The Owner-Architect contract used by the District obligates the architect to modify the project design at no additional cost to the District in the event the lowest bona fide proposal exceeds the construction budget parameters contained in the architect’s contract.

is not scheduled to start until July 2024. Because it is a phased construction project that is expected to last four years, there could be greater sensitivity to the risk of inflationary impacts for future phases. The difference between PBK's 2022 and 2024 project cost estimates is approximately \$30 million. This difference is solely attributable to inflation.

Given that PBK prepared the slide deck presentation used at the February 9, 2023 workshop, I asked the PBK representatives whether they had any discussions with the administration in advance of the February 9, 2023 Board workshop about the fact that the slide shown to the Board and public showed 2022 pricing estimates, rather than PBK's recommended 2023 or 2024 estimate. PBK confirmed there were no such discussions but explained that the Clements slides used during the February 9<sup>th</sup> workshop were prepared by Fuzetti, not PBK. Confirming their recollection, PBK sent me a copy of Fuzetti's email forwarding the Clements slides for inclusion in the final PowerPoint presentation.

**Ferndell Henry Additions and Renovations:**

Project	Total Project 2022 Cost (Per PBK) (\$M)	Total Project 2023 Cost (Per PBK) (\$M)	FBISD Published Budget (\$M)
<b>Ferndell Henry (conversion to ES 56)</b>	8.95	9.6	18.0

PBK's Project Cost Worksheet for Ferndell Henry was based on an earlier concept of planned additions and renovations for Ferndell Henry, estimated at \$9.95 million at the time. After PBK completed the worksheet in 2021, the District decided to relocate the alternative learning **programs housed at Ferndell Henry to M.R. Wood** and convert the building into a traditional, full capacity elementary school to support growth in the FM 521 corridor. It is undisputed that PBK was not asked to prepare a revised estimate for the conversion concept. Rather, Fuzetti explained that she increased PBK's budget using cost data from recent District projects related to the additional and increased spaces needed to repurpose the building in into traditional elementary school accordance with the District's 2022 Education Specifications for elementary schools. This estimating exercise, according to Fuzetti, was performed in 2022 and based on 2022 construction pricing. The number was not increased to adjust for anticipated inflation once the District postponed the proposed 2022 election to 2023.

**Aquatics Practice Facility and New Transportation Facility:**

Project	2022 Total Project 2022 Cost (Per PBK) (\$M)	2023 Total Project Cost (Per PBK) (\$M)	Total Project 2024 Cost (Per PBK) (\$M)	FBISD Published Budget (\$M)
<b>Aquatics Practice Facility</b>	25.3	27.0	28.7	22.9
<b>Transportation Facility</b>	17.0	18.1	19.2	19.2

For the Transportation Facility, Fuzetti explained that the District used the number that PBK's Project Cost Worksheet recommended if the project were to be constructed in 2024. She explained that even under the initial plan for a proposed 2022 Bond election, the Transportation

Facility was not considered to be a high priority project, and was therefore slated to start in 2024, later than the other major projects. When the election timing was delayed, the budget was not adjusted for inflation to account for an updated planned construction start date for the project. If construction of this project does not begin in 2024, the budget could be impacted by potential inflation. In 2025 dollars, PBK estimated the cost for the project to be approximately \$20.4 million.

The District's budgeted number for the Aquatics Practice Facility is lower than PBK's estimate. According to Fuzetti, PBK's estimate included square footage and costs for spaces that the District was not planning to include in this project, such as seating for 300 spectators, a weight room, and a spectator/parent reception area. Instead, the District's plan is to construct a facility with the same square footage and spaces as the District's west side Aquatics Practice Facility. Fuzetti explained that in 2022, she accordingly reduced PBK's 2022 cost estimate to align with the District's actual intended scope for the project. Based on the evidence, Fuzetti's rationale appears to be reasonable, and is supported by information provided by Keifer, who confirmed that the District's planned Aquatics Practice Facility Project will be a replica of the west side Aquatics Practice Facility, and has been assigned to the same architect firm that designed the west side Aquatics Facility (Kirksey). Despite this justification, when the proposed bond election date was delayed from 2022 to 2023, the budget that was proposed for the project in 2022 was not adjusted for inflation to align with the planned construction schedule under a 2023 Bond Program.

### **C. Analysis of the Budgeting Process for the P-1 Projects**

PBK coordinated with the FBISD administration to prepare and conduct a presentation regarding the proposed bond to the Board of Trustees at a February 9, 2023 Board workshop, the week prior to the Board's vote to call the 2023 Bond election. PBK presented slides and highlighted the fact that it applied an adjustment factor of 8% to each line item cost estimate in the P-1 database to account for inflation between 2021 and 2022. Despite the fact that the election was now being considered for May 2023, there was no discussion regarding any adjustments for inflationary impacts between 2022 and 2023. Both PBK and Fuzetti confirmed that PBK's was not asked to make, and did not make, any further revisions or adjustments to P-1 budgets after 2022 to account for additional inflation.

## **IV.**

### **ANALYSIS OF CONSTRUCTION INFLATION**

The second explanation for the projected shortfall, as covered by administration during the February 5, 2024 Bond Update, is construction inflation. Based on the evidence, this explanation, and not the November 2022 email from PBK, is driving the projected shortfall. As described in Section III, once the administration learned that the bond election they hoped would be called in 2022 was going to be delayed to 2023, the administration did not increase the budget numbers published in 2022 to account for the delay in election date or projected construction schedules. The weight of the evidence establishes that administration leaders made a conscious decision not to do so, despite warnings from some within the administration, and without consulting any third-party District consultants.

In the February 5, 2024 Bond Update, the administration presented a slide stating that "Texas

Inflation Has Outpaced National Average.” The presentation went on to describe various local, state and global factors that have impacted the rate of inflation.<sup>8</sup> The overall explanation seemed to imply that the actual rate of inflation has been higher – or is expected to be higher – than what the District accounted for in its budget planning. The reality is, however, that the District did not account for any additional inflation from 2022 forward.

#### **D. Analysis of the Administration’s Decisions Regarding Inflation**

On December 9, 2021, near or shortly after the time PBK was finalizing the Project Cost Worksheets for potential major projects, an email exchange occurred between Fuzetti and PBK regarding projected cost escalation and inflation. Fuzetti was confirming the annual rates of inflation that she understood PBK to be recommending in the Project Cost Worksheets for the major projects. PBK responded that they would “support” carrying a 10% inflation rate for 2022 (rather than 8%) and an 8% inflation rate for 2023 (rather than 7%). PBK asked Fuzetti to let PBK know if she also supported carrying the rates. In the email, PBK clarified that they did not see a need to increase the 8% annual inflation rate recommended for the P-1 projects. When I interviewed Fuzetti, she did not recall this specific email, but claims she repeatedly raised concerns about inflation impacts with Bassett and Dr. Whitbeck during Brass to Brass meetings. Former Chief Operations Officer Oscar Perez said that he also voiced inflation concerns to Bassett and Dr. Whitbeck on multiple occasions prior to his retirement in December 2022. In my discussion with Perez, he recalled the discussions with emphatic certainty and frustration. While neither Perez nor Fuzetti were able to recall the exact dates on which various discussions occurred, Perez described one specific meeting at which he warned Bassett and Dr. Whitbeck about the inflation implications of delaying the proposed bond election from 2022 to 2023. According to Perez, he explained that they could not just “kick everything down the line,” without increasing the current numbers for cost escalation. In another discussion, he recalled suggesting a reduction to the proposed technology budget (due to his observation that the technology department still had substantial unused funds left from the 2018 bond), in order to increase the other budgets for future inflation. When I asked Perez how Bassett and Dr. Whitbeck responded to his concern, Perez said that they claimed to understand his concern, but that nothing was ever adjusted. Perez explained that neither he nor Fuzetti had the authority to unilaterally increase any of the budget numbers being presented to the BOC or the Board. That decision, according to Perez, had to be “the Superintendent’s call.” Perez told me that had he still been employed with the District in early 2023 and observed the administration still presenting the same 2022 capital plan budget to the Board for a 2023 Bond election, he would have felt compelled to put his concerns about the lack of inflation adjustment in writing.

When I questioned Bassett about Fuzetti’s claim that he and Dr. Whitbeck knew that they were using unadjusted numbers from 2022, Bassett conceded that “we all knew we were using 2022 numbers,” but that an election in May 2023 was “not too far off.” As previously noted, Bassett reported that the District had a lot of faith in Fuzetti to make the numbers work, describing Fuzetti as a “rock star,” who had been able to generate savings in prior bond programs. Both Bassett and Bryan Guinn, the District’s CFO, expressed the goal of setting a total budget that

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<sup>8</sup> In citing various unforeseen event impacting inflation, the administration referenced changes to Davis Bacon Act wages as well as an earthquake in Japan, stating that Japan is a major exporter of steel. However, it should be clarified, that the District uses local prevailing wages, not Davis Bacon wages. Additionally, the District’s contract specifications require all contractors to purchase and install only U.S. steel on District projects.



would not impact the District's overall tax rate, in order to ensure support of the public and various trustees. Bassett, Fuzetti and Dr. Whitbeck all described the pressure they felt from certain trustees and the public, who were questioning and criticizing the 2022 numbers and the proposed size of the bond, even accusing the administration of "inflating" the numbers. Like Fuzetti, Bassett expressed the sentiment that the administration would just have to find a way to "make it work."

Dr. Whitbeck provided written responses to written questions I submitted to her in connection with this investigation. Dr. Whitbeck acknowledged her awareness that 2022 numbers were being used for the 2023 Bond, explaining that her staff "developed price estimates based on their expertise and 2022 pricing that was available to them." In response to my inquiry as to why the project budgets were not increased to account for delay or inflation prior to Board calling the 2023 Bond election, she responded that she "was not consulted or informed that additional cost increases were necessary beyond the standard inflation factor." This response contradicts the accounts of both Fuzetti and Perez, who each separately described sharing concerns with Dr. Whitbeck about the validity of the 2022 numbers after the election was pushed back to 2023. Dr. Whitbeck's response also conflicts with Bassett's understanding that the numbers had not, in fact, been adjusted to account for the delay in the election date.

Notably, in her written response to my question regarding inflation, Dr. Whitbeck offered an explanation not expressed by any other witness. She wrote, "There is no way a 1.26 billion bond package could wait until 2023 and complete price estimates within a month of conducting a workshop and the Board's decision to call the bond by February as required for a May ballot. I am perplexed as to why this seems 'unreasonable' or even 'scandalous.'" This statement appears inconsistent with the previous portion of her answer that claimed she did not know additional increases for inflation were needed. Rather, this statement appears to be an attempt to explain that the administration would not have had enough time, come January 2023, to recalculate the 2022 budgets. This explanation ignores the fact that each budget number that was based on 2022 pricing could have simply been increased by a "standard inflation factor," as she referenced in the earlier portion of her response. Perhaps unknown to Dr. Whitbeck, but as detailed above, PBK had already provided future annual inflation factors to the District, eliminating any need to complete new price estimates to account for inflation.

The evidence demonstrates that the administration clearly understood the risks of inflation, particularly as it relates to delays in construction. During the February 9, 2023 Board workshop prior to the Board's vote to call the Bond election, the administration explained that the cost to address critical deficiency/life cycle needs that had not been addressed in previous bond programs were continuing to increase over time, due to inflation. However, the administration did not highlight the fact that no further inflation adjustments had been made to the projected costs of the P-1 line items or the major project budgets when the proposed 2022 bond election was delayed to 2023.

The evidence set forth above supports the conclusion that the administration made a conscious decision not to increase budget numbers set in 2022, following the delay of the bond election from 2022 to 2023. This decision has impacted each major project, as well as renovation projects developed using the P-1 database, which are now being priced by both design professionals and contractors using 2024 dollars at the earliest.



#### IV.

#### **ADDITIONAL OBSERVATIONS REGARDING PROJECTED VARIANCES**

All of the Brass to Brass participants I interviewed reported that they first became concerned about a potential budget shortfall on Wednesday, November 8, 2023. Each independently recounted the exact date, because they had entered the meeting excited about the successful VATRE election the night before, only to hear the news that contractor proposals for the Middle School 16 project had come in approximately \$15 million over budget. According to Beth Martinez, there had been discussions at prior Brass to Brass meetings about early design estimates for the two elementary rebuilds coming in high, but that the group was not alarmed because Fuzetti seemed confident that her team would be able to get the estimates down through value engineering, including revisions to the stormwater detention designs. Some also recalled discussions in prior meetings that initial estimates for certain components of the athletics packages, such as turf, were coming in higher than expected, but that those overages were not significant enough to raise alarms. Middle School 16 project was a major project, with an \$82 million budget, so news that actual fixed construction bids had come in approximately \$15 million over budget, raised alarms that construction inflation might impact all projects. This triggered further internal evaluation of the budgets for the major projects.

The administration's concern was compounded by the fact that Fuzetti, who left the District in October 2023, had been PBK's sole point of contact during the bond budgeting process. My interviews with PBK and Fuzetti, plus my review of email communications coming into the District from PBK confirmed this fact. All of PBK's communications regarding project budgets and cost estimates were sent to Fuzetti alone, and PBK was not involved in the Brass to Brass planning process (a fact that seemed to be a source of frustration to PBK). In fact, I found no emails between PBK and others at the District regarding the bond planning process, with the exception of certain emails involving others on Fuzetti's staff concerning the development of the District's 2022 Education Specifications and design standards. From the evidence reviewed, this dynamic resulted in further concern when the administration saw discrepancies between PBK's initial estimates and adopted project budgets, and learned of certain recommendations made by PBK that Fuzetti had neither shared nor followed. To this day, it is still not clear whether current District leaders have the benefit of the detailed explanations I learned from Fuzetti through this investigation as to why certain PBK recommendations and estimates were not incorporated into the bond budgets. Likewise, it does not appear that PBK knew or understood why some of their recommendations were not incorporated.

One example, where historical knowledge appears to be lost, relates to the Aquatics Practice Facility project. Upon noticing that the design process for the Aquatics Practice Facility has not yet begun, I questioned Keifer about the source of the "Current Estimate" number being shared with the Board as part of variance updates. The data being shared with the Board currently shows a 20% funding shortfall for the Aquatics Facility Project. Keifer shared that the \$27.4 million "Current Estimate" number was derived from PBK's original Project Cost Worksheet. However, as explained previously in this report, Fuzetti intentionally reduced PBK's initial estimate for this project because - as described on the face of the Project Cost Worksheet itself - PBK had included various scope elements that are not planned for the new Aquatics Practice Facility, such as seating for 300 spectators, a weight room, spectator/parent reception areas, etc. When I pointed this out to Keifer, he confirmed Fuzetti's description of the planned project scope, demonstrating that the administration's current comparison of the District's current budget estimate to PBK's original

estimate in monthly Bond Updates to the Board is not an “apples to apples” comparison.

It is also important to note that the “All In” budget figures initially presented at the February 5<sup>th</sup> workshop, shown in **Figure 1**, are lower than the final “official” total project budgets approved by the Board of Trustees at its meeting on June 5, 2023. The “official” total project budget for each of the major projects is higher, due to the removal of certain “Bond Support Costs” from the renovation/deficiency project budgets in the bond program, and the reallocation of those Bond Support Costs to the major project budgets.<sup>9</sup> The use of the lower “All In” original project budget figures at the February 5, 2024 Bond Update, rather than the “Board Adopted” figures, resulted in the shortfall for the major project category appearing approximately \$36 million higher than it actually was at the time. For the March 25<sup>th</sup> and April 8<sup>th</sup> Board meetings, the Administration updated the first column shown in **Figure 1** to reflect the official “Board Approved” budgets for each major project.

## V.

### CONCLUSION AND SUMMARY OF FINDINGS

The evidence reviewed as part of this investigation supports, by a preponderance of the evidence, the following conclusions and findings:

- The evidence does not support Bassett’s explanation that the budget shortfall projected for the major projects is attributable to a lack of knowledge about, or failure to act on, the recommendations made by PBK in the November 2022 email.
- The discrepancy between the square footage used to develop the project budgets for the elementary rebuild projects in 2021-2022 and the square footage specifications ultimately inserted into the Owner Architect contracts for the elementary rebuild projects (which are 27.2 higher), have resulted in the projects being more expensive. While it is not clear whether this discrepancy is the result of a lack of communication or oversight, it was never Fuzetti’s intention that the elementary rebuild schools be designed to the larger size.
- A budget shortfall on new Elementary 55 could be the result of both construction inflation not accounted for, and the fact that Fuzetti set the project budget to align with the same square footage assumptions that PBK used for the elementary rebuilds, rather than a new elementary school. This risk is exacerbated by the fact that current bond staff may not be aware of, or intending to carry out Fuzetti’s plan to control the size of the new school through qualitative flexibility provided for under the District’s 2022 Education Specifications.

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<sup>9</sup> A detailed explanation of this reallocation process and its impact on the Board adopted budgets, compared to the budgets used leading up to the 2023 bond election is contained in the Board’s agenda packet from the June 5, 2023 Board meeting.

- The shortfall projected for the Middle School 16 project appears to be the result of the methodology - or lack thereof - used to set the project budget after the administration's decision to abandon the "net zero" concept, the administration's failure to solicit input from PBK, as well as the impact of construction inflation.
- The administration's conscious decision not to make any further inflation adjustments to the budgets set in 2022, following the delay of a proposed 2022 bond election to 2023, and the resulting delays to the commencement of construction projects to 2024 and later, appears to be a primary driver of the projected budget shortfalls across all planned bond projects. The evidence supports the conclusion that the administration's reluctance to do so was based on two things: First, optimism that the District would be able to, over the course of the bond program, to generate and use contingency and savings on certain projects to cover overages on other projects, as it had done in the prior two bond programs. Second, fear of criticism and accusations of using "inflated" budgets, in light of skepticism it had already faced on both individual budgets and the overall size of the proposed bond.

# **EXHIBIT A**

**From:** [Harris, Caroline](#)  
**To:** [Turnbaugh, Melissa](#); [Fuzetti, Carolina](#)  
**Subject:** [EXTERNAL]: RE: Estimate for rebuilds  
**Date:** November 3, 2022 8:57:21 PM  
**Attachments:** [image001.png](#)  
[image015.png](#)  
[image016.png](#)  
[image017.png](#)  
[image018.png](#)  
[image019.png](#)  
[image020.png](#)  
[image021.png](#)  
[image022.png](#)  
[image023.png](#)

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**CAUTION: [EXTERNAL EMAIL] - This email originated from outside of Fort Bend ISD.**  
**Do not click links or open attachments unless you recognize the sender and know the content is safe.**

Hi Carolina,

After collecting information on recent projects and pricing, we recommend carrying closer to \$400/SF for a demo/rebuild in 2023 dollars. That equalates to around a 27% increase. . .

Some context within the past few months ...

1. LCISD Elementary School – greenfield site ... approx. \$360/SF (Joeris is the CM)
2. CFISD Elementary School – greenfield site ... right under \$400/SF
3. SBISD replacement campus – Durotech said to anticipate a \$1-1.5m premium on a replacement campus, not including detention.

Also, I wanted to make sure we are staying consistent with the Ed Specs (or check to see if they need to be revised) when you refer to 1200 kids – the Ed Specs say Maximum Enrollment (ES) is 1,000.

Our total provided SF per the Ed Spec is 135,987 (8-classrooms per grade level). For the previous cost studies we used 126,000 SF for new ... and for the replacement ES, we used 100,000 SF.

If we carry \$400/SF for 136,000 SF – we should be covered on both fronts, as a 1200 student ES would be around 130-145K.

Please let us know if you need us to revise the Cost Worksheets that we provided previously or have any questions.

**Caroline Harris**

Senior Associate, Director of Facility Planning  
p. 713-965-0608 m. 901-484-5505



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**From:** Turnbaugh, Melissa <Melissa.Turnbaugh@pbk.com>  
**Sent:** Wednesday, November 2, 2022 10:28 PM  
**To:** Fuzetti, Carolina <Carolina.Fuzetti@fortbendisd.com>; Harris, Caroline <caroline.harris@pbk.com>  
**Subject:** RE: Estimate for rebuilds

Carolina,

Forgive my delay. I'm traveling to Portland to speak at EDspaces and am away from all of my resources. That being said, I have reached out to my team for info on a 1,200 student elementary as well as how our projects have bid in the past 3 months. I fear for a demo/rebuild the \$315 will not be enough but I want to confirm with recent pricing. I will get this to you as soon as possible.

Thanks,

Melissa

**Melissa Turnbaugh**, AIA, NCARB  
Partner, National Education & Innovation Leader  
p. 713-965-0608 m. 505-385-9019



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**From:** Fuzetti, Carolina <[Carolina.Fuzetti@fortbendisd.com](mailto:Carolina.Fuzetti@fortbendisd.com)>  
**Sent:** Wednesday, November 2, 2022 3:06 PM  
**To:** Turnbaugh, Melissa <[Melissa.Turnbaugh@pbk.com](mailto:Melissa.Turnbaugh@pbk.com)>; Harris, Caroline <[caroline.harris@pbk.com](mailto:caroline.harris@pbk.com)>  
**Subject:** Estimate for rebuilds

2023 Dollars, we were carrying \$47,263,944 for re-builds (1000 students) - \$315/SF I believe. Now, if we were to expand these re-builds to house 1200 kids I would have to adjust the core spaces accordingly and add more classrooms. What adjustments should I make to my estimate on 2023

dollars? How much should I carry for a re-build (demo existing) and re-build for 1200 students.  
Please advise.

Thanks,

**Carolina Fuzetti, MS, PMP**

Executive Director, Design & Construction

(O) 281-634-5592

(C) 346-313-0654



# **EXHIBIT B**



**Fort Bend Independent School District**  
**Briargate Elementary School Replacement**  
Project Cost Worksheet

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<b>Total Construction Cost</b>		<b>\$33,252,000</b>
Construction Non-Contract Cost:	6.0%	\$1,995,120
Furniture & Equipment:	5.5%	\$1,828,860
Technology:	5.5%	\$1,828,860
A & E Fee:	6.0%	\$1,995,120
<b>Total Project Cost - 2022</b>	8%	<b>\$44,171,957</b>
<b>Total Project Cost - 2023</b>	7%	<b>\$47,263,994</b>
<b>Total Project Cost - 2024</b>	6%	<b>\$50,099,833</b>
<b>Total Project Cost - 2025</b>	6%	<b>\$53,105,823</b>
<b>Total Project Cost - 2026</b>	6%	<b>\$56,292,173</b>

***The following items are included in the estimated Project Cost:***

---

• Briargate Elementary School Replacement	\$31,500,000
Includes: SF to match existing Briargate ES with additional SF for program adjustments and capacity increase.	
• Demolition and Abatement of Existing Building	\$600,000
• Temporary Buildings	\$500,000
• Design and Estimating Contingency	\$652,000

1. Costs shown are estimated costs and have assumed estimated projected inflation rates using various construction industry data.

2. All non-contract, FF&E, technology and other soft cost percentages are estimated from most recently completed projects of similar scope and size.

3. Costs shown on this sheet exclude required property purchases and unknown site infrastructure considered not typical to a typical green field site.

**Fort Bend Independent School District**  
**Facade Upgrade - Mission Bend ES**  
Project Cost Worksheet

<b>Total Construction Cost</b>		<b>\$2,040,000</b>
Construction Non-Contract Cost:	8.0%	\$163,200
Furniture & Equipment:	1.5%	\$30,600
Technology:	1.5%	\$30,600
A & E Fee:	8.0%	\$163,200
<b>Total Project Cost - 2022</b>	8%	<b>\$2,621,808</b>
<b>Total Project Cost - 2023</b>	7%	<b>\$2,805,335</b>
<b>Total Project Cost - 2024</b>	6%	<b>\$2,973,655</b>
<b>Total Project Cost - 2025</b>	6%	<b>\$3,152,074</b>
<b>Total Project Cost - 2026</b>	6%	<b>\$3,341,198</b>

***The following items are included in the estimated Project Cost:***

• Facade Upgrade at Mission Bend ES	\$2,000,000
Includes: New Exterior Aluminum Canopies at Bus Loop, Demolition and Patching, New Front Entrance Element and Adjacent Exterior Aluminum Canopies at Front Entrance, Renovate Front Entrance Lobby, New Aluminum Cladding System on Existing Building, Aluminum Shading Louvers above Select Windows.	
• Design and Estimating Contingency	\$40,000

1. Costs shown are estimated costs and have assumed estimated projected inflation rates using various construction industry data.

2. All non-contract, FF&E, technology and other soft cost percentages are estimated from most recently completed projects of similar scope and size.

3. Costs shown on this sheet exclude required property purchases and unknown site infrastructure considered not typical to a typical green field site.

**Fort Bend Independent School District**  
**New Elementary School #55**  
Project Cost Worksheet

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<b>Total Construction Cost</b>		<b>\$40,483,800</b>
Construction Non-Contract Cost:	6.0%	\$2,429,028
Furniture & Equipment:	5.5%	\$2,226,609
Technology:	5.5%	\$2,226,609
A & E Fee:	6.0%	\$2,429,028
<b>Total Project Cost - 2022</b>	8%	<b>\$53,778,680</b>
<b>Total Project Cost - 2023</b>	7%	<b>\$57,543,188</b>
<b>Total Project Cost - 2024</b>	6%	<b>\$60,995,779</b>
<b>Total Project Cost - 2025</b>	6%	<b>\$64,655,525</b>
<b>Total Project Cost - 2026</b>	6%	<b>\$68,534,857</b>

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***The following items are included in the estimated Project Cost:***

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- New Elementary School \$39,690,000

Includes: 1,000 Student ES with total net SF based on ES 54 (126,000 SF).

- Design and Estimating Contingency \$793,800

1. Costs shown are estimated costs and have assumed estimated projected inflation rates using various construction industry data.

2. All non-contract, FF&E, technology and other soft cost percentages are estimated from most recently completed projects of similar scope and size.

3. Costs shown on this sheet exclude required property purchases and unknown site infrastructure considered not typical to a typical green field site.

**Fort Bend Independent School District**  
**New Middle School #16 - Construction Cost Only**  
Project Cost Worksheet

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<b>Total Construction Cost</b>		<b>\$77,024,000</b>
Construction Non-Contract Cost:	6.0%	\$4,621,440
Furniture & Equipment:	5.5%	\$4,236,320
Technology:	5.5%	\$4,236,320
A & E Fee:	6.0%	\$4,621,440
<b>Total Project Cost - 2022</b>	8%	<b>\$102,318,682</b>
<b>Total Project Cost - 2023</b>	7%	<b>\$109,480,989</b>
<b>Total Project Cost - 2024</b>	6%	<b>\$116,049,849</b>
<b>Total Project Cost - 2025</b>	6%	<b>\$123,012,840</b>
<b>Total Project Cost - 2026</b>	6%	<b>\$130,393,610</b>

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***The following items are included in the estimated Project Cost:***

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• New Middle School \$77,024,000

Includes: Program to match Ed Specs; 1400 student optimal capacity.

1. Costs shown are estimated costs and have assumed estimated projected inflation rates using various construction industry data.

2. All non-contract, FF&E, technology and other soft cost percentages are estimated from most recently completed projects of similar scope and size.

3. Costs shown on this sheet exclude required property purchases and unknown site infrastructure considered not typical to a typical green field site.

**Fort Bend Independent School District**  
**Clements High School Rebuild**  
Project Cost Worksheet

<b>Total Construction Cost</b>		<b>\$167,761,522</b>
Construction Non-Contract Cost:	6.0%	\$10,065,691
Furniture & Equipment:	5.5%	\$9,226,884
Technology:	5.5%	\$9,226,884
A & E Fee:	6.0%	\$10,065,691
<b>Total Project Cost - 2022</b>	8%	<b>\$222,854,405</b>
<b>Total Project Cost - 2023</b>	7%	<b>\$238,454,214</b>
<b>Total Project Cost - 2024</b>	6%	<b>\$252,761,466</b>
<b>Total Project Cost - 2025</b>	6%	<b>\$267,927,154</b>
<b>Total Project Cost - 2026</b>	6%	<b>\$284,002,784</b>

***The following items are included in the estimated Project Cost:***

• Clements High School Rebuild - Two-Story	\$151,536,000
Includes: Academic Classrooms, Administration, Fine Arts/Theater, Cafeteria/Kitchen, Central Plant, Athletics, Field House, Competition Fields; based on HS #12 Program. Existing CHS Auditorium will remain and is not included in new SF.	
• Site Improvements	\$5,550,000
Includes: Landscaping improvements, courtyard areas, site directional signage, repave student parking lot, new visitor/staff parking lots, new bus parking, new drives.	
• Demolition & Abatement of Existing Buildings	\$2,840,000
• Premium for Phased Construction & Building Tie-In (Auditorium)	\$4,546,080
• Design and Estimating Contingency	\$3,289,442

1. Costs shown are estimated costs and have assumed estimated projected inflation rates using various construction industry data.

2. All non-contract, FF&E, technology and other soft cost percentages are estimated from most recently completed projects of similar scope and size.

3. Costs shown on this sheet exclude required property purchases and unknown site infrastructure considered not typical to a typical green field site.

**Fort Bend Independent School District**  
**Ferndell Henry Classroom Addition & Renovation**  
Project Cost Worksheet

<b>Total Construction Cost</b>		<b>\$6,500,812</b>
Construction Non-Contract Cost:	8.0%	\$520,065
Furniture & Equipment:	5.5%	\$357,545
Technology:	5.5%	\$357,545
A & E Fee:	8.5%	\$552,569
<b>Total Project Cost - 2022</b>	8%	<b>\$8,951,618</b>
<b>Total Project Cost - 2023</b>	7%	<b>\$9,578,231</b>
<b>Total Project Cost - 2024</b>	6%	<b>\$10,152,925</b>
<b>Total Project Cost - 2025</b>	6%	<b>\$10,762,101</b>
<b>Total Project Cost - 2026</b>	6%	<b>\$11,407,827</b>

***The following items are included in the estimated Project Cost:***

• Classroom Addition	\$5,087,250
Includes: 14 general classrooms and support space.	
• Site Improvements	\$350,000
Includes: 70 additional parking spaces, and driveway reconfiguration.	
• Elementary Playground with Shade Cover	\$500,000
• Detention	\$334,350
• Premium for Building Tie-In	\$101,745
• Design and Estimating Contingency	\$127,467

1. Costs shown are estimated costs and have assumed estimated projected inflation rates using various construction industry data.

2. All non-contract, FF&E, technology and other soft cost percentages are estimated from most recently completed projects of similar scope and size.

3. Costs shown on this sheet exclude required property purchases and unknown site infrastructure considered not typical to a typical green field site.

**Fort Bend Independent School District**  
**New Aquatics Practice Facility**  
Project Cost Worksheet

<b>Total Construction Cost</b>		<b>\$19,686,000</b>
Construction Non-Contract Cost:	6.0%	\$1,181,160
Furniture & Equipment:	3.5%	\$689,010
Technology:	3.5%	\$689,010
A & E Fee:	6.0%	\$1,181,160
<b>Total Project Cost - 2022</b>	8%	<b>\$25,300,447</b>
<b>Total Project Cost - 2023</b>	7%	<b>\$27,071,479</b>
<b>Total Project Cost - 2024</b>	6%	<b>\$28,695,767</b>
<b>Total Project Cost - 2025</b>	6%	<b>\$30,417,513</b>
<b>Total Project Cost - 2026</b>	6%	<b>\$32,242,564</b>

**The following items are included in the estimated Project Cost:**

• 50 meter pool with pre-engineered steel structure, operable doors, restrooms, locker rooms, 300 spectator seats, storage room, pool equipment room, administration area containing manager and coaches' suites, weight room, vending area, and reception space.	\$18,900,000
• Parking Lot	\$400,000
• Design and Estimating Contingency	\$386,000

1. Costs shown are estimated costs and have assumed estimated projected inflation rates using various construction industry data.

2. All non-contract, FF&E, technology and other soft cost percentages are estimated from most recently completed projects of similar scope and size.

3. Costs shown on this sheet exclude required property purchases and unknown site infrastructure considered not typical to a typical green field site.

**Fort Bend Independent School District**  
**New Transportation Facility**  
Project Cost Worksheet

<b>Total Construction Cost</b>		<b>\$13,193,700</b>
Construction Non-Contract Cost:	6.0%	\$791,622
Furniture & Equipment:	3.5%	\$461,780
Technology:	3.5%	\$461,780
A & E Fee:	6.0%	\$791,622
<b>Total Project Cost - 2022</b>	8%	<b>\$16,956,543</b>
<b>Total Project Cost - 2023</b>	7%	<b>\$18,143,501</b>
<b>Total Project Cost - 2024</b>	6%	<b>\$19,232,111</b>
<b>Total Project Cost - 2025</b>	6%	<b>\$20,386,038</b>
<b>Total Project Cost - 2026</b>	6%	<b>\$21,609,200</b>

***The following items are included in the estimated Project Cost:***

• New Transportation Facility - 8 Maintenance Bays, Bus Wash Area, New Fuel Station	\$7,035,000
• New Transportation Facility - Administration Space and 2 Large Training Rooms (800 SF each)	\$2,400,000
• Bus Parking Lot	\$1,000,000
• Staff Parking Lot	\$2,500,000
• Design and Estimating Contingency	\$258,700

1. Costs shown are estimated costs and have assumed estimated projected inflation rates using various construction industry data.

2. All non-contract, FF&E, technology and other soft cost percentages are estimated from most recently completed projects of similar scope and size.

3. Costs shown on this sheet exclude required property purchases and unknown site infrastructure considered not typical to a typical green field site.