



Gregory-Portland Independent School District

BOARD MEMORANDUM

TO: DR. MICHELLE CAVAZOS

FROM: DR. ISMAEL GONZALEZ III

CC: BOARD OF TRUSTEES
DR. ISMAEL GONZALEZ III
BRITTNEY SOLIZ SANDOVAL
DEBORAH GARZA
MICHAEL THIEME
DR. MICHAEL NORRIS
PENNY ARMSTRONG

DATE: Monday, October 20, 2025

SUBJECT: Discuss and Take Possible Action of Budget Amendments and
Analysis of the Project Schedule and Completion Timeline for the BOND 2023
Project: T.M. Clark Elementary School

PRIORITIES

PRIORITY 1: EXCEPTIONAL STUDENT PERFORMANCE

N/A

PRIORITY 2: HIGH PERFORMING AND ENGAGED WORKFORCE

N/A

PRIORITY 3: QUALITY SERVICE AND IMPACTFUL COMMUNITY ENGAGEMENT

N/A

PRIORITY 4: EFFICIENT AND EFFECTIVE DISTRICT AND CAMPUS OPERATIONS

4.2 Maintain fiscal viability; stewardship; and improve staff knowledge of sustainable budgeting processes

BACKGROUND INFORMATION:

Type: Action

In order to ensure the Bond 2023 project for the new T.M. Clark Elementary School remains on schedule, district administration is recommending an increase to the construction budget—specifically the Owner’s Contingency under the Construction Manager-at-Risk (CMAR) contract with Fulton CoastCon Construction. The contingency was originally approved at **\$360,375 (0.07% of the Guaranteed Maximum Price)**. Administration is now recommending an adjustment to **\$1,252,342 (2.59% of the updated GMP)**, subject to Board approval.

When the contract was negotiated, both the district and contractor agreed to a very conservative contingency level, as the GMP was already at the maximum anticipated amount. At the same time, the district was preparing for a reimbursement resolution for the project, which was ultimately passed in May 2025.

Industry Best Practice Benchmarks

Professional associations provide clear guidance for contingency levels:

- **Association for the Advancement of Cost Engineering (AACE International):** 5–10% for new construction; 10–20% for renovations or high-risk projects.
- **Association for Learning Environments (A4LE, formerly CEFPI):** 5–10% contingency is typical for K-12 projects at the GMP stage; 10–15% for renovations or earlier phases.
- **Texas Association of School Boards (TASB) / Texas Association of School Administrators (TASA):** District facility planning resources note that 5% contingency is common for new construction, with 10% or more for renovations.

Reason for Adjustment

As construction has progressed, unforeseen conditions have emerged, resulting in multiple change orders. The attached financial and budget analysis provides a detailed breakdown of approved change orders, pending items, and allowances applied within the GMP. This increase will align our project with industry standards and provide the necessary flexibility to address contingencies as the project advances.

Funding Allocation

It is important to note that this budget adjustment does not require the use of additional bond funds beyond those already allocated for this project, nor does it draw from local operating funds. The attached budget analysis shows that a district contingency was separately allocated at the onset of the project. If approved, the Board’s action will simply adjust the GMP to reflect the reallocation of existing Bond 2023 and Bond 2025 project funds already approved and budgeted for this specific project.

RECOMMENDATION:

Administration recommends increasing the Owner's Contingency for the Bond 2023 New T.M. Clark Elementary School project from \$360,375 (0.07% of GMP) to \$1,252,342 (2.59% of the updated GMP)

FINANCIAL IMPACT AMOUNT AND FUNDING SOURCE (IF APPLICABLE):

FUNDING SOURCE: BOND 2023/2025 (Project: T.M. Clark Elementary School)
Increase = \$891,967

BOARD RELATED POLICY:

CV (LEGAL) (LOCAL)

ACTION ITEM SUGGESTED MOTION (if applicable):

That the Board make a motion and accept the recommendation by Administration to increase the Owner's Contingency for the Bond 2023 New T.M. Clark Elementary School project from \$360,375 (0.07% of the original Guaranteed Maximum Price) to \$1,252,342 (2.59% of the updated Guaranteed Maximum Price).

BUDGET ANALYSIS - T.M. CLARK ELEMENTARY SCHOOL

Project Allowance

Approved BOND Amount (2023)	49,345,180	
Reimbursement Resolution (2025)	5,500,000	
Budget Allocation		<u>\$ 54,845,180</u>

PROJECT EXPENSES

Estimated Soft Costs Expenses

Architectural/MEP Fees	2,963,038
Furniture, Fixtures, & Equipment (FF&E)	3,081,560
District Contingency	891,967
Misc. (Soft Cost)	500,000
Subtotal	<u>7,436,565</u>

Construction CMAR GMP

Base Bid - Fulton	44,947,099
Contract Owners Contingency 0.007%	360,375
Owners Allowance (BAS, Test, Signage, Etc)	915,000
Alternate #1: Courtyard	560,614
Alternate #2: Front Canopy	38,698
Alternate #2b: Kitchen Canopy	56,549
Alternate #5: New Playground	530,280
Subtotal	<u>47,408,615</u>

Total Estimated Expenses	<u>\$ 54,845,180</u>
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FINANCIAL ANALYSIS FOR T.M. CLARK ELEMENTARY SCHOOL
BUDGET INCREASE RECOMMENDATION

CURRENT APPROVED BUDGET

Owners Allowance

Building Automation System (BAS)	\$ 685,000.00
HVAC Test and Balance	\$ 75,000.00
Commissioning - MEP	\$ 80,000.00
Structural & Misc. Steel	\$ 25,000.00
Graphics and Signage	\$ 50,000.00

Owners Contingency (.007% of GMP) **\$ 360,375.00**

Budget Total As Per Contract **\$ 1,275,375.00**

Change Order/Allowance Activity as of 10-1-2025

ASI 002 - Drawing Clarifications	\$ 46,842.00
ASI 003 - Changes to HM and Storefront & Hardware	\$ 9,298.00
RFI #026 & 044 Demo of Existing Storm Drain Piping	\$ 28,552.88
Fence Screening	\$ 17,700.00
Builders Risk Insurance	\$ 39,043.33

ASI 003 Credit for Sorefront Frames on MM and NN	\$ (14,364.00)
ASI 004 Electrical at Elevator	\$ 14,922.11
RFI 064 Sanitary Swer & Retention Pond Drainage	\$ 39,212.00
PR #001 Water Fountain, Front Entrance Changes	\$ 126,329.51
PR #002 Frame & Glazing Changes to Ballistic Rated in Front Lobby	\$ 81,690.00
ASI 001 Sidewalk along Billy G Webb Drive	\$ 114,924.00
Additional Permit Costs	\$ 15,313.75
RFI 077 Water Line in Central Plant	\$ 8,349.00
RFI 073 Light Pole Conflicting With Bus Loop Entrance	\$ 3,123.56
Revised & Added Playground Equipment	\$ 43,067.02

PR #003 Water Filtration (<i>pending approval</i>)	\$ 120,338.00
PR #004 AEP (<i>pending approval</i>)	\$ 70,000.00
BAS Control Systems (Allowance)	\$ 710,000.00
RFI 091ASI 08 Water Line Discrepancy (<i>pending approval</i>)	\$ 23,706.00

Total Change Order/Allowance Activity as of 10-1-2025 **\$ 1,498,047.16**

Difference of Budget and Total Activity **\$ (222,672.16)**

Recommendation: Owners Contingency Budget Increase **\$ 891,967.00**

IF APPROVED: Owners Contingency/Allowance Balance **\$ 669,294.84**

(increases contingency from .007% to 2.59%)



T.M. Clark Elementary – Project Schedule Update

Original Contract Duration

- Contract Start: August 15, 2024
- GMP Finalized: October 24, 2024 – June 30, 2026 (20 months)

Project Delays Identified

- **City Permitting Delays:** October 24, 2024 – January 10, 2025 (2 months, 17 days)
- **Temporary Permit Issued:** January 10, 2025
- **Weather Delays (Rain):** May 2025 (5 days); June 2025 (7 days)

Update from August 4, 2025 OAC Meeting

The contractor notified the district that, due to cumulative delays, the projected completion date has shifted to **September 5, 2026** (approximately two months behind schedule).

Proposed/Potential Path to Maintain June 30, 2026 Completion

- Develop a critical path schedule identifying essential project milestones.
- Authorize overtime work and increase manpower to recover approximately two months of lost time.
- Determine whether the district will absorb the additional cost to maintain the original schedule or accept the extended timeline.
- Board approval will be required for any added cost related to schedule acceleration.

Next Steps

- On August 4, 2025, the district formally requested Fulton to prepare a detailed cost breakdown associated with the proposed critical path acceleration.
- A coordination meeting is scheduled for October 8, 2025, with the Architect, General Contractor, and District Administration to review and discuss the proposed critical path schedule. At that time, options will be evaluated.