

In response to your article dated October 2, 2022, the SBCISD Board of Trustees out of concern for our students and taxpayers, will continue to press forward on possible violations of Texas law as delineated in the forensic audit findings. We will continue to work with district administration to ensure taxpayer dollars are appropriately spent and maximized. In the published article you assert there were no legal ramifications due to the audit conducted at SBCISD. On multiple occasions the auditor indicated there was a possible **violation of Texas Government Code. That means a violation of the Texas Law. The following were denoted as being a possible violation of Texas Law"**

[1] The District's RFQ for Project Management Services included a requirement for the respondent to have appropriate liability insurance in accordance with **Texas Government Code Section 2269.208.13** Brighton Group was not insured until after being awarded the contract. In the absence of insurance this company should have been eliminated.

[2] Texas Government Code requires a two-step CMAR selection process if an entity elects to issue a RFQ instead of a RFP. It did not appear that the District completed the second step of the two-step CMAR selection process as described under **Texas Government Code. Texas Government Code** requires the District to make public the ranking of submissions for CMAR services within seven (7) days of a contract being awarded. No documentation in support of the Board's evaluation process (e.g., rankings or score sheets), much less any documentation that was made public, which appears to be in violation of **Texas Government Code Section 2269. Under Section 2269.253 of Texas Government Code**, if an RFQ is used instead of an RFP for procurement of CMAR services, a second step is required where additional information is requested from selected firms (which may include fees and pricing) and the selected firms are to be ranked (with the rankings made public). It did not appear that the District

completed the second step of the CMAR selection process as defined under **Texas Government Code.**

[3] Purchases totaling approximately \$78,000 related to remodeling and renovation of the central office through the vendor Dezvia, LLC during the November 2018 – June 2019 time period. The project appeared to have been divided into multiple smaller projects (i.e., demolition, electrical, etc.) that were each under \$50,000 and were therefore not approved by the Board. It did not appear that other quotes were obtained by the District for the project. Project being divided into Board Room Renovation and Superintendent's Office and conference room allowed **board policy to be circumvented and possible violation of Texas Government Code.**

***Based on discussions with the Purchasing Director as well as our independent review, certain purchases were approved by the Board that **circumvented the Purchasing department's approval**, including purchases related to the 2018 Bond Program, as well as the Board's appointment of an insurance agent of record in August 2020.

[4] Board appointed Jeff Everitt & Associates, Inc. as the District's insurance agent of record for employee health products. The insurance agent of record services were not procured through a RFQ process, which was inconsistent with the District's procurement for insurance agent of record services in prior and subsequent years (i.e., 2017 and 2021), and a possible violation of **Texas Education Code Section 44.031.41**

Best Practices/Ensuring our Tax Payer Dollar is not Misspent

[1] The project manager was selected through a Request for Qualifications [RFQ]. The three areas that were evaluated were: firm's qualifications, experience on similar projects and professional references. We observed that certain other firms provided as many as 12 examples of similar projects, whereas

Brighton Group only included one example (Santa Maria ISD). Therefore, Brighton Group should have garnered less points. During the following Board meeting on December 18, 2018, the Board selected Brighton Group as project manager without any discussion or deliberation concerning how each Board member evaluated the proposals. The current administration and board have committed to; retain construction professionals in advance of construction of new facilities or renovation of existing facilities to ensure the accuracy of information being presented to the public.

[2] Brighton Group was not registered as a professional engineering firm with the Texas Board of Professional Engineers and Land Surveyors until February 2019, which was after they entered into a contract with the District in January 2019. After contract with SBCISD begun.

[3] Brighton Group has received 1.25 million dollars, with one building completed from the 2018 Bond. Based the review of other project management contracts at other school districts, fees are generally paid based upon either project completion percentages each month, the completion of predetermined milestones (e.g., design phase), or based on hourly rates and time on the project. In our review, we did not identify any other project management contracts where fees were paid in advance of services provided. District's January 2019 contract with Brighton Group for project management services, Brighton Group's fee is 4.5% of final construction costs which are now estimated at over \$44 million.

[4] 30 instances identified where Dr. Carman was a guest at Marriott Hotels for District travel paid with a District credit card and Marriott rewards points were applied to Dr. Carman's personal Marriott rewards account. Also identified 16 instances where either a Board member or District employee was a guest at Marriott Hotels for District travel paid with a District credit card and Marriott rewards points were applied to Dr. Carman's personal Marriott rewards account.

District will further outline acquisition of personal reward points garnered through district funds in employee handbook.

[5] ABC Group was paid whether services were provided or not provided. ABC Group contract was written to protect the vendor and not the district. Brighton Group was also paid before services were rendered as substantiated by the fact that only one of three buildings is completed. As outlined by the audit starting immediately the District will prohibit payment of fees in advance of services being performed to ensure that the District is receiving value in its use of public funds. The board has approved not to extend ABC Group's contract.

[6] Parson's Roofing were paid over 2 million dollars for their projects. Both companies were ultimately selected through General Merchandise and Services, therefore, possibly not obtaining the best value for our tax dollars. This has been remediated by the district's administration.

[7] E3 Lighting was awarded a contract with the district initially through bids. Verified communication through emails with the Business Development Manager of E3 and the former superintendent discussing pricing was found. The project was ultimately awarded without completing the bid process and utilizing the General Merchandise and Services list from the district. General Merchandise and Services has been removed as an option as per current superintendent.

Reason Weaver and Tidwell LLC was Selected

At our core, we're a Texas-based, national accounting firm with comprehensive capabilities. That means we do the things you'd expect us to do: traditional assurance and tax services. However, our philosophy has always been about doing more than expected. That's why Weaver also provides a wide array of advisory services including risk advisory, transaction advisory, IT advisory, energy

compliance services, forensics and litigation, financial institutions consulting and public company services.

That's what we do. But just as important is how we do it. Insight is at the heart of our approach. We start by making it our mission to understand our clients' industries inside and out, with a special focus on oil and gas, financial services, manufacturing and government. It doesn't end there; we get to know our clients' business goals and challenges, what they want to achieve and what's standing in the way.

Weaver's industry-focused, client-centric approach has paid off for our clients – and garnered our firm national recognition:

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Accounting Today

#3 Largest Tarrant County Accounting Firms
Fort Worth Business Press

#8 Largest Austin Accounting Firms
Austin Business Journal

#7 Accounting firms with the most local CPAs
Houston Business Journal

#7 Largest North Texas Accounting Firms
Dallas Business Journal

#11 Accounting firms with the most local CPAs
San Antonio Business Journal

#32 Top 100 Firms [Nationally]
INSIDE Public Accounting

#39 Top 100 Firms
Accounting Today

