



**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

The School Board of Orange County, Florida

Castleview Elementary School Relief Project



Carr, Riggs & Ingram, LLC
 1031 West Morse Boulevard
 Suite 200
 Winter Park, FL 32789

407.644.7455
 407.628.5277 (fax)
 CRlcpa.com

INDEPENDENT ACCOUNTANTS’ REPORT ON APPLYING AGREED-UPON PROCEDURES

Castleview Elementary School Relief Project

The School Board of Orange County, Florida
 Orlando, Florida

We have performed the procedures enumerated below on the final construction costs and the adjusted guaranteed maximum price of the Castleview Elementary School Relief Project (the “Project”), as provided by Charles Perry Partners, Inc. (the “Construction Manager”).

The School Board of Orange County, Florida (“OCPS” or the “District”) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to assist in determining the final construction costs and the adjusted guaranteed maximum price of the Project, as provided by the Construction Manager. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures applied and the related findings are as follows:

PROCEDURES	RESULTS
1. Inspect a copy of the Standard Construction Management Contract (the “Agreement”), dated October 10, 2017, between OCPS and the Construction Manager, and the Amendment No. 1, dated May 31, 2018 (collectively referred to as the “contract documents”), relative to the construction of the Project.	<ul style="list-style-type: none"> ○ The contract documents were inspected by Carr, Riggs & Ingram, LLC (“CRI”) without exception.
2. Inquire of OCPS and the Construction Manager as to whether there are any disputed provisions between the two parties, relative to the contract documents or the Project’s costs as provided in 4. below, or if there are any other unresolved disputes.	<ul style="list-style-type: none"> ○ The Construction Manager and the District stated there were no disputes between them.
3. Inquire of the Construction Manager as to whether there are any disputes between the Construction Manager and its subcontractors.	<ul style="list-style-type: none"> ○ The Construction Manager stated there were no disputes between the Construction Manager and its subcontractors.

PROCEDURES	RESULTS
<p>4. Obtain from the Construction Manager, a copy of the final job cost detail, dated February 8, 2021 (the “final job cost detail”).</p>	<p>○ Obtained a copy of the final job cost detail without exception.</p>
<p>5. Obtain from the Construction Manager and OCPS, a copy of the final payment application request issued to OCPS, dated January 31, 2020 (“final pay application”).</p>	<p>○ Obtained the final payment application from the Construction Manager and the District without exception.</p>
<p>6. Obtain from the Construction Manager a reconciliation between the final job cost detail and the final pay application.</p>	<p>○ Obtained a reconciliation between the final job cost detail and the draft final pay application from the Construction Manager. The Construction Manager noted \$144,243 of nonreimbursable costs and \$176,083 of failed subcontractor costs. CRI analyzed these amounts and modified the credits to \$144,751 and \$173,429, respectively, as reported in Exhibit A.</p>
<p>7. From the final job cost detail, select all subcontractors with total costs in excess of \$50,000 (“selected subcontractors”) and perform the following:</p> <p>a. Obtain the subcontract and related change orders, executed between the selected subcontractors and the Construction Manager. Compare the total amount recorded in the final job cost detail to the original subcontract amount plus the related change orders.</p> <p>b. Obtain the labor and material pricing estimates, vendor invoices, and subcontractor markups (“supporting documentation”) for the subcontractor change orders in 7.a. above. Compare the change order amounts to the supporting documentation.</p>	<p>○ Selected all 23 subcontractors from the final job cost detail with total costs in excess of \$50,000.</p> <p>a. Obtained the subcontract and related change orders for the selected subcontractors and compared them to the final job cost detail without exception.</p> <p>b. Obtained supporting documentation for all change orders to the selected subcontractors without exception. The supporting documentation was compared to the change order amounts in the final job cost detail with the following exceptions:</p> <ul style="list-style-type: none"> ● CRI removed additive subcontractor change orders totaling \$6,187 which were noted by the Construction Manager as non-reimbursable. ● Additive subcontractor change orders totaling \$8,212 had supporting documentation consisting only of lump sum amounts. Of these subcontractor change orders, \$7,087 were approved through contingency and owner change orders.

PROCEDURES	RESULTS
<p>(7. Continued)</p> <p>c. Obtain from the Construction Manager, the final lien releases or individual payment lien releases totaling the final subcontract value submitted by the selected subcontractor to the Construction Manager, or a sample of cancelled checks (at least 30) for payments made by the Construction Manager to the selected subcontractor (“payment documentation”). Compare the final subcontract amount to the final job cost detail to the payment documentation.</p> <p>d. Obtain a listing of owner direct purchases (“ODP”) from the District related to each subcontract selected. Compare the ODP amounts to the sum of the deductive ODP change orders, per the selected subcontractor.</p>	<p>c. Obtained final lien releases as the payment documentation and compared to the final subcontract amount and the final job cost detail without exception.</p> <p>d. Obtained the ODP log without exception. The sum of the deductive ODP change orders for the selected subcontractors agreed to the ODP log for all selected subcontractors without exception.</p>
<p>8. If there are reimbursable labor charges included in the final job cost detail, from the total number of Construction Manager employee payroll transactions listed in the final job cost detail, haphazardly select a sample of at least 15 Construction Manager payroll transactions. Each sampled payroll transaction will be for a specific, identified time period of the Project.</p>	<p>o CRI did not identify any reimbursable labor charges in the Construction Manager’s final job cost detail.</p>
<p>9. From the final job cost detail, select any non-subcontractor line items that exceed \$50,000 and perform the following:</p> <p>a. Obtain a copy of or access to, the original invoice, pricing document, and a copy of the cancelled check for each item selected. If there are more than 10 entries for the non-subcontractor in the final job cost detail, select a sample of at least 5 items.</p> <p>b. Compare the documents obtained in 9.a. to the amount recorded in the final job cost detail.</p>	<p>o Selected the two non-subcontractor vendors with costs that exceeded \$50,000.</p> <p>a. Obtained the invoices, copies of cancelled checks and electronic payments for 5 transactions for each of the 2 non-subcontractors selected.</p> <p>b. Compared the invoices, cancelled checks, and electronic payment documentation to the amounts recorded in the final job cost detail for each transaction selected without exception.</p>

PROCEDURES	RESULTS
<p>10. From the final job cost detail, select amounts for payment and performance bond costs and builder’s risk insurance (as applicable) and perform the following:</p> <p>a. Obtain a copy of or access to the original invoices and a copy of the cancelled check or other proof of payment paid directly to a third party. Compare the documentation obtained to the amounts recorded in the final job cost detail.</p>	<p>o Selected all payment and performance bond charges from the final job cost detail. There were no charges for builder’s risk insurance included in the final job cost detail.</p> <p>a. Obtained the invoice from the Construction Manager’s insurance agent and cancelled check for the payment and performance bond and compared the amounts to the final job cost detail without exception.</p>
<p>11. From the final job cost detail, select amounts for general liability insurance and worker’s compensation insurance and perform the following:</p> <p>a. Where applicable, obtain the Construction Manager’s internal allocation for general liability insurance charges and worker’s compensation insurance charges.</p> <p>b. If applicable, recalculate the Construction Manager’s internal allocations and compare the recalculation to the amounts in the final job cost detail.</p>	<p>o Selected all general liability insurance and worker’s compensation insurance charges from the final job cost detail.</p> <p>a. Obtained a letter from the Construction Manager’s insurance provider stating the rate to be applied to the contract value for the general liability coverage.</p> <p>Obtained a letter from the Construction Manager’s insurance provider stating the rate to be applied to the labor value for the worker’s compensation insurance coverage. CRI also obtained the worker’s compensation insurance rate sheet and noted the modifiers, totaling a 30% reduction of the rates, had not been applied. The total adjustment of \$6,626 is reported in Exhibit A.</p> <p>b. Recalculated the Construction Manager’s general liability charges and compared the recalculated amount to the amount in the final job cost detail without exception.</p>
<p>12. Inquire of the Construction Manager to determine if there are any expenditures, in the final job cost detail, to entities related by common ownership or management to the Construction Manager.</p>	<p>o Inquired of the Construction Manager regarding expenditures in the final job cost detail to entities related by common ownership or management to the Construction Manager. The Construction Manager utilized a related entity, Contractor Computer and Equipment Leasing, LLC.</p>
<p>13. If there are expenditures to entities related by common ownership or management noted in 12. above, perform the following:</p> <p>a. Report the entity and volume of the transactions to OCPS.</p>	<p>a. The related entity is Contractor Computer and Equipment Leasing, LLC and \$34,769 is included in the final job cost detail for charges to this entity.</p>

PROCEDURES	RESULTS
<p>(13. Continued)</p> <p>b. Determine if such transactions are properly authorized by OCPS, in accordance with the contract documents.</p>	<p>b. CRI was not able to obtain confirmation from the Construction Manager to OCPS notifying OCPS of their intent to use Contractor Computer and Equipment Leasing, LLC on this Project.</p>
<p>14. From the final job cost detail, haphazardly select at least five transactions determined to be the Construction Manager’s internal charges to the Project, and perform the following:</p> <p>a. Obtain vendor invoices and Construction Manager calculations for internal charge rates.</p> <p>b. Compare the internal charge rates recorded in the final job cost detail to the supporting documentation obtained in 14.a. above.</p>	<p>o Selected four computer with programs charges, 1 iPad charge and two miscellaneous equipment rental charges.</p> <p>a. Obtained vendor invoices and allocation calculations for the computer rental charges, iPad and equipment rental charges without exception.</p> <p>b. Compared the documentation obtained in 14.a. to the amounts in the final job cost detail without exception.</p>
<p>15. Obtain the Project’s Notice to Proceed (“NTP”) from OCPS and inspect the dates of the charges in the final job cost detail for recorded costs with dates prior to the date on the NTP.</p>	<p>o Inspected the final job cost detail and identified no charges dated prior to the NTP date.</p>
<p>16. Inquire of the Construction Manager to determine whether they are using a subcontractor default insurance program (“subguard”) for subcontractor bonding requirements. If so, perform the following:</p> <p>a. Inspect the final job cost detail, as well as, subcontracts and change order line items for the selected subcontractors noted in 7. above, for line items described as subcontractor bond costs.</p> <p>b. Obtain an invoice and cancelled checks for the subguard charges found in the final job cost detail, if paid to a third party.</p> <p>c. Obtain written representation that the subcontractors on the Project, enrolled in subguard, have not included bond costs in their payment applications.</p>	<p>o The Construction Manager used a subguard program on this Project.</p> <p>a. Inspected the final job cost detail and selected subcontractors’ original subcontract and change orders, and no bond charges were identified.</p> <p>b. Obtained a letter from the Construction Manager’s insurance provider stating the rate to be applied to subcontractor value for the subguard coverage.</p> <p>c. Obtained written representation from the Construction Manager that subcontractors enrolled in the subguard program did not include bond costs in their payment applications.</p>

PROCEDURES	RESULTS
<p>17. Obtain all signed and executed change orders between OCPS and the Construction Manager for the duration of the Project.</p>	<p>○ Obtained all signed and executed change orders without exception.</p>
<p>18. Obtain from OCPS, a log of the ODPs plus sales tax savings for the Project and perform the following:</p> <p>a. Recalculate the total ODPs, from the log obtained above, by taking the actual ODPs spent on the Project and comparing them to the original contract value (including ODPs) plus or minus any change orders (not including ODP change orders).</p> <p>b. If the above recalculated percentage is below 25% (as per section 20.3 of the General Conditions to the Agreement), inquire of the District regarding whether it was determined the Construction Manager failed to obtain any tax savings that could have been achieved. If so, inquire if the District will seek to recover the amount of any such missed tax savings from the Construction Manager.</p>	<p>○ Obtained the ODP log from the District without exception.</p> <p>a. Recalculated the percentage of the total owner direct purchases plus sales tax savings, per the ODP log, as a percentage of the original contract value (including ODPs) plus or minus and change orders (not including ODP change orders).</p> <p>b. The recalculated percentage is in excess of 25%.</p>
<p>19. Compare the ODP log plus sales tax savings amount obtained in 18. above, to the total signed and executed change orders amounts obtained in 17. above relative to ODPs.</p>	<p>○ Compared the owner direct purchases plus sales tax savings per the ODP log to the total signed and executed owner change order amounts relative to owner direct purchases without exception.</p>
<p>20. Utilizing the not-to-exceed general requirements detail from the contract documents in 1. above, compare to the general requirements charges noted in the final job cost detail.</p>	<p>○ Compared the not-to-exceed general requirements per the contract documents with the actual general requirements charges noted in the final job cost detail and observed:</p> <ul style="list-style-type: none"> • The Project vehicles exceeded the allowance by \$525. • The Construction Manager overspent general requirements by \$12,137.
<p>21. Recalculate the final guaranteed maximum price ("GMP") as follows:</p> <p>a. Obtain the original GMP amount, including any fixed or percentage-based Construction Manager fees or lump sums from the contract documents noted in 1. above.</p>	<p>a. Obtained the original GMP amount without exception.</p>

PROCEDURES	RESULTS
<p>(21. Continued)</p> <p>b. Add the original GMP amount (from 1. above) plus additive change orders and minus deductive change orders from 17. above to get the “adjusted guaranteed maximum price”.</p>	<p>b. The net amount of change orders was deducted from the original GMP amount and is reported in Exhibit A as the adjusted guaranteed maximum price.</p>
<p>22. Obtain the final contract value, per the final pay application (noted in 5. above) and compare it to the final GMP amount recalculated in 21.b. above.</p>	<p>o The adjusted guaranteed maximum price was compared to the final contract value, per the final pay application, without exception.</p>
<p>23. Recalculate the final construction costs as follows:</p> <p>a. Starting with the final job cost detail, adjust for any reductions identified in the application of the above procedures (i.e. subcontractor markup differences, non-reimbursable items, repair/rework items, etc., as applicable) to reach the “adjusted final job costs”.</p> <p>b. Utilizing the adjusted final job costs, add any fixed fees or lump sum amounts to reach the “final construction costs”.</p> <p>c. Compare the final GMP amount calculated in 21.b. above to the final construction costs amount from 23.b. above.</p>	<p>a. The results of performing this procedure are reported in Exhibit A as the adjusted final job costs.</p> <p>b. The calculation of the Construction Management fee has been added to the adjusted final job cost, resulting in the final construction costs as reported in Exhibit A.</p> <p>c. The results of this procedure are reported in Exhibit A.</p>
<p>24. Using the General Conditions attachment in the contract documents, obtain the raw rates for the Construction Manager’s personnel.</p> <p>a. Obtain from the Construction Manager a listing of the personnel that filled the positions listed in the General Conditions attachment.</p> <p>b. From the listing of Construction Manager personnel that filled the positions in the General Conditions attachment, choose a sample of at least 15 payroll entries and obtain documentation of the selected persons actual pay rate for the period selected.</p>	<p>o Obtained the raw rates for the Construction Manager’s personnel included in the General Conditions attachment in the contract documents.</p> <p>a. Obtained a listing of the personnel that filled the positions listed in the General Conditions attachment from the Construction Manager.</p> <p>b. From the listing of Construction Manager personnel entries, we chose a sample of 15 payroll entries and obtained the Earning Register Report for each of the items selected.</p>

PROCEDURES	RESULTS
<p>(24, Continued)</p> <p>c. Compare the actual pay rate obtained in 24.b. above to the raw rate included in the General Conditions attachment.</p>	<p>c. The results of this procedure indicate the actual pay rate is less than the raw rate per the General Conditions attachment (“raw rate”) in 13 of the 15 samples tested. Overall, the average actual pay rate is 2% under the raw rate for the samples selected.</p> <p>CRI did not see evidence OCPS was notified the labor rates paid were lower than the raw rates, in accordance with Section 5.A.1.d. of the Agreement.</p>
<p>25. Obtain, from OCPS and/or the Construction Manager, all of the Project’s contingency logs and usage documents and inspect all contingency usage forms for OCPS’s designated representative’s signature of approval.</p>	<p>o Obtained the contingency log and all the contingency usage documents and inspected all usage documents for proper approval without exception.</p>
<p>26. Compare the ending balances in the contingency funds, per the contingency logs obtained in 25. above, to the change order amount of the funds returning to OCPS, as obtained in 17. above.</p>	<p>o Compared the ending balance in the contingency funds with the funds returned to the District in the final change order. The unused contingency fund balances were given back to the District in the final change order without exception.</p>
<p>27. Obtain a listing of assets acquired by the Construction Manager for the Project and verify the assets were turned over to OCPS.</p>	<p>o Obtained a listing of assets and verified the assets were transferred to OCPS at the conclusion of the project. CRI also observed some of the assets were stolen and observed Orange County Sheriff’s Statements for these assets.</p>
<p>28. Obtain the Certificate of Substantial Completion, signed by the Architect, and compare the date of this document to the time requirements contained in the contract documents.</p>	<p>o Obtained the Certificates of Substantial Completion without exception. The results of the substantial completion dates, as reported on the Certificates are as follows:</p> <ul style="list-style-type: none"> • Substantial completion for phase one occurred fourteen days after the contractually required date. • Substantial completion for phase two occurred on the contractually required date. • Substantial completion for phase three occurred on the contractually required date.

PROCEDURES	RESULTS
<p>29. Obtain the Certificate of Final Inspection, signed by the Architect, and compare the date of this document to the time requirements contained in the contract documents.</p>	<p>○ The final completion date, as reported on the Certificate of Final Inspection, indicated the Construction Manager achieved final completion 102 days after the contractually required date. Final completion is to be achieved within 120 days after the date of substantial completion, which for this Project was December 6, 2019. The Certificate of Final Inspection was signed by the Architect on March 17, 2020.</p>
<p>30. Utilizing the Certificate of Final Inspection obtained in 29. above, inspect the dates of the charges in the final job cost detail for recorded costs with dates subsequent to the date of the Certificate of Final Inspection.</p>	<p>○ Inspected the dates of the charges in the final job cost detail for recorded costs with dates subsequent to the date of the Certificate of Final Inspection and observed \$29,064 in costs for late subcontractor payments, after the date of final inspection, all of which appear to be proper.</p>
<p>31. Obtain the SAP/Purchase Order reconciliation from OCPS and compare the guaranteed maximum price on the reconciliation to the guaranteed maximum price on the Construction Manager’s final pay application, as noted in 5. above.</p>	<p>○ Obtained the SAP/Purchase Order reconciliation from OCPS and agreed the guaranteed maximum price on the reconciliation to the guaranteed maximum price on the final pay application without exception.</p>

We were engaged by The School Board of Orange County, Florida, to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the final construction costs and the adjusted guaranteed maximum price. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Charles Perry Partners, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of The School Board of Orange County, Florida, and is not intended to be and should not be used by anyone other than the specified party.

Carr, Riggs & Ingram, L.L.C.

Orlando, Florida
June 13, 2022

**The School Board of Orange County, Florida
Castlevew Elementary School Relief Project**

Exhibit A – Project Costs

Calculation of the final construction costs

Calculation of adjusted final job costs:

Construction Manager job costs	\$ 12,766,332
Adjustment to remove non-reimbursables in the final job cost detail	(144,751)
Adjustment to remove subcontractor default costs	(173,429)
Adjustment to remove non-reimbursable subcontractor change orders	(6,187)
Adjustment to worker's compensation insurance costs allocation	(6,626)
Adjustment to reflect vehicles at the not-to-exceed amount	(525)
Adjustment to reflect general requirements at the not-to-exceed amount	(12,137)
Adjusted final job costs	12,422,677

Calculation of lump sum general conditions:

Original lump sum general conditions	639,861
General conditions added through change orders	45,000
	684,861

Calculation of the construction management fee:

Original construction management fee	772,299
Additional fee through change order #9	1,709
	774,008

Final construction costs

\$ 13,881,546

Calculation of adjusted guaranteed maximum price

Original guaranteed maximum price	\$ 18,515,591
Adjustments from change orders	(4,655,710)
	13,859,881

Adjusted guaranteed maximum price

\$ 13,859,881

**Construction costs, lesser of final construction costs and
adjusted guaranteed maximum price
Owner direct purchases**

**\$ 13,859,881
4,519,739**

\$ 18,379,620