



**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

The School Board of Orange County, Florida

Horizon (Site 113-H-W-4) High School Relief Project – GMP 1



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

 407.644.7455
 407.628.5277 (fax)
 CRlcpa.com

INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Horizon (Site 113-H-W-4) High School Relief Project – GMP 1

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 Horizon (Site 113-H-W-4) High School Relief Project – GMP 1 (the Project), as provided by Wharton-Smith, Inc. (the Construction Manager). The Construction Manager is responsible for the final construction costs that support the adjusted guaranteed maximum price.

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 and associated findings are as follows:

PROCEDURES	RESULTS
1. Inspect a copy of the Standard Management Contract (the Agreement), dated March 25, 2019, between OCPS and the Construction Manager, and the Amendment 1, dated October 28, 2019 (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 OCPS stated there were no disputed provisions between the two parties, relative to the contract documents or the Project's cost. There are no unresolved disputes on the Project.
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"> ○ Per inquiry of the Construction Manager, there are no disputes between the Construction Manager and its subcontractors on the Project.

PROCEDURES	RESULTS
<p>4. Obtain from the Construction Manager, a copy of the final job cost detail, dated June 13, 2022 (the “final job cost detail”).</p>	<p>○ Obtained 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 July 31, 2022 (“final pay application”).</p>	<p>○ Obtained the final pay application 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 the Construction Manager’s reconciliation without exception.</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>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 payment documentation.</p>	<p>○ Selected all 4 subcontractors from the final job cost detail with total costs in excess of \$50,000.</p> <p>a. Obtained the subcontract agreements and the related change orders, and totaled the original subcontract amount, plus change orders, for each of the selected subcontractors. Compared these amounts to the amounts recorded in the final job cost detail for all selected subcontractors without exception.</p> <p>b. Obtained supporting documentation for the subcontractor change orders and compared the supporting documentation to the change order amounts, with the following exception:</p> <ul style="list-style-type: none"> • The supporting documentation for 2 subcontractor change orders totaling \$7,930 consisted only of lump sums. None of these change orders were included in contingency use or owner change order documentation. <p>c. Obtained partial lien releases, final lien releases and cancelled check copies as payment documentation and compared the payment documentation to the final subcontract amount without exception.</p>

PROCEDURES	RESULTS
<p>(7. Continued)</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>d. Obtained the listing of ODPs from the District and compared the amount to the sum of the net deductive ODP change orders for the only selected subcontractor with ODPs, 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, select a sample of all 19 Construction Manager payroll transactions. Each sampled payroll transaction will be for a specific, identified time period of the Project.</p>	<p>o Selected all 19 reimbursable Construction Manager payroll transactions from the Final Job Cost Detail.</p>
<p>9. From the items selected in 8. above, perform the following:</p> <p>a. Obtain copy of or access to, the original timesheet and a payroll register, for the time period of the selected transaction, showing gross pay to the employee for each employee selected.</p> <p>b. Compare the amount listed for each sample in the final job cost detail to the items obtained in 9.a. above.</p>	<p>a. Obtained copies of the original timesheets for 15 of the 19 selections without exception. For the 4 transactions selected for testing where a timesheet was not obtained, CRI obtained a Proof Report which listed the hours worked along with the Project number. Additionally, obtained the Proof Report (payroll register) for each sample selected.</p> <p>b. Compared the amount listed for each sample in the final job cost detail to the items obtained in 9.a., resulting in an adjustment of \$1,394, as reported in Exhibit A.</p>
<p>10. If labor burden is included in reimbursable labor (if any), recalculate the labor burden percentage and compare it to the fixed rate per the contract documents, of 35%.</p>	<p>o Recalculated the labor burden percentage included in the charges for reimbursable labor and compared it to the fixed rate per the contract documents (35%). CRI noted the reimbursable labor was charged at a rate in excess of the 35% required by the contract documents. See adjustment in step 9.b.</p>
<p>11. 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>o Selected the one non-subcontractor vendor from the final job cost detail with costs in excess of \$50,000.</p> <p>a. Selected five line items for the one vendor that was in excess of \$50,000 and obtained the invoices and cancelled check copies or electronic payments for each of the selections.</p>

PROCEDURES	RESULTS
<p>(11. Continued)</p> <p>b. Compare the documents obtained in 11.a. to the amount recorded in the final job cost detail.</p>	<p>b. Compared the supporting documentation obtained in 11.a. to the amounts recorded in the final job cost detail without exception.</p>
<p>12. 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 the payment and performance bond charges from the final job cost detail. No builder's risk insurance charges were noted in the final job cost detail.</p> <p>a. Obtained a copy of the invoices from a third party and cancelled checks relative to the charges for the payment and performance bond. Compared the documentation to the amount recorded in the final job cost detail without exception.</p>
<p>13. From the final job cost detail, select all amounts for worker's compensation costs and perform the following:</p> <p>a. Obtain the Construction Manager's calculation of worker's compensation costs included in the final job cost detail.</p> <p>b. Obtain third party documentation for the rates used in the calculation of worker's compensation costs for the Project.</p> <p>c. Recalculate the worker's compensation costs, using the rates per the third party documentation. Compare the recalculation with the amount included in the final job cost detail.</p>	<p>o Selected all amounts for worker's compensation insurance from the final job cost detail.</p> <p>a. Obtained the Construction Manager's calculation of worker's compensation costs.</p> <p>b. Obtained the Burden Registers (detail of workers compensation charges for the Project) from the Construction Manager.</p> <p>c. Recalculated the worker's compensation costs and compared the recalculation with the amount included in the final job cost detail, which resulted in a \$5,702 adjustment, as reported in Exhibit A.</p>
<p>14. From the final job cost detail, select amounts for general liability insurance and perform the following:</p> <p>a. Where applicable, obtain the Construction Manager's internal allocation for general liability insurance charges.</p> <p>b. Inspect the internal allocation method and calculation. Compare the documentation obtained in 14.a. above to the amounts recorded to the final job cost detail.</p> <p>c. If applicable, obtain third party invoices for internal allocation amounts.</p>	<p>o Selected all general liability insurance charges included in the final job cost detail.</p> <p>a. Obtained the Construction Manager's internal allocation for general liability insurance charges without exception.</p> <p>b. Inspected the internal allocation method and the calculation and compared to the amounts in the final job cost detail. CRI confirmed with the Construction Manager that the internal allocation received was used to support the amounts in the final job cost detail.</p> <p>c. Obtained the general liability insurance proposals from the Construction Manager's insurance agent, Bouchard Insurance, for fiscal years 2020, 2021 and 2022.</p>

PROCEDURES	RESULTS
<p>(14. Continued)</p> <p>d. If applicable, obtain supporting documentation for the allocation base, i.e. annual company-wide revenue for the Construction Manager.</p> <p>e. If applicable, recalculate the Construction Manager's internal allocations and compare the recalculation to the amounts in the final job cost detail.</p>	<p>d. Obtained and traced the revenue base amounts used in the internal allocations to the insurance proposals from the Construction Manager's insurance agent, Bouchard Insurance for fiscal years 2020, 2021 and 2022.</p> <p>e. Recalculated the Construction Manager's internal allocations of general liability insurance charges and compared the recalculation to the amounts in the final job cost detail, resulting in an adjustment of \$1,531, as reported in Exhibit A.</p>
<p>15. 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 stated there were none.</p>
<p>16. From the final job cost detail, 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 16.a. above.</p>	<p>o Selected 4 cellphone and all vehicle charges in the final job cost detail.</p> <p>a. Obtained supporting documentation for the internal charges as follows:</p> <ul style="list-style-type: none"> • For the cellphone charges, obtained Proof Reports as evidence of payment made to the Construction Manager's employees who receive cellphone allowances as part of their pay. • For the vehicle charges, the charges are set at \$850 per month for a contractually limited number of vehicles. CRI obtained the schedule of values for the general requirements, which includes the vehicles, for the allowable monthly charge and number of vehicles allowed. <p>b. The vehicle charges in the final job cost detail agreed to the amount included in the general requirements schedule of values in Amendment #1. The cellphone charges included in the final job cost detail were compared to the supporting documentation obtained in 15.a without exception.</p>
<p>17. 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 Obtained the NTP and did not identify any charges in the final job cost detail prior to the NTP date.</p>

PROCEDURES	RESULTS
18. Inquire of the Construction Manager to determine whether they are using a subcontractor default insurance program ("subguard") for subcontractor bonding requirements.	<ul style="list-style-type: none"> ○ Per inquiry of the Construction Manager, a subcontractor default insurance program was not used on the Project.
19. Obtain all signed and executed change orders between OCPS and the Construction Manager for the duration of the Project.	<ul style="list-style-type: none"> ○ Obtained all signed and executed change orders between OCPS and the Construction Manager without exception.
<p>20. Obtain from OCPS, a log of the ODPs plus sales tax savings for the Project and perform the following:</p> <ul style="list-style-type: none"> 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). 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. 	<ul style="list-style-type: none"> ○ Obtained the ODP log from OCPS without exception. a. Calculated the actual ODP percentage by comparing the total ODPs spent on the Project to the original contract value (including ODPs) plus or minus any change orders (not including ODP change orders). b. The results from the recalculation in 20.a. above indicated the Construction Manager did not achieve the goal of 25%. However, in change order #7, OCPS stated ODPs would be evaluated in aggregate of GMPs 1, 2, 3 and 4. OCPS did not recommend reimbursement for sales tax savings as the final GMP change orders were still being processed. The recalculated percentage was 14.66% for GMP 1.
21. Compare the ODP log plus sales tax savings amount obtained in 20. above, to the total signed and executed change order amounts obtained in 19. above relative to ODPs.	<ul style="list-style-type: none"> ○ Compared the ODPs plus sales tax savings per the ODP log to deductive amounts relative to ODPs included in the signed and executed owner change orders without exception.
22. 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.	<ul style="list-style-type: none"> ○ Compared the not-to-exceed general requirements per the contract documents with the actual general requirements charged in the final job cost detail without exception.
<p>23. Recalculate the adjusted guaranteed maximum price (GMP) as follows:</p> <ul style="list-style-type: none"> 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. b. Add the original GMP amount (from 1. above) plus additive change orders and minus deductive change orders from 19. above. 	<ul style="list-style-type: none"> a. Obtained the original GMP amount without exception. 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.

PROCEDURES	RESULTS
<p>24. Obtain the final contract value, per the final pay application (noted in 5. above) and compare it to the adjusted GMP amount recalculated in 23.b. above.</p>	<ul style="list-style-type: none"> ○ Obtained the final contract value, per the final pay application, and compared the adjusted guaranteed maximum price to the final contract value without exception.
<p>25. Recalculate the final construction costs as follows:</p> <ul style="list-style-type: none"> 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”. b. Utilizing the adjusted final job costs, add any fixed fees or lump sum amounts to reach the “final construction costs”. c. Compare the adjusted GMP amount calculated in 23.b. above to the final construction costs amount from 25.b. above. 	<ul style="list-style-type: none"> a. The results of performing this procedure are reported in Exhibit A as adjusted final job costs. b. The results of performing this procedure are reported in Exhibit A as final construction costs. c. The results of this procedure are reported in Exhibit A.
<p>26. Using the General Conditions attachment in the contract documents, obtain the raw rates for the Construction Manager’s personnel.</p> <ul style="list-style-type: none"> a. Obtain from the Construction Manager a listing of the personnel that filled the positions listed in the General Conditions attachment. 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. c. Compare the actual pay rate obtained in 26.b. above to the raw rate included in the General Conditions attachment. 	<ul style="list-style-type: none"> ○ Obtained the raw rates for the Construction Manager’s personnel included in the General Conditions attachment in the contract documents without exception. a. Obtained a listing of the personnel that filled the positions listed in the General Conditions attachment from the Construction Manager. b. From the listing of Construction Manager personnel entries, CRI chose a sample of 15 payroll entries and obtained the Proof Report (Payroll register) from the Construction Manager for each of the items selected. 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 12 of the 15 samples tested. Overall, the average actual pay rate is 21% under the raw rate for the samples selected. <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>

PROCEDURES	RESULTS
27. 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.	○ Obtained the Project's contingency log and usage documents and observed that all the contingency usage forms evidenced approval of an OCPS designated representative.
28. Compare the ending balances in the contingency funds, per the contingency logs obtained in 27. above, to the change order amount of the funds returning to OCPS, as obtained in 19. above.	○ Compared the ending balance in the contingency funds to the amounts returned to OCPS in the final change order without exception.
29. Obtain a listing of assets acquired by the Construction Manager for the Project and verify the assets were turned over to OCPS.	○ Obtained a listing of assets which verified the assets were transferred to OCPS without exception.
30. 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.	○ Obtained the Certificate of Substantial Completion without exception. The substantial completion date, as reported on the Certificate, was compared to the time requirements contained in the contract documents and owner change orders without exception.
31. 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.	○ Obtained the Certificate of Final Inspection (CFI) without exception. The final completion date, as reported on the CFI, indicated the Construction Manager achieved final completion prior to the contractually required date. Final completion is to be achieved within 120 days after the date of substantial completion, which for this Project was November 10, 2021. The Certificate of Final Completion indicated the GMP 1 completion date was July 13, 2021.
32. Utilizing the Certificate of Final Inspection obtained in 31. 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.	○ 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. No such costs were noted.
33. 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.	○ 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.

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 AICPA. 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 Wharton-Smith, 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
February 21, 2024

**The School Board of Orange County, Florida
Horizon (Site 113-H-W-4) High School Relief Project – GMP 1**

Exhibit A – Project Costs

Calculation of the final construction costs

Calculation of adjusted final job costs:	
Construction Manager job costs	\$ 9,116,815
Reduce reimbursable labor charges to actual	(1,394)
Reduce workers compensation insurance to actual costs	(5,702)
Reduce general liability insurance to actual costs	(1,531)
Adjusted final job costs	9,108,188
Original lump sum general conditions	202,814
Calculation of the construction management fee:	
Original construction management fee	443,223
Construction management fee from contingency usages	3,377
	446,600
Final construction costs	\$ 9,757,602

Calculation of adjusted guaranteed maximum price

Original guaranteed maximum price	\$ 11,286,584
Adjustments from change orders	(1,520,356)
	\$ 9,766,228
Adjusted guaranteed maximum price	\$ 9,766,228
Construction costs, lesser of final construction costs and adjusted guaranteed maximum price	\$ 9,757,602
Owner direct purchases	1,583,058
	\$ 11,340,660