



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

**The School Board of Orange County, Florida**

**Summerlake (Site 85-E-W-4) 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**

**Summerlake (Site 85-E-W-4) 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 Summerlake (Site 85-E-W-4) Elementary School Relief Project (the Project), as provided by OHL - Arellano Construction Company (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 Construction Management Contract (the Agreement), dated November 27, 2018, between OCPS and the Construction Manager, and the Amendment 1, dated July 18, 2019 (collectively referred to as the “contract documents”), relative to the construction of the Project.	○ 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.	○ 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.	○ The Construction Manager stated there are no disputes with any of its subcontractors.

PROCEDURES	RESULTS
4. Obtain from the Construction Manager, a copy of the final job cost detail, dated March 28, 2023 (the "final job cost detail").	○ Obtained the final job cost detail without exception.
5. Obtain from the Construction Manager and OCPS, a copy of the final payment application request issued to OCPS, dated February 28, 2022 ("final pay application").	○ Obtained the final pay application without exception.
6. Obtain from the Construction Manager a reconciliation between the final job cost detail and the final pay application.	○ Obtained the Construction Manager's reconciliation without exception. However, CRI identified an additional \$1,438 of non-reimbursable costs in the final job cost detail, as reported in Exhibit A.
<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 21 subcontractors from the final job cost detail with total costs in excess of \$50,000.</p> <p>a. Obtained the subcontractor and related change orders, executed between the selected subcontractors and the Construction Manager without exception. Compared the total amount recorded in the final job cost detail to the original subcontract amount plus or minus the related change orders without exception.</p> <p>b. Obtained supporting documentation for the subcontractor change orders without exception. Additionally, compared the change order amounts to the supporting documentation with the following exceptions:</p> <ul style="list-style-type: none"> <li>● Subcontractor markup for overhead and profit in excess of the contractual limits in the amount of \$1,005.</li> <li>● Adjustment to a subcontractor change order to agree with the District approved amount in the amount of \$783.</li> <li>● Adjustment to remove repair/rework subcontractor change orders that were not backcharged in the amount of \$13,585.</li> <li>● Adjustment to remove additional subcontractor costs for boom lift delay in the amount of \$2,500.</li> </ul> <p>The above adjustments have been reported in Exhibit A.</p> <p style="text-align: right;"><i>Continued</i></p>

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. If the Construction Manager does not have lien releases available, obtain cancelled checks reflecting such payments made by the Construction Manager to the selected subcontractor (collectively the “payment documentation”). Compare the final subcontract amount 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>Additionally, the supporting documentation for \$40,746 of subcontractor change orders consisted of only lump sum amounts. Of this amount, \$33,847 were included in owner change orders and contingency use documents approved by the District.</p> <p>c. Obtained final lien releases and cancelled check copies as payment documentation and compared the payment documentation to the final subcontract amount without exception.</p> <p>d. Obtained the listing of ODPs from the District and compared the amount for each of the selected subcontractors to the sum of the net deductive ODP change orders to each selected subcontractor 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 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 No reimbursable labor was noted in the 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 one non-subcontractor vendor from the final job cost detail with costs in excess of \$50,000.</p> <p>a. Obtained a copy of the original invoice and a copy of the cancelled check for the five items selected without exception.</p> <p>b. Compared the documents obtained in 9.a. to the amounts recorded in the final job cost detail 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 the payment and performance bond from the final job cost detail. No builder’s risk insurance charges were noted in the final job cost detail.</p> <p>a. Obtained the invoice from the Construction Manager’s insurance agent, and a cancelled check copy, for the payment and performance bond. However, there were additional charges from the Construction Manager’s foreign parent relative to their financial backing of the payment and performance bond in the amount of \$20,789. CRI adjusted these costs out of the final job costs, as reported in Exhibit A.</p>
<p>11. 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 11.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>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>o Selected all general liability insurance charges from 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 compared it to the amounts recorded in the final job cost detail without exception.</p> <p>c. Obtained third party documentation for general liability insurance premium amounts used in the internal allocation, including confirmation of the premium amounts from the Construction Manager’s insurance broker, American Global, LLC.</p> <p>d. Obtained confirmation of the allocation bases from the Construction Manager’s insurance broker, American Global, LLC, and received confirmation from the Construction Manager that such bases do not include owner direct purchases.</p> <p>e. Recalculated the Construction Manager’s internal allocation calculation and compared the recalculation to the amounts in the final job cost detail. As a result of the recalculation, an adjustment was made for general liability insurance in the amount of \$4,406, as reported in Exhibit A.</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 Per inquiry of the Construction Manager, there were no expenditures to entities related by common ownership or management to the Construction Manager included in the final job cost detail.</p>

PROCEDURES	RESULTS
<p>13. 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 13.a. above.</p>	<p>o Selected all vehicle charges in the final job cost detail. No other internal charges were noted in the final job cost detail.</p> <p>a. The vehicle charges are set at \$850 per month for a contractually limited number of vehicles. Obtained the schedule of values for the general requirements, which includes the vehicles, for the allowable monthly charge and number of vehicles allowed.</p> <p>b. Compared the vehicle charges in the final job cost detail to the vehicle allowance established in the general requirements schedule of values in Amendment #1 without exception.</p>
<p>14. 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>
<p>15. Inquire of the Construction Manager to determine whether they are using a subcontractor default insurance program (“subguard”) for subcontractor bonding requirements.</p>	<p>o Per inquiry of the Construction Manager, a subcontractor default insurance program was not used on the Project.</p>
<p>16. Obtain all signed and executed change orders and Construction Change Directives between OCPS and the Construction Manager for the duration of the Project.</p>	<p>o Obtained all signed and executed change orders and Construction Change Directive #1 between OCPS and the Construction Manager without exception.</p>
<p>17. 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 construction change directives and 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>o Obtained the ODP log from the District without exception.</p> <p>a. Recalculated the ODP percentage, per the ODP log, by taking the actual ODPs spent on the Project and comparing them to the original contract value (including ODPs) plus or minus any construction change directives and owner change orders (not including ODP change orders).</p> <p>b. The Construction Manager met the 25% ODP sales tax goal, as the recalculated percentage is 26.23%.</p>

PROCEDURES	RESULTS
<p>18. Compare the ODP log plus sales tax savings amount obtained in 17. above, to the total signed and executed change order amounts obtained in 16. above relative to ODPs.</p>	<ul style="list-style-type: none"> <li>○ 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.</li> </ul>
<p>19. 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>	<ul style="list-style-type: none"> <li>○ Compared the not-to-exceed general requirements per the contract documents with the actual general requirements charged in the final job cost detail. The actual general requirements charged in the final job cost detail are less than the not-to-exceed general requirements per the contract documents.</li> </ul>
<p>20. Recalculate the adjusted guaranteed maximum price (GMP) as follows:</p> <ul style="list-style-type: none"> <li>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.</li> <li>b. Add the original GMP amount (from 1. above) plus additive change orders and minus deductive change orders from 16. above to get the adjusted guaranteed maximum price.</li> </ul>	<ul style="list-style-type: none"> <li>a. Obtained the original GMP amount without exception.</li> <li>b. The net amount of change orders and the construction change directive was deducted from the original GMP amount and is reported in Exhibit A as the adjusted guaranteed maximum price.</li> </ul>
<p>21. Obtain the final contract value, per the final pay application (noted in 5. above) and compare it to the adjusted GMP amount recalculated in 20.b. above.</p>	<ul style="list-style-type: none"> <li>○ Obtained the final contract value, per the final pay application, and compared the adjusted guaranteed maximum price to the final contract value without exception.</li> </ul>
<p>22. Recalculate the final construction costs as follows:</p> <ul style="list-style-type: none"> <li>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”.</li> <li>b. Utilizing the adjusted final job costs, add any fixed fees or lump sum amounts to reach the “final construction costs”.</li> </ul>	<ul style="list-style-type: none"> <li>a. The results of performing this procedure are reported in Exhibit A as adjusted final job costs.</li> <li>b. The results of performing this procedure are reported in Exhibit A as final construction costs. However, CRI made adjustments for construction material testing charge-backs against the construction management fee of \$914, and construction management fee taken on general liability insurance charges included in a change order of \$326. These adjustments are reported in Exhibit A.</li> </ul>

PROCEDURES	RESULTS
<p>(22. Continued)</p> <p>c. Compare the adjusted GMP amount calculated in 20.b. above to the final construction costs amount from 22.b. above.</p>	<p>c. The results of this procedure are reported in Exhibit A.</p>
<p>23. 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>c. Compare the actual pay rate obtained in 23.b. above to the raw rate included in the General Conditions attachment.</p>	<p>o Obtained the raw rates for the Construction Manager's personnel included in the General Conditions attachment in the contract documents without exception.</p> <p>a. Obtained a listing of the personnel that filled the positions listed in the General Conditions attachment from the Construction Manager's final job cost detail.</p> <p>b. From the listing of Construction Manager personnel entries, CRI chose a sample of 15 payroll entries and obtained the payroll register or earnings statement for each of the items selected to document the actual pay rates.</p> <p>c. The results of this procedure indicate the actual pay rate is more than the raw rate per the General Conditions attachment ("raw rate") in 7 of the 15 samples tested. Overall, the average actual pay rate is 2% over the raw rate for the samples selected.</p>
<p>24. Obtain, from OCPS and/or the Construction Manager, the Project's contingency log and usage documents and inspect all contingency usage forms for OCPS's designated representative's signature of approval.</p>	<p>o Obtained the Project's contingency logs and usage documents and observed that all contingency usage forms evidenced approval of an OCPS designated representative without exception.</p>
<p>25. Compare the ending balances in the contingency funds, per the contingency logs obtained in 24. above, to the change order amount of the funds returning to OCPS, as obtained in 16. above.</p>	<p>o Compared the ending balance in the contingency funds to the amounts returned to OCPS in the final change order without exception.</p>
<p>26. 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 which verified the assets were transferred to another project or were put into surplus at the District warehouse.</p>
<p>27. 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 substantial completion dates, as reported on the Certificates, were compared to the time requirements contained in the contract documents without exception.</p>



PROCEDURES	RESULTS
28. 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.	<ul style="list-style-type: none"> <li>○ Obtained the Certificate of Final Inspection and compared the date of the document to the time requirements contained in the contract documents. Final completion was to be achieved by November 28, 2020. The Certificate of Final Inspection was signed by the Architect on April 8, 2022. The final completion date, as reported on the Certificate of Final Inspection, indicated the Construction Manager achieved final completion 496 days after the contractually required date.</li> </ul>
29. Utilizing the Certificate of Final Inspection obtained in 28. 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.	<ul style="list-style-type: none"> <li>○ 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 made an adjustment for \$104 of general requirements costs incurred after the date of the Certificate of Final Inspection. This adjustment is reported in Exhibit A.</li> </ul>
30. 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.	<ul style="list-style-type: none"> <li>○ 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.</li> </ul>

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 OHL - Arellano Construction Company 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, Rigg & Ingram, L.L.C.*

Orlando, Florida  
September 28, 2023

**The School Board of Orange County, Florida  
Summerlake (Site 85-E-W-4) Elementary School Relief Project**

**Exhibit A – Project Costs**

**Calculation of the final construction costs**

Calculation of adjusted final job costs:	
Construction Manager job costs	\$ 12,309,068
Additional non-reimbursable costs identified in the final job cost detail	(1,438)
Subcontractor markup for overhead and profit in excess of the contractual limit	(1,005)
Adjustment to a subcontractor change order to agree with the District approved amount	(783)
Adjustment to remove repair/rework subcontractor change orders not backcharged	(13,585)
Adjustment to remove additional subcontractor costs for boom lift delay	(2,500)
Remove payment and performance bond financing costs	(20,789)
Adjustment to reflect general liability insurance at actual cost	(4,406)
Remove costs incurred after the date of the Certificate of Final Inspection	(104)
Adjusted final job costs	<u>12,264,458</u>

Calculation of lump sum general conditions costs:	
Original lump sum general conditions	683,047
General conditions added through owner change orders	21,375
	<u>704,422</u>

Calculation of the construction management fee:	
Original construction management fee	752,265
Construction management fee in the final change order	19,660
Reimbursement for construction material testing	(914)
Remove construction management fee taken on general liability insurance in owner change order	(326)
	<u>770,685</u>

**Final construction costs** **\$ 13,739,565**

**Calculation of adjusted guaranteed maximum price**

Original guaranteed maximum price	\$ 17,900,162
Adjustments from change orders	(4,206,747)
Construction change directive #1	92,000
	<u>13,785,415</u>
<b>Adjusted guaranteed maximum price</b>	<b><u><u>\$ 13,785,415</u></u></b>

<b>Construction costs, lesser of final construction costs and adjusted guaranteed maximum price</b>	<b>\$ 13,739,565</b>
<b>Owner direct purchases</b>	<b>4,622,775</b>
	<u>18,362,340</u>
	<b><u><u>\$ 18,362,340</u></u></b>