

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

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

**Comprehensive Needs Project at Westridge Middle School – Phase 1**



**CRI** CARR  
RIGGS &  
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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

**Comprehensive Needs Project at Westridge Middle School – Phase 1**

The School Board of Orange County, Florida  
Orlando, Florida

We have performed the procedures enumerated below, which were agreed to by The School Board of Orange County, Florida (“OCPS” or the “District” and the “specified party”), solely to assist you in certifying the final contract value to Charles Perry Partners, Inc. (formerly PPI Construction Management, at the time of the execution of the contract documents) (the “Construction Manager” and the “responsible party”), based upon the total costs of construction and final contract value, as presented by the Construction Manager, for the Comprehensive Needs Project at Westridge Middle School – Phase 1 (the “Project”). The sufficiency of these procedures is solely the responsibility of the specified party. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures applied and the related findings are as follows:

PROCEDURES	RESULTS
1. Inspect a copy of the Construction Management Contract (the “Agreement”), dated January 10, 2011, between OCPS and the Construction Manager, and Amendment 1, dated June 27, 2011 (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.	○ Per inquiry of OCPS representatives and the Construction Manager, there are no disputes, resolved or unresolved, between the two parties.
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
<p>4. Obtain from the Construction Manager, a copy of the final job cost detail, provided April 29, 2019 (the "final job cost detail").</p>	<p>o Obtained the final job cost detail from the Construction Manager, on April 29, 2019, without exception.</p>
<p>5. Obtain from the Construction Manager and OCPS, a copy of the final payment application request issued to OCPS, dated April 12, 2013 ("final pay application").</p>	<p>o 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>o Obtained the Construction Manager's reconciliation between the final job cost detail and the final pay application, without exception.</p>
<p>7. From the final job cost detail, select all subcontractors with total costs listed per the job cost detail 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, subcontractor markups, or other appropriate documentation ("supporting documentation") for the subcontractor change orders in 7.a. above. Compare the change order amounts to the supporting documentation.</p>	<p>a. Obtained the subcontracts and related change orders for the selected subcontractors with the exception of the landscaping subcontractor. The Construction Manager was unable to provide the original subcontract agreement, the executed change orders, or the payment documentation for the landscaping subcontractor.</p> <p>b. Obtained the supporting documentation for the selected subcontractors' change orders, with the following exceptions:</p> <ul style="list-style-type: none"> <li>• \$195,846 of additive subcontractor change orders for which no supporting pricing documentation was provided.</li> <li>• \$165,783 of deductive subcontractor change orders for which no supporting pricing documentation was provided.</li> <li>• \$2,550 of additive subcontractor change orders for which the pricing documentation consisted only of a lump sum amount.</li> <li>• \$10,962 of deductive subcontractor change orders for which the pricing documentation consisted only of a lump sum amount.</li> </ul>

PROCEDURES	RESULTS
<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 payment documentation for the selected subcontractors with the following exceptions:</p> <ul style="list-style-type: none"> <li>• No payment documentation was provided for the landscaping subcontractor.</li> <li>• A \$3,723 difference between payment documentation and costs included on the final job cost detail for the drywall subcontractor.</li> <li>• Multiple subcontractors had charges in the final job cost detail that were outside of the subcontract agreement and were made via invoice. The Construction Manager was unable to obtain the invoices or the payment documentation for these charges.</li> <li>• \$36,419 of invoices for Project clean up.</li> <li>• \$3,521 of invoices for architect fees, threshold inspections, and final cleaning to the management partner on the Project.</li> </ul> <p>d. Obtained the listing of ODPs from the District and compared the amount to the sum of the deductive ODP change orders for each of the 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 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>a. The Construction Manager was not able to provide the invoices or cancelled check copies for the two selected non-subcontractor line items totaling approximately 117,000.</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>a. Obtained the invoice and cancelled check for the bond charge. The bond invoice and the cancelled check agreed to the final job cost detail without exception. No builder's risk insurance charges were identified in the final job cost detail.</p>
<p>11. 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 and noted CCELL is a related entity.</p>
<p>12. If there are expenditures to entities related by common ownership or management noted in 11. above, perform the following:</p> <p>a. Report the entity and volume of the transactions to OCPS.</p> <p>b. Determine if such transactions are properly authorized by OCPS, in accordance with the contract documents.</p>	<p>a. CRI identified \$43,300 of related entity costs in the final job cost detail for field office furnishings, computers, vehicles, and telephones.</p> <p>b. The Construction Manager stated the use of rental computers was documented to OCPS, but no evidence was provided. The Construction Manager did not state any of the other charges were documented to OCPS.</p>
<p>13. From the final job cost detail, haphazardly select at least five transactions determined to be the Construction Manager's internal charges to the Project.</p>	<p>o CRI did not observe any internal charges in the Construction Manager's final job cost detail.</p>
<p>14. Obtain the Project's Notice to Proceed ("NTP") from OCPS and inspect the dates of the charges in the job cost detail for recorded costs with dates prior to the date on the NTP.</p>	<p>o Obtained the NTP and identified \$46,948 of general conditions, non-reimbursable costs, and costs that would reasonably occur at the beginning of a Project in the final job cost detail prior to the NTP date. As general conditions are significantly overspent on this Project, any adjustment would reduce the overage and have no effect.</p>
<p>15. 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>	

PROCEDURES	RESULTS
<ul style="list-style-type: none"> <li>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.</li> <li>b. Obtain an invoice and cancelled checks for the subguard charges found in the final job cost detail, if paid to a third party.</li> <li>c. Obtain written representation that the subcontractors on the Project, enrolled in subguard, have not included bond costs in their payment applications.</li> </ul>	<ul style="list-style-type: none"> <li>a. Inspected the final job cost detail and subcontractor change orders for bond costs and noted none. Additionally, CRI observed the subcontract agreements and noted the subcontract agreements stated this was a subguarded project and, therefore, no bond costs were to be included in the subcontractor's costs.</li> <li>b. The Construction Manager was unable to provide third party documentation for its subguard rate of 1.20%.</li> <li>c. Obtained written representation from the Construction Manager without exception.</li> </ul>
<p>16. Obtain all signed and executed change orders between OCPS and the Construction Manager for the duration of the Project.</p>	<ul style="list-style-type: none"> <li>o Obtained all signed and executed change orders between OCPS and the Construction Manager without exception.</li> </ul>
<p>17. Obtain from OCPS, a log of the ODPs plus sales tax savings for the Project.</p>	<ul style="list-style-type: none"> <li>o Obtained the ODP log from the District without exception.</li> </ul>
<p>18. Compare the ODP log plus tax savings amount obtained in 17. above, to the total signed and executed change orders amounts obtained in 16. above relative to ODPs.</p>	<ul style="list-style-type: none"> <li>o Compared the ODPs plus tax savings per the ODP log to the total signed and executed change order amounts relative to ODPs without exception.</li> </ul>
<p>19. 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 to 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 was deducted from the original GMP amount and is reported in Exhibit A as the "Adjusted guaranteed maximum price".</li> </ul>
<p>20. Obtain the final contract value, per the final pay application (noted in 5. above) and compare it to the adjusted GMP amount recalculated in 19.b. above.</p>	<ul style="list-style-type: none"> <li>o Compared the adjusted guaranteed maximum price to the final contract value, per the final pay application, without exception.</li> </ul>

PROCEDURES	RESULTS
<p>21. Recalculate the construction costs plus fee 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 cost.</li> <li>b. Utilizing the final job cost detail, add any fixed fees or lump sum amounts to reach the construction cost plus fee.</li> <li>c. Compare the adjusted GMP amount calculated in 19.b. above to the construction cost plus fee amount from 21.b. above.</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 "Construction costs plus fee".</li> <li>c. The results of this procedure are reported in Exhibit A.</li> </ul>
<p>22. 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"> <li>a. Obtain from the Construction Manager a listing of the personnel that filled the positions listed in the General Conditions attachment.</li> <li>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.</li> <li>c. Compare the actual pay rate obtained in 22.b. above to the raw rate included in the General Conditions attachment.</li> </ul>	<ul style="list-style-type: none"> <li>a. Obtained a listing of the personnel that filled the positions listed in the General Conditions attachment from the Construction Manager without exception.</li> <li>b. Obtained the pay rate from the details of the final job cost detail for all 15 samples selected. The Construction Manager could not provide supporting documentation (payroll register or equivalent) for each employee's actual pay rate.</li> <li>c. The results of the testing indicate that, on average, the rates recorded in the final job cost detail were 3% lower than the rates provided at the start of the Project as documented in the General Conditions labor attachment to Amendment #1.</li> </ul>
<p>23. 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>	<ul style="list-style-type: none"> <li>o Obtained the Project's contingency log and usage documents and observed that all the contingency usage forms evidenced approval of an OCPS designated representative.</li> </ul>
<p>24. Compare the ending balances in the contingency funds, per the contingency logs obtained in 23. above, to the change order amount of the funds returning to OCPS, as obtained in 16. above.</p>	<ul style="list-style-type: none"> <li>o The remaining balances in the contingency funds were returned to OCPS in the final change order without exception.</li> </ul>

PROCEDURES	RESULTS
<p>25. 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 Certificate 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. Substantial completion occurred 7 days after the agreed-upon date.</p>
<p>26. 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>o The final completion date, as reported on the Certificate of Final Inspection, indicated the Construction Manager achieved final completion 62 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 April 6, 2013. The Certificate of Final Inspection was signed by the Architect on May 10, 2013.</p>
<p>27. Utilizing the Certificate of Final Inspection obtained in 26. 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>o 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 noted \$897 of costs occurred after the final inspection date. The Construction Manager did not provide an explanation for these costs. These costs will be removed as reported in Exhibit A.</p>
<p>28. 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>o 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>
<p>29. Obtain the summary of Owner Controlled Insurance Program ("OCIP") from the insurance carriers.</p> <p>a. Compare the credits from the OCIP summary to the deductive subcontractor change orders.</p>	<p>a. Obtained the summary of the Owner Controlled Insurance Program and compared the credits to the deductive subcontractor change orders without exception.</p>



This agreed-upon procedures engagement was conducted 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, the objective of which would be the expression of an opinion or conclusion on the total costs of construction and final contract value. 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.

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.

*Caru, Riggs & Ingram, L.L.C.*

Orlando, Florida  
October 6, 2020

**The School Board of Orange County, Florida  
Comprehensive Needs Project at Westridge Middle School – Phase 1**

**Exhibit A – Project Costs**

**Calculation of the construction costs plus fee**

Calculation of adjusted final job costs:	
Construction Manager final job cost detail	\$ 16,093,088
Costs after the date of final completion	(897)
Adjustment to subcontractor payments	(3,723)
Adjusted final job costs	16,088,468

Original lump sum general conditions	847,669
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Calculation of the construction management fee:	
Original lump sum construction management fee	1,048,285
Additional fee added through contingency usage	6,769
Construction Manager's portion of OCIP savings	23,818
Reimbursement for material testing	(1,740)
	1,077,132

<b>Construction costs plus fee</b>	<b>\$ 18,013,269</b>
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**Calculation of adjusted guaranteed maximum price**

Original guaranteed maximum price	\$ 25,091,365
Adjustments from change orders per the Construction Manager	(7,074,128)

<b>Adjusted guaranteed maximum price</b>	<b>\$ 18,017,237</b>
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<b>Construction costs, lesser of construction costs plus fee and adjusted guaranteed maximum price</b>	<b>\$ 18,013,269</b>
<b>Owner direct purchases</b>	<b>6,107,100</b>

	<b>\$ 24,120,369</b>
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