



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

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

**Acceleration East – Capital Renewal Project**



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**INDEPENDENT ACCOUNTANTS’ REPORT ON APPLYING AGREED-UPON PROCEDURES**

**Acceleration East – Capital Renewal 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 Acceleration East – Capital Renewal Project (the Project), as provided by Clancy & Theys Construction Co. (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 January 3, 2019, between OCPS and the Construction Manager, and the Amendment 1, dated December 11, 2019 (collectively referred to as the “contract documents”), relative to the construction of the Project.	<ul style="list-style-type: none"> <li>○ The contract documents were inspected by Carr, Riggs &amp; Ingram, LLC (CRI) without exception.</li> </ul>
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"> <li>○ Inquired of OCPS and the Construction Manager regarding any disputed provisions between the two parties. There are no current disputes between the two parties.</li> </ul>

PROCEDURES	RESULTS
<p>3. Inquire of the Construction Manager as to whether there are any disputes between the Construction Manager and its subcontractors.</p>	<p>○ Inquired of the Construction Manager regarding any disputes between the Construction Manager and its subcontractors. There are no current disputes per the Construction Manager.</p>
<p>4. Obtain from the Construction Manager, a copy of the final job cost detail, dated November 9, 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 May 14, 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>○ Selected all 4 subcontractors from the final job cost detail with 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 the supporting documentation for the change orders for the selected subcontractors and compared the supporting documentation to the change order amounts with the following exceptions:</p> <ul style="list-style-type: none"> <li>● Markup in excess of amounts allowed in the contract documents were identified in subcontractor change orders in the amount of \$245.</li> </ul> <p>This adjustment has been reported in Exhibit A.</p> <p>Additionally, a subcontractor change order in the amount of \$7,400 was supported by only a lump sum.</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 subcontractors (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>c. Obtained final lien releases for each selected subcontractor as payment documentation and compared to the final subcontract amount without exception.</p> <p>d. Obtained the listing of ODPs from the District for each selected subcontractor and compared the ODP amounts to the sum of the deductive ODP change orders per the subcontractor with the following exception:</p> <ul style="list-style-type: none"> <li>• The reduction for ODPs to one of the subcontractors was less than the amount indicated in the District’s ODP log, resulting in an adjustment in the amount of \$11,039, as reported in Exhibit A.</li> </ul>
<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 charges were identified 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.</p>	<p>o There were no reimbursable non-subcontractor line items in excess of \$50,000 in the final job cost detail.</p>
<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 amounts for payment and performance bond costs.</p> <p>a. Obtained the original invoice and a copy of the cancelled check without exception. Additionally, CRI obtained a credit invoice for the payment and performance bond in the amounts of \$5,333, which is reported in Exhibit A.</p>

PROCEDURES	RESULTS
<p>11. From the final job cost detail, select amounts for general liability insurance and perform the following:</p> <ul style="list-style-type: none"> <li>a. Where applicable, obtain the Construction Manager’s internal allocation for general liability insurance charges.</li> <li>b. Inspect the internal allocation method and calculation.</li> <li>c. If applicable, obtain third party invoices or other support documentation for internal allocation amounts.</li> <li>d. If there is a self-insured portion of the premium, inquire regarding the calculation methodology for the self-insured portion of the premium. Obtain third party invoices or documentation for the calculation of the self-insured portion of the premium. Specifically inquire if that portion of the premium is based on actuarial calculations. If so, obtain the actuarial report supporting the calculation.</li> <li>e. If applicable, obtain supporting documentation for the allocation base, i.e. annual company-wide revenue for the Construction Manager.</li> <li>f. If applicable, recalculate the Construction Manager’s internal allocations and compare the recalculation to the amounts in the final job cost detail.</li> </ul>	<ul style="list-style-type: none"> <li>o Selected all amounts for general liability and excess liability insurance from the final job cost detail.</li> <li>a. Obtained the Construction Manager's internal allocation without exception.</li> <li>b. Inspected the internal allocation method and calculation without exception.</li> <li>c. Obtained the insurance premium summary report from the Construction Manager's insurance broker, Durfey-Hoover-Bowden Insurance Agency, Inc.</li> <li>d. Per inquiry of the Construction Manager, none of the insurance coverages are self-insured.</li> <li>e. Obtained the allocation base (Construction Manager revenue) from the Construction Manager's insurance broker, Durfey-Hoover-Bowden Insurance Agency, Inc.</li> <li>f. Recalculated the Construction Manager's internal allocations for general liability insurance costs. Compared the recalculation to the amounts in the final job cost detail, resulting in a reduction of \$9,207, as reported in Exhibit A.</li> </ul>
<p>12. From the final job cost detail, select all amounts for worker’s compensation costs and perform the following:</p> <ul style="list-style-type: none"> <li>a. Obtain the Construction Manager’s calculation of worker’s compensation costs included in the final job cost detail.</li> <li>b. Obtain third party documentation for the rates used in the calculation of worker’s compensation costs for the Project.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>o Selected all amounts for worker's compensation insurance from the final job cost detail.</li> <li>a. Obtained the Construction Manager's calculation of worker's compensation costs.</li> <li>b. Obtained third party documentation for the rates from Travelers, the insurer being The Phoenix Insurance Company.</li> <li>c. Recalculated the worker's compensation costs and compared the recalculation with the amount included in the final job cost detail, resulting in an adjustment in the amount of \$13,767, as reported in Exhibit A.</li> </ul>

PROCEDURES	RESULTS
<p>13. 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>	<ul style="list-style-type: none"> <li>○ 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.</li> </ul>
<p>14. 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> <ul style="list-style-type: none"> <li>a. Obtain vendor invoices and Construction Manager calculations for internal charge rates.</li> <li>b. Compare the internal charge rates recorded in the final job cost detail to the supporting documentation obtained in 14.a. above.</li> </ul>	<ul style="list-style-type: none"> <li>○ Selected all internal charges for technology services.</li> <li>a. Obtained the Construction Manager's internal allocation percentage (.002875) for technology services, which is applied to each dollar of billings.</li> <li>b. Compared the internal charges for technology services recorded in the final job cost detail to the calculation of the allocation percentage times the billings for the Project without exception. However, the final job cost detail did not include any charges for vehicles, which are a set amount per the schedule of values for general requirements. Therefore, CRI has added \$5,950 to the adjusted job costs in Exhibit A to reflect the set amount for vehicles.</li> </ul>
<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>	<ul style="list-style-type: none"> <li>○ The Project’s NTP was obtained from the District. Inspected the dates of the charges in the final job cost detail and found no costs incurred prior to the NTP date of December 12, 2019.</li> </ul>
<p>16. Inquire of the Construction Manager to determine whether they are using a subcontractor default insurance program (“subguard”) for subcontractor bonding requirements.</p>	<ul style="list-style-type: none"> <li>○ Per inquiry of the Construction Manager, a subcontractor default insurance program was not used on the Project.</li> </ul>
<p>17. 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>○ Obtained all signed and executed change orders between OCPS and the Construction Manager without exception.</li> </ul>
<p>18. 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"> <li>a. Recalculate the ODP percentage, 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).</li> </ul>	<ul style="list-style-type: none"> <li>○ Obtained the ODP log from the District without exception.</li> <li>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).</li> </ul>

PROCEDURES	RESULTS
<p>(18. Continued)</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>b. Per inquiry of the District, the District determined that the Construction Manager did not reach the 25% requirement. However, the District does not intend to recover any missed sales tax savings for the Project, as the expectation for the Project was less than 25%. The recalculated percentage was 22.8%.</p>
<p>19. Compare the ODP log plus sales tax savings amount obtained in 18. above, to the total signed and executed change order amounts obtained in 17. above relative to ODPs.</p>	<p>o Compared the ODP log plus sales tax savings to the total signed and executed change order amounts relative to ODPs. The amount of executed deductive change orders relative to ODPs was \$10,400 more than the amount reflected in the ODP log. As a result, the guaranteed maximum price should have been \$10,400 more than the amount reported in the final pay application.</p> <p>However, as reported in Exhibit A, the ultimate final guaranteed maximum price will reflect the final construction costs as calculated in Exhibit A, which is less than the guaranteed maximum price as reported in the final pay application. Therefore, no change will be made to the guaranteed maximum price per the final pay application.</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>o 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>
<p>21. Recalculate the adjusted 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>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>a. Obtained the original GMP amount without exception.</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>

PROCEDURES	RESULTS
<p>22. Obtain the final contract value, per the final pay application (noted in 5. above) and compare it to the adjusted GMP amount recalculated in 21.b. above.</p>	<p>o 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>
<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 adjusted 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 adjusted final job costs.</p> <p>b. The results of performing this procedure are reported in Exhibit A as final construction costs. However, the Construction Manager recognized a reduction in construction management fee in the amount of \$33,948 to account for non-reimbursable costs, not previously reflected as a reduction of the adjusted final job costs.</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>c. Compare the actual pay rate obtained in 24.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 per 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.</p> <p>b. From the listing of Construction Manager personnel entries, CRI chose a sample of 15 payroll entries and obtained the Payroll Register for each of the items selected.</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 9 of the 15 samples tested. Overall, the average actual pay rate is 11% over the raw rate for the samples selected.</p> <p style="text-align: right;"><i>Continued</i></p>



PROCEDURES	RESULTS
(24. Continued)	CRI did not see evidence that OCPS was notified in the instances when the labor rates paid were lower than the raw rates, in accordance with Section 5.A.1.d. of the Agreement.
25. 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.	○ Obtained the Project's contingency log and usage documents and observed that all the contingency usage forms evidenced approval of an OCPS designated representative.
26. Compare the ending balances in the contingency funds, per the contingency log obtained in 25. above, to the change order amount of the funds returning to OCPS, as obtained in 17. above.	○ The remaining balance in the contingency funds were returned to OCPS in the final change order without exception.
27. Obtain a listing of assets acquired by the Construction Manager for the Project and verify the assets were turned over to OCPS.	○ Obtained the listing of assets acquired by the Construction Manager through the Project and observed the signature of the Principal as evidence the assets were turned over to OCPS.
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.	○ Obtained the Certificate of Substantial Completion (the "Certificate") without exception. The substantial completion date, as reported on the Certificate, was compared to the time requirements contained in the contract documents. The substantial completion date reported on the Certificate was 225 days after the required date per the contract documents.
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.	○ 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 188 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 November 18, 2021. The CFI was signed on May 25, 2022.
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.	○ 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 Completion. CRI identified one charge subsequent to the date of the Certificate of Final Completion representing a settlement with a subcontractor.

PROCEDURES	RESULTS
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.	o Obtained the SAP/Purchase Order reconciliation from OCPS and compared 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 Clancy & Theys Construction Co. 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  
 July 17, 2023

**The School Board of Orange County, Florida  
Acceleration East – Capital Renewal Project**

**Exhibit A – Project Costs**

**Calculation of the final construction costs**

Calculation of adjusted final job costs:	
Construction Manager job costs	\$ 1,464,604
Subcontractor markup for overhead and profit in excess of amounts allowed by the contract documents	(245)
Adjustment to agree subcontractor deductive change orders for ODPs to agree with OCPS' ODP log	(11,039)
Payment and performance bond credit	(5,333)
Adjustment to reflect general liability insurance costs at actual	(9,207)
Adjustment to reflect worker's compensation insurance at actual	(13,767)
Vehicle costs per the general requirements schedule of values not included in the final job cost detail	5,950
Adjusted final job costs	<u>1,430,963</u>
Original lump sum general conditions	<u>222,515</u>
Calculation of the construction management fee:	
Original construction management fee	134,985
Additional construction management fee from contingency use	1,645
Reduction in construction management fee to account for additional non-reimbursable costs per the Construction Manager	(33,948)
	<u>102,682</u>
<b>Final construction costs</b>	<b><u><u>\$ 1,756,160</u></u></b>

**Calculation of adjusted guaranteed maximum price**

Original guaranteed maximum price	\$ 2,619,156
Adjustments from change orders	(795,407)
<b>Adjusted guaranteed maximum price</b>	<b><u><u>\$ 1,823,749</u></u></b>
<b>Construction costs, lesser of final construction costs and adjusted guaranteed maximum price</b>	<b>\$ 1,756,160</b>
<b>Owner direct purchases</b>	<b><u>500,088</u></b>
	<b><u><u>\$ 2,256,248</u></u></b>