

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

**The School Board of Orange County, Florida  
Comprehensive Needs Project at Cypress Creek High School**



**CRI** CARR  
RIGGS &  
INGRAM  
CPAs and Advisors

[CRIcpa.com](http://CRIcpa.com)



**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**

**Comprehensive Needs Project at Cypress Creek High School**

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 (the “District”, “OCPS” and the “specified party”), solely to assist you in certifying the final contract value to Wharton-Smith, Inc. (the “Construction Manager” and the “responsible party”), based upon the total costs of construction and final guaranteed maximum price, as presented by the Construction Manager, for the Comprehensive Needs Project at Cypress Creek High School (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 Standard Construction Management Agreement (the “Agreement”), dated March 1, 2012, between The School Board of Orange County, Florida and the Construction Manager and Amendment 1, dated May 8, 2013; Amendment 2, dated November 18, 2013; and Amendment 3, dated November 2, 2016 (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>○ CRI inquired of OCPS and the Construction Manager and both stated there were no disputed provisions 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>○ There had been an ongoing dispute between the Construction Manager and a subcontractor, regarding the value of the subcontractor's work. However, that dispute has been settled.</p>
<p>4. Obtain from the Construction Manager, a copy of the final job cost detail, dated September 6, 2017 (the "final job cost detail").</p>	<p>○ The final job cost detail was obtained from the Construction Manager 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 20, 2017 ("final pay application").</p>	<p>○ A copy of the final pay application was obtained 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>○ CRI obtained from the Construction Manager a reconciliation between the final job cost detail and the final pay application. The Construction Manager identified \$14,387 of unallowable costs included in the final job cost detail, as reported in Exhibit A.</p>
<p>7. From the final job cost detail, select all subcontractors with total costs listed 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>a. The subcontract and the related change orders for the selected subcontractors were obtained without exception. The total amount recorded in the final job cost detail was compared to the original subcontract amount plus the related change orders with one exception.</p> <p>A subcontractor did not complete its scope of work, resulting in the Construction Manager supplementing the scope of work with other subcontractors. Initially, the Construction Manager estimated the value of the subcontractor's scope at \$742,803. However, in preparation for mediation, the value of the subcontractor's work was valued at \$850,000, resulting in \$107,197 being added to the final job costs as reported in Exhibit A</p> <p>As a result of the above, this subcontractor's scope of work was overrun in the amount of \$417,414. However, \$212,592 of the overrun was related to Phase 1 costs that were accepted by OCPS and funded through buyout savings. The remaining overrun amount of \$204,592 was removed from the Construction Manager's job costs, as reported in Exhibit A.</p>

PROCEDURES	RESULTS
<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>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 where a lien release was not available, a cancelled check, for payments made by the Construction Manager to the selected subcontractor (“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>b. CRI obtained the supporting documentation for the subcontractor change orders without exception. We compared the change order amounts to the supporting documentation with the following exceptions:</p> <ul style="list-style-type: none"> <li>• \$3,131 – repair work that was not backcharged.</li> <li>• \$9,929 – duplicated subcontractor change order.</li> </ul> <p>These adjustments are reported in Exhibit A. CRI was not able to observe pricing details for \$260,859 of change orders, as they were presented as lump sum amounts. Of this amount, \$54,673 of these change orders were approved by the District via contingency or Owner change orders.</p> <p>c. CRI obtained the payment information and compared it to the final subcontract amount with one exception. A subcontractor was paid \$350 less than the final subcontract amount, which has been reported as an adjustment in Exhibit A.</p> <p>d. CRI obtained the ODP listing from the District and compared the ODP amounts to the deductive ODP change orders for 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, we will 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 selected 21 labor samples 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>a. CRI obtained the original time sheet and payroll register for the time period and employee selected without exception.</p>

PROCEDURES	RESULTS
<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>b. CRI compared the calculation of the labor cost using the raw rate obtained from the payroll registers and the labor burden percentage to the amount in the final job cost detail, for each selection. CRI identified a calculation error of \$340 in a sample population of \$14,310 of labor costs. We extrapolated the error rate over the total population of labor in the final job cost detail, resulting in an adjustment of \$2,284 as reported in Exhibit A.</p>
<p>10. If labor burden is included in reimbursable labor (if any), use the contractual labor burden percentage of 35% in the calculation and comparison of labor costs in 9.b. above.</p>	<p>o CRI used the contractual labor burden rate of 35% in calculating the labor costs as reported in the results at 9.b. above.</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 ("supporting documentation") 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 11.a. to the amount recorded in the final job cost detail.</p>	<p>a. CRI obtained the supporting documentation without exception.</p> <p>b. The supporting documentation was compared to the amounts in the final job cost detail without exception.</p>
<p>12. From the final job cost detail, select all amounts for bond, insurance, and subguard charges and perform the following:</p> <p>a. Obtain a copy of or access to, the original invoices, internal allocation calculation from the Construction Manager (if applicable), and a copy of the cancelled check for items paid directly to a third party.</p> <p>b. Compare the documentation obtained in 12.a. above to the amounts recorded to the final job cost detail. For amounts charged via an internal allocation, inspect the internal allocation method.</p>	<p>a. CRI obtained the invoice and cancelled check for bond costs without exception. CRI obtained a third-party rate sheet with discounts and modifiers for workers compensation insurance costs. CRI obtained internal allocations for general liability costs.</p> <p>b. Compared the documentation above to the amounts recorded to the final job cost detail and noted the following:</p> <ul style="list-style-type: none"> <li>• Workers compensation insurance – Construction Manager's calculation totaled \$13,295 less than the amount included in the final job cost detail. An adjustment in that amount is reflected in Exhibit A.</li> <li>• General liability insurance – CRI inspected the internal allocation methods. Results are reported in 12.d below.</li> </ul>

PROCEDURES	RESULTS
<p>c. If applicable, obtain third party invoices for internal allocation amounts.</p> <p>d. If applicable, recalculate the Construction Manager's internal allocations.</p>	<p>c. CRI obtained premium statements or invoices for coverages included in the general liability internal cost allocations for fiscal years ending March 31, 2014, 2016, and 2017 without exception. However, the Construction Manager did not provide supporting documentation for the premium amounts for the fiscal year ended March 31, 2015.</p> <p>d. CRI recalculated the general liability costs and compared the recalculation to the amount included in the final job cost detail, resulting in an adjustment to increase the general liability costs in the amount of \$51,223 as reported in Exhibit A.</p>
<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>	<p>o Per our inquiry of the Construction Manager, there were no expenditures to entities related by common ownership or management to the Construction Manager.</p>
<p>14. From the final job cost detail, haphazardly select at least five transactions determined to be the Construction Manager's internal charges to the Project, and perform the following:</p> <p>a. Obtain vendor invoices and Construction Manager calculations for internal charge rates.</p> <p>b. Compare the internal charge rates recorded in the job cost detail to the supporting documentation obtained in 14.a. above.</p>	<p>a. CRI obtained vendor invoices or Construction Manager calculations for internal rate charges.</p> <p>b. The vendor invoices and Construction Manager calculations for internal charges were compared to the amounts recorded in the final job cost detail without exception.</p>
<p>15. Obtain the Project's Notice to Proceed ("NTP") from OCPS and inspect the dates of the charges in the job cost detail for recorded costs with dates prior to the date on the NTP.</p>	<p>o CRI obtained the NTP from OCPS and inspected the dates of the charges in the final job cost detail for recorded costs with dates prior to the date on the NTP. There were no costs noted prior to the date on the NTP.</p>
<p>16. Inquire of the Construction Manager to determine whether they are using a subguard program for subcontractor bonding requirements.</p>	<p>o Per inquiry of the Construction Manager, a subguard program was not used on this Project.</p>
<p>17. Obtain all signed and executed change orders between OCPS and the Construction Manager for the duration of the Project.</p>	<p>o CRI obtained all signed and executed change orders between OCPS and the Construction Manager without exception.</p>
<p>18. Obtain from OCPS, a log of the owner direct purchases plus sales tax savings for the Project.</p>	<p>o CRI obtained a log of the owner direct purchases plus sales tax savings from the District.</p>

PROCEDURES	RESULTS
<p>19. Compare the owner direct purchase log plus sales tax savings amount obtained in 18. above, to the total signed and executed change orders amounts obtained in 17. above relative to owner direct purchases.</p>	<p>o The total of the owner direct purchases plus sales tax savings, per the owner direct purchases log, agreed to the total net owner direct purchase deductive change orders to the guaranteed maximum price.</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 CRI compared the general requirements charges in the final job cost detail to the not-to-exceed amount per the contract documents. The Construction Manager did not exceed the not-to-exceed amount.</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. Starting with the original GMP amount (from 1. above) subtract the net deductive change orders from 17. above to get the "Adjusted guaranteed maximum price".</p>	<p>a. The original GMP was obtained without exception and is reported in Exhibit A.</p> <p>b. The net amount of the change orders was deducted from the original GMP amount and is reported in Exhibit A as the "Adjusted guaranteed maximum price".</p>
<p>22. Obtain the final contract value, per the final pay application (noted in 5. above) and compare it to the adjusted GMP amount recalculated in 21.b. above.</p>	<p>o The adjusted GMP was compared to the final contract value, per the final pay application, without exception.</p>
<p>23. Recalculate the construction costs plus fee as follows:</p> <p>a. Starting with the final job cost detail from 4. above, 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.</p> <p>b. Utilizing the final job cost detail, add any fixed fees or lump sum amounts to reach the "Construction costs plus fee".</p> <p>c. Compare the "Adjusted guaranteed maximum price" calculated in 21.b. above to the "Construction costs plus fee" 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 lump sum general conditions and the construction management fee were added to the adjusted final job costs resulting in the "Construction costs plus fee".</p> <p>c. The result of this procedure is reported in Exhibit A. The construction costs plus fee is \$80,438 less than the adjusted guaranteed maximum price.</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>a. CRI obtained from the Construction Manager a listing of personnel that filled the positions in the General Conditions attachment.</p>

PROCEDURES	RESULTS
<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>b. CRI selected 24 payroll entries and obtained the Earnings Register Report for each selected payroll entry without exception.</p> <p>c. The results of the procedure indicate that the actual pay rate is less than the raw rate per the General Conditions attachment ("raw rate") for 21 of the 24 samples selected. Overall, the average actual pay rate was 14% under the raw rate.</p> <p>CRI did not see evidence the District was notified the labor rates paid were lower than the raw rates, in accordance with Section 5.A.1. d. of the Agreement.</p>
<p>25. Obtain, from OCPS and/or the Construction Manager, all of the Project's contingency logs and usage documents and inspect all contingency usage forms for OCPS's designated representative's signature of approval.</p>	<p>o CRI obtained from the District the Project's contingency logs and usage documents and inspected all contingency usage forms for the District's designated representative's signature of approval without exception.</p>
<p>26. Compare the ending balances in the contingency funds, per the contingency logs obtained in 25. above, to the change order amount of the funds returning to OCPS, as obtained in 17. above.</p>	<p>o The remaining balances in the contingency funds were returned to the District in the final change order (#31).</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 CRI obtained the Certificates of Substantial Completion and compared the dates of these documents to the time requirements contained in the contract documents without exception.</p>
<p>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.</p>	<p>o CRI obtained the Certificate of Final Inspection and compared the date of this document with the time requirements contained in the contract documents. The sign off date by the Architect is April 28, 2017, which is 216 days after the contractually required date of September 24, 2016.</p>
<p>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.</p>	<p>o Utilizing the Certificate of Final Inspection, CRI inspected the dates of charges in the final job cost detail for recorded costs with dates subsequent to the date of the Certificate of Final Inspection ("date of final inspection"). CRI observed an invoice from a vendor dated after the date of final inspection. However, the invoice was for work performed prior to the date of final inspection, therefore, there is no adjustment necessary.</p>



PROCEDURES	RESULTS
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>○ CRI obtained the SAP/Purchase Order reconciliation from the District and compared the guaranteed maximum price on the reconciliation to the guaranteed maximum price on the Construction Manager's final pay application without exception.</li> </ul>

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 on the total costs of construction and the final 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.

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.

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

Orlando, Florida  
 April 27, 2020

**The School Board of Orange County, Florida  
Comprehensive Needs Project at Cypress Creek High School**

**Exhibit A – Project Costs**

**Calculation of the construction costs plus fee**

Calculation of the adjusted final job costs:

Construction Manager job costs	\$ 29,470,071
Actual costs for Sitek scope of work above original estimate	107,197
Unallowable costs included in the final job costs	(14,387)
Sitek contract overruns, less Phase 1 related work	(204,592)
Subcontractor repair work not backcharged	(3,131)
Duplicate subcontractor change order	(9,929)
Underpayment to a subcontractor	(350)
Adjustment for labor calculation errors	(2,284)
Workers compensation overcharged on the Project	(13,295)
Adjust general liability insurance to actual costs	51,223
Adjusted final job costs	29,380,523

Calculation of general conditions:

Original lump sum general conditions	2,270,000
Additional general conditions through change orders	6,722
	2,276,722

Calculation of the construction management fee:

Original construction management fee	1,705,000
Additional construction management fee from contingency use	6,872
Reimbursement for materials testing	(575)
	1,711,297

**Construction costs plus fee**

**\$ 33,368,542**

**Calculation of adjusted guaranteed maximum price**

Original guaranteed maximum price	\$ 41,999,829
Adjustments from change orders per the Construction Manager	(8,550,849)

**Adjusted guaranteed maximum price**

**\$ 33,448,980**

Construction costs, lesser of construction costs plus fee and  
adjusted guaranteed maximum price

\$ 33,368,542

Owner direct purchases

8,155,175

**\$ 41,523,717**