



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

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

**Oakshire and Pinewood Elementary Schools – Capital Renewal Project  
(Existing Central Energy Plant and HVAC Components Replacement)**



**Carr, Riggs & Ingram, LLC**  
 1031 West Morse Boulevard  
 Suite 200  
 Winter Park, FL 32789  
  
 407.644.7455  
 407.628.5277 (fax)  
 CRlcpa.com

**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES**

**Oakshire and Pinewood Elementary Schools – Capital Renewal Project  
 (Existing Central Energy Plant and HVAC Components Replacement)**

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 Oakshire and Pinewood Elementary Schools – Capital Renewal Project (Existing Central Energy Plant and HVAC Components Replacement) (the Project), as provided by Johnson-Laux Construction, LLC (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 June 19, 2018, between OCPS and the Construction Manager, and the Amendment 3, dated May 16, 2023 (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>○ 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.</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>○ The Construction Manager stated there are no disputes with any of its subcontractors.</p>
<p>4. Obtain from the Construction Manager, a copy of the final job cost detail, dated July 27, 2022 (the “final job cost detail”).</p>	<p>○ Obtained the final job cost detail without exception. However, CRI noted \$834 of travel costs in the final job cost detail that are not reimbursable under the contract documents. Therefore, CRI has reported this adjustment in Exhibit A.</p>
<p>5. Obtain from the Construction Manager and OCPS, a copy of the final payment application request issued to OCPS, dated December 22, 2021 (“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 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 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 5 subcontractors from the final job cost detail with subcontract values in excess of \$50,000.</p> <p>a. Obtained the subcontract 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 exception:</p> <ul style="list-style-type: none"> <li>• Subcontractor pricing adjustments for markup of overhead and profit in excess of the contractual limits in the amount of \$1,618.</li> </ul> <p>The above adjustment has been reported in Exhibit A.</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. Where the Construction Manager does not have the 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>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 There were no reimbursable labor transactions included 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 that exceeded \$50,000 in the final job cost detail.</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>
<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>o Selected all payment and performance bond costs from the final job cost detail. There were no charges for builder’s risk insurance included in the final job cost detail.</p>

PROCEDURES	RESULTS
<p>(10. Continued)</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 from the Construction Manager’s insurance agent, and a cancelled check copy, for the payment and performance bond. CRI also obtained a bond credit invoice from the Construction Manager’s insurance agent, which is included in the final job cost detail.</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.</p> <p>c. Obtained the Commercial General Liability Coverage Schedules from National Trust Insurance Company, effective dates of January 1, 2019 and January 1, 2020.</p> <p>d. Obtained supporting documentation from National Trust Insurance Company. The allocation bases are supervisory payroll and subcontract value.</p> <p>e. Recalculated the internal allocations and compared the recalculation to the amounts in the final job cost detail, resulting in a deductive adjustment of \$38,143, 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>
<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. Compare the internal charges recorded in the final job cost detail to the supporting documentation.</p>	<p>o Selected four cellphone and all vehicle charges in the final job cost detail.</p> <p>a. CRI requested the vendor invoices and calculations supporting the internal charges tested. The results of the requests are as follows:</p>

PROCEDURES	RESULTS
(13. Continued)	<ul style="list-style-type: none"> <li>• For the cellphone charges, obtained expense reports, invoices, and cancelled check copies and compared these documents to the amounts per the job cost detail without exception. The Construction Manager’s allocation calculation resulted in a lesser charge than the amount charged to the project, resulting in an adjustment totaling \$1,860, as reported in Exhibit A.</li> <li>• For the vehicle charges, the charges are set at \$850 per month for a contractually limited number of vehicles. CRI obtained the schedule of values for the general requirements, which includes the vehicles, for the allowable monthly charge, and compared the charges to the amount in the final job cost detail without exception.</li> </ul>
14. Obtain the Project’s Construction Phase Commencement Date from OCPS and inspect the dates of the charges in the final job cost detail for recorded costs with dates prior to the Construction Phase Commencement Date.	<ul style="list-style-type: none"> <li>○ Inspected the dates of the charges in the final job cost detail for recorded costs with dates prior to the Construction Phase Commencement Date without exception.</li> </ul>
15. Inquire of the Construction Manager to determine whether they are using a subcontractor default insurance program (“subguard”) for subcontractor bonding requirements.	<ul style="list-style-type: none"> <li>○ Per inquiry of the Construction Manager, a subcontractor default insurance program was not used on the Project.</li> </ul>
16. Obtain all signed and executed change orders between OCPS and the Construction Manager for the duration of the Project.	<ul style="list-style-type: none"> <li>○ 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 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 change orders (not including ODP change orders).</p>	<ul style="list-style-type: none"> <li>○ Obtained the ODP log from the District without exception.</li> <li>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 change orders (not including ODP change orders).</li> </ul>

PROCEDURES	RESULTS
<p>(17. 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. The Construction Manager (CM) did not meet the 25% ODP sales tax goal as documented in the final change order. However, per the final change order, "The PM (Project Management) team is not recommending reimbursement of missed sales tax savings due to the fact that at the time of the GMP the CM noted that the unique circumstances of the Project prevented achievement of the contract requirement for ODP, and the actual ODP as a share of contract cost is consistent with comparable projects. Further, the design of the chiller water piping was modified at the time procurement of material was ongoing, (and) the CM provided notice that they would be unable to procure that material through the ODP program, as it would have negatively impacted the Project schedule."</p>
<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>	<p>o Compared the ODPs, per the ODP log, to the total signed and executed owner change order amounts relative to ODPs without exception.</p>
<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>	<p>o Compared the not-to-exceed general requirements per the contract documents with the actual general requirements charges noted in the final job cost detail. The Construction Manager did not overspend the contractual not-to-exceed.</p>
<p>20. 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 to the original GMP amount (from 1. above) additive change orders and subtract deductive change orders from 16. above to get the adjusted guaranteed maximum price.</p>	<p>a. Obtained the original GMP amount without exception.</p> <p>b. The net change order amount was deducted from the original GMP amount and is reported in Exhibit A as the adjusted guaranteed maximum price.</p>
<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>	<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>

PROCEDURES	RESULTS
<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> <li>c. Compare the adjusted GMP amount calculated in 20.b. above to the final construction costs amount from 22.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. Utilizing the adjusted final job costs, the lump sum general conditions and the construction management fee have been added to reach the final construction costs.</li> <li>c. Compared the adjusted GMP amount with the final construction costs amount. The results of this procedure are reported in Exhibit A.</li> </ul>
<p>23. 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 23.b. above to the raw rate included in the General Conditions attachment.</li> </ul>	<ul style="list-style-type: none"> <li>o Obtained the raw rates for the Construction Manager’s personnel included in the General Conditions attachment in the contract documents.</li> <li>a. Obtained a listing of the personnel that filled the positions listed in the General Conditions attachment from the Construction Manager.</li> <li>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 to document the actual pay rates.</li> <li>c. The results of this procedure indicate the actual pay rate is less than the raw rate per the General Conditions attachment (“raw rate”) in 8 of the 15 samples tested. Overall, the average actual pay rate is 11% under the raw rate for the samples selected.</li> </ul>
<p>24. 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 logs and usage documents and observed that all contingency usage forms evidenced approval of an OCPS designated representative without exception.</li> </ul>



PROCEDURES	RESULTS
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.	<ul style="list-style-type: none"> <li>○ The remaining balances in the contingency funds were returned to OCPS in the final change order without exception.</li> </ul>
26. Obtain a listing of assets acquired by the Construction Manager for the Project and verify the assets were turned over to OCPS.	<ul style="list-style-type: none"> <li>○ Obtained listings of assets which verified the assets purchased for Pinewood Elementary School were transferred to OCPS without exception. No assets were purchased for Oakshire Elementary School.</li> </ul>
27. Obtain the Certificates of Substantial Completion, signed by the Architect, and compare the dates of these documents to the time requirements contained in the contract documents.	<ul style="list-style-type: none"> <li>○ 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 and owner change orders without exception.</li> </ul>
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 December 17, 2020. The Certificate of Final Inspection was signed by the Architect on March 9, 2022; however, in the final change order the District stated that final completion was achieved on June 23, 2021. The final completion date, as stated by the District, indicated the Construction Manager achieved final completion 177 days after the contractually required date.  As stated in the final change order, "Per the contract, the owner shall be entitled to assess LD (liquidated damages) at a daily rate of \$500. Due to the fact that the District did not suffer actual damages in the delay...a reduced rate of \$100 per day was established." As a result, the Construction Manager was assessed liquidated damages of \$17,700, which were reflected in the calculation of the construction management fee by the Construction Manager that is reported in Exhibit A.</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 without exception.</li> </ul>

PROCEDURES	RESULTS
<p>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.</p>	<ul style="list-style-type: none"> <li>○ Obtained the SAP/Purchase Order reconciliation from OCPS without exception. The contract value per the SAP/Purchase Order reconciliation reflects the amount reported on the final pay application as “Previous Certificates for Payment” of \$10,265,067, while the guaranteed maximum price on the Construction Manager’s final pay application is \$10,245,987. The difference is represented by a refund check received from the Construction Manager in the amount of \$19,080, which was not reflected in the contract value per the SAP/Purchase Order reconciliation.</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 Johnson-Laux Construction, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of The School Board of Orange County, Florida, and is not intended to be and should not be used by anyone other than the specified party.

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

Orlando, Florida  
January 12, 2024

**The School Board of Orange County, Florida  
Oakshire and Pinewood Elementary Schools – Capital Renewal Project  
(Existing Central Energy Plant and HVAC Components Replacement)**

**Exhibit A – Project Costs**

**Calculation of the final construction costs**

Calculation of adjusted final job costs:	
Construction Manager job costs	\$ 8,985,148
Adjustment for travel costs not approved by the District	(834)
Subcontractor pricing adjustments for overhead and profit in excess of the contractual limit	(1,618)
Adjustment to reflect general liability insurance at actual cost	(38,143)
Adjustment to the cellphone allocation calculation	(1,860)
Adjusted final job costs	8,942,693
Original lump sum general conditions	812,722
Calculation of the construction management fee:	
Original construction management fee	465,150
Construction management fee in the final change order	721
Reimbursement for construction material testing	(54)
Reimbursement for liquidated damages	(17,700)
	448,117
<b>Final construction costs</b>	<b>\$ 10,203,532</b>

**Calculation of adjusted guaranteed maximum price**

Original guaranteed maximum price	\$ 11,294,136
Adjustments from change orders	(1,048,149)
	\$ 10,245,987
<b>Adjusted guaranteed maximum price</b>	<b>\$ 10,245,987</b>
<b>Construction costs, lesser of final construction costs and adjusted guaranteed maximum price</b>	<b>\$ 10,203,532</b>
<b>Owner direct purchases</b>	<b>343,582</b>
	<b>\$ 10,547,114</b>