



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

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

**Various Schools Rubberized Track Program  
District Capital Project – GMP 2**



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

**Various Schools Rubberized Track Program District Capital Project – GMP 2**

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 Various Schools Rubberized Track Program District Capital Project – GMP 2 (the “Project”), as provided by Wharton-Smith, Inc. (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 January 8, 2019, between OCPS and the Construction Manager, and the Amendment 2, dated January 22, 2020 (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>
3. Inquire of the Construction Manager as to whether there are any disputes between the Construction Manager and its subcontractors.	<ul style="list-style-type: none"> <li>○ Per inquiry of the Construction Manager, there are no disputes between the Construction Manager and its subcontractors.</li> </ul>

PROCEDURES	RESULTS
<p>4. Obtain from the Construction Manager, a copy of the final job cost detail, dated July 8, 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 September 14, 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 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> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>c. Obtain from the Construction Manager, the final lien releases or individual payment lien releases totaling the final subcontract value submitted by the selected subcontractor to the Construction Manager. If the Construction Manager does not have lien releases available, obtain cancelled checks reflecting such payments made by the Construction Manager to the selected subcontractor (collectively the “payment documentation”). Compare the final subcontract amount to the payment documentation.</li> <li>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.</li> </ul>	<p>○ Selected the 1 subcontractor from the final job cost detail with costs in excess of \$50,000.</p> <ul style="list-style-type: none"> <li>a. Obtained the subcontract agreement and the related change orders, and totaled the original subcontract amount, plus change orders, for the selected subcontractor. Compared these amounts to the amounts recorded in the final job cost detail for the selected subcontractor without exception.</li> <li>b. Obtained the supporting documentation for the change orders for the selected subcontractor and compared the supporting documentation to the change order amounts without exception.</li> <li>c. Obtained lien releases for the selected subcontractor as payment documentation, without exception. Compared the payment documentation to the final subcontract amount without exception.</li> <li>d. Obtained the listing of ODPs from the District and compared the amounts to the sum of the deductive ODP change orders for the selected subcontractor without exception.</li> </ul>

PROCEDURES	RESULTS
<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>	<ul style="list-style-type: none"> <li>○ No reimbursable labor charges were identified in the final job cost detail.</li> </ul>
<p>9. From the final job cost detail, select amounts for payment and performance bond, worker's compensation, and builder's risk insurance costs (as applicable) and perform the following:</p> <ul style="list-style-type: none"> <li>a. Relative to payment and performance bond costs, 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.</li> <li>b. Relative to worker's compensation, obtain the Burden Register from the Construction Manager. Compare the amount of the worker's compensation costs for the Project on the Burden Register to the amount in the final job cost detail.</li> </ul>	<ul style="list-style-type: none"> <li>○ Selected the payment and performance bond and worker's compensation charges from the final job cost detail. No builder's risk insurance charges were noted in the final job cost detail.</li> <li>a. Obtained copies of the invoices from a third party and cancelled checks relative to the charges for the payment and performance bond. Compared the documentation to the amount recorded in the final job cost detail, resulting in an adjustment of \$381, as reported in Exhibit A.</li> <li>b. Obtained the Burden Registers (detail of worker's compensation costs for the Project) from the Construction Manager and compared the worker's compensation costs per the Burden Registers to the amount in the final job cost detail. The amount per the Burden Registers supported the amounts charged in the final job cost detail without exception.</li> </ul>
<p>10. 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. Compare the documentation obtained in 10.a. above to the amounts recorded in the final job cost detail.</li> <li>c. If applicable, obtain third party invoices for internal allocation amounts.</li> </ul>	<ul style="list-style-type: none"> <li>○ Selected all general liability insurance charges from the final job cost detail.</li> <li>a. Obtained the Construction Manager's internal allocation for general liability insurance charges without exception.</li> <li>b. Inspected the internal allocation method and the calculation and compared to the amounts in the final job cost detail. CRI confirmed with the Construction Manager that the internal allocation received was used to support the amounts in the final job cost detail.</li> <li>c. Obtained the general liability insurance summary of bound coverage from the Construction Manager's insurance agent, Bouchard Insurance, for the applicable fiscal year.</li> </ul>

PROCEDURES	RESULTS
<p>(10. Continued)</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>d. Obtained and traced the revenue base amount used in the internal allocation to the summary of bound coverage from the Construction Manager's insurance agent, Bouchard Insurance, for the applicable fiscal year.</p> <p>e. Recalculated the Construction Manager's internal allocation of general liability insurance charges and compared the recalculation to the amounts in the final job cost detail. The recalculation resulted in a reduction in the general liability insurance costs of \$61, as reported in Exhibit A.</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 there were none.</p>
<p>12. 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 or third party supporting documentation, and Construction Manager calculations for internal charge rates.</p> <p>b. Compare the internal charge rates recorded in the final job cost detail to the supporting documentation obtained in 12.a. above.</p>	<p>o Selected all computer, cellphone, and vehicle charges in the final job cost detail.</p> <p>a. Obtained supporting documentation for the internal charges as follows:</p> <ul style="list-style-type: none"> <li>• Obtained internal allocations and third party invoices supporting the computer equipment charges.</li> <li>• Obtained third party invoices supporting the cellphone costs.</li> <li>• For the vehicle charges, the charges are set at \$850 per month for a contractually limited number of vehicles. Obtained the schedule of values for the general requirements, which includes the vehicles, for the allowable monthly charge and number of vehicles allowed.</li> </ul> <p>b. Compared the internal charge rates for the cellphone and the computer equipment charges in the final job cost detail to the supporting documentation noted in 12.a. above without exception. The vehicle charges in the final job cost detail agreed to the amount included in general requirements schedule of values in Amendment #2 to the Agreement.</p>

PROCEDURES	RESULTS
<p>13. Obtain the Project’s Notice to Proceed (“NTP”) from OCPS and inspect the dates of the charges in the final job cost detail for recorded costs with dates prior to the date on the NTP.</p>	<p>○ The Project’s NTP was obtained from the District. CRI inspected the dates of the charges in the final job cost detail and found no costs incurred prior to the NTP date of January 23, 2020.</p>
<p>14. Inquire of the Construction Manager to determine whether they are using a subcontractor default insurance program (“subguard”) for subcontractor bonding requirements.</p>	<p>○ Per inquiry of the Construction Manager, a subcontractor default insurance program was not used on the Project.</p>
<p>15. Obtain all signed and executed change orders between OCPS and the Construction Manager for the duration of the Project.</p>	<p>○ Obtained all signed and executed change orders between OCPS and the Construction Manager without exception.</p>
<p>16. Obtain from OCPS, a log of the ODPs plus sales tax savings for the Project and perform the following:</p> <p>a. Using the total ODPs spent on the Project, from the log obtained above, compare the amount to the original contract value (including ODPs) plus or minus any change orders (not including ODP change orders) to obtain the “actual ODP percentage”.</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>○ Obtained the ODP log from OCPS without exception.</p> <p>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).</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 13.27%.</p>
<p>17. Compare the ODP log plus sales tax savings amount obtained in 16. above, to the total signed and executed change order amounts obtained in 15. above relative to ODPs.</p>	<p>○ Compared the owner direct purchases plus sales tax savings per the ODP log to deductive amounts relative to ODPs included in the signed and executed owner change orders without exception.</p>
<p>18. 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>○ 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>

PROCEDURES	RESULTS
<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 15. above to get the “adjusted guaranteed maximum price”.</li> </ul>	<ul style="list-style-type: none"> <li>a. Obtained the original GMP amount without exception.</li> <li>b. The net amount of change orders 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 Obtained the final contract value, per the final pay application, and compared the adjusted guaranteed maximum price to the final contract value without exception.</li> </ul>
<p>21. 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 19.b. above to the final construction costs 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 final construction costs.</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> </ul>	<ul style="list-style-type: none"> <li>o Obtained the raw rate for the Construction Manager's personnel per the contract documents without exception.</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 16 payroll entries and obtained the Proof Report (payroll register) for each of the items selected.</li> </ul>

PROCEDURES	RESULTS
<p>(22. Continued)</p> <p>c. Compare the actual pay rate obtained in 22.b. above to the raw rate included in the General Conditions attachment.</p>	<p>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 15 of the 16 samples tested. Overall, the average actual pay rate is 28% under the raw rate for the samples selected.</p> <p>CRI did not see evidence OCPS 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>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>	<p>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.</p>
<p>24. Compare the ending balances in the contingency funds, per the contingency log obtained in 23. above, to the change order amount of the funds returning to OCPS, as obtained in 15. above.</p>	<p>o The remaining balances in the contingency funds were returned to OCPS in the final change order without exception.</p>
<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 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. For all but one of the schools included in the scope of work, the dates of substantial completion, as per the Certificates, were dated prior to the contractually required date of September 9, 2020.</p> <p>However, the date of substantial completion for the scope of work at East River High School, per the Certificate of Substantial Completion, was 87 days after the contractually required 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 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 182 after the contractually required date. Final completion is to be achieved within 120 days after the final date of substantial completion, which for this Project was September 23, 2021. The CFI was signed on March 24, 2022.</p>



PROCEDURES	RESULTS
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.	<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. None were noted.</li> </ul>
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.	<ul style="list-style-type: none"> <li>○ Obtained the SAP/Purchase Order reconciliation from OCPS and agreed the guaranteed maximum price on the reconciliation to the guaranteed maximum price on the final pay application, without exception.</li> </ul>

We were engaged by The School Board of Orange County, Florida, to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 Wharton-Smith, Inc. 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  
October 20, 2022

**The School Board of Orange County, Florida  
Various Schools Rubberized Track Program  
District Capital Project – GMP 2**

**Exhibit A – Project Costs**

**Calculation of the final construction costs**

Calculation of adjusted final job costs:	
Construction Manager job costs	\$ 5,465,470
Adjustment to payment and performance bond costs	(381)
Adjustment to reflect general liability insurance costs at actual	(61)
Adjusted final job costs	5,465,028
Calculation of the lump sum general conditions:	
Original lump sum general conditions	698,677
General conditions added through contingency	4,811
	703,488
Original construction management fee	315,311
<b>Final construction costs</b>	<b>\$ 6,483,827</b>

**Calculation of adjusted guaranteed maximum price**

Original guaranteed maximum price	\$ 7,557,558
Adjustments from change orders	(1,073,289)
	\$ 6,484,269
<b>Construction costs, lesser of final construction costs and adjusted guaranteed maximum price</b>	<b>\$ 6,483,827</b>
<b>Owner direct purchases</b>	<b>992,401</b>
	<b>\$ 7,476,228</b>