



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

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

**Winegard Elementary School – Comprehensive Project**



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

**Winegard Elementary School – Comprehensive 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 Winegard Elementary School – Comprehensive Project (the “Project”), as provided by Williams Company Building Division, Inc. (the “Construction Manager”).

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 December 5, 2018, between OCPS and the Construction Manager, and Amendment #1, dated June 29, 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>○ 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>○ The Construction Manager stated there are no disputes with any of its subcontractors.</li> </ul>

PROCEDURES	RESULTS
<p>4. Obtain from the Construction Manager, a copy of the final job cost detail, dated September 23, 2021 (the “final job cost detail”).</p>	<p>○ Obtained the final job 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 February 15, 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 22 subcontractors from the final job cost detail with total costs in excess of \$50,000.</p> <p>a. Obtained the subcontract agreement for the selected subcontractors and compared it to the amounts recorded in the final job cost detail, for the selected subcontractors, without exception.</p> <p>b. Obtained the supporting documentation for the subcontractor change orders and compared the supporting documentation to the change order amounts with the following exceptions:</p> <ul style="list-style-type: none"> <li>• Repair costs of \$7,510 were not backcharged.</li> <li>• A subcontractor used labor rates in its change orders in excess of the rates included in the subcontractor agreement, resulting in an adjustment to reduce the cost of the change orders in the amount of \$2,587.</li> </ul> <p>The above adjustments are reported in Exhibit A.</p> <p>Additionally, there were two subcontractor change orders that had supporting documentation consisting only of lump sum amounts totaling \$88,831. Of that amount, \$49,831 was approved by OCPS via contingency.</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, or if there is not a lien release available, obtain a cancelled check, for payments made by the Construction Manager to the selected subcontractor (“payment documentation”). Compare the final subcontract amount to the final job cost detail to the payment documentation.</p> <p>d. Obtain a listing of owner direct purchases (“ODP”) from the District related to each subcontract selected. Compare the ODP amounts to the sum of the deductive ODP change orders, per the selected subcontractor.</p>	<p>c. Obtained payment documentation 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 to the sum of the net deductive ODP change orders for each of the selected subcontractors without exception.</p>
<p>8. If there are reimbursable labor charges included in the final job cost detail, from the total number of Construction Manager employee payroll transactions listed in the final job cost detail, haphazardly select a sample of at least 15 Construction Manager payroll transactions. Each sampled payroll transaction will be for a specific, identified time period of the Project.</p>	<p>o There were no reimbursable labor transactions included in the final job cost detail.</p>
<p>9. From the final job cost detail, select all non-subcontractor vendors for which the costs exceed \$50,000 and perform the following:</p> <p>a. Obtain a copy of or access to, the original invoice and payment 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 9.a. to the amount recorded in the final job cost detail.</p>	<p>o Selected all 2 non-subcontractor vendors whose costs exceeded \$50,000 in the final job cost detail.</p> <p>a. Obtained a copy of the original invoice and payment documentation, which included copies of cancelled checks, electronic payment advices, AP Check Registers, and bank statements, for each item selected.</p> <p>b. Compared the documents obtained in 9.a. above 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, worker’s compensation, and builder’s risk insurance (as applicable) and perform the following:</p>	<p>o Selected payment and performance bond and the corresponding bond credit from the final job cost detail. Additionally, selected the charges for worker’s compensation. 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 invoices from the Construction Manager’s insurance agent and cancelled checks for the payment and performance bond, the payment and performance bond credit, and the workers’ compensation insurance, and compared the amounts to the final job cost detail without exception.</p>
<p>11. From the final job cost detail, select amounts for general liability insurance and perform the following:</p> <p>a. Obtain 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 general liability insurance charges from the final job cost detail.</p> <p>a. Obtained the invoices from the Construction Manager’s insurance broker and cancelled checks for the general liability insurance and compared the amounts to the final job cost detail without exception.</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 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. Per the Construction Manager, they stated there were none. However, while performing procedure 14.b, CRI identified a charge from Williams Company - Management Group, a related party.</p>
<p>13. If there are expenditures to entities related by common ownership or management noted in 12. above, perform the following:</p> <p>a. Report the entity and volume of the transactions to OCPS.</p> <p>b. Determine if such transactions are properly authorized by OCPS, in accordance with the contract documents.</p>	<p>a. The related entity is Williams Company - Management Group. The volume of transactions charged to the Project from Williams Company - Management Group is \$13,381.</p> <p>b. CRI did not note any evidence that the relationship between the Construction Manager and the related party was documented in writing.</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>o Selected three cellphone and two camera charges from the final job cost detail.</p>

PROCEDURES	RESULTS
<p>(14. Continued)</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 final job cost detail to the supporting documentation obtained in 14.a. above.</p>	<p>a. Obtained payroll registers (PR Time Card Entry List) relative to each of the cell phone selections indicating that the employee was provided an allowance of \$125 per month for their cell phone, as part of their compensation. Additionally, CRI obtained an invoice and the allocation calculation for the camera charges without exception.</p> <p>b. Compared the internal charges in the final job cost detail for cell phones to the supporting documentation in 14.a. without exception. Regarding the charges for the cameras (Truelook and Rhombus), CRI recalculated the charges based on the vendor invoices provided, resulting in an adjustment reducing the final job costs in the amount of \$4,896 (\$1,344 for the Truelook cameras and \$3,552 for the Rhombus cameras), as reported in Exhibit A.</p> <p>Additionally, CRI requested supporting documentation for a \$6,000 charge for the rental of 4 Dewalt Wi-Fi Network Access Points, which were rented from Williams Company - Management Group. CRI obtained the third party invoice for the purchase of the devices and then calculated the cost to be charged to the Project by depreciating the cost of the devices over 3 years. The result is an adjustment to reduce the final job costs in the amount of \$4,244, as reported in Exhibit A.</p>
<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>	<p>o Obtained the NTP and inspected the dates of the charges in the final job cost detail for costs recorded prior to the date on the NTP without exception.</p>
<p>16. Inquire of the Construction Manager to determine whether they are using a subcontractor default insurance program ("subguard") for subcontractor bonding requirements. If so, perform the following:</p> <p>a. Inspect the final job cost detail, as well as, subcontracts and change order line items for the selected subcontractors noted in 7. above, for line items described as subcontractor bond costs.</p>	<p>o Per inquiry of the Construction Manager, a subguard program was utilized for the Project.</p> <p>a. Inspected the final job cost detail, as well as the subcontract agreements and change orders, for all of the selected subcontractors with the following results:</p>

PROCEDURES	RESULTS
<p>(16.a. Continued)</p> <p>b. Obtain an invoice and cancelled checks for the subguard charges found in the final job cost detail, if paid to a third party.</p> <p>c. 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.</p>	<ul style="list-style-type: none"> <li>• One of the selected subcontractors was excluded from the subguard program, but was not required to provide a payment and performance bond. Additionally, no subcontractor bond costs were identified in the change orders or the final job cost detail.</li> <li>• Provisions in the subcontract agreements stated that subcontractor bonds would only be necessary if stated in the scope of work. None of the subcontract agreements for the selected subcontractors had a bond requirement stated in the scope of work.</li> </ul> <p>b. Obtained invoices from the Construction Manager’s insurance agent and cancelled checks for the subguard charges found in the final job cost detail without exception. The subguard rate was agreed to the Subguard Program Summary for Williams Company from Cove Programs, the insurance company.</p> <p>Additionally, CRI obtained the “Subcontractor Default Policy” with Cove Programs Insurance, including the Subguard Program Summary, evidencing the subguard rate, with 60% of the rate being for “Program Retention Aggregate Rate” and 40% being for the fixed premium. CRI compared the invoices and cancelled checks to the amount in the final job cost detail without exception.</p> <p>c. Obtained the Subcontractor Default Policy from the Construction Manager, which included a “Self Insured Retention” (“SIR”) of \$500,000 and a co-pay of 10% of each loss in excess of the SIR. The Construction Manager stated that none of the premiums paid for this coverage represent self-insurance.</p> <p>Per further inquiry of the Construction Manager, the Construction Manager stated the premium paid for subcontractor default insurance does not provide funding for a reserve for the SIR and the co-pay, which are fully the financial responsibility of the Construction Manager and, therefore, are not reimbursable to the Construction Manager through a loss reserve or from an insurer.</p>

PROCEDURES	RESULTS
<p>(16. Continued)</p> <ul style="list-style-type: none"> <li>d. Recalculate the subguard charges by using the rate obtained in 16.b. and applying that rate to the final subcontract values plus ODPs for subcontractors included under the subcontractor default program. Compare the recalculation to the charges in the final job cost detail.</li> <li>e. Obtain written representation that the subcontractors on the Project, enrolled in subguard, have not included bond costs in their payment applications.</li> </ul>	<ul style="list-style-type: none"> <li>d. Recalculated the subcontract values plus ODPs multiplied by the subguard rate and compared the result with the charges in the final job cost detail. The amounts agreed without exception.</li> <li>e. Obtained written representation from the Construction Manager that subcontractors enrolled in the subguard program did not include bond costs in their payment applications.</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>o 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> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>o 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> <li>b. The Construction Manager did not meet the 25% ODP sales tax goal, as the recalculated percentage was 24.57%. CRI observed a charge in the amount of \$5,709 against the Construction Manager, related to the missed sales tax savings goal, that was included in the final owner change order, as reported in Exhibit A.</li> </ul>
<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 16. above relative to ODPs.</p>	<ul style="list-style-type: none"> <li>o Compared the owner direct purchases plus sales tax savings per the ODP log to the total signed and executed owner change order amounts relative to owner direct purchases without exception.</li> </ul>
<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>	<ul style="list-style-type: none"> <li>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 without exception. However, the final job cost detail included vehicle costs in excess of the amount allowed in the general requirements in the amount of \$2,550, as reported in Exhibit A.</li> </ul>



PROCEDURES	RESULTS
<p>21. Recalculate the adjusted guaranteed maximum price (“GMP”) as follows:</p> <ul style="list-style-type: none"> <li>a. Obtain the original GMP amount, including any fixed or percentage-based Construction Manager fees or lump sums from the contract documents noted in 1. above.</li> <li>b. Add the original GMP amount (from 1. above) plus additive change orders and minus deductive change orders from 16. above to get the “adjusted guaranteed maximum price”.</li> </ul>	<ul style="list-style-type: none"> <li>a. The original GMP amount was obtained 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>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>	<ul style="list-style-type: none"> <li>o Compared the adjusted guaranteed maximum price to the final contract value, per the final pay application, without exception.</li> </ul>
<p>23. 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 21.b. above to the final construction costs amount from 23.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>24. 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 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 Manger.</li> <li>b. From the listing of Construction Manager personnel entries, CRI chose a sample of 15 payroll entries and obtained the PR Time Card Entry List for each of the items selected to document the actual pay rates.</li> </ul>

PROCEDURES	RESULTS
<p>(24. Continued)</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>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 11 of the 15 samples tested. Overall, the average actual pay rate is 27% under the raw rate for the samples selected. Additionally, CRI noted that the persons listed for Project Manager and Superintendent on the General Conditions attachment were not included in the listing of the personnel on the Project.</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>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.</p>	<p>o Obtained the Project’s contingency log and usage document and observed that the contingency usage form evidenced approval of an OCPS designated representative without exception.</p>
<p>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.</p>	<p>o The remaining balances in the contingency funds were returned to OCPS in the final change order without exception.</p>
<p>27. Obtain a listing of assets acquired by the Construction Manager for the Project and verify the assets were turned over to OCPS.</p>	<p>o Obtained a listing of assets which verified the assets were transferred to another OCPS project, transferred to the school administration, or were declined by OCPS without exception.</p>
<p>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.</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 without exception.</p>
<p>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.</p>	<p>o Obtained the Certificate of Final Inspection without exception. The final completion date, as reported on the Certificate of Final Inspection, indicated the Construction Manager achieved final completion 61 days after the contractually required date. Final completion is to be achieved within 120 days after the latest date of substantial completion. Therefore, the required date of final completion was March 13, 2021. The Certificate of Final Inspection was signed by the Architect on May 13, 2021.</p>

PROCEDURES	RESULTS
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 Inspection. None were noted.
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.	○ 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.

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 Williams Company Building Division, 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  
April 26, 2022

**The School Board of Orange County, Florida  
Winegard Elementary School – Comprehensive Project**

**Exhibit A – Project Costs**

**Calculation of the final construction costs**

Calculation of adjusted final job costs:	
Construction Manager job costs	\$ 12,109,687
Subcontractor repair costs not backcharged	(7,510)
Subcontractor change orders priced at labor rates in excess of the labor rates included in the subcontractor agreement	(2,587)
Reduction relative to recalculation of camera charges	(4,896)
Reduce internal charge for Wi-Fi network devices to depreciated cost	(4,244)
Reduce vehicle costs to match the contractual not-to-exceed	(2,550)
Adjusted final job costs	<u>12,087,900</u>
Original lump sum general conditions	<u>1,069,573</u>
Calculation of the construction management fee:	
Original construction management fee	790,272
Fee earned through contingency use	1,125
Reimbursement for material testing	(84)
Reimbursement for missed sales tax	(5,709)
	<u>785,604</u>
<b>Final construction costs</b>	<b>\$ 13,943,077</b>

**Calculation of adjusted guaranteed maximum price**

Original guaranteed maximum price	\$ 18,735,137
Adjustments from change orders	(4,770,273)
<b>Adjusted guaranteed maximum price</b>	<b>\$ 13,964,864</b>
<b>Construction costs, lesser of final construction costs and adjusted guaranteed maximum price</b>	<b>\$ 13,943,077</b>
<b>Owner direct purchases</b>	<b>4,272,343</b>
	<b>\$ 18,215,420</b>