



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

The School Board of Orange County, Florida

Boone High School – Capital Renewal Project – GMP 1

INDEPENDENT ACCOUNTANTS’ REPORT ON APPLYING AGREED-UPON PROCEDURES

Boone High School – Capital Renewal Project – GMP 1

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 (“OCPS” or the “District” and the “specified party”), solely to assist you in certifying the final contract value to Williams Company Building Division, Inc. (the “Construction Manager” and the “responsible party”), based upon the total costs of construction and final contract value, as presented by the Construction Manager, for Boone High School – Capital Renewal Project – GMP 1 (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
<p>1. Inspect a copy of the Standard Management Contract (the “Agreement”), dated November 3, 2014, between the School Board of Orange County, Florida (“OCPS”) and Williams Company Building Division, Inc. (the “Construction Manager”), and Amendment 2, dated February 9, 2017 (collectively referred to as the “contract documents”), relative to the construction of Boone High School – Capital Renewal Project- GMP 1 (the “Project”).</p>	<p>○ The contract documents were inspected by Carr, Riggs & Ingram, LLC (“CRI”) without exception.</p>
<p>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.</p>	<p>○ 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.</p>

PROCEDURES	RESULTS
3. Inquire of the Construction Manager as to whether there are any disputes between the Construction Manager and its subcontractors.	○ The Construction Manager stated there are no disputes with any of its subcontractors.
4. Obtain from the Construction Manager, a copy of the final job cost detail, dated August 14, 2020 (the "final job cost detail").	○ Obtained the final job detail without exception.
5. Obtain from the Construction Manager and OCPS, a copy of the final payment application request issued to OCPS, dated February 29, 2020 ("final pay application").	○ Obtained the final pay application without exception.
6. Obtain from the Construction Manager a reconciliation between the final job cost detail and the final pay application.	○ Obtained the Construction Manager's reconciliation between the final job cost detail and the final pay application without exception.
7. From the final job cost detail, select all subcontractors with total costs in excess of \$50,000 ("selected subcontractors") and perform the following: 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. b. Obtain from the Construction Manager, the individual payment lien releases totaling the final subcontract value submitted by the selected subcontractor to the Construction Manager ("payment documentation"). Compare the final subcontract amount to the final job cost detail to the payment documentation.	○ There was only one subcontractor with final job costs in excess of \$50,000. We selected that subcontractor. a. Obtained the subcontract agreement for the selected subcontractor and compared it to the amount recorded in the final job cost detail, for the selected subcontractor, without exception. CRI noted there were no change orders for the selected subcontractor. b. Obtained payment documentation and compared the payment documentation to the final subcontract amount without exception.
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.	○ There were no reimbursable labor transactions included in the final job cost detail.

PROCEDURES	RESULTS
<p>9. From the final job cost detail, select any non-subcontractor vendors 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 There was only one subcontractor with final job costs in excess of \$50,000. We selected that subcontractor.</p> <p>a. Obtained copies of the invoices and cancelled checks for 5 transactions for the non-subcontractor vendor selected.</p> <p>b. Compared the invoices and cancelled check copies to the amounts recorded in the final job cost detail for each transaction selected 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>a. Obtain a copy of or access to, the original invoices and a copy of the cancelled check or other proof of payment paid directly to a third party. Compare the documentation obtained to the amounts recorded in the final job cost detail.</p>	<p>o Selected payment and performance bond and the corresponding bond credit from the final job cost detail. Additionally, selected the charges for workers' compensation. There were no charges for builder's risk insurance included 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 bond credit, and the workers' compensation, 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 Per inquiry of the Construction Manager, there were no expenditures in the final job cost detail to entities related by common ownership or management to the Construction Manager.</p>
<p>13. 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>o Selected 2 cell phone, 1 camera and 2 computer (Procure) charges from the final job cost detail.</p> <p>a. Obtained the following: <ul style="list-style-type: none"> • Payroll registers relative to each of the cell phone selections indicating that </p>

PROCEDURES	RESULTS
<p>b. Compare the internal charge rates recorded in the final job cost detail to the supporting documentation obtained in 13.a. above.</p>	<p>the employee was provided an allowance of \$125 per month for their cell phone, as part of their compensation.</p> <ul style="list-style-type: none"> • An invoice and the allocation calculation for the 2 Procore construction management software charges. • For the camera charge, observed an internal allocation and copies of invoices. <p>b. Compared the internal charges in the final job cost detail to the supporting documentation in 16.a. with the following exception:</p> <ul style="list-style-type: none"> • We observed that the calculation provided by the Construction Manager for the camera charges did not agree with the invoices provided. Additionally, there were costs included in the calculation that were not supported. These exceptions resulted in an adjustment of \$3,679 to reduce the camera charges to the actual supported costs. This adjustment is reflected in Exhibit A.
<p>14. Obtain the Project’s Notice to Proceed (“NTP”) from OCPS and inspect the dates of the charges in the final job cost detail for recorded costs with dates prior to the date on the NTP.</p>	<ul style="list-style-type: none"> ○ 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>15. Inquire of the Construction Manager to determine whether they are using a subcontractor default insurance program (“subguard”) for subcontractor bonding requirements.</p>	<ul style="list-style-type: none"> ○ The Construction Manager did not use a subcontractor default insurance program for this Project.
<p>16. 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"> ○ Obtained all signed and executed change orders between OCPS and the Construction Manager without exception.
<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"> ○ Obtained the ODP log from the District without exception. a. Recalculated the percentage of the total owner direct purchases plus sales tax savings, per the ODP log, as a percentage of the original contract value (including ODPs) plus or minus and any change orders (not including ODP change orders).

PROCEDURES	RESULTS
<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. Attachment 6 to Amendment 2, Clarifications, states the following: "Due to capital renewal scope that is labor intensive, this GMP does not contain sufficient qualifying material purchases to meet the 25% ODP sales tax goal. OCPS will not penalize the contractor for unrealized sales tax savings."</p>
<p>18. Compare the ODP log plus sales tax savings amount obtained in 17. above, to the total signed and executed owner change order amounts obtained in 16. above relative to ODPs.</p>	<p>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.</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 actual general requirements charges in the final job cost detail are less than the not-to-exceed general requirements per the contract documents.</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 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".</p>	<p>a. The original GMP amount was obtained without exception.</p> <p>b. The net amount of change orders was deducted from the original GMP amount and is reported in Exhibit A as the "Adjusted guaranteed maximum price".</p>
<p>21. Obtain the final contract value, per the final pay application (noted in 5. above) and compare it to the adjusted GMP amount calculated in 20.b. above.</p>	<p>o Compared the adjusted guaranteed maximum price to the final contract value, per the final pay application, without exception.</p>
<p>22. Recalculate the final construction costs as follows:</p> <p>a. Starting with the final job cost detail, adjust for any reductions identified in the application of the above procedures (i.e. subcontractor markup differences, non-reimbursable items, repair/rework items, etc., as applicable) to reach the "adjusted final job costs".</p>	<p>a. The results of performing this procedure are reported in Exhibit A as "adjusted final job costs".</p>

PROCEDURES	RESULTS
<ul style="list-style-type: none"> b. Utilizing the adjusted final job costs, add any fixed fees or lump sum amounts to reach the "final construction costs". c. Compare the adjusted GMP amount calculated in 20.b. above to the final construction costs amount from 22.b. above. 	<ul style="list-style-type: none"> b. The results of performing this procedure are reported in Exhibit A as "final construction costs". c. The results of this procedure are reported in Exhibit A.
<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"> a. Obtain from the Construction Manager a listing of the personnel that filled the positions listed in the General Conditions attachment. 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. c. Compare the actual pay rate obtained in 23 b. above to the raw rate included in the General Conditions attachment. 	<ul style="list-style-type: none"> o Obtained the raw rates for the Construction Manager's personnel included in the General Conditions attachment in the contract documents. a. Obtained a listing of the personnel that filled the positions listed in the General Conditions attachment from the Construction Manger. b. From the listing of Construction Manager personnel entries, CRI chose a sample of 17 payroll entries and obtained the PR Time Card Entry List for each of the items selected to document the actual pay rates. 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 17 samples tested. Overall, the average actual pay rate is 17% under the raw rate for the samples selected.
<p>24. Obtain, from OCPS and/or the Construction Manager, all of the Project's contingency log 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"> o None of the contingency funds were used on this Project.
<p>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.</p>	<ul style="list-style-type: none"> o Compared the ending balance in the contingency funds to the amounts returned to OCPS in the final change order. All of the original contingent funds were returned to OCPS in the final change order.
<p>26. Obtain a listing of assets acquired by the Construction Manager for the Project and verify the assets were turned over to OCPS.</p>	<ul style="list-style-type: none"> o Obtained a listing of assets which indicated the assets not consumed were transferred to another OCPS project without exception. However, CRI noted that a Truelook camera costing \$5,400 used on this Project was not included on the asset listing.

PROCEDURES	RESULTS
27. Obtain the Certificates of Substantial Completion, signed by the Architect, and compare the date of document to the time requirements contained in the contract documents.	○ Obtained the Certificate of Substantial Completion without exception. The substantial completion date, as reported on the Certificate, was in compliance with the time requirements contained in the contract documents without exception.
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.	○ 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 138 days after the contractually required date. Final completion is to be achieved within 120 days after the date of substantial completion, which for this Project was December 4, 2019. The Certificate of Final Inspection was signed by the Architect on April 20, 2020.
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.	○ 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.
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.	○ 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.

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 or conclusion on the total costs of construction and the final contract value. 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.

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

Orlando, Florida
April 6, 2021

**The School Board of Orange County, Florida
Boone High School – Capital Renewal Project – GMP 1**

Exhibit A – Project Costs

Calculation of the construction costs plus fee

Calculation of adjusted final job costs:	
Construction Manager job costs	\$ 370,866
Reduction in camera charges to actual costs	(3,679)
Adjusted final job costs	<u>367,187</u>
Original lump sum general conditions	<u>1,055,592</u>
Original construction management fee	<u>76,700</u>
Construction costs plus fee	<u><u>\$ 1,499,479</u></u>

Calculation of adjusted guaranteed maximum price

Original guaranteed maximum price	\$ 1,863,588
Adjustments from change orders per the Construction Manager	<u>(360,429)</u>
Adjusted guaranteed maximum price	<u><u>\$ 1,503,159</u></u>
Construction costs, lesser of construction costs plus fee and adjusted guaranteed maximum price	\$ 1,499,479
Owner direct purchases	<u>225,003</u>
	<u><u>\$ 1,724,482</u></u>