



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

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

**Comprehensive Needs Project at Dr. Phillips High School**



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

**Comprehensive Needs Project at Dr. Phillips High School**

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 Dr. Phillips High School Comprehensive Needs Project (the “Project”), as provided by James A. Cummings, Inc., a Tutor Perini Company (the “Construction Manager”). The Construction Manager is responsible for providing the documentation supporting the final construction costs and 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 7, 2011, between OCPS and the Construction Manager, and Amendment No. 1, dated September 18, 2012, and Amendment No. 2, dated January 6, 2015 (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 stated it has disputes with the District regarding the final contract value, extensions of time, and the amount of the final payment.</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 it had the following disputes:</p> <ul style="list-style-type: none"> <li>● electrical subcontractor – dispute over contract value and balance of payment;</li> <li>● sitework subcontractor – dispute over final payment;</li> <li>● roofing subcontractor – original roofing subcontractor defaulted and was replaced;</li> <li>● fire protection subcontractor – dispute over contract balance and final payment.</li> </ul> <p>The Construction Manager stated all the above disputes were resolved with the subcontractors, including the roofing subcontractor default which was resolved without additional cost to the District.</p>
<p>4. Obtain from the Construction Manager, a copy of the final job cost detail, dated December 31, 2018 (the “final job cost detail”).</p>	<p>○ Obtained a copy of 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 February 14, 2018 (“final pay application”).</p>	<p>○ Obtained the final payment application from the District 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 a reconciliation between the final job cost detail and the final pay application without exception. CRI noted the Construction Manager removed \$54,085 of vehicle costs in excess of the contractually allowed amount, as reported in Exhibit A.</p>
<p>7. From the final job cost detail, select all subcontractors with total costs listed per the job cost detail 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>○ Selected all 36 subcontractors from the final job cost detail with total costs in excess of \$50,000.</p> <p>a. Obtained the subcontract and related change orders for the selected subcontractors and compared them to the final job cost detail without exception.</p>

PROCEDURES	RESULTS
<p>(7. Continued)</p> <p>b. Obtain the labor and material pricing estimates, vendor invoices, subcontractor markups, or other appropriate documentation (“supporting documentation”) for the subcontractor change orders in 7.a. above. Compare the change order amounts to the supporting documentation.</p> <p>c. Obtain from the Construction Manager, the final lien releases or individual payment lien releases totaling the final subcontract value submitted by the selected subcontractor to the Construction Manager, or a sample of cancelled checks (at least 30) 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>b. Obtained the supporting documentation for all change orders to the selected subcontractors without exception. The supporting documentation for change orders to the selected subcontractors was compared to the change order amounts in the final job cost detail. CRI noted the following exceptions in the supporting documentation:</p> <ul style="list-style-type: none"> <li>• Subcontractor change orders rejected by the District when submitted for approval – \$10,399</li> <li>• Subcontractor duplicated change order – \$2,561</li> <li>• Subcontractor change order in excess of the pricing submitted and approved by the District – \$540</li> </ul> <p>Additionally, additive subcontractor change orders in the amount of \$216,580 had supporting documentation consisting only of lump sum amounts, and \$83,370 had no supporting documentation provided by the Construction Manager. Of the change orders with supporting documentation consisting only of lump sum amounts, \$209,000 were approved through contingency or Owner change order.</p> <p>c. Obtained the final lien releases and a copy of the final payment applications for the selected subcontractors with the following exceptions:</p> <ul style="list-style-type: none"> <li>• Electrical subcontractor – obtained a listing of cancelled checks and selected a sample of five cancelled checks as payment documentation for \$5,918,953 of subcontract value. The remaining amount of \$381,382 was part of a settlement, and a check was issued to the subcontractor from the attorney.</li> </ul> <p>d. Obtained the ODP log from the District without exception. Compared the amounts on the ODP log to the sum of the net deductive ODP change orders for each of the selected subcontractors without exception.</p>

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, 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>	<ul style="list-style-type: none"> <li>○ Selected a sample of 15 Construction Manager payroll transactions without exception.</li> </ul>
<p>9. From the items selected in 8. above, perform the following:</p> <ul style="list-style-type: none"> <li>a. Obtain copy of or access to, the original timesheet and a payroll register, for the time period of the selected transaction, showing gross pay to the employee for each employee selected.</li> <li>b. Compare the amount listed for each sample in the final job cost detail to the items obtained in 9.a. above.</li> </ul>	<ul style="list-style-type: none"> <li>a. Obtained a copy of the original timesheet and payroll register for each selected transaction without exception.</li> <li>b. Compared the amount listed for each sample in the final job cost detail to the original timesheet and payroll register, obtained above, without exception.</li> </ul>
<p>10. If labor burden is included in reimbursable labor (if any), recalculate the labor burden percentage and compare it to the fixed rate per the contract documents, of 35%.</p>	<ul style="list-style-type: none"> <li>○ Recalculated the labor burden as a fixed rate of 35% and noted the labor burden costs exceeded the fixed rate by \$8,534 as reported in Exhibit A.</li> </ul>
<p>11. From the final job cost detail, select any non-subcontractor line items that exceed \$50,000 and perform the following:</p> <ul style="list-style-type: none"> <li>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.</li> <li>b. Compare the documents obtained in 11.a. to the amount recorded in the final job cost detail.</li> </ul>	<ul style="list-style-type: none"> <li>○ Selected the 4 non-subcontractor vendors from the final job cost detail with costs in excess of \$50,000.</li> <li>a. Obtained copies of the original invoices and cancelled checks for the sampled items (at least 5 for the 2 vendors that had more than 10 entries) for the four vendors that exceeded \$50,000 in the final job cost detail, without exception.</li> <li>b. Compared the documents obtained in 11.a. above to the amount recorded in the final job cost detail without exception.</li> </ul>
<p>12. 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> <ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>○ Selected all payment and performance bond charges from the final job cost detail. There were no charges for builder's risk insurance included in the final job cost detail.</li> <li>a. Obtained a copy of the original invoice and a copy of the cancelled check for the Project's payment and performance bond. Compared the payment and performance bond invoices to the amounts recorded in the final job cost detail without exception.</li> </ul>

PROCEDURES	RESULTS
<p>13. 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 13.a. above to the amounts recorded to the final job cost detail to identify that the internal allocation received was used to support the amounts in the final job cost detail.</li> <li>c. If applicable, obtain third party invoices for internal allocation amounts.</li> <li>d. 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.</li> <li>e. If applicable, obtain supporting documentation for the allocation base, i.e. annual Company revenue.</li> <li>f. If applicable, recalculate the Construction Manager's internal allocations and compare the recalculation to the amounts in the final job cost detail.</li> </ul>	<ul style="list-style-type: none"> <li>o Selected all general liability insurance charges from the final job cost detail.</li> <li>a. Obtained the Construction Manager's allocation of general liability insurance charges, which were originally charged at 1% of the Project's cost of the work, excluding ODPs. This was later modified during negotiation of the final change order for the Project, to .79% of the Project's cost of the work, excluding ODPs.</li> <li>b. Inspected the allocation and noted the premiums were being paid to a related entity. The Construction Manager did not provide premium information from a third party. Compared the allocation to the amounts recorded in the final job cost detail without exception.</li> <li>c. The Construction Manager did not provide third party invoices.</li> <li>d. The Construction Manager stated it did not "self-insure" the insurance charges, however, the premiums were paid by the Construction Manager to a related entity.</li> <li>e. This procedure is not applicable, as the Construction Manager did not provide the supporting documentation required to determine actual premiums and allocation base.</li> <li>f. Recalculated the general liability insurance charges, based on the percentage agreed to in the final change order, and compared to the amount in the final job cost detail, without exception.</li> </ul>
<p>14. 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>	<ul style="list-style-type: none"> <li>o Per the Construction Manager, there were no expenditures to related entities; however, the general liability insurance premiums were paid to an entity related to the Construction Manager.</li> </ul>

PROCEDURES	RESULTS
<p>15. If there are expenditures to entities related by common ownership or management noted in 14. 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 Construction Manager charged \$385,049 of general liability insurance charges, to a related entity, in the final job cost detail.</p> <p>b. The Construction Manager did not provide evidence of the District's approval of the related entity.</p>
<p>16. From the final job cost detail, haphazardly select at least five transactions determined to be the Construction Manager's internal charges to the Project.</p>	<p>o There were no internal charges noted in the final job cost detail for this Project.</p>
<p>17. Obtain the Project's Notice to Proceed ("NTP") from OCPS and inspect the dates of the charges in the job cost detail for recorded costs with dates prior to the date on the NTP.</p>	<p>o Obtained the Project's NTP and noted a \$10 charge prior to the date. The charge appeared to be a cost of the work, and no adjustment was made for this amount.</p>
<p>18. Inquire of the Construction Manager to determine whether they are using a subcontractor default insurance program ("subguard") for subcontractor bonding requirements.</p>	<p>o This procedure is not applicable as a subguard program was not utilized for this Project by the Construction Manager.</p>
<p>19. Obtain all signed and executed change orders between OCPS and the Construction Manager for the duration of the Project.</p>	<p>o Obtained all signed and executed change orders between the District and the Construction Manager without exception.</p>
<p>20. Obtain from OCPS, a log of the ODPs plus sales tax savings for the Project.</p>	<p>o Obtained the log of ODPs plus sales tax savings for the Project without exception.</p>
<p>21. Compare the ODP log plus tax savings amount obtained in 20. above, to the total signed and executed change order amounts obtained in 19. above relative to ODPs.</p>	<p>o Compared the ODP log plus sales tax savings obtained in 20. above to the total signed and executed change order amounts obtained in 19. above, relative to owner direct purchases, without exception.</p>
<p>22. 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 19. above to get the "adjusted guaranteed maximum price".</p>	<p>a. Obtained the original GMP amount without exception.</p> <p>b. Recalculated the final GMP amount by adding the net change orders to the original GMP amount, and is reported in Exhibit A as the adjusted guaranteed maximum price.</p>

PROCEDURES	RESULTS
<p>23. Obtain the final contract value, per the final pay application (noted in 5. above) and compare it to the adjusted GMP amount recalculated in 22.b. above.</p>	<ul style="list-style-type: none"> <li>○ Obtained the final contract value, per the final pay application, and compared it to the final GMP amount, without exception.</li> </ul>
<p>24. 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 22.b. above to the final construction costs amount from 24.b. above.</li> </ul>	<ul style="list-style-type: none"> <li>a. The results of this procedure are reported in Exhibit A as the adjusted final job costs.</li> <li>b. The results of this procedure are reported in Exhibit A as the final construction costs.</li> <li>c. The results of this procedure are reported in Exhibit A.</li> </ul>
<p>25. 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 25.b. above to the raw rate included in the General Conditions attachment.</li> </ul>	<ul style="list-style-type: none"> <li>○ Obtained the raw rates for the Construction Manager’s personnel included in the General Conditions attachment in the contract documents.</li> <li>a. The listing of the Construction Manager general conditions personnel was obtained without exception.</li> <li>b. From the listing of Construction Manager personnel entries, selected a sample of 27 payroll entries and obtained the Historical Payroll Register Report for each of the items selected.</li> <li>c. The results of the procedure indicate the actual pay rate is less than the raw rate per the General Conditions attachment (“raw rate”) for all employees selected. Overall, for the sample selected, the average actual pay rate is 6% under the raw rate per the contract documents. CRI did not see evidence OCPS was notified the labor rates paid were lower than the raw rates.</li> </ul>



PROCEDURES	RESULTS
<p>26. 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>○ Obtained from the District all of the Project's contingency logs and usage documents and inspected the contingency usage forms for the District representative's signature of approval, without exception.</li> </ul>
<p>27. Compare the ending balances in the contingency funds, per the contingency logs obtained in 26. above, to the change order amount of the funds returning to OCPS, as obtained in 19. above.</p>	<ul style="list-style-type: none"> <li>○ Compared the ending balances in the contingency logs to the amounts returned to the District, in change order #66, without exception. It was noted, the contingency log provided by the District had a beginning balance for the Owner's contingency of \$397,606. The contract documents stated the beginning balance was \$400,000. CRI was not able to determine the reason for the \$2,394 difference.</li> </ul>
<p>28. 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"> <li>○ A listing of assets acquired by the Construction Manager and turned over to the District was requested from the Construction Manager, but was not provided.</li> </ul>
<p>29. 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>	<ul style="list-style-type: none"> <li>○ Obtained the Certificates of Substantial Completion and, where applicable, the Certificates of Partial Substantial Completion, and compared the dates on these documents to the time requirements from the contract documents. The following was noted: <ul style="list-style-type: none"> <li>● Certificate of Substantial Completion for "Bid Package-01 Central Energy Plant, Emergency Generator Building and some infrastructure Water, Sanitary and Storm lines", dated August 6, 2013. Contractually required date is August 6, 2013.</li> <li>● Certificate of Substantial Completion for "New construction of Building 2300-Phase 1A", dated August 6, 2013. Contractually required date is August 6, 2013.</li> <li>● Certificate of Substantial Completion for "Phase 1B - Renovation of part of Bldg-100-Auditorium and Art Rooms", dated August 13, 2013. Contractually required date is August 13, 2013.</li> <li>● Certificate of Partial Substantial Completion for "Renovation of Building 600-Gymnasium and Associated Classrooms-Phase 2", dated November 4, 2013. Contractually required date is December 10, 2013.</li> </ul> </li> </ul>

PROCEDURES	RESULTS
(29. Continued)	<ul style="list-style-type: none"> <li>• Certificate of Partial Substantial Completion for "Renovation of part of Building 100-Admin &amp; Band/Chorus areas + New VPA addition-Phase 2", dated December 23, 2013. Contractually required date is December 10, 2013.</li> <li>• Certificate of Partial Substantial Completion for "Renovation of part of Building 300-Science Classrooms &amp; Snack Bar-Phase 3", dated May 29, 2014. Contractually required date is August 7, 2014.</li> <li>• Certificate of Partial Substantial Completion for "Renovation of North Campus Fire Sprinklers-Bldgs 1700, 1800, 1900, 2100, 2200 - Phase 3", dated August 4, 2014. Contractually required date is August 7, 2014.</li> <li>• Certificate of Partial Substantial Completion for "Renovation of Bldg 500-Cafeteria - Phase 3", dated August 7, 2014. Contractually required date is August 7, 2014.</li> <li>• Certificate of Partial Substantial Completion for "Renovation of Bldg 200-Classrooms - Phase 4", dated December 22, 2014. Contractually required date is January 2, 2015.</li> <li>• Certificate of Partial Substantial Completion for "Renovation of Bldg 400 + ROTC + Electronics + Bldg-700 + Bldg-700-MDF - Phase 4", dated January 2, 2015. Contractually required date is January 2, 2015.</li> <li>• Certificate of Substantial Completion for "Renovation of North &amp; South Campus Site and Site Amenities - Phase 5", dated June 11, 2015. Contractually required date is June 11, 2015.</li> </ul>
<p>30. 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>	<ul style="list-style-type: none"> <li>○ Obtained the Certificate of Final Inspection without exception. It was signed by the Architect on April 6, 2018. Change order #63 noted the final completion date as August 13, 2015.</li> </ul>

PROCEDURES	RESULTS
31. Utilizing the Certificate of Final Inspection obtained in 30. 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, and noted no costs subsequent to the date of the Certificate of Final Inspection.
32. 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 the District and compared it 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 James A. Cummings, Inc., a Tutor Perini Company, 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  
July 20, 2022

**The School Board of Orange County, Florida  
Comprehensive Needs Project at Dr. Phillips High School**

**Exhibit A – Project Costs**

**Calculation of the final construction costs**

Calculation of adjusted final job costs:	
Construction Manager job costs	\$ 35,202,247
General conditions included in the final job costs	(2,879,646)
Vehicle costs in excess of the allowable amount	(54,085)
Subcontractor change orders rejected by the District when submitted for approval	(10,399)
Duplicated subcontractor change order	(2,561)
Subcontractor change order amount in excess of supporting documentation submitted and approved by the District	(540)
Labor burden in excess of the contractually fixed rate	(8,534)
Adjusted final job costs	<u>32,246,482</u>

Calculation of general conditions:	
Original lump sum general conditions	2,539,232
General conditions added through change orders	82,446
	<u>2,621,678</u>

Calculation of the construction management fee:	
Original construction management fee	1,931,888
Construction management fee added through change orders	26,095
Construction management fee added through contingency	11,322
	<u>1,969,305</u>

**Final construction costs** **\$ 36,837,465**

**Calculation of adjusted guaranteed maximum price**

Original guaranteed maximum price	\$ 48,709,730
Adjustments from change orders	(11,869,412)

**Adjusted guaranteed maximum price** **\$ 36,840,318**

**Construction costs, lesser of final construction costs and adjusted guaranteed maximum price** **\$ 36,837,465**  
**Owner direct purchases** **12,007,140**

**\$ 48,844,605**