



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

The School Board of Orange County, Florida

Glenridge Middle School – Capital Renewal Project



Carr, Riggs & Ingram, LLC
 1031 West Morse Boulevard
 Suite 200
 Winter Park, FL 32789

 407.644.7455
 407.628.5277 (fax)
 CRlcpa.com

INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Glenridge Middle School – Capital Renewal 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 Glenridge Middle School – Capital Renewal Project (the Project), as provided by T&G Constructors (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 Management Contract (the Agreement), dated October 21, 2020, between OCPS and the Construction Manager, and the Amendment 1, dated October 1, 2021 (collectively referred to as the “contract documents”), relative to the construction of the Project.	<ul style="list-style-type: none"> ○ The contract documents were inspected by Carr, Riggs & Ingram, LLC (CRI) without exception.
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"> ○ 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.
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"> ○ The Construction Manager stated there were no disputes between the Construction Manager and its subcontractors.

PROCEDURES	RESULTS
<p>4. Obtain from the Construction Manager, a copy of the final job cost detail, dated October 4, 2023 (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 April 30, 2023 (“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> <p>a. Obtain the subcontract and related change orders, executed between the selected subcontractors and the Construction Manager. Compare the total amount recorded in the final job cost detail to the original subcontract amount plus the related change orders.</p> <p>b. Obtain the labor and material pricing estimates, vendor invoices, and subcontractor markups (“supporting documentation”) for the subcontractor change orders in 7.a. above. Compare the change order amounts to the supporting documentation.</p>	<p>○ Selected all 10 subcontractors from the final job cost detail with total costs in excess of \$50,000.</p> <p>a. Obtained the subcontract agreements and the related change orders, and totaled the original subcontract amount, plus change orders, for each of the selected subcontractors. Compared these amounts to the amounts recorded in the final job cost detail for all selected subcontractors with the following exception:</p> <ul style="list-style-type: none"> • Change order #1 to the concrete subcontractor, which reduced the scope of the subcontractor's work, was not reflected in the final job cost detail. However, the Construction Manager did not reflect the cost to the vendor that completed the related scope, which was at least as much as the change order to the subcontractor. CRI observed invoices for the cost to the vendor. Therefore, an adjustment is not necessary. <p>b. Obtained the supporting documentation for the subcontractor change orders and compared the change order amounts to the supporting documentation without exception.</p> <p>Additionally, subcontractor change orders in the amount of \$26,004 had supporting documentation that only consisted of lump sum amounts.</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. 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.</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 with the following exception:</p> <ul style="list-style-type: none"> • CRI did not see payment documentation for a change order; however, it was not included in the final job cost detail. As a result, no adjustment was necessary. <p>d. Obtained the listing of ODPs (ODP log) from the District and, for each selected subcontractor, compared the ODP amounts to the sum of the deductive change orders to the selected subcontractors were \$125 less than the amounts reflected in the ODP log from the District. This amount is reported as an adjustment in Exhibit A.</p>
<p>8. If there are reimbursable labor charges included in the final job cost detail, from the total number of Construction Manager employee payroll transactions listed in the final job cost detail, select a sample of at least 15 Construction Manager payroll transactions. Each sampled payroll transaction will be for a specific, identified time period of the Project.</p>	<p>○ There were no reimbursable labor transactions identified in the final job cost detail.</p>
<p>9. From the final job cost detail, select any non-subcontractor line items that exceed \$50,000.</p>	<p>○ There were no non-subcontractor vendors that exceeded \$50,000 in the final job cost detail.</p>
<p>10. From the final job cost detail, select amounts for payment and performance bond costs and builder’s risk insurance (as applicable) and perform the following:</p> <p>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>○ Selected the payment and performance bond charges from the final job cost detail. No builder's risk insurance charges were noted in the final job cost detail.</p> <p>a. Obtained a copy of the original invoice and a copy of the cancelled check for the payment and performance bond costs. Compared the documentation obtained to the amounts recorded in the final job cost detail without exception.</p> <p>Additionally, identified a payment and performance bond credit that was not included in the final job cost detail. An adjustment in the amount of \$1,074 is reported in Exhibit A.</p>

PROCEDURES	RESULTS
<p>11. From the final job cost detail, select amounts for general liability insurance and perform the following:</p> <ol style="list-style-type: none"> a. If applicable, obtain third party invoices for internal allocation amounts. b. If applicable, obtain supporting documentation for the allocation base, i.e. annual company-wide revenue for the Construction Manager. c. If applicable, recalculate the Construction Manager's internal allocations and compare the recalculation to the amounts in the final job cost detail. 	<ul style="list-style-type: none"> o Selected all general liability insurance charges from the final job cost detail. a. Obtained the Premium and Coverage Summary for 2021-2022 from Brown & Brown Insurance, the Construction Manager's insurance group. b. Obtained supporting documentation for the allocation base from the Premium and Coverage Summary and confirmed that base does not include owner direct purchases. c. Recalculated the Construction Manager's general liability insurance costs using the third party documentation of the rates and compared the recalculation to the amount included in the final job cost detail. The Construction Manager's general liability insurance costs included in the final job cost detail were covered by the recalculation.
<p>12. From the final job cost detail, select all amounts for worker's compensation costs and perform the following:</p> <ol style="list-style-type: none"> a. Obtain third party documentation for the rates used in the calculation of worker's compensation costs for the Project. b. Recalculate the worker's compensation costs, using the rates per the third party documentation. Compare the recalculation with the amount included in the final job cost detail. 	<ul style="list-style-type: none"> o Selected all amounts for worker's compensation from the final job cost detail. a. Obtained the worker's compensation policy information page from FCCI Insurance Company. b. Recalculated the worker's compensation costs using the rates per the third party documentation. Compared the recalculation with the amount included in the final job cost detail, resulting in an adjustment of \$13,767, as reported in Exhibit A.
<p>13. 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"> 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. The Construction Manager stated there were none.
<p>14. From the final job cost detail, select at least five transactions determined to be the Construction Manager's internal charges to the Project, and perform the following:</p> <ol style="list-style-type: none"> a. Obtain vendor invoices and Construction Manager calculations for internal charge rates. 	<ul style="list-style-type: none"> o Selected 2 software charges, all vehicle charges, and all cellphone charges from the final job cost detail. a. Obtained supporting documentation for the selected internal charges as follows: <ul style="list-style-type: none"> • Vehicles – set by OCPS at a specific amount in the initial general requirements schedule of values. • Software charges – obtained vendor invoices without exception.

PROCEDURES	RESULTS
<p>(14. Continued)</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>b. The internal charges for software, per the supporting documentation, were compared to the final job cost detail without exception. The vehicle costs were agreed to the amount in the general requirements schedule of values without exception. No supporting documentation was provided for cellphones, but these charges were ultimately accepted by OCPS.</p>
<p>15. Obtain the Project’s Construction Phase Commencement Date from OCPS and inspect the dates of the charges in the final job cost detail for recorded costs with dates prior to the Construction Phase Commencement Date.</p>	<p>o Obtained the Construction Phase Commencement Date as noted in the Agreement and inspected the dates of the charges in the final job cost detail for costs incurred prior to the Construction Phase Commencement Date (October 18, 2021). CRI identified \$1,178 of costs incurred prior to October 18, 2021. However, \$1,008 of such costs were considered essential to the timely start of the Project and were accepted by OCPS. The remainder of \$170 have been reported as an adjustment in Exhibit A.</p>
<p>16. Inquire of the Construction Manager to determine whether they are using a subcontractor default insurance program (“subguard”) for subcontractor bonding requirements.</p>	<p>o Inquired of the Construction Manager to determine whether they used a subcontractor default insurance program on this Project. The Construction Manager stated they did not use a subguard program on this Project.</p>
<p>17. 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 OCPS and the Construction Manager without exception.</p>
<p>18. Obtain from OCPS, a log of the ODPs plus sales tax savings for the Project and perform the following:</p> <p>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).</p>	<p>o Obtained the ODP log from OCPS without exception.</p> <p>a. Recalculated 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>

PROCEDURES	RESULTS
<p>(18. Continued)</p> <p>b. If the above recalculated percentage is below 15.82% (as per section 20.3 of the General Conditions to the Agreement, as revised in the "Assumptions and Clarifications" in Section 10, Amendment #2), inquire of the District regarding whether it was determined the Construction Manager failed to obtain any tax savings that could have been achieved. If so, inquire if the District will seek to recover the amount of any such missed tax savings from the Construction Manager.</p>	<p>b. The results from the recalculation in 18.a. above indicated that the Construction Manager did not achieve the goal of 15.82%. However, in the Executive Summary included with the final change order, the District stated the following: "The PM Team is not recommending reimbursement of missed sales tax savings due to the fact that the initial determination of required participation was based on CM purchasing \$5,325 of painting, \$171,000 of ductwork, and all fire alarm devices." These assumptions were not met due primarily to purchases with potential long lead times being purchased outside of the Owner Direct Purchase program.</p>
<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 17. above relative to ODPs.</p>	<p>o 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>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>	<p>o Compared the not-to-exceed general requirements from the contract documents to the general requirements amounts in the final job cost detail. The actual general requirements did not exceed the not-to-exceed amount.</p>
<p>21. 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 17. above to get the adjusted guaranteed maximum price.</p>	<p>a. Obtained the original GMP amount without exception.</p> <p>b. The net amount of change orders were deducted from the original GMP amount as is reported in Exhibit A as the adjusted guaranteed maximum price.</p>
<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>	<p>o Obtained the final contract value, per the final pay application, and compared the adjusted guaranteed maximum price to the final contract value without exception.</p>

PROCEDURES	RESULTS
<p>23. Recalculate the final construction costs as follows:</p> <ul style="list-style-type: none"> 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. 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 21.b. above to the final construction costs amount from 23.b. above. 	<ul style="list-style-type: none"> a. The results of performing this procedure are reported in Exhibit A as adjusted final job costs. 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>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"> 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 24.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 Manager. b. From the listing of Construction Manager personnel entries, chose a sample of 15 payroll entries and obtained the Payroll Register 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 7 of the 15 samples tested. Overall, the average actual pay rate is equal to the raw rate for the samples selected.
<p>25. Obtain, from OPCS and/or the Construction Manager, the Project’s contingency log and usage documents and inspect all contingency usage forms for OPCS’s designated representative’s signature of approval.</p>	<ul style="list-style-type: none"> o Obtained the Project’s contingency log and usage documents and observed that all contingency usage forms evidenced approval of an OPCS designated representative without exception.
<p>26. Compare the ending balances in the contingency funds, per the contingency logs obtained in 25. above, to the change order amount of the funds returning to OPCS, as obtained in 17. above.</p>	<ul style="list-style-type: none"> o The remaining balances in the contingency funds, per the contingency log, were \$103,971 for the Owner’s Contingency, and \$75,000 for the Construction Manager’s Contingency. These remaining amounts per the contingency log were returned to the District In the final change order.

PROCEDURES	RESULTS
<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>○ Obtained a listing of assets and verified the assets were transferred to another OCPS project 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>○ 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 as follows:</p> <ul style="list-style-type: none"> • For Phase 1, the required date per the contract documents was August 2, 2022, and the date on the related Certificate was August 9, 2022, or 7 days after the required date. • For Phase 2, the required date per the contract documents and the date of the Certificate are the same date, September 12, 2022. Therefore, substantial completion was achieved in accordance with the contract documents.
<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>○ 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 75 days after the contractually required date of February 22, 2023.</p> <p>Final completion is to be achieved within 120 days after the later of the date of substantial completion or the receipt of the punch list. The punch list was provided to the Construction Manager on October 25, 2022. The Certificate of Final Inspection was signed by the Architect on May 8, 2023.</p>
<p>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.</p>	<p>○ 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. There were none noted.</p>
<p>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.</p>	<p>○ 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.</p>

We were engaged by The School Board of Orange County, Florida, to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the final construction costs and the adjusted guaranteed maximum price. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of T&G Constructors and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

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

Orlando, Florida
January 5, 2024

**The School Board of Orange County, Florida
Glenridge Middle School – Capital Renewal Project**

Exhibit A – Project Costs

Calculation of the final construction costs

Calculation of adjusted final job costs:	
Construction Manager job costs	\$ 5,048,871
Owner direct purchases per the District ODP log in excess of amounts deducted from subcontractors	(125)
Payment and performance bond credit	(1,074)
Worker's compensation insurance adjustment	(13,767)
Costs incurred prior to Construction Phase Commencement Date	(170)
Adjusted final job costs	<u>5,033,735</u>

Calculation of the lump sum general conditions:	
Original lump sum general conditions	460,622
General conditions added through owner change orders	14,433
	<u>475,055</u>

Original construction management fee	<u>289,874</u>
--------------------------------------	----------------

Final construction costs	<u>\$ 5,798,664</u>
---------------------------------	----------------------------

Calculation of adjusted guaranteed maximum price

Original guaranteed maximum price	\$ 7,016,572
Adjustments from owner change orders	<u>(1,202,773)</u>

Adjusted guaranteed maximum price	<u>\$ 5,813,799</u>
--	----------------------------

Construction costs, lesser of final construction costs and adjusted guaranteed maximum price	\$ 5,798,664
Owner direct purchases	<u>930,779</u>

	<u>\$ 6,729,443</u>
--	----------------------------