



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

The School Board of Orange County, Florida

**Riverdale Elementary School and Lakeville Elementary School
Capital Renewal Projects – GMP #2**



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

407.644.7455
 407.628.5277 (fax)
 CRlcpa.com

INDEPENDENT ACCOUNTANTS’ REPORT ON APPLYING AGREED-UPON PROCEDURES

**Riverdale Elementary School and Lakeville Elementary School
 Capital Renewal Projects – GMP #2**

The School Board of Orange County, Florida
 Orlando, Florida

We have performed the procedures enumerated below on the final construction costs and the adjusted guaranteed maximum price of the Riverdale Elementary School and Lakeville Elementary School – Capital Renewal Projects – GMP #2 (the Project), as provided by CORE Construction Services of Florida, LLC (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 August 28, 2019, between OCPS and the Construction Manager, and the Amendment 2, dated May 11, 2020 (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 are no disputes with any of its subcontractors.

PROCEDURES	RESULTS
<p>4. Obtain from the Construction Manager, a copy of the final job cost detail, dated April 11, 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 May 31, 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. However, the Construction Manager identified \$197,385 of costs in the final job cost detail that were not billed. These amounts have been used to reduce the Construction Manager job costs in Exhibit A.</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>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>○ Selected all 9 subcontractors from the final job cost detail with subcontract values 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 without exception.</p> <p>b. Obtained supporting documentation for the subcontractor change orders and compared the change order amounts to the supporting documentation without exception.</p> <p>c. Obtained payment documentation and compared the payment documentation to the final subcontract amount without exception.</p>

PROCEDURES	RESULTS
<p>(7. Continued)</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>d. There were no ODPs for the Amendment #2 guaranteed maximum price, the scope of this Project.</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 any non-subcontractor line items that exceed \$50,000.</p>	<p>o There were no non-subcontractor vendors identified 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>o Selected all payment and performance bond costs from the final job cost detail. There were no charges for builder’s risk insurance included in the final job cost detail.</p> <p>a. Obtained the invoice from the Construction Manager’s insurance agent, and a cancelled check copy, for the payment and performance bond without exception.</p> <p>CRI also obtained an invoice from the Construction Manager’s bonding company reflecting a credit to the payment and performance bond for the Project of \$2,375, which was not included in the final job cost detail. This amount is reported as an adjustment in Exhibit A.</p>
<p>11. From the final job cost detail, select amounts for general liability insurance and worker’s compensation and perform the following:</p> <p>a. Where applicable, obtain the Construction Manager’s internal allocation for general liability and worker’s compensation insurance charges.</p>	<p>o Selected all general liability insurance and worker’s compensation insurance charges from the final job cost detail.</p> <p>a. For general liability, inspected the internal allocation method and compared it to the amounts recorded in the final job cost detail. The Construction Manager agreed to use a rate for general liability insurance of .452%. See 11.d. below.</p> <p>For worker’s compensation, CRI obtained the rate sheet with modifiers and discounts originally provided from the Construction Manager’s insurance agent, Willis Towers Watson Midwest, Inc.</p>

PROCEDURES	RESULTS
<p>(11. Continued)</p> <ul style="list-style-type: none"> b. Inspect the internal allocation methods and calculation. Compare the documentation obtained in 11.a. above to the amounts recorded to the final job cost detail. c. If applicable, obtain third party invoices for internal allocation amounts. 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. e. If applicable, obtain supporting documentation for the allocation base, i.e. annual company-wide revenue for the Construction Manager. f. 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"> b. Inspected the internal allocation methods and compared them to the amounts recorded in the final job cost detail. As a result, CRI recalculated worker's compensation and general liability insurance costs. See 11.f. below. c. For general liability insurance, obtained third party invoices and premium statements for insurance premium amounts on a previous project. However, 34% of the premium amounts were incurred with CCG Services, Inc., a related party. Obtained third party documentation for worker's compensation insurance rates as described in 11.a. above. d. Inquired regarding self-insurance as related to the general liability insurance program. Per the Construction Manager, the program includes a large deductible provision, which is self-insured. In lieu of providing supporting documentation for the self-insured portion of the rate, the Construction Manager has agreed to use a rate of .452%, as mentioned above. e. Obtained the basis for the premium allocation from the invoices and premium statements provided by the Construction Manager on a previous project. f. Recalculated the Construction Manager's internal allocation calculation (for general liability insurance using the .452% rate, and using the modifiers and discounts noted on the invoice for workman's compensation) and compared the recalculation to the amounts in the final job cost detail. CRI made adjustments for general liability insurance in the amount of \$1,902 and workers compensation in the amount of \$527, as reported in Exhibit A.
<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>	<ul style="list-style-type: none"> o Per inquiry of the Construction Manager, there are expenditures to Glenn Allen Insurance and Surety Brokers, LLC (Glenn Allen), and CCG Services, Inc. Both are related parties.

PROCEDURES	RESULTS
<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 following amounts were noted in the final job cost detail as expenditures to CCG Services, Inc.:</p> <ul style="list-style-type: none"> • \$4,640 for software licenses • 34% of the \$26,136 amount for general liability insurance. <p>Additionally, \$37,858 was noted in the final job cost detail as paid to Glenn Allen for the payment and performance bond.</p> <p>b. CRI did not observe any communication between the Construction Manager and OCPS regarding the transactions with the related parties noted above.</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>a. Obtain vendor invoices and Construction Manager calculations for internal charge rates. Compare the internal charges recorded in the final job cost detail to the supporting documentation.</p>	<p>o Selected all software license, all cellphones, 1 Copy/Fax Machine, 1 office equipment, and all vehicle charges in the final job cost detail.</p> <p>a. Requested the vendor invoices and calculations supporting the internal charges tested. The results are as follows:</p> <ul style="list-style-type: none"> • Copy/fax machine and office equipment: obtained vendor invoices and compared the invoices to the amounts charged in the final job cost detail without exception. • Cellphone: obtained a Verizon invoice and an allocation calculation and compared the calculation to the amounts charged in the final job cost detail without exception. • Software license: obtained a third party invoice and an allocation calculation and compared the calculation to the amounts charged in the final job cost detail. • Vehicle: the charges are set at a not-to-exceed of \$850 per month for a contractually limited number of vehicles. Obtained the original schedule of values for the general requirements, which includes vehicles, for the allowable charges for the Project. CRI noted that the actual billable charges in the final job cost detail were lower than the not-to-exceed amount.

PROCEDURES	RESULTS
<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>	<ul style="list-style-type: none"> ○ Inspected the dates of the charges in the final job cost detail for recorded costs with dates prior to the date of the Notice to Proceed. CRI identified costs of \$1,147 incurred prior to the NTP date. Most of the costs were for document reproduction and safety equipment needed to start the Project. However, \$12 of the costs were agreed to be unnecessary for the start of the Project, and an adjustment has been reported in Exhibit A.
<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> <ul style="list-style-type: none"> 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. b. Obtain an invoice and cancelled checks for the subguard charges found in the final job cost detail, if paid to a third party. c. Recalculate the reimbursable amount of subguard insurance costs by taking the subcontractor costs, plus ODPs, times the subguard insurance rate agreed to in a previous project with the Construction Manager. 	<ul style="list-style-type: none"> ○ The Construction Manager used a subguard program on this Project. <ul style="list-style-type: none"> a. Inspected the final job cost detail and identified no indications of subcontractor bond costs in the final job cost detail. Additionally, inspected each of the subcontract agreements for the selected subcontractors (see step 7. above) which stated that this is a subguard project and, therefore, no subcontractor bonds were to be included in the subcontract value. b. Obtained an invoice and cancelled checks for the subguard charges found in the final job cost detail without exception. The invoice was from the Construction Manager’s insurance broker, Willis Towers Watson Insurance Services West, Inc. c. Recalculated the Construction Manager’s subguard insurance charges utilizing the rate agreed to in the previous project with the Construction Manager (1.19% times the subcontract value). Compared the recalculated amount to the amount in the final job cost detail. The recalculation indicated that the charges in the final job cost detail were covered. <p>While performing the procedures for a previous project with the Construction Manager, CRI observed third party invoices, payment documentation, and allocation calculations for the allocation of subguard costs to a project. It was agreed between OCPS and the Construction Manager to record subguard charges at a rate of 1.19% of the subcontracted cost. That rate was used in the calculation of the subguard costs for this Project.</p>

PROCEDURES	RESULTS
<p>(16. Continued)</p> <p>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.</p> <p>e. Obtain written representation that the subcontractors on the Project, enrolled in subguard, have not included bond costs in their payment applications.</p>	<p>d. Inquired regarding self-insurance as related to the subguard program. Per the Construction Manager, the program includes a large deductible provision, which is self-insured. In lieu of providing supporting documentation for the self-insured portion of the rate, the Construction Manager has agreed to use a rate of 1.19%, as mentioned above.</p> <p>e. Obtained written representation from the Construction Manager that subcontractors enrolled in the subguard program did not include bond costs in their payment applications.</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.</p>	<p>o As reported in step 7.d. above, there were no ODPs in the Amendment #2 scope of work.</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 reimbursable general requirements charges noted in the final job cost detail. The Construction Manager did not overspend the contractual not-to-exceed.</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 17. above to get the “adjusted guaranteed maximum price”.</p>	<p>a. Obtained the original GMP amount without exception.</p> <p>b. The net deductive change order amount 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 recalculated 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>

PROCEDURES	RESULTS
<p>22. 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 20.b. above to the final construction costs amount from 22.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>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 Manager. b. From the listing of Construction Manager personnel entries, CRI chose a sample of 16 payroll entries and obtained the payroll stub 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 13 of the 16 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 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"> o Obtained the Project’s contingency logs and usage documents and observed that all contingency usage forms evidenced approval of an OCPS designated representative without exception.
<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 17. above.</p>	<ul style="list-style-type: none"> o The remaining balances in the contingency funds were returned to OCPS in the final change order without exception.

PROCEDURES	RESULTS
26. Obtain a listing of assets acquired by the Construction Manager for the Project and verify the assets were turned over to OCPS.	<ul style="list-style-type: none"> ○ No qualifying assets were acquired for this Project.
27. 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.	<ul style="list-style-type: none"> ○ 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. Substantial completion was achieved either on the contractual date or prior to the contractual date 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.	<ul style="list-style-type: none"> ○ Obtained the Certificate of Final Inspection and compared the date of the document to the time requirements contained in the contract documents. Final completion was to be achieved by April 27, 2021. The Certificate of Final Inspection was signed by the Architect on November 1, 2021. The final completion date, as reported on the Certificate of Final Inspection, indicated the Construction Manager achieved final completion 188 days after the contractually required date.
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.	<ul style="list-style-type: none"> ○ 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 without exception.
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.	<ul style="list-style-type: none"> ○ 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 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 CORE Construction Services of Florida, LLC 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
August 23, 2023

**The School Board of Orange County, Florida
Riverdale Elementary School and Lakeville Elementary School
Capital Renewal Projects – GMP #2**

Exhibit A – Project Costs

Calculation of the final construction costs

Calculation of adjusted final job costs:	
Construction Manager job costs	\$ 4,875,780
Payment and performance bond credit not included in the final job cost detail	(2,375)
Reduce general liability insurance to actual costs	(1,902)
Reduce workers compensation insurance to actual costs	(527)
Remove costs incurred prior to the Notice to Proceed	(12)
Adjusted final job costs	<u>4,870,964</u>
Original lump sum general conditions	<u>252,913</u>
Calculation of the construction management fee:	
Original construction management fee	227,217
Adjustment to construction management fee in the final change order	5,633
	<u>232,850</u>
Final construction costs	<u><u>\$ 5,356,727</u></u>

Calculation of adjusted guaranteed maximum price

Original guaranteed maximum price	\$ 5,731,503
Adjustments from change orders	(369,933)
Adjusted guaranteed maximum price	<u><u>\$ 5,361,570</u></u>
Construction costs, lesser of final construction costs and adjusted guaranteed maximum price	\$ 5,356,727
Owner direct purchases	-
	<u><u>\$ 5,356,727</u></u>