

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA


ROBERT W. RUNCIE
SUPERINTENDENT OF SCHOOLS


Telephone: (754) 321-2600

Facsimile: (754) 321-2701

October 26, 2015

TO: School Board Members

FROM: Jeffrey S. Moquin 
Chief of Staff

VIA: Robert W. Runcie 
Superintendent of Schools

SUBJECT: Additional Support Information - Boyd Anderson High School Audit
Project No. 1741-25-01 - Item DD-3 November 3, 2015 RSBM

In reference to Agenda Item DD-3 to be presented to the Board on November 3, 2015, the Office of Facilities & Construction (OFC) is providing additional support information regarding the Boyd Anderson High School Project No. 1741-25-01. Prior to the audit by McGladrey, OFC and the Office of the Chief Auditor (OCA) took the following actions:

- OFC hired an independent third party (CMS) in February, 2012 to review the financial closeout of the project. This review identified specific problems and discrepancies with line items identified in the Guaranteed Maximum Price that were not in compliance with the contract documents. These line items included self-performed work by the Construction Manager (CM) without appropriate back-up.
- As a result, OFC made numerous written demands of the CM to provide support documentation for the work described as "self-performed." The CM refused OFC's numerous requests for support documentation.
- OFC requested assistance from the District's Office of the Chief Auditor. They too were met with resistance, and were unable to gain access to the CM's records.
- OFC held back payment of any retainage despite the release being approved by the Board in September, 2011. Much of this retainage is still being held.
- In an effort to close the project, the OFC requested the services of the OCA to perform a final audit of the self-performed work in May, 2014. OCA elected to contract with McGladrey, LLP to perform the audit. McGladrey was faced with the same refusal by the CM to provide the contractually required documentation for self-performed work.
- Despite repeated requests from McGladrey, the CM did not willingly release the required documentation. This occurred only after our Legal Department intervened on behalf of the OCA and OFC.
- Although the audit shows that the School Board is owed \$436,849, the CM has officially filed a counter claim in the amount of \$647,000 for compensation for delays allowable under the terms of the agreement. The CM's claim is currently being reviewed by the Office of the General Counsel.

GB:ma
Attachments

c: Project File