

**Audit of the Regional Athletic Facilities for Piper High School -
Project #1901-99-51; South Plantation High School - Project #2351-21-
01; and Cooper City High School - Project #1931-21-01**

April 2007

Office of the Chief Auditor

The School Board of Broward County, Florida



The School Board of Broward County, Florida

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Patrick Reilly, CPA

Chief Auditor

Office of the Chief Auditor

1643 N Harrison Pkwy - Building H

Sunrise, Florida 33323

Telephone: 754-321-8300

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May 11, 2007

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Members of the School Board Audit Committee

Mr. James F. Notter, Interim Superintendent of Schools

Ladies and Gentlemen:

In accordance with the 2006-2007 Audit Plan, the Office of the Chief Auditor has performed an audit of the Regional Athletic Facilities for Piper High School – Project #1901-99-51; South Plantation High School – Project #2351-21-01; and Cooper City High School – Project #1931-21-01. The objective of this audit was to determine whether the current operations are being performed economically, efficiently, and are in compliance with applicable laws, and regulations; determine whether contracts are being properly awarded, monitored and administered; determine the primary cause of identified cost overruns; ascertain whether internal controls are adhered to; and report recommendations to the administration, if needed.

In our opinion, the F&CM Division should: discontinue recommending award of construction documents for reuse before original design projects have been completed and properly analyzed for quality and completeness; ensure that the project specifications are established, documented, known and agreed upon prior to commencement of project design; pursue the appropriate reimbursement from Architecture Inc. for identified errors and omissions in the amount of \$428,057 for change orders on the Regional Athletic Facility projects; discontinue the practice of adding scope to awarded projects in order to avoid costly change orders and contract amendments associated with un-bid scopes of work; strengthen filing, monitoring and tracking of Authorization to Proceed documents and ensure that contract provisions are complied with regarding the prompt payment for services rendered by consultants, and; identify all change orders, as percentage of the construction contract amount, to the School Board in the Agenda item summary section to notify Board Members when change orders have exceeded Rule 1, as defined in School Board Policy 7006.

The six detailed audit observations/recommendations were discussed with F&CM Division and Capital Budget staff. Management agreed with all observations/recommendations and we concurred with the responses received, however three F&CM responses required follow-up responses from our office.

This report will be presented to the Audit Committee at its May 17, 2007 meeting and to the School Board at its June 19, 2007 meeting.

Sincerely,

Patrick Reilly, CPA

Chief Auditor

Office of the Chief Auditor

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EXECUTIVE SUMMARY

Scope and Methodology

This audit was performed in accordance with the 2006-2007 Audit Plan. This audit of three (3) Regional Athletic Facilities (RAF) consisted of a review of contracts awarded to contractors and consultants, review of the District Educational Facilities Plan, interviews with appropriate District staff and Consultants, as well as a review of School Board policies, State laws, regulations and applicable Building Code requirements. The objective of this audit was to:

- Determine whether the current operations are being performed economically, efficiently, and are in compliance with applicable laws, and regulations;
- Determine whether contracts are being properly awarded, monitored and administered;
- Determine the primary cause of identified cost overruns;
- Ascertain whether internal controls are adhered to; and
- Report recommendations to the administration, if needed.

Our audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. The aforementioned standards require that we plan and perform the audit to ensure a reasonable basis for our judgments and conclusions regarding the function under audit. An audit includes assessments of applicable controls and compliance with the requirements of laws, rules and regulations when necessary to satisfy the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

It is our responsibility to perform the review under generally accepted auditing standards and Government Auditing Standards, as well as provide recommendations to improve operations, strengthen internal controls and ensure compliance with the requirements of laws, rules and regulations in matters selected for review. It is the administration's responsibility to implement recommendations, to maintain an internal control environment conducive to the safeguarding of District assets and to preserve the District's resources, and to comply with applicable laws, regulations and School Board policies.

The procedures used to satisfy our objectives in this audit included:

- Review of contracts awarded to contractors and consultants;
- Conduct interviews with contractor and consultant
- Visits to in-progress construction jobsites to assess and verify work scope;
- Conduct interviews with appropriate District staff;
- Review the District Educational Facilities Work Plan;
- Review School Board Policies, State laws, regulations and applicable Building Code and;
- Perform other auditing procedures as deemed necessary.

Opinion and Summary of Results

In our opinion, the F&CM Division should: discontinue recommending award of construction documents for reuse before original design projects have been completed and properly analyzed for quality and completeness; ensure that the project specifications are established, documented, known and agreed upon prior to commencement of project design; pursue the appropriate reimbursement from Architecture Inc. for identified errors and omissions in the amount of \$428,057 for change orders on the Regional Athletic Facility projects; discontinue the practice of adding scope to awarded projects in order to avoid costly change orders and contract amendments associated with un-bid scopes of work; strengthen filing, monitoring and tracking of Authorization to Proceed documents and ensure that contract provisions are complied with regarding the prompt payment for services rendered by consultants, and; identify all change orders, as percentage of the construction contract amount, to the School Board in the Agenda item summary section to notify Board Members when change orders have exceeded Rule 1, as defined in School Board Policy 7006.

Opinion and Summary of Results (cont.)

A Professional Services Agreement (PSA) was originally awarded to Architecture Inc. (AI) for the Architectural/Engineering (A/E) services required to provide the District with architectural design documents for a Regional Athletic Facilities (RAF) project, at Piper High School - **Project #1901-99-51**, to be developed at a cost of \$92,000. Subsequently, two agreements were awarded to AI for South Plantation High School - **Project #2351-21-01**, and Cooper City High School - **Project #1931-21-01**, to reuse the original Piper High School RAF design documents, in the amount of \$53,360 respectively.

The re-use concept includes two primary benefits to the District. The first benefit is, per Florida Statutes § 287.055, the Consultant's Competitive Negotiations Act (CCNA), the District is permitted to reuse existing plans from a prior project without public notice, provided the original contract includes a statement that the plans are subject to reuse, in accordance with the provisions noted. The second benefit is that the District is able to pre-negotiate the future cost of a reuse, as a percentage of the design's original cost, thereby representing an intended savings to the District for reusing previously designed projects. The reuse concept can therefore be broken into two basic rationale components: saving time and saving money.

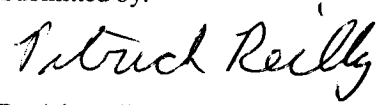
However, it is documented that instead of the Piper High School RAF project design documents first being completed, all three RAF projects were designed concurrently. Ensuring that the original Piper High School RAF project was designed first, evaluated for quality, completeness and free of defect, to ensure the intent of the District, to save time and money, was realized regarding the reuses is the responsibility of F&CM Division. As a result of concurrently designing the projects out of sequence, and not based on a proto-typical design, the District has incurred nearly \$5,000,000 in change orders and contract amendments on these three RAF projects. The necessary controls, to ensure that projects are being adequately designed in accordance with the contractual agreements and that change orders are being processed and categorized properly, require significant strengthening. This will help to protect the District from the financial risks associated premium change order and contract amendment costs to fund changes in scope due to: Owner's request and A/E errors and omissions, as well as, incomplete scopes of work prior to design development and subsequent construction bidding.

OBSERVATIONS

1. **DISCONTINUE RECOMMENDING AWARD OF CONSTRUCTION DOCUMENTS FOR REUSE BEFORE ORIGINAL DESIGN PROJECTS HAVE BEEN COMPLETED AND PROPERLY ANALYZED FOR QUALITY AND COMPLETENESS.**
2. **ENSURE THAT PROJECT SPECIFICATIONS ARE ESTABLISHED, DOCUMENTED, KNOWN AND AGREED UPON PRIOR TO COMMENCEMENT OF PROJECT DESIGN.**
3. **PURSUE THE APPROPRIATE REIMBURSEMENT FROM ARCHITECTURE INC., FOR IDENTIFIED ERRORS AND OMISSIONS IN THE AMOUNT OF \$428,057 FOR CHANGE ORDERS ON THE REGIONAL ATHLETIC FACILITY PROJECTS.**
4. **DISCONTINUE THE PRACTICE OF ADDING SCOPE TO AWARDED PROJECTS IN ORDER TO AVOID COSTLY CHANGE ORDERS AND CONTRACT AMENDMENTS ASSOCIATED WITH UN-BID SCOPES OF WORK.**
5. **STRENGTHEN FILING, MONITORING AND TRACKING OF AUTHORIZATION TO PROCEED DOCUMENTS AND ENSURE THAT CONTRACT PROVISIONS ARE COMPLIED WITH REGARDING THE PROMPT PAYMENT FOR SERVICES RENDERED BY CONSULTANTS.**
6. **IDENTIFY ALL CHANGE ORDER PERCENTAGES TO THE SCHOOL BOARD IN THE AGENDA ITEM SUMMARY SECTION TO NOTIFY BOARD MEMBERS WHEN CHANGE ORDERS HAVE EXCEEDED RULE 1, AS DEFINED IN SCHOOL BOARD POLICY 7006.**

We would like to thank the Facilities & Construction Management Division, staff and all District personnel who aided in the completion of this report.

Submitted by:

A handwritten signature in black ink that reads "Patrick Reilly". The signature is written in a cursive style with a large, stylized 'P' and 'R'.

Patrick Reilly, CPA
Chief Auditor
Office of the Chief Auditor

Audit Performed by: Dave Rhodes
William J. Wright
Vicki Mangol

BACKGROUND

Florida Statutes §287.055 Acquisition of professional architectural, engineering, landscape architectural, or surveying and mapping services; definitions; procedures; contingent fees prohibited; penalties.

(10) REUSE OF EXISTING PLANS.—Notwithstanding any other provision of this section, there shall be no public notice requirement or utilization of the selection process as provided in this section for projects in which the agency is able to reuse existing plans from a prior project of the agency, or, in the case of a board as defined in s. 1013.01, a prior project of that or any other board. Except for plans of a board as defined in s. 1013.01, public notice for any plans that are intended to be reused at some future time must contain a statement that provides that the plans are subject to reuse in accordance with the provisions of this subsection.

17th JUDICIAL DISTRICT OFFICE OF THE STATE ATTORNEY - INTERIM REPORT OF THE 2002 FALL TERM GRAND JURY ON SCHOOL BOARD CONSTRUCTION

7. The folly of reusing untested prototypes is even more evident in 2003 than it was in 1997. We cannot overemphasize the importance of analyzing and evaluating new designs for schools prior to their reuse. The “old” schools have held up much better than those prototype reuses built from 1987 to 1996. We strongly recommend that the School Board carefully analyze every school design that it intends to use as a prototype to ensure that the design is structurally sound before it is used as a prototype.

20. When the School Board chooses to reuse a school design, all change orders and corrections to the original plans have not always been incorporated into the drawings for the new school before construction begins. At several elementary schools, the same problems recurred at each reuse of the prototype. This caused delay and additional expense and should have been avoided. There is no reason why the School Board cannot insist that all change orders and corrections be made and plans revised accordingly and incorporated prior to the reuse of any prototype design.

Excerpt from Architecture Inc. Professional Services Agreement with SBBC:

ARTICLE 7 REUSE OF DRAWINGS, SPECIFICATIONS AND OTHER DOCUMENTS

7.1 Scope Of Services

7.1.1 It is understood that all Professional Service Agreements for design and other services include the provision for the Owner's optional re-use of drawings, specifications and other documents (including Phase V of Basic Services described in Article 2); and that the Project Consultant agrees to such re-use in accordance with this provision.

7.1.2 If the Owner elects to re-use the drawings, specifications and other documents, in whole or in part, prepared for the project for other projects on other sites, the Project Consultant will be paid a re-use fee, for Basic Services described in Article 2 for Phases I through VI, in the amount of:

**Fifty Three Thousand Three Hundred Sixty Dollars (\$53,360)
Based upon the reuse of the Piper High School Regional Athletic Facility,
Project No. 1901-99-51**

7.1.3 Each re-use shall include all Basic Services and modifications to the drawings, specifications and other documents normally required to suit the new site (does not include preparation of reverse plans, changes to the program, code revisions or exceptional site conditions). The stipulations and conditions of this Agreement shall remain in force for each re-use project, unless otherwise agreed. Reuse fees do not include preparation of documents for offsite improvements.

7.1.4 If a reuse project commences in excess of three years from the acceptance of the design development documents by the Owner then Owner shall negotiate the fees to be paid to Project Consultant.

Background (cont.)

Florida Statutes §218.70 Short title.--This part may be cited as the "Florida Prompt Payment Act."

F.S. §218.72 Definitions.--As used in this part:

- (1) "Proper invoice" means an invoice which conforms with all statutory requirements and with all requirements that have been specified by the local governmental entity to which the invoice is submitted.
- (2) "Local governmental entity" means a county or municipal government, school board, school district, authority, special taxing district, other political subdivision, or any office, board, bureau, commission, department, branch, division, or institution thereof.

F.S. §218.73 Timely payment for nonconstruction services.--The time at which payment is due for a purchase other than construction services by a local governmental entity must be calculated from:

- (1) The date on which a proper invoice is received by the chief disbursement officer of the local governmental entity after approval by the governing body, if required; or
- (2) If a proper invoice is not received by the local governmental entity, the date:
 - (a) On which delivery of personal property is accepted by the local governmental entity;
 - (b) On which services are completed;
 - (c) On which the rental period begins; or
 - (d) On which the local governmental entity and vendor agree in a contract that provides dates relative to payment periods; whichever date is latest.

The background information provided above, as stated, is intended to establish a context for which the three Regional Athletic Facilities were reviewed and analyzed for the purposes of this report. To look at the projects and determine whether contracts were properly awarded, monitored and administered, it is critical to look at the basis for the escalation in costs and delays in construction completion associated with each Regional Athletic Facility.

The original intent, regarding the three Regional Athletic Facilities projects, was to execute a Professional Services Agreement (PSA) to commission an Architect/Engineer (A/E), to fully develop a set of Construction Documents (CDs) meeting the needs and requirements of a Regional Athletic Facility for Piper High School, next to bid and award the project to a contractor. Once these objectives were achieved, the District intended to reuse the Piper High School Documents to construct like athletic facilities at South Plantation High School and Cooper City High School, pursuant to F.S. 287.055 (10).

In reviewing the Milestone Table below, it is apparent that Piper High School and South Plantation High School had substantially increased budgets per the 2005-2006 to 2009-2010 Adopted District Educational Facilities Work Plan, but the budget for Cooper City High School did not increase as dramatically. Also, the table points out areas in which the intended order of design and construction were not consistently adhered to. This is a key area that required further analysis to explain the increased costs and the additional time required to construct the projects.

Looking at the variances in the intended schedules and cost escalations help to determine and explain whether or not the contracts were properly monitored and administered. However, from the beginning, the Milestone Table clearly depicts a series of events that did not result in a fully developed set of construction documents which could then been reused for the other facilities as originally intended. F.S. 287.055, also known as the Consultant's Competitive Negotiations Act (CCNA), which indicates that when construction documents are reused, the defined selection process and public notice may be bypassed, provided the original PSA contains a statement providing that the plans are subject to reuse at some time in the future per contract language. This report documents, analyzes and explains what has occurred and what can be done to ensure that policies and processes exist, are strengthened and that contract terms and conditions are enforced in the future to better protect the District's assets.

Background (cont.)

Regional Athletic Facility Milestone Table:

	<u>Category</u>	Piper HS Project #1901-99-51	South Plantation HS Project #2351-21-01	Cooper City HS Project #1931-21-01	Total
A	Adopted Work Plan 2000-2001 to 2004-2005	\$1,499,767	\$1,545,000	\$1,545,000	\$4,589,767
B	Adopted Work Plan 2005-2006 to 2009-2010	\$2,321,248	\$2,554,761	\$1,655,901	\$6,531,910
C	FLCC per PSA	\$1,782,000	\$1,259,890	\$1,344,878	\$4,386,786
D	PSA Fee Amount	\$92,000	(Re-use Fee) \$53,360	(Re-use Fee) \$53,360	\$198,720
E	Amended Additional Service Fees	\$116,331	\$52,325	N/A	\$168,656
F	Award of Construction Contract	\$1,830,000	\$2,303,000	\$1,397,000	\$5,530,000
G	Award of PSA	April 17, 2001	August 7, 2001	October 2, 2001	
H	A/E Notice to Proceed	April 18, 2001	August 20, 2001	October 15, 2001	
I	* Phase III CD Review	March 11, 2004	July 21, 2003	December 12, 2002	
J	* Award of Construction Contracts	August 3, 2004	December 16, 2003	April 29, 2003	
K	Scheduled Completion Date	August 30, 2002	February 2, 2003	February 2, 2003	
L	Actual Completion Date	February 17, 2006 (TCO)	October 17, 2006 (TCO)	April 10, 2007	
M	Current Project Budget	\$4,536,984	\$5,103,772	\$3,402,071	\$13,042,827
N	Current PSA & Construction Contract Amount	\$3,857,371	\$4,205,828	\$2,782,820	\$10,846,019
O	Originally approved PSA & Construction Contract	\$1,922,000	\$2,356,360	\$1,450,360	\$5,728,720
P	Current vs. Original Cost Difference	\$1,935,371	\$1,849,468	\$1,332,460	\$5,117,299

* **Note:** There is an inverse relationship between when these projects were planned to commence versus when they actually commenced. As all three projects were being individually developed, without having first completed design of the proto-type, each project was on its own path through design and construction. Piper High School was not treated as a proto-type Regional Athletic Facility for future re-use; it became one of three individual design and construction projects.

In the above table, the sum of line "B" totals **\$6,531,910** from the 2005-2006 Adopted District Educational Facilities Work Plan previously budgeted for the three RAF projects. However, line "M" shows the current project budget appropriations, which total **\$13,042,827**. The difference is **\$6,510,918**, between the budgeted amounts in the Adopted District Educational Facilities Plan and the current total appropriated budget amounts, representing a 99% combined budget increase for the three RAF projects.

Table Legend:

A/E – Architect/Engineer
CD – Construction Documents
FLCC – Fixed Limit Construction Costs
HS – High School
PSA – Professional Services Agreement

SECTION I

DETAILED OBSERVATIONS

1. DISCONTINUE RECOMMENDING AWARD OF CONSTRUCTION DOCUMENTS FOR REUSE BEFORE ORIGINAL DESIGN PROJECTS HAVE BEEN COMPLETED AND PROPERLY ANALYZED FOR QUALITY AND COMPLETENESS.

OBSERVATION

As a result of inaccurate scopes of work, improper project design sequencing and failure to complete and properly analyze the initial Regional Athletic Facility (RAF) construction project for quality and completeness, the District has incurred additional costs of \$5,117,299 over the originally agreed upon costs for design and construction of three Regional Athletic Facilities.

BACKGROUND

17th JUDICIAL DISTRICT OFFICE OF THE STATE ATTORNEY - INTERIM REPORT OF THE 2002 FALL TERM GRAND JURY ON SCHOOL BOARD CONSTRUCTION

7. The folly of reusing untested prototypes is even more evident in 2003 than it was in 1997. We cannot overemphasize the importance of analyzing and evaluating new designs for schools prior to their reuse. The "old" schools have held up much better than those prototype reuses built from 1987 to 1996. We strongly recommend that the School Board carefully analyze every school design that it intends to use as a prototype to ensure that the design is structurally sound before it is used as a prototype.

20. When the School Board chooses to reuse a school design, all change orders and corrections to the original plans have not always been incorporated into the drawings for the new school before construction begins. At several elementary schools, the same problems recurred at each reuse of the prototype. This caused delay and additional expense and should have been avoided. There is no reason why the School Board cannot insist that all change orders and corrections be made and plans revised accordingly and incorporated prior to the reuse of any prototype design.

Although the Grand Jury recommendations were based on avoiding mold and mildew issues resulting from poorly designed and reused prototypes, the same logic applies regarding all District projects.

On April 17, 2001, a Professional Services Agreement (PSA) was awarded to Architecture Inc., for the design of Piper High School's RAF in the amount of \$92,000. Subsequently, on August 7, 2001, a re-use of that design was awarded to Architecture Inc. (AI), in the amount of \$53,360 for South Plantation High School's RAF. Finally, on October 2, 2001, a second re-use of the original design was awarded to Architecture Inc., in the amount of \$53,360 for Cooper City High School's RAF.

A construction contract was awarded to MBR Construction Inc., on April 29, 2003 for construction of the Cooper City High School RAF in the amount of \$1,397,000. On December 16, 2003, a contract was awarded to Miami Skyline Construction Corp., for construction of the South Plantation High School RAF in the amount of \$2,303,000. Finally, a contract was awarded to MBR Construction Inc., on August 3, 2004, for construction of the Piper High School RAF in the amount of \$1,830,000. Table A, below, outlines the original project costs approved by the School Board.

Table A - Originally Approved Design and Construction Costs:

Facility	Design Fees	Construction Contract	Total
Piper H.S.	\$92,000	\$1,830,000	\$1,922,000
South Plantation H.S.	\$53,360	\$2,303,000	\$2,356,360
Cooper City H.S.	\$53,360	\$1,397,000	\$1,450,360
Total	\$198,720	\$5,530,000	\$5,728,720

Upon commencement of construction of the three RAF Projects, project documents indicate that many scope changes were requested or required. Table B, below, itemizes the costs associated with those requested and required changes by category. Changes included; requests for additional bleacher seating capacity, addition of a safety lane, gutter systems for concessions buildings, ADA accessibility on bleachers and press box, scope creep, etc...

Table B - Change Order Costs by Category and Contract Amendments:

<u>Category</u>	<u>Piper HS</u>	<u>South Plantation HS</u>	<u>Cooper City HS</u>	<u>Total</u>
Owner Request	\$958,391	\$448,060	\$198,663	\$1,605,114
Error & Omission	\$196,584	\$132,906	\$98,567	\$428,057
Unforeseen Condition	\$112,287	\$378,776	\$78,879	\$569,942
Other	\$530,276	\$110,580	\$0	\$640,856
Contract Amendment	<u>\$0</u>	<u>\$631,112</u>	<u>\$916,441</u>	<u>\$1,547,553</u>
Total	\$1,797,538	\$1,701,434	\$1,292,550	\$4,791,522

Table C, below, is a combination of all School Board approved project costs from Table A & B, with the inclusion of additional documented design fees resulting from scope changes and additional contract administration. All additional design fees are associated with Authorizations to Proceed (ATP) from the Facilities & Construction Management Division. The additional design fees documented are separate from the original design fees approved in the Professional Services Agreement between Architecture Inc. and the School Board.

Table C - Project Costs including Additional Design Fees with Architecture Inc.:

<u>Facility</u>	<u>Basic Design Fees</u>	<u>Additional Design Fees</u>	<u>Construction Contract</u>	<u>C.O. & C.A.</u>	<u>Total</u>
Piper H.S.	\$208,331	\$21,502	\$1,830,000	\$1,797,538	\$3,857,371
South Plantation H.S.	\$105,685	\$95,709	\$2,303,000	\$1,701,434	\$4,205,828
Cooper City H.S.	\$53,360	\$39,910	\$1,397,000	\$1,292,550	<u>\$2,782,820</u>
Total	\$367,376	\$157,121	\$5,530,000	\$4,791,522	\$10,846,019

The increase for Basic Design Fees is noted in the above table (excluding \$24,000 re-roof design for Piper HS and \$10,000 on each project for Supplemental/Reimbursable). The original PSA between the School Board of Broward County and AI for South Plantation HS and Piper HS were amended on two occasions. On August 19, 2003 the PSA for the South Plantation RAF project was increased in the amount of \$35,000 for additional Basic Services. On July 25, 2006, additional Basic Service Fees were again increased in the amount of \$17,325 for the South Plantation RAF project, and \$116,331 for the Piper HS RAF project. The total basic service fees for the three RAF projects are \$367,376. Also, as is outlined above, the Piper H.S. RAF was intended to be the first project designed and constructed of the three RAF projects listed. However, in reviewing the dates of award of the construction contracts, it is clear that Cooper City H.S. commenced construction first of the three RAF projects. As a result of these projects being designed and constructed out of order, without being properly analyzed for quality and completeness of the original design, the projects have nearly doubled in overall costs.

RECOMMENDATION

We recommend that the Facilities & Construction Management Division discontinue recommending the reuse of design documents that have not been completed, reviewed, permitted, constructed and deemed structurally sound and free of defect, in order to better protect the District's assets.

ADMINISTRATIVE RESPONSE (Facilities & Construction Management)

For the three Regional Athletic Facility projects, it was the Board's recommendation to use one consultant for all three projects. However, Facilities & Construction Management (FCM) is in agreement that the prototype project should be permitted prior to construction of the re-use.

Additionally, FCM during, its reviews, is enforcing the need to incorporate all change orders and correction to the documents each time the design is revised. The District has several successful re-uses of a design that, with each re-use, continues to be upgraded for code and corrections. For example, our small prototype elementary school has been built 15 times.

FOLLOW-UP RESPONSE (Office of the Chief Auditor)

It is clear that construction permits are required prior to commencement of construction, however it was our intent to emphasize that construction documents should incorporate all change orders and be free of defect prior to reuse to avoid costly changes during the construction process.

2. **ENSURE THAT DESIGN SPECIFICATIONS ARE ESTABLISHED, DOCUMENTED, KNOWN AND AGREED UPON PRIOR TO COMMENCEMENT OF PROJECT DESIGN.**

OBSERVATION

During our review of the Regional Athletic Facility (RAF) projects, it was revealed that the proper design specifications were not clearly known, understood and agreed upon by all parties, leading to confusion and additional cost to the District. A RAF project is required to meet specifications to ensure standards are met for district or regional track and field events and those specifications were not clearly identified.

BACKGROUND

Subsequent to April 17, 2001, Facilities & Construction Management provided Architecture Inc. (AI) with Education Specifications, per Article 4.1.1 of their PSA:

- 4.1.1 Owner shall consult with Project Consultant and provide such information regarding requirements for the project, including a Project Scope, Budget and Schedule which shall set forth Owner's contemplated design objectives, constraints and criteria, including educational specifications, facilities lists, space requirements and relationships, flexibility and expandability, special equipment and site requirements as are reasonably necessary for Project Consultant to perform its services.

The GENERIC HIGH SCHOOL TRACK/ATHLETIC FIELD educational specifications, dated January 18, 2001, were provided to AI. The generic specifications laid the framework for the Design Review Committee (DRC) to follow while modifying the requirements of the proto-type RAF project to be designed by AI (Piper High School). On December 7, 2001, a DRC meeting convened to discuss the details. There were 22 attendees documented in AI's meeting minutes. Although three projects were being simultaneously discussed at the meeting, one project manager was documented in AI meeting minutes reminding the group that Piper High School would be the proto-type from which the other RAF projects would also be constructed. That same project manager documented, later in the process of constructing the projects, that as late as May 14, 2004, staff was still discussing and researching standards for safety lanes and fences. Additionally, documented on March 11, 2005, safety clearances were still being discussed in a memo stating "...they were not initially identified in the Design Criteria at the time of the design, nor were they FBC code requirements."

Table D - Design & Construction Milestones:

<u>Category</u>	<u>Piper HS</u>	<u>South Plantation HS</u>	<u>Cooper City HS</u>
<u>Award of PSA</u>	April 17, 2001	August 7, 2001	October 2, 2001
<u>A/E Notice to Proceed</u>	April 18, 2001	August 20, 2001	October 15, 2001
<u>Phase III CD Review</u>	March 11, 2004	July 21, 2003	December 12, 2002
<u>Award of Construction Contracts</u>	August 3, 2004	December 16, 2003	April 29, 2003
<u>Actual Completion Date</u>	February 17, 2006 (TCO)	October 17, 2006 (TCO)	April 10, 2007

As noted in the table above, by December 12, 2002, the construction drawings for Cooper City High School were in Phase III review nearly a year and a half ahead of Piper High School, which was the intended proto-type for the three Regional Athletic Facilities. This equates to a major deviation from the originally intended order in which the projects were to be designed and constructed.

Cooper City High School commenced construction and was the first of the three projects and incurred \$376,109 in change orders and another \$916,441 as a contract amendment. It was detected during construction of the Cooper City High School RAF project that the fence was designed directly next to Lane 8 on the track, even though it was stated in the Generic specs: "Do not place the eighth lane

immediately next to fence.” The Generic specs also included: *“If space and budget allow, a ninth lane for warm up should be provided.”* Additionally, the specifications, as recommended by the Florida High School Athletic Association (FHSA), of which Broward County is a member, includes a 24” safety clearance on the outside of Lane 8 on straight-aways and a 36” clearance on the curves. This safety lane is required between the outside of Lane 8 and any fencing. Both sets of applicable specifications clearly dictate that the outside of Lane 8 must not be placed next to the fence. The necessary clearance was not included and was identified as one of several design issues and scope related changes on the Cooper City High School project and was the catalyst for other changes in the RAF project scopes.

The original Schedule of Values for the Piper High School RAF project (See: **Exhibit A**) shows a bid breakdown of the construction contract amount of \$1,830,000. The bid was based on the Piper High School RAF construction documents that were approved as the last set of documents of the three RAF projects. However, instead of having a decrease in the number of change orders associated with being the final set of approved construction drawings, the project accounted for \$1,797,538 in project change orders (See: **Exhibit B**), which is the highest total change order amount of the three RAF projects.

Increased scope change orders and contract amendments processed and approved to fund the many changes that occurred in all of three Regional Athletic Facility projects were large when compared to the original project budgets. For example, when **Owner Requested change orders, “Other” change orders and Contract Amendments** were combined, the escalation in construction costs is clear:

Table E - Change Order and Contract Amendment Analysis:

<u>Category</u>	Piper HS	South Plantation HS	Cooper City HS	Total
Owner Request	\$958,391	\$448,060	\$198,663	\$1,605,114
Other	\$530,276	\$110,580	\$0	\$640,856
Contract Amendment	\$0	\$631,112	\$916,441	\$1,547,553
Sub-Total	\$1,488,667	\$1,189,752	\$1,115,104	\$3,793,523
Error & Omission	\$196,584	\$132,906	\$98,567	\$428,057
Unforeseen Condition	\$112,287	\$378,776	\$78,879	\$569,942
Sub-Total	\$308,871	\$511,682	\$177,446	\$997,999
Grand Total	\$1,797,538	\$1,701,434	\$1,292,550	\$4,791,522

The above table highlights those changes requested by the Owner, versus those changes due to Errors & Omissions and Unforeseen Conditions, as presented to and approved by the School Board.

RECOMMENDATION

We recommend that the Facilities & Construction Management staff ensure that the applicable and/or required specifications be established, documented, known, agreed upon and provided to all design professionals prior to input from the Design Review Committee. This will aid in avoiding deviations from required standards, in order to better safeguard the Districts assets.

ADMINISTRATIVE RESPONSE (Facilities & Construction Management)

Agreed. Prior to advertisement, scopes of projects are carefully defined so as to avoid delays in commencing projects. Specifications and Design Criteria are provided to consultant’s prior to the start of the design phase of a project. The FCM staff will ensure that the Design Criteria and Design and Material Standards are adhered to by carefully reviewing the design from schematic through permit. For the last four (4) years, we have not issued a Notice to Proceed without a permit attached.

3. **PURSUE THE APPROPRIATE REIMBURSEMENT FROM ARCHITECTURE INC., FOR IDENTIFIED ERRORS AND OMISSIONS IN THE AMOUNT OF \$428,057 FOR CHANGE ORDERS ON THE REGIONAL ATHLETIC FACILITY PROJECTS.**

OBSERVATION

Upon reviewing of the change orders processed and approved by the School Board, in association with the Regional Athletic Facility (RAF) projects, \$428,057 in Consultant Errors and Omissions were documented.

BACKGROUND

On December 9, 2003, Change Order #1 was approved by the School Board, in the amount of \$99,413 for Cooper City High School, making it the first change order approved of the three RAF Projects. Subsequently, change orders and contract amendments have reached a total of \$4,791,522. Of that total amount, 9% of those change orders, or \$428,057, is categorized as Consultant Errors.

Table F - Change Order Costs by Category and Contract Amendments:

<u>Category</u>	<u>Piper HS</u>	<u>South Plantation HS</u>	<u>Cooper City HS</u>	<u>Total</u>
Owner Request	\$958,391	\$448,060	\$198,663	\$1,605,114
Error & Omission	\$196,584	\$132,906	\$98,567	\$428,057
Unforeseen Condition	\$112,287	\$378,776	\$78,879	\$569,942
Other	\$530,276	\$110,580	\$0	\$640,856
Contract Amendment	<u>\$0</u>	<u>\$631,112</u>	<u>\$916,441</u>	<u>\$1,547,553</u>
Total	\$1,797,538	\$1,701,434	\$1,292,550	\$4,791,522

The table above makes note of change orders identified and categorized as Errors & Omissions which occurred during construction of the Regional Athletic Facility projects. Project documentation shows those change orders in the amount of \$196,584 for the Piper High School RAF project; an amount of \$132,906 for the South Plantation High School RAF project; and finally, change orders in the amount of \$98,567 for the Cooper City High School RAF project were all approved by the School Board, constituting 9% of the total change order costs incurred by the District. Throughout the construction phase of all three RAF projects there were a total of 35 change orders and 2 contract amendments totaling \$4,791,522. A review of the Cooper City High School contract amendment indicates the cause of the \$916,441 contract amendment as follows:

"The Building Department and Safety Department cited fence safety clearance issues at the perimeter of the new eight (8) lane track after construction was completed. In order to obtain occupancy, the above referenced change was deemed required by the Building Department and Safety."

The Cooper City High School RAF drawings depict the fence directly adjacent to Lane 8 of the track. This illustrates a design defect that was not coded as an Error and Omission.

RECOMMENDATION

We recommend that Facilities & Construction Management Division (F&CM) pursue the appropriate reimbursement from Architecture Inc., for documented change orders in the amount of \$428,057 for identified Errors and Omissions for the three Regional Athletic Facilities. Additionally, we recommend that F&CM review the total population of 35 change orders and 2 contract amendments to determine whether the District is entitled additional reimbursement for Consultant Errors and Omissions, to ensure compliance with the terms of the contract.

ADMINISTRATIVE RESPONSE (Facilities & Construction Management)

Agreed. FCM is currently seeking re-imbursement from Architecture, Inc., for an amount exceeding \$2,000,000. The actions necessary to recover this amount are being executed by the Legal Department.

FOLLOW-UP RESPONSE (Office of the Chief Auditor)

The intent of our recommendation is to ensure that the remaining change orders be reviewed and analyzed to accurately identify and properly categorize all Errors and Omissions.

4. **DISCONTINUE THE PRACTICE OF ADDING SCOPE TO AWARDED PROJECTS IN ORDER TO AVOID COSTLY CHANGE ORDERS AND CONTRACT AMENDMENTS ASSOCIATED WITH UNBID SCOPES OF WORK.**

OBSERVATION

During our review of the Regional Athletic Facility (RAF) projects it was documented that scope was being added or revised to the projects and processed and funded through change orders and contract amendments. Much of the added scope was not necessary to achieve the original goals intended for the project, but instead funded unrelated scopes of work without being publicly announced and competitively bid, per Florida Statutes § 287.055(3)(a)1. As a result the District has paid a premium for change order and contract amendment costs to complete un-bid scopes of work.

BACKGROUND

Florida Statutes §287.055 Acquisition of professional architectural, engineering, landscape architectural, or surveying and mapping services; definitions; procedures; contingent fees prohibited; penalties.

(3) PUBLIC ANNOUNCEMENT AND QUALIFICATION PROCEDURES.--

(a)1. Each agency shall publicly announce, in a uniform and consistent manner, each occasion when professional services must be purchased for a project the basic construction cost of which is estimated by the agency to exceed the threshold amount provided in s. 287.017 for CATEGORY FIVE or for a planning or study activity when the fee for professional services exceeds the threshold amount provided in s. 287.017 for CATEGORY TWO, except in cases of valid public emergencies certified by the agency head. The public notice must include a general description of the project and must indicate how interested consultants may apply for consideration.

Piper High School RAF Example:

On August 3, 2004, a construction contract was awarded to MBR Construction Inc. for Piper High School RAF Project #1901-99-51 in the amount of \$1,830,000. Although the Piper High School RAF project was to be the prototype for the trio of RAF projects, including Cooper City High School RAF Project #1931-21-01 and South Plantation High School RAF Project #2351-21-01, it was the last of the three projects that was designed, approved and permitted. Additional scope items are identified as Change Orders for each of the three projects.

Construction documents indicate that the "Project Limits for the Regional Athletic Facility" does not include the baseball field. However, per the Change Order Schedule for the Piper High School RAF project (See: Exhibit B), the District incurred a cost on Change Order #4 of \$181,049 to "Resurface Baseball Field" and a cost on Change Order #7 of \$215,723 for "Baseball Sports Lights" and \$181,855 for a "Storage Building." The total cost of added scope for these documented items related to the baseball field is \$578,627 processed and funded through Change Orders without public announcement per F.S. §287.055(3)(a)1.

Cooper City High School RAF Example:

On February 15, 2005, a contract amendment was approved by the School Board in the amount of \$916,441 to pay MBR Construction Inc. for the cost of new bleachers and associated work for the Cooper City High School RAF Project. Although MBR Construction Inc. submitted back up cost documentation to reconstruct the perimeter safety lane, the adjacent fence and new bleachers as a result of issues cited by the Building Department and the Safety Department, the contract amendment did not document the root cause of the requested change. Upon reviewing the contract documents, the fence was designed immediately adjacent to the outside of Lane 8, in direct conflict with SBBC Education Specifications titled: GENERIC HIGH SCHOOL TRACK/ATHLETIC FIELD.

A review of the School Board approved contract amendment back up documentation shows that MBR Construction Inc. received a proposal, as “preliminary pricing” from Contract Connection Inc. on September 9, 2004 in the amount of \$455,125 including installation of the home and visitor side grandstands (See: Exhibit C). After removing the cost associated with installing the foundations, Contract Connection Inc. subcontract had a value of \$400,885, totaling \$433,438.10 with tax and bond (See: Exhibit D). Next Comet Fence Corporation proposed an amount of \$23,998 to remove old fencing and install new fencing for the RAF (See: Exhibit E).

Documentation is provided outlining the Labor and Materials for the scope completed by MBR Construction Inc. (See: Exhibit F) on the Cooper City High School RAF contract amendment. The proposal prepared by MBR Construction Inc. includes a breakdown of their charges to the District regarding the additional costs associated with that contract amendment (See: Exhibit D). The proposal was reviewed and approved at \$766,441. However, there was an additional amount \$150,000 added which was not accompanied by a documented cost rationale (See: Exhibit G).

The cost documented in the MBR Construction Inc. proposal includes a line item for “Remove exist fence” of 1,600 linear feet at \$2,400. However, the proposal provided by Comet Fence Corporation (See: Exhibit E) also includes the removal of 1,573 linear feet of existing fence gates and terminal posts. Considering the fact that the Comet Fence Corporation proposal is “based on field measurements,” and documented at a total height of 4’ 0”, this indicates that the District was charged twice for the removal of the existing fence, surrounding the track, in the scope of work bid by Comet Fence Corporation, and included in the contract amendment. The table below is a breakdown of the costs of Labor and Materials, as incurred by the District. Note that the original cost of Labor and Materials, from the subcontractors is less than half the cost of the total contract amendment.

Table G - Contract Amendment – Cost Breakdown:

Expense	Scope Description	Cost
Contract Connection Inc.	Furnish/Install Bleachers	\$433,438.10
Comet Fence Corporation	Furnish/Install Track Fence	\$23,998.00
MBR Construction Inc.	General Contractor	\$309,004.90
Contingency Allowance	* See: Note	<u>\$150,000.00</u>
Total		\$916,441.00

* **Note:** Per Exhibit G, \$150,000 was added to the contract amendment, but was not documented regarding the use of the Contingency Allowance. The District may be eligible for reimbursement.

RECOMMENDATION

We recommend that the Facilities & Construction Management Division discontinue the practice of adding scope to awarded projects that can lead to costly change orders and contract amendments associated with un-bid scopes of work, and to comply with F.S. §287.055 public announcement requirements. Additionally, we recommend that F&CM Division seek reimbursement of \$2,400 from MBR Construction Inc. for the duplicate payment of track perimeter fence removal documented in the contract amendment back up documentation.

ADMINISTRATIVE RESPONSE (Facilities & Construction Management)

Agreed. As a practice, FCM has implemented procedures to curtail scope changes after the award of a contract to a consultant or contractor. By detailed definition of scope prior to advertisement, the need for scope changes is greatly reduced. Additionally, the Deputy Superintendent has issued a memorandum to all Project Managers (PM) that scope changes

shall be reviewed and approved at his discretion. In addition, avoiding scope changes is discussed on a frequent basis at PM Staff Meetings.

Scope changes that do occur during the construction phase of a project are generally done so as to provide efficiency and economy on a project.

FOLLOW-UP RESPONSE (Office of the Chief Auditor)

The intent of our recommendation is to ensure that scopes of work are advertised per statutes for design and bid. Additionally, we maintain that the amount of \$2,400 should be pursued for duplicate payment of the removal of the track fence.

5. **STRENGTHEN FILING, MONITORING AND TRACKING OF AUTHORIZATION TO PROCEED DOCUMENTS AND ENSURE THAT CONTRACT PROVISIONS ARE COMPLIED WITH REGARDING THE PROMPT PAYMENT FOR SERVICES RENDERED BY CONSULTANTS.**

OBSERVATION

During our review of the Regional Athletic Facility (RAF) Projects, it was documented that invoices submitted by the consultant were not being paid in a prompt manner, in accordance with contract provisions and the Florida Prompt Payment Act. It has also been documented that a portion of the consultant's invoiced amounts are being disputed, while other invoiced amounts, not being disputed, have not been paid in the time period specified in the Professional Services Agreement. Also, the review of the RAF project records revealed that files at the Facilities Document Records & Retention and Capital Payments do not individually or collectively contain all Authorization to Proceed (ATP) documentation for an accurate ATP review.

BACKGROUND

Upon collecting all of the available ATP files at Facilities & Construction Management Division and from Capital Payments, regarding the RAF Projects, the total documented amount of \$378,599 was invoiced by, and or paid to Architecture Inc. (AI). However, the total value of the three purchase orders documented for Architecture Inc. for the three RAF projects is \$421,376.

Table H - Regional Athletic Facility Design Services Purchase Orders:

P.O. #	Project	P.O. Amount	Amount Paid	Available Amount	Due per Architecture Inc.
2200021838	Cooper City H.S.	\$63,360	\$63,360	\$0	\$41,132
2100054045	Piper H.S.	\$242,331	\$216,760	\$25,571	\$40,836
2200016701	S. Plantation H.S.	\$115,685	\$112,968	\$2,717	\$152,305
Total		\$421,376	\$393,088	\$28,288	\$234,273

The table above represents an analysis of the data we obtained in MSAS, the District financial records system. The financial records system indicates that the amount of \$393,088 in vendor invoices has been input into the MSAS financial records system to date for AI for the RAF projects. We also determined that three RAF project invoices were received on P.O. #2200048549, an Open End services contract with AI, not associated with approved contract amounts for design related activities for the three RAF projects. The invoices were for the South Plantation High School RAF and were submitted between May 2004 and February 2005 and have not been paid to date.

Also included in the above table is a net amount of \$234,273.66 as a claim for services rendered on the RAF Projects per a summary document dated August 30, 2006, and revised March 20, 2007, from AI. Amounts due were identified in seven different categories, such as Category II, which describes amounts remaining from the original contracts. An amount documented is \$14,766.66 due for Basic Services from their original Professional Services Agreements, partially for Cooper City High School and the other portion for Piper High School.

The lack of comprehensive information available during our review of the ATP reports has identified a need for strengthening the monitoring and tracking process for ATP reports, as we cannot thoroughly review all of the ATP documents, nor reconcile the claim from the consultant to SBBC project records. However, based on the available file documents and the documentation provided by Architecture Inc.

it is clear that all payments have not been made within the 30 day period defined in Article 6.1.9 of the Professional Services Agreement, or the Prompt Payment Act which also points to Article 6.1.9.

Articles from the Professional Services Agreement:

2.9 Supplemental Services

2.9.1 The services listed below are normally considered to be beyond the scope of Basic Services as defined in this Agreement, and if authorized in advance by an appropriate written authorization, will be compensated for as provided under Articles 5.7 and 6.2:

- .9 Providing any additional or special professional services as may be required for the project.**
- .16 Preparing change orders and related documents provided the changes are significant changes (whether increases or decreases) in the scope of the project and are requested by the Owner and not for any changes due to any other reasons such as error or omission of the Project Consultant.**
- .17 Providing revisions in drawings, specifications or other documents required by the enactment or revision of codes, laws or regulations subsequent to the preparation of such documents.**

6.1.6 All Submitted invoices shall have copies of referenced ATP's attached.

6.1.9 Payments are due and payable thirty (30) days from receipt of the Project Consultant's invoice provided it is in accord with the requirements of this Agreement.

F.S. §218.70 Short title.--This part may be cited as the "Florida Prompt Payment Act."

F.S. §218.72 Definitions.--As used in this part:

- (1) "Proper invoice" means an invoice which conforms with all statutory requirements and with all requirements that have been specified by the local governmental entity to which the invoice is submitted.
- (2) "Local governmental entity" means a county or municipal government, school board, school district, authority, special taxing district, other political subdivision, or any office, board, bureau, commission, department, branch, division, or institution thereof.

F.S. §218.73 Timely payment for nonconstruction services.--The time at which payment is due for a purchase other than construction services by a local governmental entity must be calculated from:

- (1) The date on which a proper invoice is received by the chief disbursement officer of the local governmental entity after approval by the governing body, if required; or
- (2) If a proper invoice is not received by the local governmental entity, the date:
 - (a) On which delivery of personal property is accepted by the local governmental entity;
 - (b) On which services are completed;
 - (c) On which the rental period begins; or
 - (d) On which the local governmental entity and vendor agree in a contract that provides dates relative to payment periods; whichever date is latest.

RECOMMENDATION

We recommend that Facilities & Construction Management Division strengthen the filing, monitoring and tracking of Authorization to Proceed documentation and reports for accurate and timely access to all related files. Also, we recommend that invoices associated with those ATP documents be reviewed and paid in a timely manner per the contract provisions, in order to limit the District's risk to costly litigation.

ADMINISTRATIVE RESPONSE (Facilities & Construction Management)

Agreed. FCM currently tracks Authorization to Proceed documentation in a database. The deficiency in filing on the Regional Athletic Facility projects was a direct result of personnel changes within the Project Management Department. FCM is working towards improving

the handoff process between PMs, thus strengthening record keeping. Additionally, FCM staff meets with the Capital Payments Department on a quarterly basis to review status of consultants' invoices as well as methods to improve processing.

ADMINISTRATIVE RESPONSE (Capital Payments)

We agree with the recommendation to strengthen the filing monitoring and tracking of Authorization to Proceed and invoice documents to ensure that contractual and prompt payment requirements are complied with. To accomplish this objective the Capital Budget Department will perform the following steps:

- 1. The Capital Payments Review Supervisor will immediately instruct payment staff to require ATP documents prior to payment of consultant invoices.*
- 2. The Capital Payment Review Supervisor will immediately review filing procedures with entire Capital Payments Group to reinforce appropriate filing practices.*
- 3. The Capital Payment Group will improve procedures to monitor the processing times for invoices to comply with the Florida Prompt Payment Act.*

6. **IDENTIFY ALL CHANGE ORDER PERCENTAGES TO THE SCHOOL BOARD IN THE AGENDA ITEM SUMMARY SECTION TO NOTIFY BOARD MEMBERS WHEN CHANGE ORDERS HAVE EXCEEDED RULE 1, AS DEFINED IN SCHOOL BOARD POLICY 7006.**

OBSERVATION

A review of the change order data associated with the three Regional Athletic Facility (RAF) projects has revealed cumulative change order amounts that range from 72% to 93% of the originally approved design and construction agreements, as approved by the School Board. These change orders and contract amendments have resulted in additional costs to construct the RAF projects of approximately \$4,791,522. The total amount of the originally approved design and construction contracts for the three RAF projects is \$5,728,720. The amount of additional costs across these three projects is approximately 84% above the original awarded contract amount as a result of change orders and contract amendments.

BACKGROUND

Currently, the School Board e-Agenda displays Change Order information under “J. Facilities and Construction Management” items. These items include sub-headings: Requested Action; Summary; School Board Goals; Financial Impact; Source of Additional Information and Associated File Attachments (Supporting Documents). In order to review the current percentage of change order costs versus the original contract amount, the School Board Members must go through several steps to ‘drill down’ into the supporting documents. Upon drilling down further into the supporting documents, a “Change Order Summary” form can be viewed. The second page of the form indicates the percentage and other important back up information on the cumulative history of the change orders on specifically listed projects. However, the change order information is not currently available on the “Summary” section of the e-Agenda item that currently identifies the requests for specific change order approvals.

Table I - Change Order Costs by Category and Contract Amendments:

	Piper HS	South Plantation HS	Cooper City HS	Total
Owner Request	\$958,391.00	\$448,060.00	\$198,663.00	\$1,605,114
Error & Omission	\$196,584.00	\$132,906.00	\$98,567.00	\$428,057
Unforeseen Condition	\$112,287.00	\$378,776.00	\$78,879.00	\$569,942
Other	\$530,276.00	\$110,580.00	\$0.00	\$640,856
Contract Amendment	<u>\$0.00</u>	<u>\$631,112.00</u>	<u>\$916,441</u>	<u>\$1,547,553</u>
Total	\$1,797,538.00	\$1,701,434.00	\$1,292,550.00	\$4,791,522

Piper High School’s original School Board approved project cost was to be \$1,922,000. The table above shows that Piper High School has a total change order and contract amendment amount of \$1,797,538 or a 93% increase in project costs.

South Plantation High School’s original School Board approved project cost was to be \$2,356,360. The table above shows that South Plantation High School has a total change order and contract amendment amount of \$1,701,434 or a 72% increase in project costs.

Cooper City High School’s original School Board approved project cost was to be \$1,450,360. The table above shows that Cooper City High School has a total change order and contract amendment amount of \$1,292,550 or an 89% increase in project costs.

APPROVAL OF FACILITIES' CONSTRUCTION CONTRACT CHANGE ORDERS

THE SCHOOL BOARD HEREBY AUTHORIZES THE SUPERINTENDENT OR HIS/HER DESIGNEE(S), TO APPROVE CHANGE ORDERS IN THE NAME OF THE BOARD, PURSUANT TO THE RULES LISTED BELOW.

AUTHORITY: F.S. 1001.41(1)(2)

F.S. 1013.48

POLICY ADOPTED: 9/3/87

RULES

1. The Superintendent or Associate Superintendent of Facilities is authorized to approve change orders up to the cumulative total of 1% of the original construction contract amount for projects over \$3 million and 3 percent of the original construction contract for projects under \$3 million.
2. When the cumulative total of all change orders on a project has exceeded the ceiling established in rule 1, all subsequent change orders will require prior Board approval, except in emergency cases as declared by the Superintendent, or where the change order in question would be in the form of a credit, thereby reducing the Adjusted Contract amount.
3. Approval of change orders under this policy shall be for the purpose of expediting the work in progress and shall be confirmed by Board action at the next regular meeting.

RECOMMENDATION

We recommend that all change orders, in excess of rule 1, in SBBC Policy 7006; requesting School Board approval, include the current total change order percentage amount in the e-Agenda "Summary" section. This will ensure that all change order totals are easily accessible to the Board Members, in order to strengthen adherence to School Board Policy 7006.

ADMINISTRATIVE RESPONSE (Facilities and Construction Management Division)

Agreed. The information on change order percentages is provided in the Agenda Item in the Exhibit entitled Change Orders and has been for seven (7) years. Availability of space on the Agenda Request Form limits amount of information being placed in the Summary Explanation and Background section. However, staff will create a new exhibit and place in front of all change orders, when total change order percentages are in excess of rule 1, in SBBC Policy 7006.

SECTION II

EXHIBITS

Piper High School Schedule of Values

A	B	C	A	B	C
Item No	Description of work	Scheduled Value	Item No	Description of work	Scheduled Value
1	Mobilization	\$18,000.00	38	Louvers and Vents	7,200.00
2	General Conditions	\$72,000.00	39	Identifying Devices	1,000.00
3	Bond	\$22,000.00	40	Fire Protection Specialties	320.00
4	Layout	\$5,000.00	41	Metal Storage Shelving	2,000.00
5	Demolition	\$50,000.00	42	Exterior Shutters	1,000.00
6	Site Clearing	\$10,000.00	43	Bleachers	138,000.00
7	Earthwork	\$18,000.00	44	Press Box	35,000.00
8	Water Distribution	\$5,700.00	45	Press Box Structural Steel	28,000.00
9	Sanitary Sewage	\$15,000.00	46	Wheelchair Lifts	30,000.00
10	Lift Station	\$50,000.00	47	Potable Water System	20,000.00
11	Storm Drain	\$119,000.00	48	Soil and Waste System	25,000.00
12	Asphalt Paving	\$103,000.00	49	Plumbing Specialties	9,600.00
13	Track Curbs	\$23,400.00	50	Plumbing Fixtures	72,000.00
14	Irrigation	\$24,240.00	51	Plumbing Equipment	1,500.00
15	Chain Link Fence	\$43,000.00	52	Fans	8,000.00
16	Ornamental Fence	\$18,000.00	53	Basic Electrical Materials	19,000.00
17	Landscaping	\$13,000.00	54	Building Wire and Cable	26,000.00
18	Athletic Field	\$40,000.00	55	Raceways and Boxes	32,000.00
19	Field Maintenance	\$3,000.00	56	Conduit, Fittings and Support	8,400.00
20	Sidewalks	\$9,000.00	57	Auxiliary Terminal Panels	2,400.00
21	Concrete Forms and Accessories	\$30,000.00	58	Pull and Junction Boxes	4,800.00
22	Concrete Reinforcement	\$31,000.00	59	Outlet Boxes	2,400.00
23	Cast-In-Place Concrete	\$50,000.00	60	Wiring Devices	2,000.00
24	Pre-Cast Concrete	\$66,000.00	61	Circuit Breakers	1,000.00
25	Lightweight Deck	\$10,000.00	62	Safety Switches	1,500.00
26	Masonry	\$40,000.00	63	Transient Voltage Surge Suppressors	2,300.00
27	Architectural Woodwork	\$5,800.00	64	Switchboards, Panelboards and Control	3,600.00
28	Membrane Roofing	\$30,000.00	65	Interior Luminaries	14,000.00
29	Flashing and Sheet Metal	\$3,000.00	66	Emergency Lighting System	4,800.00
30	Metal Doors and Frames	\$24,000.00	67	Expansion of Existing Fire Alarm	10,000.00
31	Overhead Coiling Doors	\$7,000.00	68	Site Lights	255,000.00
32	Windows	\$3,000.00	69	Railings	8,000.00
33	Hardware	\$8,000.00	70	Sports Equipment	5,000.00
34	Plaster and Gypsum Board	\$15,000.00			
35	Tile	\$27,540.00			
36	Paints and Coatings	\$13,500.00			
37	Plastic Toilet Partitions	\$24,000.00			
				Total	1,830,000.00

Piper High School Change Order Schedule

A	B	C	D
Item No	Description of work	Scheduled Value	Change Order Category per F&CM
C.O. #1			
71	Item 1- Gates	\$1,647.00	E&O
72	Item 2- Security Light Reroute	\$12,676.00	Unforeseen
C.O. #2			
73	Item 1- Bleachers	\$530,276.00	Other
C.O.#3			
74	Item 1- Storage Containers	\$33,410.00	Owner Request
75	Item 2 - Demo Lockers	\$6,936.00	Owner Request
C.O.#4			
76	Item 6 - Resurface Baseball Field	\$181,049.00	Owner Request
C.O. #5			
77	Item 7- Gutters & Downspouts	\$33,105.00	Owner Request
78	Item 8- Safety Lane & Synthetic Surface	\$208,670.00	Owner Request
C.O. #7			
79	Item 9- Storage Building	\$181,855.00	Owner Request
80	Item 10- Baseball Sports Lights	\$215,723.00	Owner Request
81	Item 12- Transformer	\$12,808.00	E&O
82	Item 13- Add'tl Fire Alarm devices	\$13,265.00	Owner Request
83	Item 14- Power Dist. Panel	\$2,443.00	Unforeseen
84	Item 15- HVAC for Press Box	\$1,459.00	Owner Request
85	Item 17- Press Box Add Door	\$21,821.00	Unforeseen
86	Item 18- Add'tl Irrigation Football	\$19,767.00	Owner Request
C.O.#6			
87	Item 11- Scoreboard	\$23,047.00	Owner Request
C.O. #8			
88	Item 16- Door Painting	\$2,604.00	Unforeseen
89	Item 20- Football Maint thru 11/30/05	\$5,495.00	Unforeseen
C.O.#9			
90	Item 21- Football Maint thru 12/31/05	\$3,663.00	Owner Request
91	Item 22- Gates and Fence	\$4,211.00	Unforeseen
C.O #10			
92	Item 23- Lighting Protection	\$10,382.00	Unforeseen
93	Item 24- BV Fence at FPL bleachers	\$15,513.00	Unforeseen
C.O #11			
94	Item 28- Sod between fields	\$4,473.00	Owner Request
C.O #12			
95	Item 25- Repair fence - Wilma	\$24,907.00	Unforeseen
96	Item 27- Water meter, BFP fence	\$17,729.00	Unforeseen
C.O #13			
97	Item 29- Wilma Drainage	\$11,168.00	Unforeseen
98	Item 30- Restore Fields	\$26,475.00	Owner Request
99	Item 31- General Conditions	\$182,129.00	E&O

Sub-Total	\$1,808,706.00
Wilma Drainage	- \$11,168.00
Total	\$1,797,538.00

FROM : MBR CONSTRUCTION INC

FAX NO. : 9544869579

Sep. 17 2004 09:43AM P6/B

Sent By: CONTRACT CONNECTION;

9549250800;

Sep-9-04 1:53PM;

Page 1/2

CEL (954) 931-8893

Contract Connection Inc.

PO Box 848254

Pembroke Pines, Florida 33084-0254

Voice: 954-925-2800 Fax: 954-925-0800



504 South 2nd Street

Jacksonville Beach, Florida 32250

Voice: 904-249-5853 Fax: 904-249-8177

Quote No 200004770
 Version No 1
 Quote Date 09/08/2004
 Today's Date 09/09/2004
 Salesperson Connie Brown
 Entered By Frederika
 Ship Via Best Way
 Factory Gt Grandstands

QUOTE TO:

MBR Construction, Inc.
 5067 N.W. 37th Ave.
 Fort Lauderdale, FL 33308
 Attn: Ron Boss
 Phone: 954-486-5404
 Fax: 954-486-9578

JOB NAME:

Cooper City High School "Preliminary Pricing"
 MBR Construction, Inc.
 Cooper City, FL 33029
 Attn: Freddie
 Phone:

Vendor Catalog	Description	Quantity	Unit Price	Amount
GT-Bleacher	20 Row x 246'-6" Grandstand w/ concrete foundations installed (Home Side)	1	\$294,350.00	\$294,350.00
GT-Bleacher1	10 Row x 228'-6" Grandstand w/ spread footer foundations installed (Visitor's Side)	1	\$160,775.00	\$160,775.00

*Please Note: This is not based on the existing site conditions.
 Actual measurements are required to provide accurate pricing.*

Preliminary Schedule: Submittal drawings - 3 weeks from notice to proceed, Material delivery - 8-10 weeks from approval of submittals, Installation - 6 weeks from delivery of materials. Prices do not include site preparation, excavation, concrete slab, removal/disposal of existing equipment, demolition work, electrical work or utilities, locate/repair of underground utilities, repair/replace of landscaping, geotechnical testing, performance bond, building permit fees (cannot be determined at this time), or storage of materials. Prices do not include any additional materials or services other than quoted above. Prices valid 30 days from 9/9/04.

** Sales Tax is not Included. **

Office: 3M Tax Exempt: Yes Credit Report Required: Yes
 Payment Terms: 50% Deposit, Balance Upon Completion

Material Subtotal: \$455,125.00
 Not Included Tax: \$0.00
 Installation Charge: \$0.00
 Freight: \$0.00
 Other: \$0.00

Total = \$455,125.00

**Please Remit All Payments to
 Pembroke Pines Office**

Deposit Required = \$227,562.50

2% BONT

On the first day of each month, invoices over 31 days old are subject to a service charge of 1 1/2% per month. Signing and accepting the Quotation above also acknowledges acceptance of this interest.

Approval and acceptance of this proposal may be executed by signing below and faxing back to the office checked above.

Company: _____ Date: _____ (Issuing Officer)

Authorized Purchaser: _____ Title: _____

Page 1 of 1

Offices in: Jacksonville Beach, FL, Fort Lauderdale, Tampa, Orlando, Pensacola, Naples, Atlanta, Melbourne and West Palm Beach



Contract Connection inc.

FACTORY REPRESENTATIVE & DISTRIBUTORS

Cooper City High School MBR Construction Quote # 200004770 September 8, 2004

Home Side Grandstand:

Furnish and install, including concrete foundations, a 20 row x 248'-6" grandstand having the following features:

- 2526 net seats including 28 wheel chair spaces
- Beam and column understructure of galvanized steel
- 8" rise / 24" tread
- Single 2 x 10 anodized aluminum seat plank
- Semi-Closed deck aluminum planking system (rejects 4" sphere)
- (7) 4'-6" wide aisles with handrails
- 6'-2" wide front cross walk, elevated 2'-6" above grade
- Six exit stairs and two ADA ramps
- Chain link guardrail system at sides and rear
- Two-line rail at front, stairs, and ramps
- Grandstand installed on spread footer foundations (based on 2500 pcf soils)
- Engineered sealed drawings included

Material	\$208,875.00	
Foundations	\$-85,599.00	BY C.C.
Installation	\$-49,885.00	
Total	<u>\$294,350.00</u>	

Visitor Side Grandstand:

Furnish and install, including spread footer foundations, a 10 row x 228'-6" bleacher having the following features:

- 1381 net seats including 16 wheel chair spaces
- Beam and column understructure of galvanized steel
- 8" rise / 24" tread
- Single 2x10 anodized aluminum seat plank
- Semi-closed deck aluminum planking system (rejects 4" sphere)
- (7) 4'-6" wide with handrails
- 4'-6" wide front cross walk, elevated 2'-6" above grade
- Four exit stairs two ADA ramps
- Chain link guardrail system at all sides and rear
- Two-line rail at front, stairs, and ramp
- Unit to be installed on spread footer foundations (based on 2500 pcf soils)
- Engineered sealed drawings included

Material	\$116,885.00	
Foundations	\$-18,850.00	BY G.C.
Installation	\$-28,240.00	
Total	<u>\$160,775.00</u>	

NOT included in the above quotation are:

1. Any permit fees, soil testing, or performance bond
2. Any electrical work
3. Any demolition work
4. Any site work or utilities
5. Sales Tax

Preliminary Schedule:

Submittal Drawings:	3 weeks after notice to proceed
Material Delivery:	8-10 weeks after approval of submittal drawings
Installation:	8 weeks after material delivery

Sheet

PROJECT: Coover City H. S. Bleachers

BID DATE:

GENERAL CONDITIONS

Quantity	Length	Width	Depth	Unit	Mat. Unit	Mat. Total	Labor Unit	Labor Total	LAM Unit	LAM Total
Superintendent				20	8	100	800.00	0	100	\$ 800.00
Engineering				32	5	125	625.00	25	25	\$ 800.00
Layout				5	3	350	1050.00	0	125	\$ 625.00
Job Toilet				5	5	150	750.00	0	350	\$ 1,050.00
Dumpsters				5	5	100	500.00	0	150	\$ 750.00
Telephone				5	5	100	500.00	0	100	\$ 500.00
Temporary Electric				1	1	750	750.00	0	0	\$ -
Temporary Water				1	1	750	750.00	0	750	\$ 750.00
Clear-Up				5	5	150	750.00	0	0	\$ -
Building Permit				5	5	250	1250.00	0	150	\$ 750.00
Aerials				5	5	250	1250.00	0	0	\$ -
C.P.M. schedules				2000	2	4000.00	0	0	250	\$ 1,250.00
Project office				1	1	250	250.00	0	2	\$ 4,000.00
Temporary fencing				1	1	250	250.00	0	250	\$ 250.00
As-built drawings				1	1	1000	1000.00	0	0	\$ -
Threshold Inspector				1	1	1000	1000.00	0	1000	\$ 1,000.00
Testing							0.00	0	0	\$ -
										\$ 36,525.00

Unit	LAM Unit	LAM Total
Demolition		
Sawcut existing track	1500 lf	\$ 1,500.00
Remove exist fence	1800 lf	\$ 2,400.00
Remove exist curb	1500 lf	\$ -
Backhoe	80 hr	\$ 5,200.00
Loader	40 hr	\$ 3,000.00
Dump loads	20 ea	\$ 8,000.00
Remove exist Asphalt	6000 sf	\$ -
Loader	40 hr	\$ 3,000.00
Dump loads	10 ea	\$ 3,000.00
Remove Bleachers		
Remove alum. Flanking 4 men	320 hr	\$ 8,000.00
Remove exist steel 4 men	320 hr	\$ 8,000.00
Dumpsters	25 ea	\$ 8,750.00
Loader	40 hr	\$ 3,000.00
Torches/Welding equip.	1 ea	\$ 1,000.00
Remove Footings		
Loader	40 hr	\$ 3,000.00
Dump Loads	10 ea	\$ 3,000.00

FROM : MBR CONSTRUCTION INC

FAX NO. : 9544869579

Sep. 17 2004 09:44AM P8/B

FROM : COMET FENCE

FAX NO. : 954 975 6483

Sep. 16 2004 03:44PM P1

1341 NW 13th Ave.
Pompano Beach, FL 33069**COMET
FENCE**(954) 975-8401
1 (800) 328-8401
Fax (954) 975-8403

SUBMITTED BY: SCD

Date: 9/16/04

NAME: M B R CONSTRUCTION CO., INC.		JOB NAME: SME/ COOPER CITY HIGH	
ADDRESS: 5057 N.W. 37 AVE.		ADDRESS: 9401 STIRLING ROAD	
CITY: FT. LAUDERDALE, FL. 33309		CITY: COOPER CITY, FL.	
PHONE: 954-486-8404		PHONE: FAX 954-486-9579	
CONTACT: RON BOSS		CONTACT: 	
MATERIAL LIST		SPECIFICATIONS	
STADIUM TRACK FENCE		Style Fence <u>OTB</u> Gate Hgt <u>4'0"</u>	
50 - LIN. FT. OF COMPLETE FENCE		Fabric Hgt. <u>48"</u> Fabric Type <u>Galv. 1.2 oz.</u>	
1,449 - LIN. FT. OF NEW FRAMEWORK		Groups <u>9</u> Width <u>2"</u> Supports <u>KK</u> SW Type <u>--</u>	
4 - 2 1/2" O.D. CORNER POSTS		Top Post <u>1 5/8"</u> End Post <u>2"</u>	
2 - 3" O.D. GATE POSTS		Spaced <u>10'0" O.C.</u> End Post <u>2 1/2"</u>	
6 - 4" O.D. GATE POSTS		Gate Post <u>2 1/2"</u> Wall Gate Posts <u>3"</u>	
4 - 6 5/8" O.D. GATE POSTS		Drive Gate Posts <u>4" & 6 5/8"</u> Frame Work <u>ASTM A120</u>	
LABOR:		Gate Finish (Single) <u>--</u> (Double) <u>Swing</u>	
A - REMOVE 1,573 LIN. FT. OF EXISTING FENCE, GATES & TERMINAL POSTS. EXCLUDING FOOTINGS		Gate Hgt <u>10'0" - 10'0" - Cantilever - Roll (Welded)</u>	
B - INSTALL COMPLETE 1,623 LIN. FT. OF OVERALL EXISTING & NEW FENCE, GATES AND TERMINAL POSTS		Line Posts <u>10" x 2 1/2"</u>	
		Turn Posts <u>12" x 30"</u>	
		End Posts <u>12"x36" - 16"x36" - 24"x42"</u>	
(QUOTE BASED ON FIELD MEASUREMENTS)		MATCH EXISTING SPECS	

We hereby promise to furnish all labor, trucks, concrete, equipment and our insurance necessary to install the above described materials as per general plan herewith.

- Note:
1. Labor furnished to be non-union unless otherwise stated herein.
 2. Interest of 1.5% per month will be charged on accounts past due.
 3. All fences to be cleared, unless otherwise stated by customer prior to arrival of installation crew and equipment.
 4. Customer assumes full responsibility for all underground lines, pipes, wires, etc., that are not clearly marked.

TOTAL COST INSTALLED: \$23,998.00

DELIVERY: 30 Days minimum

TERMS: PAYMENT 30 DAYS - NO RETAINAGE

THANK YOU!

PRICES SUBJECT TO CHANGE WITHOUT NOTICE

Title to the above property shall remain in the name of Comet Fence Corp., pursuant to the terms hereof. In the event the money due hereunder, or any portion thereof, has to be collected on demand of an attorney or by suit, the purchaser agrees to pay all costs of collection including interest at the highest legal rate and a reasonable attorney's fee. THIS IS A RETAIN TITLE CONTRACT.

COMET FENCE CORPORATION

ACCEPTED:

STEVE DE BLASIO, SALES MANAGER Date: 9/16/04

By:

Date:



The School Board of Broward County, Florida
Facilities and Construction Management Division
 1700 SW 14th Court
 Fort Lauderdale, FL 33312

(954) 765-6390

Document 01250d: Proposal Worksheet Summary

To: **ARCHITECTURE, INC.**
Robert Bellet

Proposal
 Request No.: 00

Change Order
 Request No.: 49

Project No: 1931-21-01
 Project Title: Regional Athletic Facility
 Facility Name: Cooper City High School

Date Prepared: 09/16/04

From/Trade: General Contracting

Contact: Ron Boss Phone: 954 486-8404

Additions:

	Sheet	Item Description	Materials	Labor	Subtotal
1					657,015.10
2					
3					
4					
5					
6					
7					
8					
Subtotal Additions:					657,015.10

Deductions:

	Sheet	Item Description	Materials	Labor	Subtotal
1					
2					
3					
4					
5					
6					
7					
Subtotal Deductions:					

Subtotal (Additions - Deductions):	657,015.10
10% Subcontractor's Overhead	65,701.51
5% Subcontractor's Profit	36,135.83
1% Bond Allowance	7,588.52
Total	766,440.96



The School Board of Broward County, Florida
Facilities and Construction Management Division
 1700 SW 14th Court
 Fort Lauderdale, FL 33312(954)

765-6390

Document 01250b: Change Order Request (Proposal)

To: **Architecture, Inc.**

Change Order

Request No.: 49 Date: 09/16/04

Project No: 1931-21-01
 Project Title: Regional Athletic Facility
 Facility Name: Cooper City High School

This Change Order Request (Proposal) contains an itemized quotation for changes in the Contract Sum and/or Time in response to proposed modifications to the Contract Documents based on Construction Change Directive No.00 Or other conditions which require this Proposal.

Description of Proposed Change:

Price to modify outer track edge, remove exist. Curb, remove exist fence and reinstall, demolish exist bleacher footings, bleacher and install new conc. footing, slab and bleachers on both home and visitor sides.

☐ Attachments

Reason for Change:
 Requested by Owner

Does Proposed Change involve a change in Contract Sum or Time? ☒ Yes ☐ No
 If yes: Proposed Change in Contract Sum:

Proposed Change in Contract Sum: \$766,440.96
 Time: 120 working days 150,000 CONTINGENCY Allowance
916,440 electric drainage
 Attached Pages: ☒ Proposal Worksheet Summary
☒ Proposal Worksheet Detail(s)

Contractor: MBR Construction, Inc.

By: (Signature)

☐ Attached is supporting information from: ☒ Subcontractor ☐ Supplier ☐

766,441
 - 455,125
 311,316

SECTION III

**FULL TEXT OF ADMINISTRATIVE
RESPONSES**

The School Board Of Broward County, Florida
Facilities & Construction Management
Michael C. Garretson
Deputy Superintendent

SIGNATURE IS ON FILE

May 11, 2007

TO: Patrick Reilly
Chief Auditor

FROM: Michael C. Garretson
Deputy Superintendent

SUBJECT: Audit of the Regional Athletic Facilities for Piper High School - Project #1901-99-51; South Plantation High School - Project #2351-21-01; and Cooper City High School - Project #1931-21-01

OBSERVATION:

1. **DISCONTINUE RECOMMENDING AWARD OF CONSTRUCTION DOCUMENTS FOR REUSE BEFORE ORIGINAL DESIGN PROJECTS HAVE BEEN COMPLETED AND PROPERLY ANALYZED FOR QUALITY AND COMPLETENESS.**

RECOMMENDATION:

We recommend that the Facilities and Construction Management Division discontinue recommending the reuse of design documents that have not been completed, reviewed, permitted, constructed and deemed structurally sound and free of defect, in order to better protect the District's assets.

ADMINISTRATIVE RESPONSE:

Agreed. For the three Regional Athletic Facility projects, it was the Board's recommendation to use one consultant for all three projects. However, Facilities & Construction Management (FCM) is in agreement that the prototype project should be issued a permit prior to construction of the re-use.

Additionally, FCM during its reviews, is enforcing the need to incorporate all change orders and correction to the documents each time the design is revised. The District has several successful re-uses of a design that, with each re-use, continues to be upgraded for code and corrections. For example, our small prototype elementary school has been built 15 times.

OBSERVATION:

2. **ENSURE THAT PROJECT SPECIFICATIONS ARE ESTABLISHED, DOCUMENTED, KNOWN AND AGREED UPON PRIOR TO COMMENCEMENT OF PROJECT DESIGN.**

RECOMMENDATION:

1700 SW 14th Court - Ft. Lauderdale, FL 33312
Phone: 754-321-1517 Fax: 754-321-1681

We recommend that the Facilities & Construction Management staff ensure that the applicable and/or required specifications be established, documented, known, agreed upon and provided to all design professionals prior to input from the Design Review Committee. This will aid in avoiding deviations from required standards, in order to better safeguard the District's assets.

ADMINISTRATIVE RESPONSE:

Agreed. Prior to advertisement, scopes of projects are carefully defined so as to avoid delays in commencing projects. Specifications and Design Criteria are provided to consultant's prior to the start of the design phase of a project. The FCM staff will ensure that the Design Criteria and Design and Material Standards are adhered to by carefully reviewing the design from schematic through permit. For the last four (4) years, we have not issued a Notice to Proceed without a permit attached.

OBSERVATION:

3. **PURSUE THE APPROPRIATE REIMBURSEMENT FROM ARCHITECTURE, INC. FOR IDENTIFIED ERRORS AND OMISSIONS IN THE AMOUNT OF \$428,057 FOR CHANGE ORDERS ON THE REGIONAL ATHLETIC FACILITY PROJECTS.**

RECOMMENDATION:

We recommend that Facilities and Construction Management Division (F&CM) pursue the appropriate reimbursement from Architecture Inc., for documented change orders in the amount of \$428,057 for identified Errors and Omissions for the three Regional Athletic Facilities. Additionally, we recommend that F&CM review the total population of 35 change orders and 2 contract amendments to determine whether the District is entitled additional reimbursement for Consultant Errors and Omissions, to ensure compliance with the terms of the contract.

ADMINISTRATIVE RESPONSE:

Agreed. FCM is currently seeking re-imbursement from Architecture, Inc., for an amount exceeding \$2,000,000. The actions necessary to recover this amount are being executed by the Legal Department.

OBSERVATION:

4. **DISCONTINUE THE PRACTICE OF ADDING SCOPE TO AWARDED PROJECTS IN ORDER TO AVOID COSTLY CHANGE ORDERS AND CONTRACT AMENDMENTS ASSOCIATED WITH UN-BID SCOPES OF WORK.**

RECOMMENDATION:

We recommend that the Facilities and Construction Management Division discontinue the practice of adding scope to awarded projects that can lead to costly change orders and contract amendments associated with un-bid scopes of work, and to comply with F.S. 287.055 public announcement requirements. Additionally, we recommend that F&CM Division seek reimbursement of \$2,400 from MBR Construction Inc. for the duplicate payment of track perimeter fence removal documented in the contract amendment back up documentation.

ADMINISTRATIVE RESPONSE:

Agreed. As a practice, FCM has implemented procedures to curtail scope changes after the award of a contract to a consultant or contractor. By detailed definition of scope prior to advertisement, the need for scope changes is greatly reduced. Additionally, the Deputy Superintendent has issued a memorandum to all Project Managers (PM) that scope changes shall be reviewed and approved at his discretion. In addition, avoiding scope changes is discussed on a frequent basis at PM Staff Meetings.

Scope changes that do occur during the construction phase of a project are generally done so as to provide efficiency and economy on a project.

OBSERVATION:

5. **STRENGTHEN FILING, MONITORING AND TRACKING OF AUTHORIZATION TO PROCEED DOCUMENTS AND ENSURE THAT CONTRACT PROVISIONS ARE COMPLIED WITH REGARDING THE PROMPT PAYMENT FOR SERVICES RENDERED BY CONSULTANTS.**

RECOMMENDATION:

We recommend that Facilities and Construction Management Division strengthen the filing, monitoring and tracking of Authorization to Proceed documentation and reports for accurate and timely access to all related files. Also, we recommend that invoices associated with those ATP documents be reviewed and paid in a timely manner per the contract provisions, in order to limit the District's risk to costly litigation.

ADMINISTRATIVE RESPONSE:

Agreed. FCM currently tracks Authorization to Proceed documentation in a database. The deficiency in filing on the Regional Athletic Facility projects was a direct result of personnel changes within the Project Management Department. FCM is working towards improving the handoff process between PMs, thus strengthening record keeping. Additionally, FCM staff meets with the Capital Payments Department on a quarterly basis to review status of consultants' invoices as well as methods to improve processing.

OBSERVATION:

6. **IDENTIFY ALL CHANGE ORDER PERCENTAGES TO THE SCHOOL BOARD IN THE AGENDA ITEM SUMMARY SECTION TO NOTIFY BOARD MEMBERS WHEN CHANGE ORDERS HAVE EXCEEDED RULE 1, AS DEFINED IN SCHOOL BOARD POLICY 7006.**

RECOMMENDATION:

We recommend that all change orders, in excess of rule 1, in SBBC Policy 7006; requesting School Board approval, include the current total change order percentage amount in the e-Agenda "Summary" section. This will ensure that all change order totals are easily accessible to the Board Members, in order to strengthen adherence to School Board Policy 7006.

ADMINISTRATIVE RESPONSE:

Agreed. The information on change order percentages is provided in the Agenda Item in the Exhibit entitled Change Orders and has been for seven (7) years. Availability of space on the Agenda Request Form limits amount of information being placed in the Summary Explanation and Background section. However, staff will create a new exhibit and place in front of all change orders, when total change order percentages are in excess of rule 1, in SBBC Policy 7006.

MCG/sat

SECTION IV

APPENDIX

Abbreviations

- A/E – Architect / Engineer
- AI – Architecture Inc.
- ATP – Authorization to Proceed
- BD – Building Department
- C.A. – Contract Amendment
- CCNA – Consultant’s Competitive Negotiations Act
- CD – Construction Documents
- C.O. – Change Order
- DRC – Design Review Committee
- E&O – Error and Omission
- F&CM - Facilities and Construction Management
- FBC - Florida Building Code
- FHSAA – Florida High School Athletic Association
- HS – High School
- OCA – Office of the Chief Auditor
- OR – Owner’s Request
- PM – Project Manager
- PSA – Professional Services Agreement
- RAF – Regional Athletic Facility
- SBBC – School Board of Broward County
- SREF - State Requirements for Educational Facilities
- UC – Unforeseen Condition