

Interim Audit Report of the CM@Risk Contract for "HHH" High School

May 2002

Office of Management/Facility Audits

The School Board of Broward County, Florida



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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Superintendent of Schools

May 3, 2002

Members of The School Board of Broward County, Florida
Members of The School Board Audit Committee
Dr. Frank Till, Superintendent of Schools

Ladies and Gentlemen:

In accordance with the 2001-2002 Audit Plan, the Office of Management/Facility Audits is performing a review of the entire CM @ Risk contract. This interim audit report of the CM @ Risk contract for "HHH" High School is part of an on-going series of reviews intended to determine if the District's assets are being properly safeguarded. We focused our review on the reimbursable general conditions for Centex Rooney Construction Company's pay applications #1-#14 (period through 12/31/01).

Our review indicated that the Facilities and Construction Management Division and the Capital Systems Reporting and Control Department should strengthen the payment review process for reimbursable general conditions to ensure that reimbursable costs are in compliance with contract terms. Also, we recommend enhancing the contract language to improve terms and conditions for reimbursable rental equipment expenses. Finally, although we did not find evidence of decisions being influenced by the acceptance of "unauthorized compensation", Facilities and Construction Management Division personnel and UBC Inspectors should not accept "unauthorized compensation" and strictly adhere to School Board policy and Florida State Statutes. The recommendations were discussed with appropriate staff. We concur with the administrative responses.

We would like to thank the Facilities and Construction Management Division, Centex Rooney Construction Company, Inc., staff and all District personnel for their cooperation during this review.

This report will be presented to the Audit Committee at its May 10, 2002 meeting and to the School Board at its June 4, 2002 meeting.

Sincerely,

Patrick Reilly, CPA
Executive Director
Office of Management/Facility Audits

PR: mfg

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EXECUTIVE SUMMARY

Scope and Methodology

This audit was performed in accordance with the 2001-2002 Audit Plan. The audit of the Construction Management at Risk (CM @ Risk) contract for “HHH” High School (recently named Cypress Bay High School) consisted of a detailed review of the supporting documentation for the reimbursable general conditions of the Agreement Between the School Board of Broward County and Centex Rooney Construction Company, Inc. (CRCC) dated October 19, 1999. This report is part of an on-going series of reviews of the entire CM @ Risk contract; therefore additional reports will be forthcoming. The review focused on the reimbursable general conditions for CRCC’s pay applications #1-#14 (period through 12/31/01). The objective of the audit was to:

- Determine if the District’s assets were properly safeguarded; and
- Provide an interim report of recommendations to the administration, as 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 above said standards require that we plan and perform the audit to afford 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.

It is our responsibility to perform the review under the generally accepted auditing standards and Government Auditing Standards, as well as report on 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 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, as well as comply with applicable laws, regulations and School Board policies.

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

- Review of the CM @ Risk contract (ie: “reimbursable general conditions”)
- Review of the back up documentation for CRCC pay applications submitted on this project and
- Other auditing procedures as deemed necessary.

Opinion and Summary of Results

Presently, the School Board of Broward County utilizes three delivery methods for the timely completion of construction projects: Design/Bid/Build (traditional method), Design/Build (a.k.a. “turn-key”) and CM @ Risk. Each delivery method has its own unique strengths and weaknesses but all three enable the School Board to select a delivery method that best responds to a project type, priority and current management capabilities. Recently, the School Board has awarded the majority of its large construction contracts using CM @ Risk and Design/Build delivery methods.

The key to the successful completion of a construction project is for the District’s Project Management Staff to become well-versed with the contract terms/language. A good understanding of contractual language is the foundation of good construction contract administration. Problems arise when the Facilities and Construction Management (F&CM) Division, Uniform Building Code Inspectors (UBCI) and the Capital Systems Reporting and Control (CSR&C) Department personnel fail to uphold contract terms and school board policy. Therefore, obtaining back up documentation is critical for administering and monitoring contract terms. In addition, the practice of receiving unauthorized gifts by public employees should be discontinued. As public employees we all have a fiduciary responsibility to uphold the “highest standard of professional conduct and protect the public safety and welfare”¹.

¹ The International Academy of Construction Graduates.

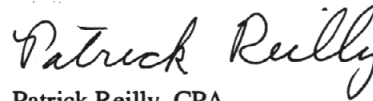
In our opinion, the F&CM Division and the CSR&C Department must strengthen contract terms/payment processes and enforce contract provisions, school board policy, applicable laws, rules and regulations. In addition, we recommend the F&CM Division and the CSR&C Department seek reimbursement for the questionable costs that were submitted as reimbursable general conditions identified in this report.

OBSERVATIONS

1. **STRENGTHEN PAYMENT REVIEW PROCEDURES AND REQUIRE ADEQUATE BACK UP DOCUMENTATION PRIOR TO THE PAYMENT OF REIMBURSABLE COSTS ALLOWABLE UNDER THE GENERAL CONDITIONS OF THE CONTRACT. – page 4**
2. **DISCONTINUE THE ACCEPTANCE OF UNAUTHORIZED COMPENSATION BY PROJECT MANAGERS AND UBC INSPECTORS MONITORING CONSTRUCTION PROJECTS. - page 7**
3. **STRENGTHEN CONSTRUCTION MANAGEMENT AT RISK CONTRACT LANGUAGE FOR REIMBURSABLE RENTAL EQUIPMENT EXPENSES. – page 9**

We would like to thank the Facilities and Construction Management Division, Centex Rooney Construction Company, Inc., staff and all District personnel who aided in the completion of this review. We greatly appreciate their cooperation, without which we could not have completed our report.

Submitted by:



Patrick Reilly, CPA
Executive Director
Office of Management/Facility Audits

Audit Performed by: Luis F. Flores
Rupert Jairam

BACKGROUND

CM @ RISK CONTRACT

In accordance with Florida State Statute 287.055 F.S. also known as the "Consultant's Competitive Negotiation Act" and at the recommendation of the Construction Overview Committee, the School Board of Broward County adopted policy #7010 "Awarding of Construction Management at Risk Contracts" at the 01/12/99 Board meeting (amended 09/11/01). Policy #7010 enables the School Board to award CM @ Risk contracts in an effort to construct schools in a timely manner. A CM @ Risk contract is a "cost-plus-fee" agreement where the construction manager submits documentation for job specific construction cost reimbursement. The "risk" portion of a CM @ Risk contract is for the Guaranteed Maximum Price (GMP) of construction, the construction manager provides the School Board.

Upon public announcement and receipt of qualifying proposals, the Consultant's Review Committee (CRC) short lists no less than three qualified firms to perform the management services required by the project. The School Board interviews the three short listed firms and ranks the presenting CM @ Risk firms for competitive contract negotiations. A Construction Manager's Fee is negotiated for services at pre-determined phases of the construction project including, but not limited to the following:

- Pre-Design Phase
- Design Phase
- Bidding and Award Phase
- Construction Phase
- Post-Construction Phase
- Warranty Phase

The Construction Manager's fee is divided into three parts as follows:

- Pre-design/design
- Construction/warranty
- Overhead and profit

In order to receive progress payments, the construction manager submits a schedule of construction values at the beginning of the project, detailing project costs similar to the 16-division CSI master format system. The original schedule of values is referenced by the CSR&C Department whenever an application for payment is submitted by the construction manager during the project.

GENERAL CONDITIONS

Division 01 - General Conditions of the "HHH" High School project schedule of values, includes a line item for "Reimbursable General Conditions". In the textbook by Clough and Sears entitled Construction Contracting – sixth edition, general conditions contracting is defined as follows:

"In the traditional construction process, general contractors customarily provide certain common job services, not only for their own forces but for their subcontractors as well. These services, called general conditions construction or support construction, include many items normally required and described by the general conditions section of the project specifications. They involve such services as temporary heat, access to the project, hoisting, weather protection, guardrails, stairways, fire protection, job fencing, drinking water, sanitary facilities, job security, job sign, trash disposal and job parking. When separate contracts are used, the contractor designated as the general contractor usually provides these services for the entire project, including work performed by the other prime contractors.

These are instances where general conditions construction is the only part of the construction process actually performed by the general contractor. This would be true, for example, when the contractor, builder-vendor, or owner-builder subcontracts the entire project. Under some construction management arrangements, the construction manager provides support construction services."

SECTION I

DETAILED OBSERVATIONS

1. STRENGTHEN PAYMENT REVIEW PROCEDURES AND REQUIRE ADEQUATE BACK UP DOCUMENTATION PRIOR TO THE PAYMENT OF REIMBURSABLE COSTS ALLOWABLE UNDER THE GENERAL CONDITIONS OF THE CONTRACT.

OBSERVATION

Currently, the Facilities and Construction Division and the Capital Systems Reporting and Control Department do not receive/review back up documentation for the “reimbursable general conditions” portion of the CRCC progress payments. In excess of \$61,000 was reimbursed for questionable costs charged to the “HHH” High School project. The chart below depicts some of the questionable reimbursements made to CRCC.

Req.No.	Vendor	Description	Questionable Cost Amount
1	Judy Stern Consulting, Inc.	Community Relations Services (see attachment #2)	\$ 23,000.00
1	Kimmel & Associates	Executive Search (see attachment #3)	\$ 19,500.00
1	CRCC	Primavera Software (without prior approval)	\$ 1,800.00
1	Office Depot	Kodak Digital camera & expansion kit	\$ 466.28
3	Royal Enterprises & Supply	Raincoats, dust masks	\$ 135.26
3	Ritter's Printing	Tabs for monthly executive reports	\$ 527.28
4	Sheraton Ft. Lauderdale	Partnering Session: Executive Package Fees, equipment charges, rental fees, soup & salad bar buffet for 49 people	\$ 3,368.39
5	Laurice Harrington	Krups Espresso machine replacement coffee pot	\$ 15.89
5	Steve Vanderwinkle	Home Depot - Job office supplies, Gift Card	\$ 70.09
5	Spencer Bernal	Office Max - printer cartridges	\$ 165.31
5	Construction Supplies.com	Tool Box & padlock- Delta Industries	\$ 238.50
5	FMI Corporation	Partnering Session	\$ 4,234.00
6	Enterprise Leasing	Rear Glass repair deductible	\$ 500.00
8	Roberto Fonseca	(2) Team Building Meetings @ Pizza Heaven, Coordination Meeting Break @ Pizza Heaven	\$ 86.00
8	Sterling L. Fordham	Brandsmart - TV/VCR for safety training	\$ 232.01
9	Steve Vanderwinkle	Home Depot - Job office supplies	\$ 360.38
9	Chris L. Long	Steel Manual – reference book, Job safety meeting @ The Sporting Brews & parking	\$ 231.97
10	Sterling L. Fordham	Home Depot - 9HP generator	\$ 634.94
14	Chris L. Long	Staff Lunch @ McDonalds (Critical Path Meeting), Acclaim Awards Banquet Parking	\$ 24.03
14	Roberto Fonseca	RFI / Submittal Meeting @ Waffle House, Owner's Meeting @ TOGOS & Lucille's Café, Team Meeting @ Pizza Heaven	\$ 127.18
14	Sterling L. Fordham	Papa Johns Pizza (Foreman's appreciation luncheon & monthly safety awards – includes tip)	\$ 263.33
Various	Drug Testing	Random/Pre-Employment drug test & Employee health program fee	\$ 291.50
Various	Precision Blueprint	Bond Copies (Square foot quantities rounded up to the next whole number)	\$ 397.67
Various	A All Right Signs, Inc	Truck lettering decals	\$ 500.55
Various	Office Depot	Job office supplies	\$ 1,600.55
Various	Zephyrhills	Columbian Coffee, sugar, stir sticks, cups, etc...	\$ 1,603.87
Various	Various	Mileage reimbursements @ \$0.345/mile & \$0.325/mile in lieu of \$0.29/mile	\$ 39.74
Various	Eric Cannon, Cherie Lurvey & James Penrod	Travel reimbursement for trips greater than 100 miles without prior approval	\$ 657.84
Total			\$ 61,072.56

BACKGROUND

The CM @ Risk delivery method is a “cost-plus-fee” form of agreement where the construction manager provides proof/back up documentation for expenditures when being paid. Therefore, all items listed in the schedule of values and subsequently invoiced by the construction manager should have back up documentation and be in compliance with contract terms, applicable laws, rules and regulations prior to reimbursement. As of December 31, 2001 (Pay application #14 – see attachment #1), the “reimbursable general conditions” line item for “HHH” High School was \$1,604,800. The payment of a \$1.6 million line item on a \$38 million project without pertinent back up documentation is unacceptable under a CM @ Risk contract.

Florida State Statute 112.061 F.S. Per diem and travel expenses of public officers, employees and authorized persons... - states "(7) TRANSPORTATION 3. (d) 1. The use of privately owned vehicles for official travel in lieu of publicly owned vehicles or common carriers may be authorized by the agency head or his or her designee. Whenever travel is by privately owned vehicle, the traveler shall be entitled to a mileage allowance at a fixed rate of 25 cents per mile for state fiscal year 1994-1995 and 29 cents per mile thereafter or the common carrier fare for such travel, as determined by the agency head..."

Section 25.02.01 Costs and Expenses Included in Fee - of the CM @ Risk contract for "HHH" High School states "The following (a non-exclusive list) are included in the Construction Manager's fee for services during the Construction Phase and not included in the cost of the project.

(.g) **Job office supplies** - includes paper, pencils, paper clips, file folders, staples, etc., and other supplies."

Section 26.02.13 of the CM @ Risk contract for "HHH" High School states "Transportation greater than 100 miles from the site for Construction Manager's personnel employed directly for the project. Such transportation must be approved in advance by the Owner, and may be in accordance with the Construction Manager's standard personnel policy but not exceeding the limits established by Florida Statutes 112.061."

Section 26.03.07 of the CM @ Risk contract for "HHH" High School states "Any personal computer applications and related costs or remote job entry data functions and related costs which will be incurred by personnel at the job site must receive advance written approval from the Owner to be considered a reimbursable cost, otherwise the associated cost will not be paid."

RECOMMENDATION

We recommend the Facilities and Construction Management Division and the Capital Systems Reporting & Control Department:

- Strengthen the payment process of reimbursable general conditions (ie: F&CM Division to review the back up documentation and approve the supporting documents prior to submittal to the CSR&C Department for payment).
- Require adequate back up documentation to substantiate payment to the construction manager and ensure compliance with contract terms.
- Seek reimbursement for expenditures from the construction manager for items identified in this report.

Adherence to the recommendations listed above will provide an internal control that ensures each disbursement is reviewed and authorized before payment is made to the construction manager.

ADMINISTRATIVE RESPONSE (Facilities and Construction Management Division)

We agree with the recommendation. In order to prevent future questioned costs from being processed, as reimbursable general conditions, the Estimator/Scheduler staff person, from the Compliance and Contracts Department, will attend each monthly Payment Request Meeting. The Estimator/Scheduler can assist the project manager and the architect with removing those costs that are not allowed as reimbursables under the terms of the contract.

We can also review the contract language that describes providing proof/back up documentation for reimbursables and consider strengthening these provisions as necessary. The Compliance staff will require the construction manager to provide a detailed breakdown of the general conditions at the time the GMP is submitted. Further, staff can explore establishing the General Conditions line item of the GMP for the Construction Manager using pre-determined parameters.

We further agree that Facilities & Construction Management and the Capital Systems Reporting and Control Department should seek reimbursement from the construction manager for all of the questioned costs not allowable under the terms of the contract. We do take exception to the partnering questioned cost, as this was a contractor requested service that the owner had approved and should be reimbursed.

ADMINISTRATIVE RESPONSE (Capital Systems Reporting and Control Department)

We agree with the auditor's recommendation. With regards to CM At-Risk Contracts, the Capital Payments Unit only receives a one line item for reimbursing general conditions. Beginning next month, we will require a sign off from the Project Manager that a review was made of the back-up documentation for general conditions, and that any questioned costs are deleted and backup documentation is sent with the Request for Payment to Capital Payments.

2. DISCONTINUE THE ACCEPTANCE OF UNAUTHORIZED COMPENSATION BY PROJECT MANAGERS AND UBC INSPECTORS MONITORING CONSTRUCTION PROJECTS.

OBSERVATION

A review of receipts for general conditions reimbursement on the “HHH” High School project revealed a Facilities and Construction Management Division Project Manager and a UBC Inspector had several meals with the CM @ Risk and architect’s field representatives. The costs of the meals were charged to the project and reimbursed to CRCC under the “reimbursable general conditions” line item of the schedule of values.

Below is a sample of some of the questionable reimbursements made to CRCC.

Date	CRCC Employee Submitting for Reimbursement	Affiliation	Place Entertained	Business Purpose	Amount Paid
8/28/01	Chris L. Long	F&CM, UBCI, CRCC, CRCC	Max's Grill	Owner's Representative	\$ 30.00
9/14/01	Chris L. Long	F&CM, P&W, CRCC, CRCC	Pizza Heaven	Owner & Architect	\$ 26.00
6/12/01	Roberto Fonseca	F&CM, P&W	Pizza Heaven	Owner's Meeting Break	\$ 26.00
6/15/01	Chris L. Long	F&CM, P&W	Pizza Heaven	Owner & Architect	\$ 34.00
7/17/01	Chris L. Long	F&CM, UBCI, CRCC, CRCC	Max's Grill	Owner's Meeting	\$ 86.42
					<u>\$ 202.42</u>

Legend: CRCC- Centex Rooney Construction Company, F&CM – Facilities and Construction Management, P&W – Perkins and Will, UBCI – Uniform Building Code Inspector

BACKGROUND

School Board employees should not accept “unauthorized compensation” from vendors and/or contractors. The acceptance of unauthorized compensation gives the appearance that project related decisions are being influenced by the acceptance of gifts and that the individual accepting the gifts has compromised his/her professional ethics. During our review we did not find evidence of decisions being influenced by the acceptance of “unauthorized compensation” by either of the two SBBC employees identified in this observation.

School Board policy 4009.11 CODE OF CONDUCT FOR ADMINISTRATORS states “All administrators shall conduct their schools, centers, county and area departments in accordance with applicable federal, state and local laws, policies, rules and regulations. While many guidelines are furnished by the sources mentioned above, it is realized that numerous acts which an administrator must do are subject to professional judgment decisions and therefore are subject to controversy and differing opinions. The main value that shall be held when judging an administrative act is that it is aimed at fostering and improving the program for which the administrator is directly accountable. Any violations of law or policy by administrative personnel are subject to disciplinary action by the Superintendent.”

In addition, **Florida State Statute 112.313 F.S. Standards of conduct for public officers, employees of agencies, and local government attorneys...** - states “ (2) SOLICITATION OR ACCEPTANCE OF GIFTS.--No public officer, employee of an agency, local government attorney, or candidate for nomination or election shall solicit or accept anything of value to the recipient, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the vote, official action, or judgment of the public officer, employee, local government attorney, or candidate would be influenced thereby.” (4) “UNAUTHORIZED COMPENSATION.--No public officer, employee of an agency, or local government attorney or his or her spouse or minor child shall, at any time, accept any compensation, payment, or thing of value when such public officer, employee, or local government attorney knows, or, with the exercise of reasonable care, should know, that it was

given to influence a vote or other action in which the officer, employee, or local government attorney was expected to participate in his or her official capacity.”

RECOMMENDATION

We recommend that Facilities and Construction Management Division personnel and UBC Inspectors discontinue accepting any unauthorized compensation and strictly adhere to School Board policy and Florida State Statutes. In addition, we recommend that CRCC, the Facilities and Construction Management Division Project Manager and the UBC Inspector reimburse the School Board for the costs of their unauthorized compensation.

ADMINISTRATIVE RESPONSE (Facilities and Construction Management Division)

We agree with the recommendation. I have reviewed a letter from the Inspector of Record/Uniform Building Code Inspector and Project Manager explaining the working lunch, and the “rotating turn payment process” the individuals followed. These working lunches were paid equally by all parties. The Construction Managers Reimbursement Request was not appropriate.

To ensure strict compliance with School Board Policy and Florida State Statutes governing these matters, I will issue a written directive to all staff prohibiting the acceptance of any gifts and socializing with vendors outside the confines of the job site or project related meeting locations. In all cases, lunches will be paid for by each individual so there is not ever a perception of impropriety.

3. **STRENGTHEN CONSTRUCTION MANAGEMENT AT RISK CONTRACT LANGUAGE FOR REIMBURSABLE RENTAL EQUIPMENT EXPENSES.**

OBSERVATION

A review of receipts for general conditions reimbursement on the "HHH" High School project revealed that over \$800/month (\$600/month vehicle and \$200/month maintenance) was paid for vehicle and maintenance costs for each of the F-150 pick up trucks, \$711.13/month for jobsite trailer furniture and \$100/month for each of the Mita LDC 770 fax machines at the "HHH" jobsite. The costs of the vehicles, furniture and fax machines were charged to the project and reimbursed to CRCC under the "reimbursable general conditions" line item of the schedule of values.

BACKGROUND

The retail price for a new 2001 Ford Regular cab styleside 8' box XL F-150 pick-up truck was \$20,885. Seventy five percent of the fair market value for the \$20,885 F-150 truck is \$15,664. Currently, the F&CM Division has paid CRCC in excess of \$8,400 (through 12/31/01 - excluding monthly maintenance) for each F-150 pick up truck at the "HHH" jobsite since the start of the project and would reach the 75% cost threshold in just over 26 months.

Section 26.02.05 of the CM @ Risk contract for "HHH" High School states "Rental charges on all necessary machinery and equipment, exclusive of hand tools used at the site of the Project, including installation, repairs and replacements, dismantling, removal, costs of lubrication, transportation and delivery costs thereof which are used in the support of a sub-contractor or the Construction Manager's own forces in the performance of the work, at rental charges consistent with those prevailing in the area."

RECOMMENDATION

We recommend that the Facilities and Construction Management Division strengthen controls over the Construction Management at Risk contract pertaining to rental/lease rate expenditures. The modifications to the contract should include the following:

- 26.02.05.a *Proposed rental rates and related fair market values for Contractor owned (affiliate owned, subsidiary owned, or related party owned) equipment shall be submitted to and approved by Owner prior to being used in connection with the Work. The projected usage for each piece of equipment proposed to be rented, and estimated total rentals shall be submitted for approval in advance in a form satisfactory to Owner so that an appropriate lease versus buy decision can be made.*
- 26.02.05.b *Each piece of equipment to be rented shall have hourly, daily, weekly, and monthly rates submitted to and approved by Owner in advance before equipment rental charges will be considered reimbursable.*
- 26.02.05.c *The reimbursable equipment rental rates shall not exceed 75% of the published rates based on the latest edition of "Rental Rates and Specifications" published by the Associated Equipment Distributors (AED). If the AED publication does not contain information related to the type of equipment rented, the Owner and Contractor will use the applicable portions of the latest edition of the Army Corps of Engineers equipment rental rate guide (Construction Equipment Ownership and Operating Expense Schedule exclusive of the costs for fuel, filters, oil and grease) to mutually agree in advance on hourly, daily, weekly, and monthly rental rates to use during the project. If these two reference sources do not contain specific listings for pieces of equipment to be rented, the two parties may mutually agree to reimburse the Contractor up to 75% of the current competitive rental rates from local third party equipment rental companies.*
- 26.02.05.d *The aggregate rentals chargeable for each piece of Contractor owned tools or equipment shall not exceed 75% of the fair market value of such equipment at the time of its commitment to the Work. The original purchase price and date of purchase of the equipment*

will be documented with a copy of the purchase invoice and submitted to the Owner along with a proposed fair market value in accordance with the procedure outlined above. The fair market values to be used for purposes of this contract clause will be subject to advance written approval of the Owner. Such aggregate limitations will apply and no further rentals shall be charged even if a piece of equipment is taken off the job and is later replaced by a similar piece of equipment. For purposes of computing the aggregate rentals applicable to aggregate rental limitations, rental charges for like pieces of equipment will be combined if the pieces of equipment were not used at the same time.

- 26.02.05.e Fair market value (FMV) for used material and equipment as referred to in this contract shall mean the estimated price a reasonable purchaser would pay to purchase the used material or equipment at the time it was initially needed for the job. Note: This is usually lower than the price a reasonable purchaser would pay for similar new construction material or construction equipment.
- 26.02.05.f Rental charges for equipment which is not owned by Contractor or any of its affiliates, subsidiaries, or other related parties and is rented from third parties for use in proper completion of the Work shall be considered reimbursable, will be reimbursable at actual costs, as long as rental rates are consistent with those prevailing in the locality. For any lease/purchase arrangement where any of the lease/purchase rental charges were charged to Owner as reimbursable job costs, appropriate credit adjustments to job cost will be made for an appropriate pro rata share of the fair market value of the equipment at the time it was last used on the job.
- 26.02.05.g All losses resulting from lost, damaged or stolen tools and equipment shall be the sole responsibility of the Contractor, and not the Owner, and the cost of such losses shall not be reimbursable under this contract.
- 26.02.05.h The Contractor shall be required to maintain a detailed equipment inventory of all job-owned equipment (either purchased and charged to job cost or job-owned through aggregate rentals) and such inventory shall be submitted to the Owner each month. For each piece of equipment, such inventory should contain at a minimum (1) original purchase price or acquisition cost (2) acquisition date (3) approved FMV at the time the piece of equipment was first used on the job and (4) final disposition. At the completion of the project, the Contractor shall transfer title and possession of all remaining job-owned equipment to the Owner, or at Owner's option, Contractor may keep any such equipment for an appropriate credit to job cost, which will be mutually agreed to by Owner and Contractor.
- 26.02.05.i All costs incurred for minor maintenance and repairs shall be reimbursed at actual cost. Such costs include routine and preventative maintenance, minor repair and other incidental costs. Repairs and/or replacement of a capital nature are considered to be covered by the rental rates. Major repairs and overhauls are not considered routine and ordinary, consequently such costs are not reimbursable and are intended to be covered by the rental rates.

Source: R.L. Townsend & Associates, Inc. Modifications to AIA Document A111-1997 included in the participant's handbook of the "Effective Auditing of Construction Activity" seminar.

ADMINISTRATIVE RESPONSE (Facilities and Construction Management Division)

We agree with the recommendation. We look forward to working with the legal, auditing and project management staff to incorporate stronger controls over rental/lease expenditures. The Compliance and Contract staff will continue to review the general conditions breakdown within the GMP and will assist project management to help identify non-compliant expenses. Staff will help determine the most cost effective and economical means for rental/lease expenditures that is most beneficial to the owner. Another option is to negotiate a firm-fixed price General Condition line item and delete the opportunity for reimbursable expenses.

Due to the cost plus nature of the CM @ Risk contract delivery of construction services, the Estimator/Scheduler participation at monthly payment meetings will assist the Project Manager and Architect with enforcement of the contract payment terms.

SECTION II
ATTACHMENTS

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

954/765-6390

Document 01290a: Application for Payment

To: The School Board of Broward County, Florida
 (Owner via Project Consultant)

Application No.: 14	SBBC Purchase Order No: 2100019563T
Period From: 12/01/01	To: 12/31/01

Project Consultant: Perkins & Will

Project No. 3623-99-1
 Project Title: New School
 Facility Name: High School HHH

Change Order Summary		
Change Orders approved by the School Board in previous months.	Additions	Deductions
Total:		
Approved this Month:		
Number	Date Approved	
Totals		
Net change by Change Orders		

Application is made for Payment, as shown below, in connection with the Contract. The Contractor's updated Document 00435, Schedule of Values, is attached as a continuation/detail sheet.

- 1. ORIGINAL CONTRACT SUM (FINAL GMP) \$38,964,820.00
- 2. NET CHANGE BY CHANGE ORDERS 0.00
- 3. CONTRACT SUM TO DATE (Line 1 plus Line 2) 38,964,820.00
- 4. TOTAL COMPLETED AND STORED TO DATE (Column L of Document 00435) 24,619,251.68
- 5. RETAINAGE & DOP's
 - a. Total Retainage To Date (Column O of Document 00435) 1,686,573.15
 - b. Direct Owner Purchases (DOP's) (Line 105 of Document 00435) 4,223,432.00

The undersigned contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this application for payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner and that current payment shown herein is now due.

Contractor: **CENTEX ROONEY CONSTRUCTION COMPANY, INC.**

By: (Signature)

- 6. TOTAL EARNED LESS RETAINAGE & DOP's (Line 4 less Line 5 Total) 5,910,005.15
18,709,246.54
- 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from previous certificate) 17,475,425.20
- 8. CURRENT PAYMENT DUE 1,233,821.34
- 9. BALANCE TO FINISH, PLUS RETAINAGE, LESS DOP's (Line 3 less Line 5b & Line 6) \$10,176,863.72

Date: _____
 State of Florida County of Broward
 Sworn before me on this _____ day of _____, 2001.

Notary Public _____ Commission Expires: _____

The School Board of Broward County, Florida
 Application for Payment No. 14
 December 31, 2001

See Reverse for Project Consultant's Certification

Document 01290a

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

High School HHH
 Weston, Florida

Application No.: 14
 Period Ending: 12/31/01
 Project No. 3823-99-1

Item No.	Description of Work	C	D	E	F		G		H	I	J		K	L	M	N	O
					Final GMP Scheduled Values	Subcontractor	Changes to Orig. Budget/Subcontract Amounts	Subcontract			Change Orders	Subcontract					
				Subcontract Amounts	DOP's	Portable Relocation Distribution	Total	Thru C.O.F	Amount	Previous Application	This Period						
1	Division 01 - General Conditions	1,804,800	CRCC	1,804,800		17,172	17,172		1,821,972	574,823	40,049			814,872	37.90%	1,007,300	61,487.20
2	Reimbursable General Conditions	125,000		125,000					125,000							125,000	
3	General Holding for All Trades																
4	Division 02 - Sitework	3,270,000	American Engineering	3,238,312	(613,994)	11,682	69,699	13	2,725,669	1,740,501	66,885		1,807,386	66.31%	918,313	180,738.56	
5	Earthwork, Sidewalks and Paving	99,045	American Engineering	99,019					98,619	55,322			55,322	55.96%	43,497	5,532.20	
6	Alternate Site Layout	74,400		74,400					74,400						74,400		
7	Play Surfaces and Markings	20,000	American Engineering	14,968					14,968						14,968		
8	Fitness Trail Equipment	24,047	Accurate Pest Control	24,047					24,047		388				449	2,359.80	
9	Soil Treatment	550,000	Landscape Services	642,440				1	642,440	19,102	13,429			23,598	98.13%	610,910	3,153.05
10	Landscape	97,500	Landscape Services														
11	Irrigation	2,500							2,500							303	219.69
12	Irrigation Material	12,000	American Engineering	5,200					5,200							5,200	
13	Blks Rack	142,800	Tropic Fence	147,560					147,560						147,560		
14	Fencing for Falcon Cove	65,000	Carlton Fence	65,000				1,128	5,808	5,808				5,808	100.00%	65,000	580.80
15	Maintenance of Traffic/Flagman																
16	Concrete	3,295,300	Woodland Construction	3,295,300	(742,883)			7	2,552,317	2,488,295	43,178			2,531,471	98.18%	20,848	253,147.10
17	Safety Protection	35,000		35,000					35,000							35,000	
18	Division 04 - Masonry	428,900	Central Broward	428,900	(79,063)			4	322,237	322,142				322,142	98.97%	95	32,214.20
19	Masonry	2,822,300	HMB Steel Corp.	2,821,207	(473,824)			4	2,384,482	2,073,517	94,960			2,168,077	90.82%	216,405	216,807.70
20	Structural Steel & Metal Fabrication	76,100	E&F Contractors, Inc.	18,053					18,053	18,053				18,053	100.00%	0	1,805.35
21	Rough Carpentry	598,400	Woodland	547,295	(472,239)				54,709	54,708				54,708	100.00%	1	5,470.80
22	Finish Carpentry and Millwork	1,000		1,000					1,000					1,000	100.00%		100.00
23	Division 07 - Roofing & Water/Fireproofing	287,800	Pro Tech	370,000	(42,235)			1	165,784	131,052				131,052	79.08%	34,712	13,105.20
24	Waterproofing and Caulking	696,400	Mader Southeast	50,000				1	360,910	318,010	42,900			360,910	100.00%		36,091.00
25	Spray-on Fireproofing	665,000	Murton Roofing	665,000	(303,284)			7	575,438	539,842	35,898			575,438	100.24%	(1,395)	57,683.11
26	Miscellaneous Fireproofing	665,000	Murton Roofing	47,385					47,385	42,331				42,331	89.33%	5,054	4,233.10
27	Roofing	540,000	Leitpach Company	540,000	(341,682)			1	198,338	92,811	16,164			108,775	54.84%	89,563	10,877.50
28	Roofing Tims and Material 3 to 1 Crickets and Hardware	54,000	Leitpach Company	41,820					41,820							41,820	
29	H.M. Doors, Wood Doors, Frames & HW	827,000	Overhead Door of SE FL	332,126	(126,100)			1	79,874	78,445				78,445	95.71%	3,429	7,844.50
30	Installation of H.M. Frames in CHU/Conc.	827,000	Superior Window	477,800	(138,843)			3	339,357	238,284	26,529			264,783	78.03%	74,564	26,479.30
31	Overhead Doors and Grilles	2,000	Trainer Glass														
32	Windows, Glass and Glazing	20,000	Mader Southeast	9,795					9,795							9,795	
33	Roll-up Windows F&S	2,000															
34	Break Metal Structural Steel Cladding	2,302,000	E&F Contractors, Inc.	2,200,000	(633,715)			7	1,698,160	1,084,049	158,027			1,243,108	73.64%	445,054	124,310.62
35	Drywall and Stucco	12,000	E&F Contractors, Inc.														
36	Drywall Drapery Pocket	313,500	Accurat Engineering	297,700	(126,100)			4	131,600							131,600	
37	Acoustical Ceilings and Wall Panels	412,700	Millers Enterprises	332,600	(71,752)			1	280,848	112,580	2,252			114,832	44.02%	148,016	11,483.20
38	The	322,100	Williams Carpet Dry	320,320	(168,805)			3	151,615	3,703				3,703	2.44%	147,612	370.30
39	VCT and Carpeting	95,200	Pro Sport Floors	91,900					91,900							91,900	
40	Wood Flooring/Spots Flooring	363,300	Proletto Painting	67,700	(81,353)			3	285,140	11,978	8,867			20,865	7.32%	264,275	2,088.90
41	Painting	67,700		67,700					67,700							67,700	
42	Miscellaneous Painting																
43	Division 10 - Specialties																

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

High School HHH
 Weston, Florida

Item No.	Description of Work	Final OMP Scheduled Values	Subcontractor	Orig. Budget/ Subcontract Amounts	Changes to Orig. Budget/Subcontract Amounts		Subcontractor Change Orders Total	Current Budget/ Subcontract Amount	Work Completed		Materials Presently Stored	Completed & Stored To Date	% Comp.	Balance To Finish	Retainage
					DOP's	Portable Relocation Distribution			CUD Total to Date	Previous Application					
54	Fire Extinguishers	11,000	Triangle Fire	9,427			526	9,953						9,953	
55	Toilet Partitions	86,000	Mardale Specialties	92,395			6,460	98,855						98,855	
56	Toilet Accessories	In above	Mardale Specialties	In above											
57	Stainless Steel TP Hangers	4,900	By Owner												
58	Chalk and Tack Boards	131,700	Florida Chalk Board	130,000	(108,582)		1	21,418						21,418	
59	Operable Partitions	3,200	Hufcor / Gulfstream	3,200	(7,791)		4	3,200						3,200	
60	Meal Storage Shelving	10,000	Storagecraft	9,110				20,000						20,000	
61	Louvers	20,300	Southeast Mechanical	65,000				65,000						65,000	
62	Signage	65,000	Allowance	12,000				12,000						12,000	
63	Entrance Sign	12,000	Allowance	157,000				157,000						157,000	
64	Aluminum Walkway Canopy	159,900	Storagecraft	74,000	(62,330)		4	11,670		1,240		1,240	10.63%	10,430	124,000
65	Lockers and Benches	76,100	Mardale Specialties	7,495				7,495						7,495	
66	Flagpoles	8,200	Storagecraft	9,500	(7,791)			1,709						1,709	
67	Wire Mesh Partitions	9,500	Storagecraft	12,017				12,017						12,017	
68	Corner Guards	13,300	E&F Contractors, Inc.												
69	Division 11 - Equipment	2,100	Mardale Specialties	400				2,100						2,100	
70	TV Brackets	400	Mardale Specialties	400				400						400	
71	Loading Dock Equipment	75,800	Allowance	22,800				75,800						75,800	
72	Athletic Field and Gym Equip. & Partition	22,800	Allowance	17,100				22,800						22,800	
73	Residential Appliances	17,100	Mardale Specialties	438,800				31,550						31,550	
74	Projection Screens	438,800	Seco	118,100	(63,070)		1	438,800		6,800		6,800	12.02%	438,800	660,000
75	Food Service Equipment	118,100	Fuller & D'Albert	25,000				25,000						25,000	
76	Stages Equipment	25,000	Accusil Engineering	600				600						600	
77	Darkroom Equipment	1,000	Allowance	100,000				100,000						100,000	
78	Cubicle Curtain and Track	100,000	Allowance	15,400				15,400						15,400	
79	Non-Specified Equipment	15,400	Spac Environment	9,300	(320,479)		1	9,300						9,300	
80	Division 12 - Furnishings	471,200	Wenger Corp.	454,400				133,922						133,922	
81	Window Blinds	187,300	Wenger Corp.	136,335				136,335						136,335	
82	Roller Shade	6,200	Contract Solutions	6,200				6,200						6,200	
83	Laboratory Casework & Equipment	98,600	Hufcor / Gulfstream	91,500				91,500						91,500	
84	Musical Casework, Sound Rooms and Panels	110,600	Thyssen Miami Elevator	106,300				106,300						106,300	
85	Klin	70,350	Thyssen Miami Elevator	70,350				70,350						70,350	
86	Auditorium Seating	12,450	Thyssen Miami Elevator	12,450				12,450						12,450	
87	Telescoping Bleachers	15,000	Right Way Plumbing	1,371,850	(158,848)		7	1,216,934						1,216,934	
88	Division 14 - Conveying Systems	1,407,000	Right Way Plumbing	97,374				97,374						97,374	
89	Elevators	3,311,300	Southeast Mechanical	3,311,300	(1,098,778)		17	2,340,382						2,340,382	
90	Temporary Elevator Use	435,000	Francis Engineering	425,000				425,000						425,000	
91	Hoist & Trolley	15,000	Anesco Electric	4,900,780	(1,098,780)		7	3,803,858						3,803,858	
92	Division 16 - Mechanical	5,072,000	Anesco Electric	751,047				751,047						751,047	
93	Plumbing	32,000	Relocation of Portables	30,821	(30,821)			30,821						30,821	
94	Pending Plumbing CO's in CUD #11	262,500	Relocation of Portables	262,500				262,500						262,500	
95	HVAC	238,337	General Liability	393,428				393,428						393,428	
96	Fire Protection	361,859	Direct Owner Purchases	361,859				361,859						361,859	
97	Division 18 - Electrical	1,098,780	Potential Sales Tax Savings	418,413				418,413						418,413	
98	Electrical	32,000	Relocation of Portables	30,821	(30,821)			30,821						30,821	
99	Pending Electrical CO's in CUD #11	262,500	Relocation of Portables	262,500				262,500						262,500	
100	Relocation of Portables	238,337	General Liability	393,428				393,428						393,428	
101	Builder's Risk Insurance	361,859	Direct Owner Purchases	361,859				361,859						361,859	
102	Performance Bond	361,859	Direct Owner Purchases	361,859				361,859						361,859	
103	General Liability	393,428	Preconstruction Costs	393,428				393,428						393,428	
104	Preconstruction Costs	361,859	Direct Owner Purchases	361,859				361,859						361,859	
105	Direct Owner Purchases	418,413	Potential Sales Tax Savings	418,413				418,413						418,413	
106	Potential Sales Tax Savings	418,413	Potential Sales Tax Savings	418,413				418,413						418,413	

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

Application No.: 14
 Period Ending: 12/31/01
 Project No.: 3833-99-1

High School HHH
 Weston, Florida

A	B	C	D	E	F			G		H	I	J		K	L	M	N	O
					Changes to Orig. Budget/Subcontract Amounts	DOP's	Portable Relocation Distribution	CUD Total to Date	Subcontract Change Orders Total			Thru C.O.s	Current Budget/ Subcontract Amount					
107	Contingency Balance thru CUD #10	1,100,000		1,100,000			(282,951)	(282,951)		817,049							817,049	
108	Uncommitted Amount			185,675			8,992	8,992		204,667							204,667	
109	Subtotal	35,582,016		35,582,016	0		(10,882,711)	43,844,811		35,625,861	20,936,174	1,411,533	22,347,707		82.73%	13,278,153	1,886,573.15	
110	Fixed General Conditions	1,884,157		1,884,157				1,884,157		1,884,157	1,106,623	156,884	1,285,207		67.15%	616,950		
111	Fee	1,498,647		1,498,647				1,509,330		1,509,330	614,901	151,437	1,006,338		67.15%	503,192		
112	Grand Total	38,984,820		38,984,820			(10,900)	54,728		39,019,547	22,859,688	1,759,554	24,619,252			14,400,298	1,886,573.15	

Invoice

Judy Stern Consulting, Inc.

5397 Orange Drive, Suite 103
Davie, FL 33314

Phone: 954/327-0336

Fax: 954/327-3565

E-mail:

URL:

INVOICE NO. 001

INVOICE DATE 11/05/00

OUR ORDER NO.

CUSTOMER ORDER NO.

TERMS

SALES REP.

SHIPPED VIA

F.O.B.

PREPAID/COLLECT

SOLD TO:

Centex Rooney Construction Company
High School HHH
18600 Vista Park Boulevard
Weston, FL 33332

SHIPPED TO:

Same

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
1		Community Relations Services	L/S	\$23,000.00

SUBTOTAL \$23,000.00

TAX

FREIGHT

TOTAL \$23,000.00

Questions concerning this Invoice?

Call: Judy Stern
954/327-0336

MAKE ALL CHECKS PAYABLE TO:

Judy Stern Consulting, Inc.
5397 Orange Drive, Suite 103
Davie, FL 33314

Vendor #	_____
HHH High School - Weston #437:	_____
Trans. No.	_____ / _____
Date	_____ / _____
PO #/SC #	_____ / _____
Disc.	_____ / _____
Approval By	<u>JS</u>
Amount	<u>23000</u>
Code	_____
Amount	_____
Code	_____
Amount	_____
Code	_____
Owner Req. No.	<u>1</u>

KIMMEL & ASSOCIATES

25 PAGE AVENUE • ASHEVILLE, NC 28801 • 828-251-9900 • FAX 828-251-9955

BILL TO
CENTEX ROONEY 4 HARVARD CIRCLE, SUITE 200 WEST PALM BEACH, FL 33409 ATTN: JESSIE BREWER

Invoice

DATE	INVOICE NO.
8/16/00	3935

DUE DATE
8/28/00

DESCRIPTION	FEE
EXECUTIVE SEARCH: STAN MORRIS CONSULTANT: ROGER ADKINS POSITION: SUPERINTENDENT	19,500.00

OK *[Signature]*
Process for
PAYMENT - CHARGE
to 'HHH' H.S. --
Job #437

CENTEX ROONEY WEST PALM BEACH

TRANSMITTAL NO. 154
 DATE 9-19-00
 PS/SUB NO. _____
 APPROVALS *[Signature]*
 AMOUNT \$19,500.⁰⁰
 V# 24969
 DISCOUNT _____
 CODE 013.400

Total	\$19,500.00
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SECTION III

**FULL TEXT OF ADMINISTRATIVE
RESPONSES**

The School Board Of Broward County, Florida
Facilities & Construction Management
Thomas J. Calhoun, Deputy Superintendent

May 2, 2002

TO: Pat Reilly
Executive Director, Office of Management/Facility Audit

FROM: Robert L. Goode *RLG*
Executive Director

VIA: Thomas J. Calhoun *TJC*
Deputy Superintendent

SUBJECT: INTERIM DRAFT AUDIT REPORT FOR CM @ RISK CONTRACT
FOR "HHH" HIGH SCHOOL, MAY 2002
ADMINISTRATIVE RESPONSES/CORRECTIVE ACTION FOR
OBSERVATIONS 1, 2, AND 3

OBSERVATION No. 1: We agree with the recommendation. In order to prevent future questioned costs from being processed, as reimbursable general conditions, the Estimator/Scheduler staff person, from the Compliance and Contracts Department, will attend each monthly Payment Request Meeting. The Estimator/Scheduler can assist the project manager and the architect with removing those costs that are not allowed as reimbursables under the terms of the contract.

We can also review the contract language that describes providing proof/back up documentation for reimbursables and consider strengthening these provisions as necessary. The Compliance staff will require the construction manager to provide a detailed breakdown of the general conditions at the time the GMP is submitted. Further, staff can explore establishing the General Conditions line item of the GMP for the Construction Manager using pre-determined parameters.

We further agree that Facilities & Construction Management and the Capital Systems Reporting and Control Department should seek reimbursement from the construction manager for all of the questioned costs not allowable under the terms of the contract. We do take exception to the partnering questioned cost, as this was a contractor requested service that the owner had approved and should be reimbursed.

OBSERVATION No. 2: We agree with the recommendation. I have reviewed a letter from the Inspector of Record/Uniform Building Code Inspector and Project Manager explaining the working lunch, and the "rotating turn payment process" the individuals followed. These working lunches were paid equally by all parties. The Construction Managers Reimbursement Request was not appropriate.

To ensure strict compliance with School Board Policy and Florida State Statutes governing these matters, I will issue a written directive to all staff prohibiting the acceptance of any gifts and socializing with vendors outside the confines of the job site or project related meeting locations. In all cases, lunches will be paid for by each individual so there is not ever a perception of impropriety.

OBSERVATION No. 3: We agree with the recommendation. We look forward to working with the legal, auditing and project management staff to incorporate stronger controls over rental/lease expenditures. The Compliance and Contract staff will continue to review the general conditions breakdown within the GMP and will assist project management to help identify non-compliant expenses. Staff will help determine the most cost effective and economical means for rental/lease expenditures that is most beneficial to the owner. Another option is to negotiate a firm-fixed price General Condition line item and delete the opportunity for reimbursable expenses.

Due to the cost plus nature of the CM @ Risk contract delivery of construction services, the Estimator/Scheduler participation at monthly payment meetings will assist the Project Manager and Architect with enforcement of the contract payment terms.

TJC/RLG:lj/sat/dge

cc: Robert L. Goode, Executive Director
Rick Ragland, Executive Director
Alan Gilbert, Chief Building Official
Ron Grossman, Project Manager
Denis Herrmann, Coordinator
Eugene Adach, UBCI

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
COMPTROLLER/BUDGET

April 23, 2002

TO: Pat Reilly
Management/Facility Audits

FROM: Alexander Baum, Director 
Capital Systems Reporting & Control

VIA: I. Benjamin Leong, Comptroller/Budget 

SUBJECT: CAPITAL SYSTEMS REPORTING & CONTROL RESPONSE TO
FINDING NO. 1 OF THE CM AT-RISK CONTRACT FOR "HHH" HIGH
SCHOOL

FINDING NO. 1:

**STRENGTHEN PAYMENT REVIEW PROCEDURES AND REQUIRE ADEQUATE
BACK UP DOCUMENTATION PRIOR TO THE PAYMENT OF REIMBURSABLE
COSTS ALLOWABLE UNDER THE GENERAL CONDITIONS OF THE CONTRACT.**

OBSERVATION:

Currently, the Facilities and Construction Division and the Capital Systems Reporting and Control Department do not receive/review back up documentation for the "reimbursable general conditions" portion of the CRCC progress payments. In excess of \$60,300 was reimbursed for questionable costs charged to the "HHH" High School project.

RESPONSE:

We agree with the auditor's recommendation. With regards to CM At-Risk Contracts, the Capital Payments Unit only receives a one line item for reimbursing general conditions. Beginning next month, we will require a sign off from the Project Manager that a review was made of the back-up documentation for general conditions, and that any questioned costs are deleted and backup documentation is sent with the Request for Payment to Capital Payments.

IBL/AB:jp

cc: Tom Calhoun
Luis Flures
Pam Norwood

Compt Doc 300.10.604

600 S. E. Third Avenue, 8th Floor
Fort Lauderdale, Florida 33301
Telephone: 954-712-1672 Facsimile: 954-712-1744

SECTION IV

APPENDIX

Abbreviations

- AED – Associated Equipment Distributors
- CM @ Risk – Construction Manager at Risk
- CRC – Consultant’s Review Committee
- CRCC – Centex Rooney Construction Company
- CSI – Construction Specifications Institute
- CSR&C – Capital Systems Reporting and Control
- F&CM - Facilities and Construction Management
- FMV – Fair Market Value
- GMP – Guaranteed Maximum Price
- P&W – Perkins and Will
- SBBC – School Board of Broward County
- UBCI – Uniform Building Code Inspectors

