



Internal Audit Report: SMART Bond Program Late-Stage Scope Addition Analysis

Broward County Public Schools

July 15, 2026

TABLE OF CONTENTS

Transmittal Letter 1

Executive Summary.....2

Background.....4

Objectives and Approach.....10

Observations Matrix.....11

Change Order Samples 16

TRANSMITTAL LETTER

July 15, 2026

Mark Magli, Task Assigned Chief Auditor
Broward County Public Schools
600 SE 3rd Avenue, 8th Floor
Fort Lauderdale, Florida 33301

Pursuant to the approved internal audit scope of work, dated February 5th, 2026, we hereby submit our SMART Bond Program Late-Stage Scope Addition Analysis. Our report is organized in the following sections:

Executive Summary	This provides a high-level overview and summary of the observations noted in our SMART Bond Program Late-Stage Scope Additions.
Background	This provides an overview of the function, as well as relevant background information.
Objectives and Approach	The internal audit objectives are expanded upon in this section, as well as a summation of the various phases of our approach.
Observations Matrix	This section includes a description of the observations noted during our review and recommended actions, as well as Management's response, including the responsible party, and estimated completion date.

We would like to thank the staff and all those involved in assisting our firm with this internal audit.

Respectfully Submitted,

RSM US LLP

RSM US LLP

EXECUTIVE SUMMARY

Background

Broward County Public Schools (“District” or “BPS”) is the second largest public school district in Florida and the sixth largest in the country, serving approximately 250,000 students across more than 230 schools, centers, and technical institutions throughout Broward County. The District is responsible for maintaining and improving a substantial portfolio of educational facilities, including aging campuses and infrastructure requiring ongoing maintenance, modernization, and capital investment.

In November 2014, Broward County voters approved an \$800 million General Obligation Bond known as the SMART Program (Safety, Music & Art, Athletics, Renovations, and Technology). The program was established to support districtwide facility improvements and infrastructure modernization efforts. Funded projects have included HVAC replacements, roofing projects, fire alarm and sprinkler upgrades, electrical and ADA improvements, classroom additions, and technology enhancements. The Office of Capital Programs (“OCP”) is responsible for the planning, design, construction, renovation, and maintenance activities across all District facilities and campuses. As of October 2025, 149 projects have been completed.

Construction and capital improvement projects are complex and commonly require modifications after work has started due to unforeseen conditions, design revisions, operational requests, or code-related requirements. These modifications are typically processed through change orders or scope additions that adjust the original project scope, budget, or schedule. Although changes during construction are expected, significant additions occurring late in the project lifecycle may indicate weaknesses in planning, design coordination, procurement, or project oversight and may contribute to increased costs, schedule impacts, and reduced budget certainty.

Overall Summary / Highlights

Internal audits provide insight into an organization’s culture, policies, and procedures and aids Management in oversight by verifying internal controls are operating effectively, and adequately mitigating risk, and are in compliance with relevant laws, regulations and policies.

The observations detailed in the pages that follow represent only the instances where exceptions were noted, and do not detail the instances where testing resulted in no reportable observations. For each observation, we discuss the relevant risks, which may include financial, operational, and/or compliance, as well as public perception or brand risks.

Objectives and Scope

The primary objective of this internal audit was to analyze projects nearing completion that experienced significant scope increases, with the objective of identifying root causes for late-stage additions and assessing whether they resulted from initial scoping, bidding, plan review, inspection, or other process issues.

We identified and selected a sample of projects that experienced significant scope additions or large change order packages late in the project lifecycle for analysis. For these samples, our procedures included, but were not limited to:

- Reviewed documentation and conducted analysis to determine whether late-stage scope additions were attributable to, but not limited to, any of the following factors:
 - o Initial scoping or bidding deficiencies
 - o Incomplete or inaccurate bidding documents
 - o Plan review oversights
 - o Inspection findings
 - o Code compliance requirements identified late in the process
 - o Unforeseen conditions
- Evaluated whether scope changes and emerging trends were identified, assessed, and communicated proactively by the PMOR and District.
- Assessed whether end-of-project scope additions may have been identified earlier in the project lifecycle.

Fieldwork was performed between March 2026 through May 2026.

At the conclusion of our procedures, we summarized our findings into this written report. We have reviewed the results of our testing with OCA and PM/OR teams, and incorporated managements response herein.

Summary of Observation Ratings

(See page 3 for risk rating definitions)

	High	Moderate	Low
Late-Stage Scope Addition Analysis	-	2	-

We would like to thank all District team members who assisted us throughout this internal audit.

EXECUTIVE SUMMARY (CONTINUED)

Observations Summary

Below is a summary listing of the observations that were identified during this internal audit. Detailed observations are included in the observation matrix section of the report. Definitions of the rating scale are included below.

Summary of Observations	
Observations	Rating
1. Pre-Construction Validation and Planning	Moderate
2. Late-Stage Formalization of Project Impacts	Moderate

Risk Rating Definitions

Provided below are the observation risk rating definitions for the detailed observations.

Observation Risk Rating Definitions	
Rating	Definition
Low	Observation presents a low risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of low importance to business success/achievement of goals.
Moderate	Observation presents a moderate risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of moderate importance to business success. Action should be in the near term.
High	Observation presents a high risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of high importance to business success/achievement of goals. Action should be taken immediately.

BACKGROUND

Overview

Broward County Public Schools (“District” or “BPS”) is second largest public school district in Florida, serving a diverse student population across more than 230 schools, academic centers, and technical institutions throughout Broward County. The District also manages a large portfolio of educational facilities projects consisting of managing aging infrastructure, ongoing maintenance demands, modernization initiatives, code compliance requirements, and capital improvement projects designed to support student safety and educational operations.

In November 2014, Broward County voters approved an \$800 million General Obligation Bond (“SMART Program”) to fund capital improvements throughout the District. The SMART Program represents Safety, Music & Art, Athletics, Renovations, and Technology, all critical focuses identified by the District. This program was established with the intent of modernizing and improving school facilities districtwide. Projects funded through the program have included but are not limited to roofing replacements, HVAC upgrades, fire alarm and fire sprinkler improvements, electrical and ADA upgrades, classroom additions, and technology infrastructure enhancements.

Construction projects within large public sector environments are inherently complex and frequently require modifications during execution due to unforeseen conditions, design clarifications, regulatory requirements, or operational needs. These modifications are processed through change orders or scope additions, which are formal amendments to the original construction contract that may adjust project scope, cost, schedule, or other contractual terms after work has commenced. While some degree of change during construction is expected, significant scope increases occurring late in the project lifecycle may indicate underlying issues related to project planning, design development, procurement, contract administration, construction oversight, or project governance. Late-stage scope additions can result in increased project costs, schedule delays, operational disruption, reduced budget predictability, and diminished transparency regarding the original project scope and associated approvals. Given the significant public investment associated with the District’s capital improvement program, effective project planning, scope management, and change order oversight are critical to promoting fiscal accountability, transparency, operational efficiency, and responsible stewardship of public resources.

Change Orders and Scope Additions

Construction projects are awarded based on a defined scope of work established through architectural and engineering plans, technical specifications, cost estimates, and bid documents prepared during the design and procurement phases. During construction, however, circumstances may arise that require modifications to the original contract. A change order is a formal, documented amendment to the original construction contract that authorizes changes to the project’s scope of work, contract value, schedule, or other contractual terms after the contract has been executed. Change orders may either increase or decrease the contract amount and may also adjust project completion timelines. Scope additions are processed through change orders when additional work outside the original contract requirements is identified during project execution. Change orders are initiated when project stakeholders identify work that cannot be completed under the original contract documents or when additional work is determined to be necessary to achieve operational, safety, regulatory, or functional objectives.

The change order process includes identification of the issue, development of a proposed solution, cost estimation, schedule impact analysis, review and negotiation, approval by authorized parties, and formal execution prior to implementation. Effective change management processes are critical to maintaining fiscal accountability, maintaining transparency, controlling project costs and schedules, and promoting proper stewardship of public resources. Key elements of effective change management include complete and coordinated design documents, proactive project monitoring, timely identification and escalation of risks, adequate documentation, and appropriate review and approval controls throughout the project lifecycle.

BACKGROUND

Change Order Samples

To assess vendor change orders and their justification for finalization near completion of the project scope, we analyzed project change orders between June 2019 and December 2025 and sampled ten (10) late-stage change orders across nine (9) projects for detailed review. Our sampling methodology considered factors including project percent completion at time of change order approval, change order value, total contract value, expected project delays, and project type, among other relevant considerations.

Sample	Project Number	% Complete as CO Approved	Project Name	Approved Date	Change Order Amount	Days Extended	Reason	Description	Original Contract Amount	Actual Start	Contractor
1	P.002062	88%	Park Springs ES - SMART Program Renovations	9/16/2025	\$214,135.76	421	Consultant Omission	Installation of Fire Alarm System in Building 80	\$7,900,000	7/5/2022	H.A. CONTRACTING CORP.
2	P.002042	97%	Tequesta Trace MS - SMART Program Renovations	7/24/2025	\$43,491.39	0	Consultant Omission	To comply with the failed inspection comments to add several fire alarm devices	\$8,877,777	--	LEGO CONSTRUCTION CO.
	P.002042	97%	Tequesta Trace MS - SMART Program Renovations	7/22/2025	\$-	151	Consultant Error	Time Extension Request for additional fire alarm devices	\$8,877,777	7/5/2022	LEGO CONSTRUCTION CO.
3	P.001774	100%	Cypress Bay HS - SMART Program Renovations	6/14/2022	\$553,799.00	105	Unforeseen Condition	CUD - Unforeseen groundwater was encountered during excavation of footings	\$25,604,000	3/28/2019	THE MORGANTI GROUP, INC.
4	P.002039	99%	Riverside ES - SMART Program Renovations	5/13/2025	\$-	381	Consultant Omission	Time Extension Request for delays associated with mobilization, clarification of fire alarm drawings, relocation of the terminal cabinets	\$1,615,000	8/1/2022	CAMPUS CONSTRUCTION GROUP, INC.
5	P.002044	98%	Bair MS - SMART Program Renovations	11/12/2025	\$34,101.80	209	Consultant Omission	Installation of nine (9) additional fire alarm devices required for compliance	\$741,335	3/2/2022	DANTO BUILDERS, LLC

BACKGROUND (CONTINUED)

Change Order Samples (Continued)

Sample	Project Number	% Complete as CO Approved	Project Name	Approved Date	Change Order Amount	Days Extended	Reason	Description	Original Contract Amount	Actual Start	Contractor
6	P.002003	97%	Miramar HS - SMART Program Renovations	12/17/2024	\$233,636.27	0	Unforeseen Condition	CUD - Provide labor, material and equipment to install temp cooling system campus wide, power to the SRO officer's house, power to the IT rack, during the power shut down period to replace the main switch gears	\$17,324,816	2/2/2022	THORNTON CONSTRUCTION COMPANY, INC.
7	P.002000	96%	Virginia Shuman Young ES - SMART Program Renovations	11/12/2025	\$140,831.25	0	Consultant Omission	Installation of Additional Fire Alarm Devices in Buildings 1, 3, 4, 5 & 7	\$3,820,306	10/27/2020	ADVANCED ROOFING, INC.
8	P.002810	90%	Atlantic West ES - Roofing Bldg 1, 3, 6 - SMART Program	12/21/2023	\$666,061.00	0	Unforeseen Condition	Provide labor, materials, and equipment to replace 62,282 SF of deteriorated metal decking	\$3,875,538	--	ADVANCED ROOFING, INC.
9	P.001838	85%	South Broward HS - SMART Program Renovations	2/19/2025	\$259,439.72	0	Consultant Omission	Installation of new acoustical panels	\$8,275,545	12/28/2020	JOHNSON-LAUX CONSTRUCTION, LLC

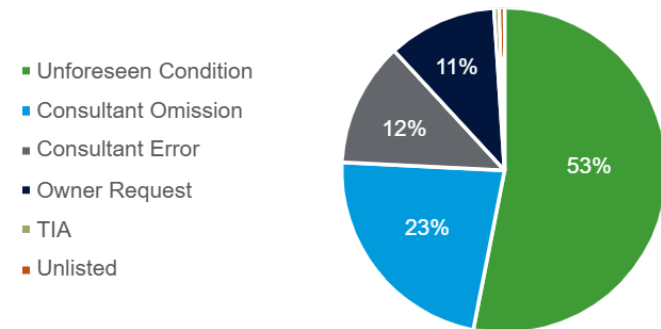
BACKGROUND (CONTINUED)

Data Analytics

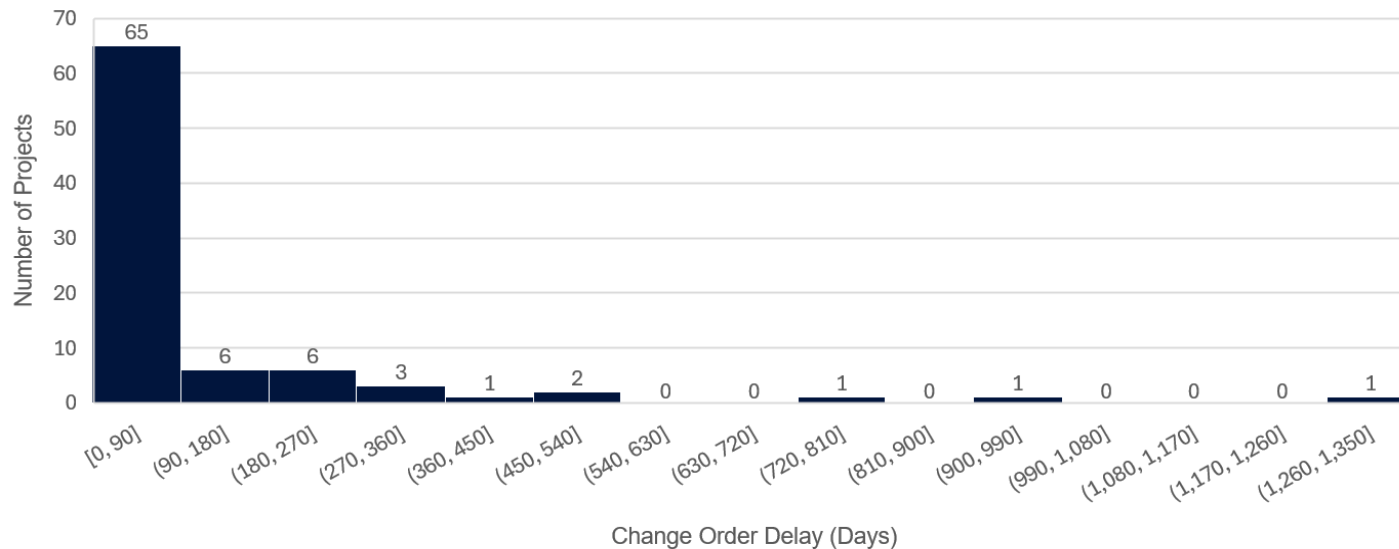
As a part of this review, data analytics were performed on a population of change orders for all SMART Bond Program projects between June 2019 through December 2025. This population consisted of 440 change orders. Of these, 194 were Board approved change orders that either increased the contract amount or extended the project schedule and were approved after the associated project was listed by the Project Manager as at least 80% complete per the Monthly Project Update.

Change Orders with 80% Project Completion or Greater			
Change Order Reason	Project Count	Change Order Amount Total	Extension Total (Days)
Unforeseen Condition	103	\$ 5,125,276	5,113
Consultant Omission	44	\$ 2,135,888	1,560
Consultant Error	24	\$ 1,553,185	1,074
Owner Request	21	\$ 1,198,848	3,799
TIA	1	\$ -	305
Unlisted	1	\$ -	0
Grand Total	194	\$ 10,013,196	11,851

Change Orders with 80% Project Completion or Greater



Change Order Project Extensions



CHANGE ORDER TIMELINES

The following timelines represent when the corresponding issue for each sampled project change order was identified relative to the NTP, how long the change order was in review, and how long until the change was fully executed and Board approved.

Sample	Project Number	Project Name	CO Description	Days Identified After NTP	Days in CO Review Until Board Approval
1	P.002062	Park Springs ES - SMART Program Renovations	Installation of Fire Alarm System in Building 80	282	775
2	P.002042	Tequesta Trace MS - SMART Program Renovations	To comply with the failed inspection comments to add several fire alarm devices	583	248
2	P.002042	Tequesta Trace MS - SMART Program Renovations	Time Extension Request for Additional Fire Alarm Devices	583	248
3	P.001774	Cypress Bay HS - SMART Program Renovations	CUD - Unforeseen groundwater was encountered during excavation of footings	167	630
4	P.002039	Riverside ES - SMART Program Renovations	Time Extension Request for delays with mobilization, clarification of fire alarm drawings, relocation of terminal cabinets	87	356
5	P.002044	Bair MS - SMART Program Renovations	Installation of nine (9) additional fire alarm devices required for compliance	531	506
6	P.002003	Miramar HS - SMART Program Renovations	Labor, materials, and equipment to install temp cooling system to campus, SRO officer's house, and IT rack	583	130
7	P.002000	Virginia Shuman Young ES - SMART Program Renovations	Installation of Additional Fire Alarm Devices in Buildings 1, 3, 4, 5 & 7	40	373
8	P.002810	Atlantic West ES - SMART Program	labor, materials, and equipment to replace 62,282 SF of deteriorated metal decking	352	271
9	P.001838	South Broward HS - SMART Program Renovations	Installation of new acoustical panels	367	148
Average				358	368

CHANGE ORDER CAUSE CATEGORIES

The following represents contributing factors identified for each sampled project that resulted in the late-stage change order and impacted the submission and execution process.

Sample	Project Number	Project Name	Change Order Cause Categories					
			Design Omissions and Incomplete Construction Documents	Evolving or Misaligned Building Use Conditions	Code Interpretation and Regulatory Review Outcomes	Unforeseen Field Conditions	Delayed Identification and Prolonged Resolution of Issues	Coordination and Change Management Process Inefficiencies
1	P.002062	Park Springs ES - SMART Program Renovations	✓				✓	✓
2	P.002042	Tequesta Trace MS - SMART Program Renovations			✓			
3	P.001774	Cypress Bay HS - SMART Program Renovations				✓	✓	
4	P.002039	Riverside ES - SMART Program Renovations			✓	✓		✓
5	P.002044	Bair MS - SMART Program Renovations		✓	✓			
6	P.002003	Miramar HS - SMART Program Renovations				✓		
7	P.002000	Virginia Shuman Young ES - SMART Program Renovations	✓	✓	✓			
8	P.002810	Atlantic West ES - SMART Program				✓	✓	
9	P.001838	South Broward HS - SMART Program Renovations				✓		

OBJECTIVES AND APPROACH

Objectives

The primary objective of this internal audit was to analyze projects nearing completion that experienced significant scope increases, with the objective of identifying root causes for late-stage additions and assessing whether they resulted from initial scoping, bidding, plan review, inspection, or other process issues. The scope period was June 2019 through December 2025.

Approach

The purpose of this phase was to identify and select a sample of SMART program projects that experienced significant scope additions or large change order packages late in the project lifecycle for analysis. This analysis included but was not limited to the following procedures:

- Performed data analytics on the population of change orders to identify late stage scope additions that were Board approved change orders that either increased the contract amount or extended the project schedule and were approved after the associated project was listed by the Project Manager as at least 80% complete per the Monthly Project Update.
- Performed detailed analysis on a sample of nine (9) projects that experienced significant scope additions or large change order packages late in the project lifecycle and performed the following:
 - o Reviewed documentation to assess justification and timeline for late stage scope addition, including but not limited to:
 - Proposed Change Orders
 - Architect Supplemental Instructions
 - Contingency Use Directives
 - Contractor correspondence
 - Requests For Information
 - Permitting support
 - Inspection reports
 - o Evaluated each change order to determine whether late-stage scope additions were attributable to, but not limited to, any of the following factors:
 - Initial scoping or bidding deficiencies
 - Incomplete or inaccurate bidding documents
 - Plan review oversights
 - Inspection findings
 - Code compliance requirements identified late in the process
 - Unforeseen conditions
- Evaluated whether scope changes and emerging trends were identified, assessed, and communicated proactively by the OCA and PM/OR teams.
- Assessed whether end-of-project scope additions may have been identified earlier in the project lifecycle.
- Reviewed identified results with the PM/OR to discuss project specifics and additional contextual information.

Reporting

At the conclusion of this internal audit, we summarized our findings into this report. We have reviewed the results with the appropriate Management personnel and have incorporated Management's response into this report.

OBSERVATIONS MATRIX

1. Pre-Construction Validation and Planning	Risk Rating: Moderate
Observation	
As part of our review, RSM identified several late-stage change orders resulting from conditions that were not fully identified or validated during the design development phase. Based on our review, these additions were attributable to a variety of factors, including, but not limited to, inaccurate occupancy assumptions, misalignment between documented and actual building use, omissions of fire alarm system components from the design documents, and code-related revisions identified during the permitting and inspection processes. Of the ten (10) sampled late-stage scope additions reviewed, we noted the following: - One (1) project, Park Springs ES (P.002062), required additional fire alarm devices and system modifications that were not included in the original design documents. According to the A/E, these changes resulted from an omission by a fire alarm design consultant. - Three (3) projects required additional fire alarm devices and system modifications required for building use requirements that were not identified until a failed fire inspection occurred. For these samples, the cause of the failed inspections was that actual room usage differed from the occupancy assumptions. All failed fire inspections occurred over an 11-month period from August 2023 to July 2024. Of these three (3) samples; - Tequesta Trace MS (P.002042) was attributed to missed devices by the A/E in the design plans. - Bair MS (P.002044) was attributed to FISH plans and As-Built drawings inaccurately reflecting actual conditions at the site. - Virginia Shuman Young ES (P.002000) was attributed to discrepancies between the facility drawings, identified room usage, and actual room use at the site. - Four (4) projects encountered existing site conditions that were not identified until demolition or construction activities were underway, necessitating design revisions and additional construction work to address the newly identified conditions. Of these four (4) samples; - Riverside ES (P.002039) and South Broward HS (P.001838) were attributed to accessibility limitations caused by terminal cabinets and acoustical curtains that were not identified during site inspections. - Miramar HS (P.002003) was attributed to required design modifications to an existing electrical vault to support the project's electrical infrastructure improvements that were not identified during the planning phase. - Atlantic West ES (P.002810) was attributed to deteriorated metal decking, that while identified earlier at a different building, was unable to be validated timely. Many of these occurrences indicate opportunities to improve the processes used to validate design assumptions before construction begins. As a result, issues that could have been identified during planning were instead discovered during construction, permitting, or final inspections, contributing to change orders being executed near project completion. Effective pre-construction planning should include formal verification that existing conditions have been adequately assessed, occupancy classifications and intended room uses have been confirmed with District stakeholders, and critical building systems have been coordinated with permitting authorities and applicable code requirements. These activities provide an opportunity to identify potential design conflicts, code compliance issues, and constructability concerns before they result in late-stage scope additions.	

OBSERVATIONS MATRIX (CONTINUED)

1. Pre-Construction Validation and Planning (Continued)	Risk Rating: Moderate
Recommendation	
The following is recommended: The District strengthen its formal pre-construction validation process to verify that design assumptions, existing conditions, and code requirements have been adequately evaluated and documented before construction documents are issued for bid. This process may include standardized pre-bid validation checklists requiring confirmation that existing site conditions have been appropriately assessed and occupancy classifications and intended room uses have been verified with school and facilities stakeholders. Additionally, the District should establish minimum expectations for field verification activities and, where appropriate, targeted reviews to validate existing conditions that could materially affect project scope. Design assumptions that are subject to change, such as room utilization or operational requirements, should be formally confirmed with end users before final design approval, with any changes evaluated for potential impacts to code compliance and project scope. Implementing these controls will improve the completeness and accuracy of construction documents, reduce the likelihood of scope changes resulting from unvalidated design assumptions or existing conditions, and help minimize late-stage change orders, schedule impacts, and cost increases during construction.	
Management's Response	
Response: The Office of Capital Programs (OCP) partially concurs. The SMART Program scope was established by prioritizing identified facility needs within the scope and funding authorized under the bond program. The A/E scope-validation process focused on the approved GOB project scope and was not intended to serve as a comprehensive, campus-wide reassessment of all existing conditions. During project implementation, the District identified variances among facility documentation, FISH records, actual facility use, existing conditions, and campus-wide system dependencies. OCP recognizes the opportunity to strengthen controls and documentation related to scope assumptions, existing conditions, facility utilization, applicable code and life-safety requirements, system dependencies, and stakeholder input. OCP also notes that construction changes may arise from various causes, including unforeseen conditions, Owner-directed revisions, code requirements, design errors or omissions, and contractor-related matters. Accordingly, a subsequent scope addition does not, by itself, establish that the condition was reasonably identifiable before bidding or that the original scope-validation process was inadequate. OCP will review and, as appropriate, refine applicable SOPs and Trimble Unity Construct (TUC) processes in accordance with contractual requirements, specifications, applicable codes, and legal standards. Improvements under review by OCP include. • Standardized pre-construction scope-validation procedures - This will be coordinated with the new Long Range Facility Master Planner (LRFMP) and reviewed for a new TUC workflow process. • Site-condition verification protocols – OCP will ensure that Charter are held at the beginning of the project including a detailed site walkthrough with representatives from the AE, BCPS Pre-Construction, BCPS Construction, Building Department, and PPO. OCP will document in the OAC Meeting Minutes TUC workflow. • Documented confirmation of facility-use requirements with relevant District stakeholders – OCP will create and implement a new TUC workflow requiring the AE to validate the FISH designated use of each space that is affected by the construction project. Any discrepancies between the actual facility use and the use reflected in the FISH will be escalated through the workflow to Pre-Construction and other required District departments for evaluation and resolution. Responsible Party: Office of Capital Programs Estimated Completion Date: December 31, 2026	

OBSERVATIONS MATRIX (CONTINUED)

2. Late-Stage Formalization of Project Impacts

Risk Rating: Moderate

Observation

As part of our review, RSM observed that several late-stage change orders were not the result of newly identified conditions arising near project completion. Rather, project records indicated that underlying issues, scope impacts, design revisions, permitting requirements, and field conditions were often identified months, or in some cases years, earlier but were not formally incorporated into executed change orders until projects were substantially complete, near completion, or after the associated work had already been performed. Across the sampled projects, Requests for Information (RFIs), Architect's Supplemental Instructions (ASIs), permitting comments, field discoveries, inspection findings, design revisions, and Proposed Change Orders (PCOs) frequently remained open for extended periods while undergoing coordination, review, pricing, and approval before being formally executed through the change order process. As a result, known project impacts were not consistently documented, quantified, and incorporated into approved project records in a timely manner. Delays in formalizing these project impacts reduce management's ability to accurately monitor project scope, budget, and progress throughout construction and increase the risk that reported project schedules do not accurately reflect current project status, outstanding work, or the potential effects of unresolved changes on project completion.

RSM's timeline analysis identified that sampled items averaged 358 days from Notice to Proceed to issue identification, 368 days in change order review. These results suggest opportunities for improvement not only within the formal approval process, but also within the broader processes used to monitor, coordinate, document, and advance identified project issues through resolution. For example:

- At Park Springs Elementary School (P.002062), a fire alarm scope omission was identified during the Architect/Engineer's review of shop drawings in April 2023. However, the associated PCO remained under review for approximately two years and underwent eleven revision cycles before receiving final Board approval in September 2025.
- At Riverside Elementary School (P.002039), multiple previously identified issues, including delayed mobilization, fire alarm design clarifications, terminal cabinet relocation requirements, and inspection-related deficiencies, were ultimately consolidated into a single change order approved when the project was approximately 99% complete.
- At Miramar High School (P.002003), an electrical vault design modification was identified in September 2023 and temporary cooling work occurred during June and July 2024; however, the related PCO and Contingency Use Directive were not initiated and executed until November 2024, after the work had already been completed.
- At Atlantic West Elementary School (P.002810), concerns regarding potential roofing deck replacement were raised during procurement and deteriorated decking conditions were formally identified during construction in April 2023. The resulting cost and schedule impacts were subsequently processed through change orders approved near project closeout.
- At South Broward High School (P.001838), concealed field conditions impacting acoustical panel installation were identified through project reporting in March 2023, while the associated permitting, PCO processing, and change order approval activities extended through February 2025 before the impacts were formally incorporated into approved change documentation.

Importantly, RSM did not identify sufficient evidence to conclude that the administrative processing timelines themselves materially delayed project completion in every instance reviewed. In several samples, the underlying work had already been performed, the condition had been addressed, or the project was substantially complete before the associated change order was fully executed and approved. Rather, the common theme observed across the sampled projects was that known project impacts were frequently not formally documented, quantified, and approved until significantly later in the project lifecycle.

OBSERVATIONS MATRIX (CONTINUED)

2. Late-Stage Formalization of Project Impacts (Continued)	Moderate
Observation (Continued)	
While construction projects inherently require coordination among contractors, design professionals, permitting agencies, and District personnel, effective project governance typically includes mechanisms to monitor aging RFIs, ASIs, permitting comments, PCOs, and other unresolved issues to promote timely formalization of known project impacts and improve management visibility into evolving project conditions. Without formal performance expectations, aging analysis, escalation procedures, and management oversight of unresolved change-related activities, project impacts may remain administratively open for extended periods before being reflected in approved project records. This can reduce the usefulness of project schedule reporting, limit management's visibility into evolving cost and schedule exposure, increase administrative effort at project closeout, and result in significant project impacts being formally documented only after key decisions have already been made or work has already occurred.	
Recommendation	
We recommend the following: The District strengthen its construction change management framework by establishing defined performance expectations for the review and resolution of RFIs, ASIs, permit revisions, PCOs, and change orders. The District should implement standardized turnaround time expectations, escalation procedures for aging items, and centralized monitoring of outstanding change related activities. Additionally, management may explore establishing periodic oversight of unresolved change items throughout project execution to facilitate timely decision-making and promote completion of change order processing before substantial completion.	

OBSERVATIONS MATRIX (CONTINUED)

2. Late-Stage Formalization of Project Impacts (Continued)	Moderate
Management's Response	
Response: The Office of Capital Programs (OCP) partially concurs. OCP has defined performance expectations for the review of RFIs, ASIs, PCOs, change order documentation, and schedules. Accordingly, the final approval date should not be interpreted as the sole indicator of when an issue was identified or when management began evaluating or addressing it. The time required to achieve formal resolution varies depending on the nature and complexity of the issue and may include design development, regulatory review, supporting documentation, pricing revisions, schedule and entitlement evaluation, negotiation, funding authorization, and approval routing. Project records also reflect instances in which incomplete or unsupported submissions required correction and resubmission in accordance with contractual change-management requirements. OCP recognizes an opportunity to improve the consistent monitoring, escalation, and documentation of unresolved change-related items. OCP will review and, as appropriate, refine applicable SOPs and Trimble processes in accordance with contractual requirements, specifications, codes, and legal standards. Improvements under review include: 1. Contractual Change Management Requirements - BCPS Office of General Counsel is reviewing the construction contracts and will recommend items for improvement and streamlining. OCP will also review the opportunity for simplification in the change order processes, forms, markups, and backup documentation requirements. 2. Enhanced completeness checks for PCO submissions. The Executive Director, Office of Capital Programs will issue formal communication to all AE firms reinforcing their contractual obligations with respect to change order review. 3. Clarification of review and return requirements for non-compliant submissions - OCP will update the SOP to specify the conditions under which a non-compliant change order should be returned to the GC. 4. Standardized step aging and escalation reporting for unresolved items to the Executive Director of Capital Programs or appropriate District leadership - Enhanced reporting to the District leadership to give more metrics and analysis on change orders. 5. Inspectors have been encouraged to fully inspect the work and identify all issues as early as possible in construction. The Bond Oversight Committee made a recommendation to the Board that the same inspector should be assigned for the duration of the construction to streamline the inspection process. Responsible Party: Office of Capital Programs Estimated Completion Date: March 31, 2027	

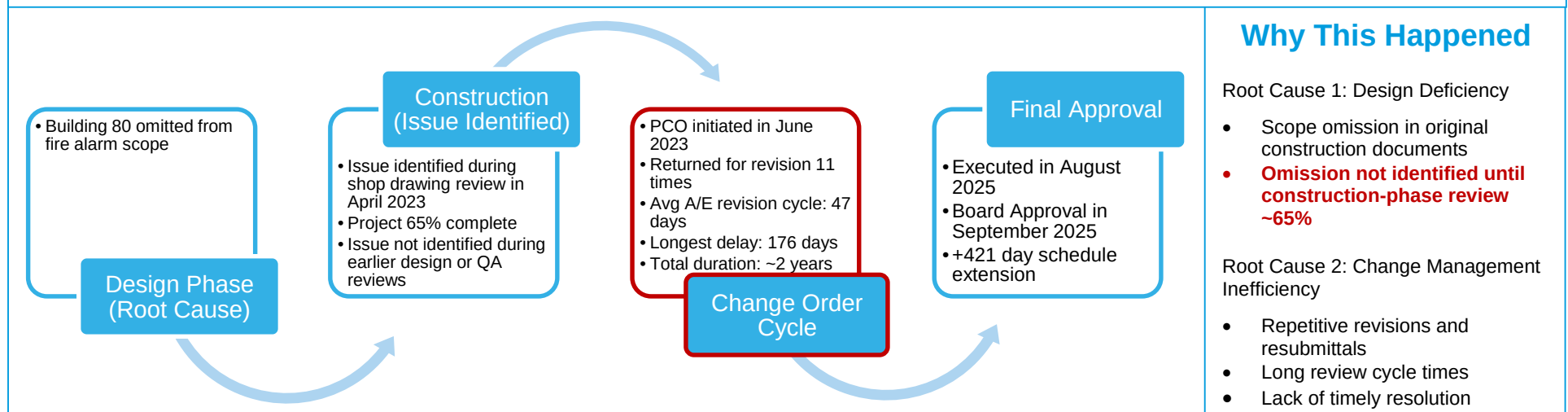
CHANGE ORDER SAMPLES

SAMPLE 1: SMART PROGRAM RENOVATIONS – PARK SPRINGS ELEMENTARY SCHOOL

RSM selected Change Order 3 associated with Project P.002062, Park Springs Elementary School – SMART Program Renovations, for detailed review due to its approval at a late stage of project completion and the significant schedule extension requested. Based on the Notice to Proceed (“NTP”), construction commenced on July 5, 2022, with a scheduled completion date of December 6, 2023 (519 days). The corresponding issue was identified when the project was listed as approximately 65% complete and the change order was approved when the project was approximately 96% complete. The change order, CO3, included a requested time extension of 421 days and added scope for Building 80 to provide labor and materials for fire alarm installation that had not been included in the original construction documents. An additional change order, CO1, to account for design and layout for building 80 which added an additional 135-day extension to the total schedule, resulting in a 556-day total delay.

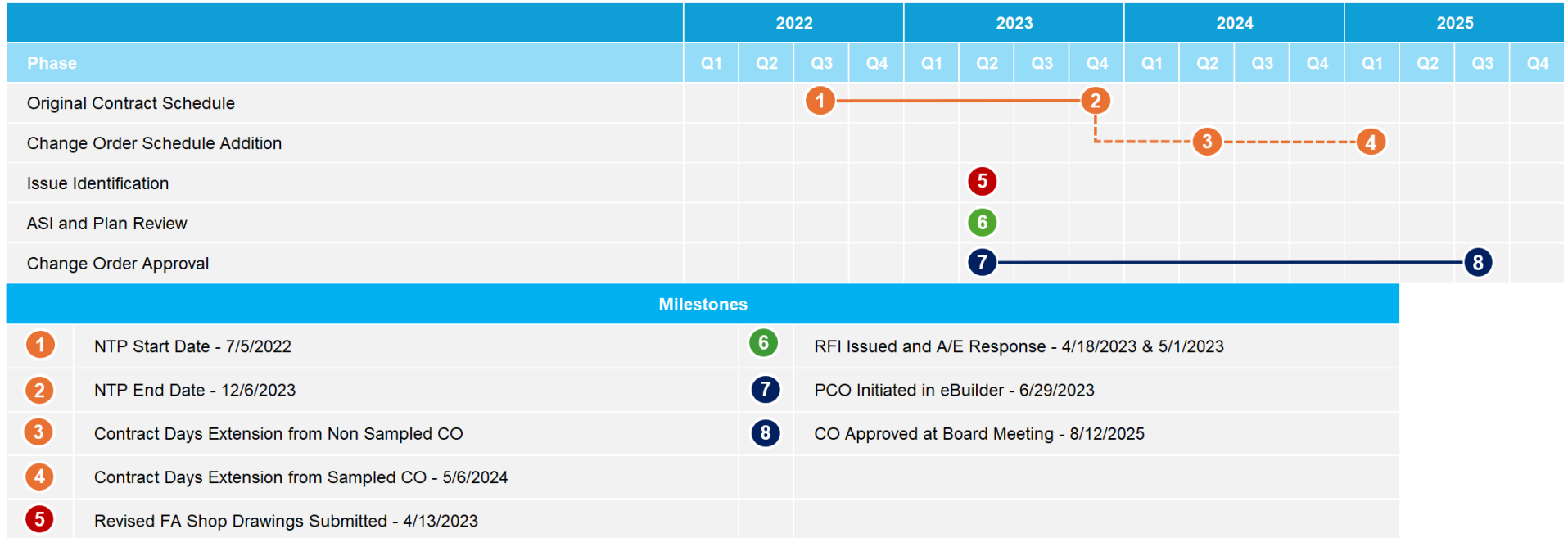
RSM reviewed project documentation, including RFIs, change order records, eBuilder workflow history, and permitting documentation. The review determined that the need for the additional fire alarm work originated from the omission of Building 80 from the original construction documents. According to project records, H.A. Contracting Group submitted revised fire alarm shop drawings on April 13, 2023, after the A/E, KVH Architects, identified the omission of Building 80 from a previous revision regarding the fire alarm panel's location. To clarify the scope requirements, RFI #21 was issued on April 18, 2023, with the A/E providing its response on May 1, 2023, instructing H.A. Group to conduct a site survey to design the fire alarm layout. H.A. Contracting Group subsequently initiated PCO #8 in eBuilder on June 29, 2023, which then became Change Order 3. RSM's review of the eBuilder history for PCO #8 identified a prolonged review and approval process extending approximately two years. During this period, AECOM returned the PCO to H.A. Contracting Group on 11 separate occasions for revisions. The average time for AECOM to issue revision requests was approximately 47 days, while the average review time for resubmitted PCOs was approximately 12 days. RSM further noted that the longest single period in which AECOM was awaiting a response from H.A. Contracting Group was 176 days. Project records also indicated that AECOM issued two warnings to H.A. Contracting Group regarding delayed responses and advised that the PCO could expire if required actions were not completed within established deadlines. H.A. Contracting Group's final resubmission occurred on April 14, 2025. The change order was ultimately signed by all parties on August 12, 2025, and approved by the Board on September 16, 2025.

Based on the documentation reviewed, this sampled change order was primarily attributable to a design omission in the original construction documents. Specifically, Building 80 was excluded from the fire alarm scope and the omission was not identified until the A/E's review of contractor shop drawings during construction at approximately 54% completion of the original schedule (identified at day 282 of the 519-day schedule). The extended duration between the initial identification of the issue and final approval of the change order appears to have been driven by a prolonged PCO review and resubmission process involving both AECOM and H.A. Contracting Group. Accordingly, the root cause of the late-stage scope addition was a deficiency in the original design documents, while the length of time required to execute the change order was exacerbated by extended review cycles and delays in the change management process.



CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 1 TIMELINE: SMART PROGRAM RENOVATIONS – PARK SPRINGS ELEMENTARY SCHOOL



CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 2: SMART PROGRAM RENOVATIONS – TEQUESTA TRACE MIDDLE SCHOOL

RSM selected Change Orders 9 and 10 associated with Project P.002042, Tequesta Trace Middle School – SMART Program Renovations due to their approval at a late stage of project completion. As observed on the NTP, construction commenced on July 5, 2022, with a scheduled completion date of December 27, 2023 (540 days). The corresponding issues were identified when the project was approximately 93% complete and the change order was approved after the original scheduled completion when the project was listed as approximately 98% complete. Change Order 9 included a time extension of 151 days, while Change Order 10 requested an additional funds extension of \$43,491.39. Both change orders were associated with additions to the fire alarm systems within various buildings, with the contractor attributing multiple failed inspections as the primary need for requiring additional units.

We reviewed inspection reports, requests for information (“RFI”), Architect Supplemental Instructions (“ASI”), contractor correspondence, permitting records, and change order documentation related to the sampled change orders. We observed documentation indicating that the first failed fire inspection related to the additional scope occurred on February 8, 2024, with the final related failed inspection occurring on June 3, 2024. Following the failed inspections, the Contractor, Lego Construction Co., submitted five RFIs to the A/E, LIVS Associates, between February 9, 2024, and July 3, 2024, seeking clarification and direction regarding the deficiencies identified during the inspections. In response to the RFIs, the A/E issued ASI 0 on August 15, 2024, stating that the contract documents had been revised and coordinated with the contractor to incorporate the required changes.

Subsequently, the A/E submitted ASI 5 to the Building Department on August 28, 2024, and the revised plans were permitted on October 31, 2024. According to project records, ASI 5 updated the project drawings to reflect existing field conditions identified through the failed inspection reports. RSM also reviewed correspondence dated August 19, 2024, between Lego Construction Co. and the Chief Fire Official for Broward Schools. In the correspondence, Lego Construction requested reconsideration of the failed inspections, noting that the fire alarm shop drawings had previously been reviewed and approved by both the Fire Alarm Department and the Building Department. The Chief Fire Official responded that certain deficiencies may not be identified during the design review process and can become apparent only during onsite construction inspections.

Following identification of the deficiencies and issuance of the revised design documents, Lego Construction Co. initiated PCO 22 in eBuilder on November 8, 2024, which subsequently became Change Order 10. Change Order 10 was fully executed by June 20, 2025, and approved by the Board on July 14, 2025. Lego Construction Co. also submitted PCO 24 on January 21, 2025, which became Change Order 9. Change Order 9 was fully executed by June 10, 2025, and approved by the Board on July 22, 2025.

Why This Happened

Root Cause 1: Late Identification

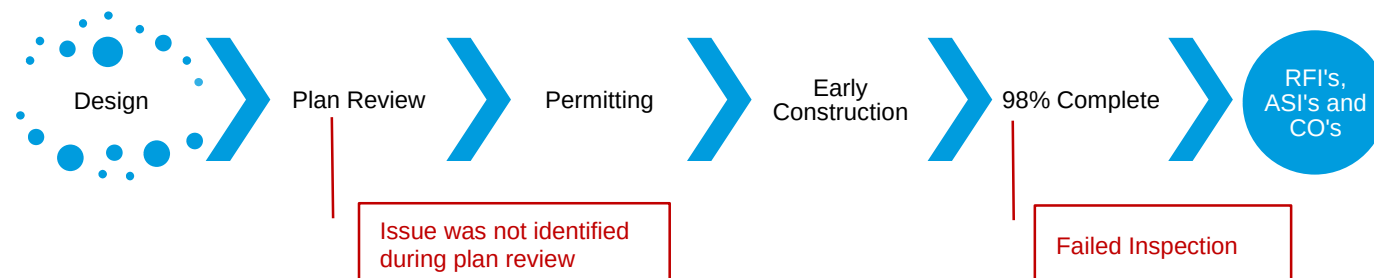
- Deficiencies tied to fire alarm system were first identified after substantial completion (~93%)
- Change orders introduced 151-day extension and \$43K cost increase

Root Cause 2: Reactive Process Flow

- **Issue identified during inspection phase, not earlier design/review phases**
- Multiple RFIs required to clarify scope after failure
- Design updates (ASI 0 & 5) occurred after construction was largely complete

Root Cause 3: Design vs. Field Disconnect

- Shop drawings were previously approved by Fire Alarm and Building Departments
- However, deficiencies were only identified during field inspections
- Indicates limitations in design review vs. constructability validation



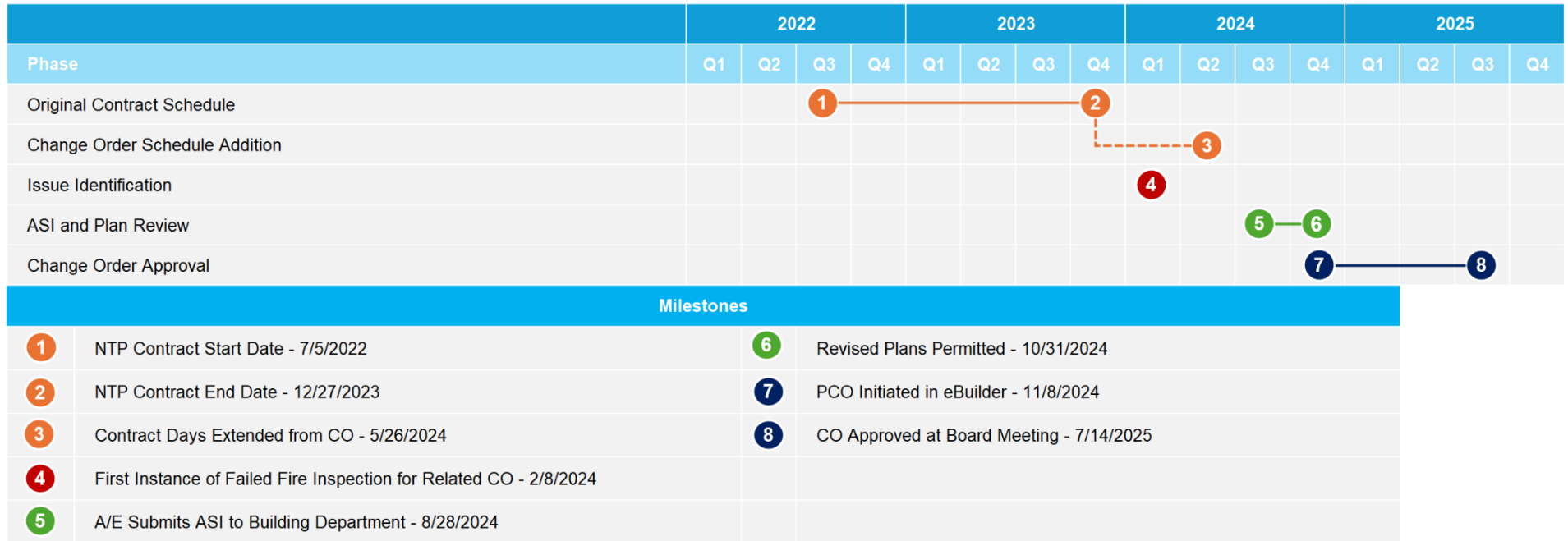
Project was

93% Complete

when late-stage fire alarm scope was identified.

CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 2 TIMELINE: SMART PROGRAM RENOVATIONS – TEQUESTA TRACE MIDDLE SCHOOL



CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 3: SMART PROGRAM RENOVATIONS - CYPRESS BAY HS

RSM selected the sampled change associated with Project P.001774, Cypress Bay High School – SMART Program Renovations, for detailed review due to its approval after project completion and its significant impact on both project cost and schedule. Based on the Notice to Proceed, construction commenced on March 29, 2019, with a scheduled completion date of December 27, 2019.

The sampled change was approved when the project was reported as 100% complete and resulted in an increase of \$553,799 and a 105-day extension to the project schedule. The change was processed through Change Order 1 and funded via a Contingency Use Directive ("CUD") to address unforeseen site conditions encountered during construction.

Documentation indicated that the cost and schedule impacts were related to unforeseen groundwater conditions encountered during footing excavation at Building 9. As excavation progressed, groundwater conditions required modification to the planned construction approach, including over-excavation by an additional foot to allow placement of 57 stone as directed by the geotechnical engineer.

Project records show that the contractor, Morganti Group, submitted RFI No. 30 on September 12, 2019, to notify the A/E of the groundwater conditions and propose corrective action. The A/E responded on September 18, 2019, concurring with the approach. Although the condition was identified and addressed during construction, the associated cost and time impacts were not formally processed until later.

The PCO was submitted into eBuilder on September 22, 2020, and was not finalized until June 2, 2022, when the CUD was executed and approved at the June 2022 Board meeting, formalizing the \$553,799 cost increase and 105-day extension.

Why This Happened

Root Cause 1: Unforeseen Field Conditions

- Unforeseen groundwater condition was identified and addressed during construction.
- Although the condition was identified and addressed during construction, the associated cost and time impacts were not formally processed until later.

Project was

100% Complete

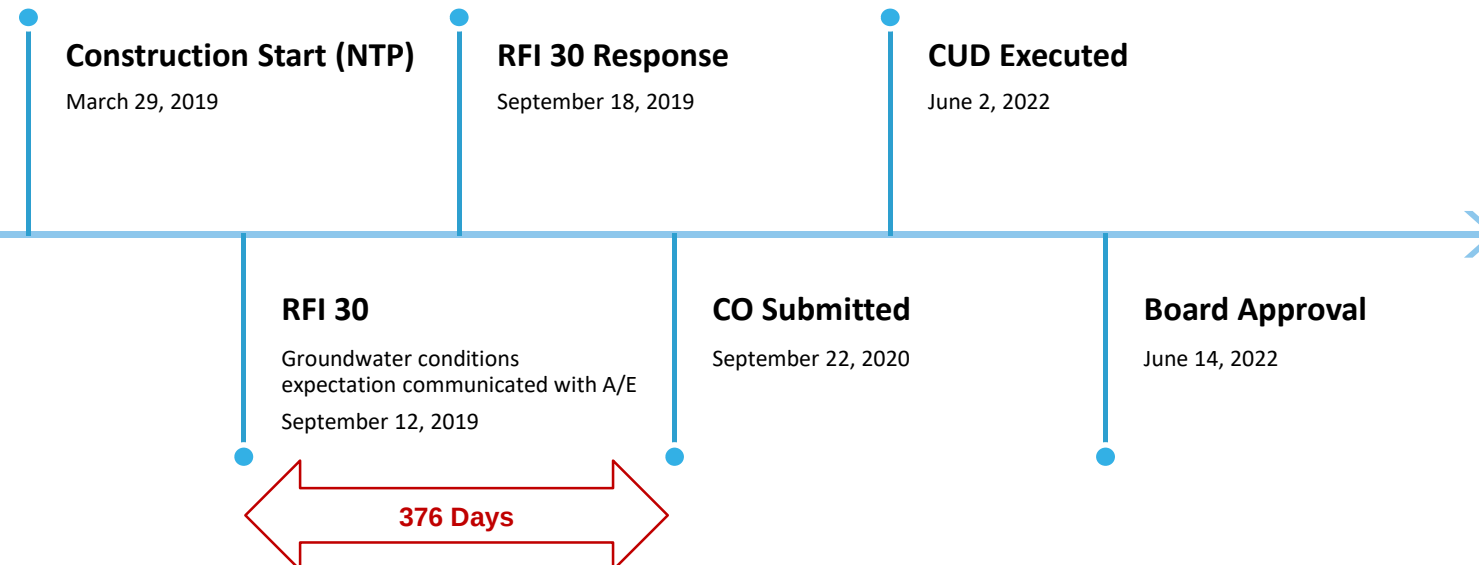
When late-stage change order approved.

Impact

100% Complete at Approval

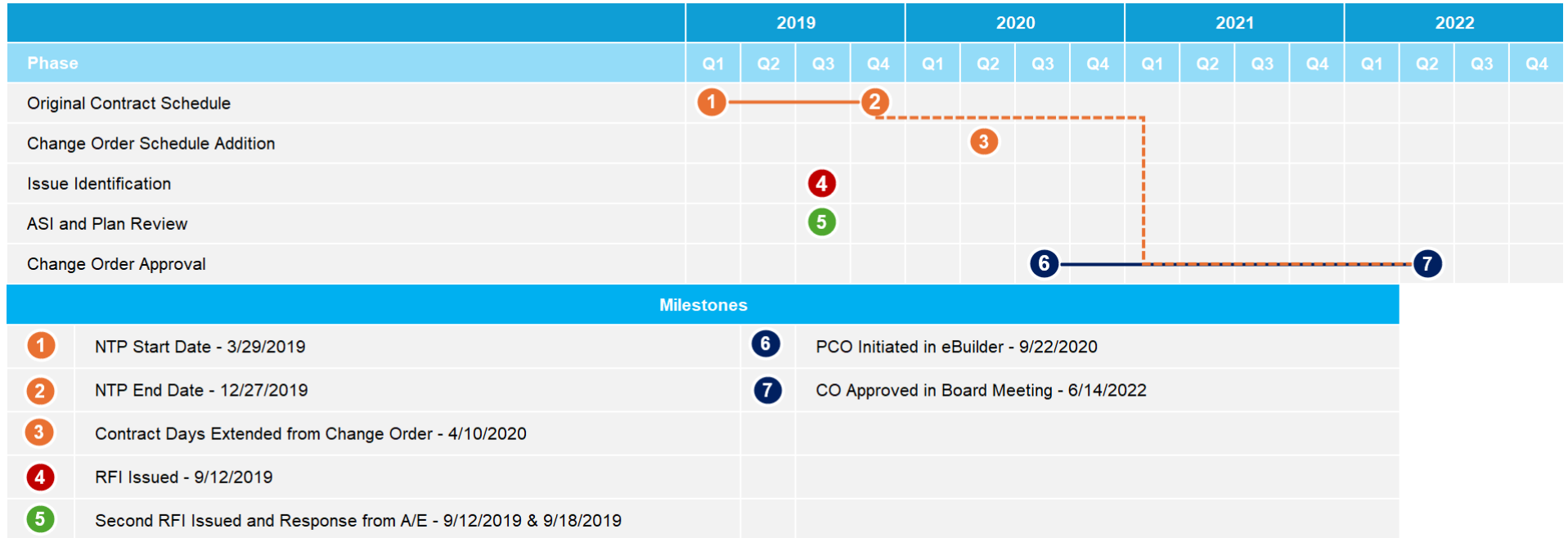
\$553,799 Additional Project Cost

105 Days Schedule Extension



CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 3 TIMELINE: SMART PROGRAM RENOVATIONS - CYPRESS BAY HS



CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 4: SMART PROGRAM RENOVATIONS – RIVERSIDE ELEMENTARY SCHOOL

RSM sampled Change Order 6 associated with Project P.002039, Riverside Elementary School – SMART Program Renovations, for detailed review due to its approval at a late stage of project completion and the significant schedule extension. Based on the Notice to Proceed (“NTP”), construction was scheduled to commence on August 1, 2022, with a planned completion date of November 5, 2023. Documentation reviewed indicated that the project schedule was subsequently adjusted due to a mobilization delay, resulting in the construction start date being deferred to October 30, 2022, and the contract completion date being extended to February 3, 2024. The corresponding issue was identified when the project was approximately 33% complete and the change order was approved when the project was approximately 99% complete, with a total extension of 381 days. Documentation reviewed indicated that the change order consolidated delays and additional work associated with project mobilization, fire alarm system design and permitting, field-condition modifications, and fire code compliance requirements identified during construction and inspections.

RSM observed that retained documentation indicated project mobilization was delayed at the owner’s request, resulting in the construction start date being deferred from August 1, 2022, to October 30, 2022. Documentation further indicated that fire alarm design and permitting issues contributed to the overall delay. On October 27, 2022, the Engineer of Record (“EOR”) commented on the fire alarm device drawings and noted that the fire alarm notification devices were required to display “ALERT” signage, which was not reflected in the design at that time. To address the discrepancy, Campus Construction Group, Inc. submitted RFI 02 on November 29, 2022, and received a response on December 16, 2022. The contractor subsequently submitted RFI 08 on February 2, 2023, seeking additional clarification regarding the fire alarm display requirements, and a response was issued on March 13, 2023. The fire alarm drawings were resubmitted to the Building Department on March 30, 2023, and were approved with the corresponding permit issued on April 3, 2023.

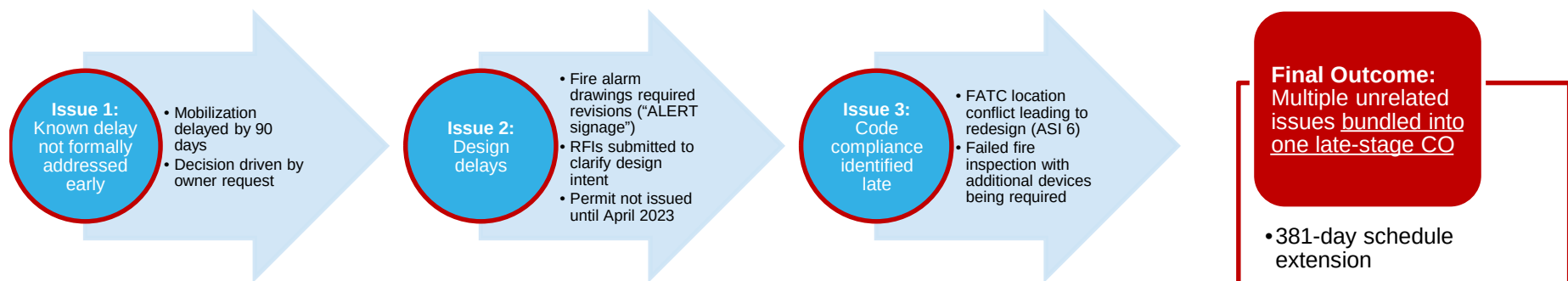
During construction, additional field conditions affecting the fire alarm system were identified. Specifically, the planned location for the Fire Alarm Terminal Cabinet (“FATC”) panels was found to be obstructed by existing cabinetry, requiring relocation of the panels. As a result, the contractor submitted RFI 20 on June 5, 2023. In response, the Architect/Engineer, Song and Associates, issued ASI 6 on November 2, 2023, and the corresponding permit was issued on December 8, 2023.

RSM also reviewed documentation related to fire alarm deficiencies identified during construction. On November 20, 2023, the contractor submitted RFI 37 after an inspector requested additional fire alarm devices to satisfy applicable code requirements. To address these requirements, the A/E issued ASI 8 on May 9, 2024. Project records indicated that these various delays, design revisions, permit activities, and additional fire alarm requirements were ultimately consolidated into PCO 14, which was submitted by the contractor on May 22, 2024. The PCO was subsequently approved by the Board on May 13, 2025, after the project had reached approximately 99% completion.

Why This Happened

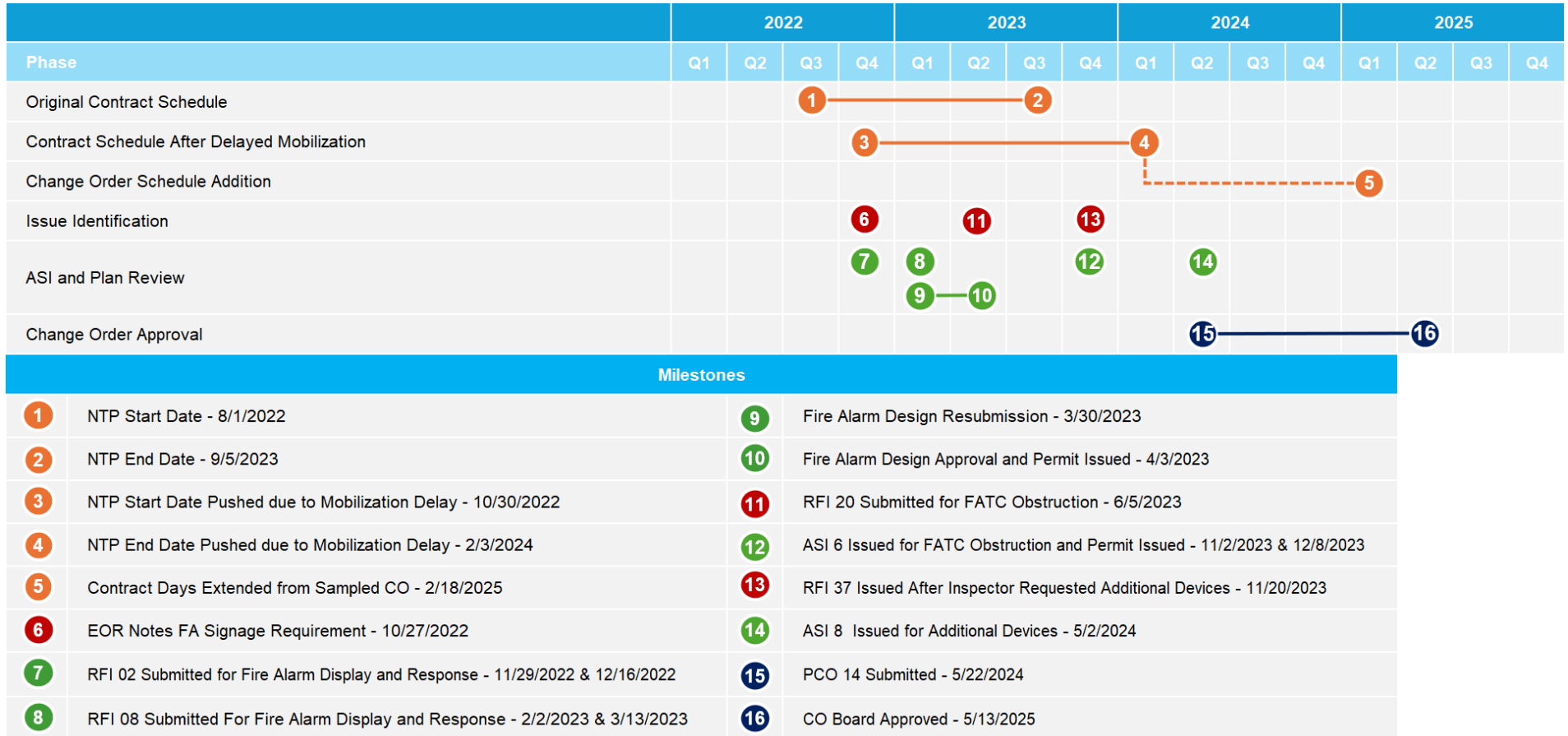
Root Cause: Delayed CO Processing

- Multiple identifiable issues occurred throughout the project lifecycle but were not addressed individually which resulted in a significant, consolidated change order at project closeout



CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 4 TIMELINE: SMART PROGRAM RENOVATIONS – RIVERSIDE ELEMENTARY SCHOOL



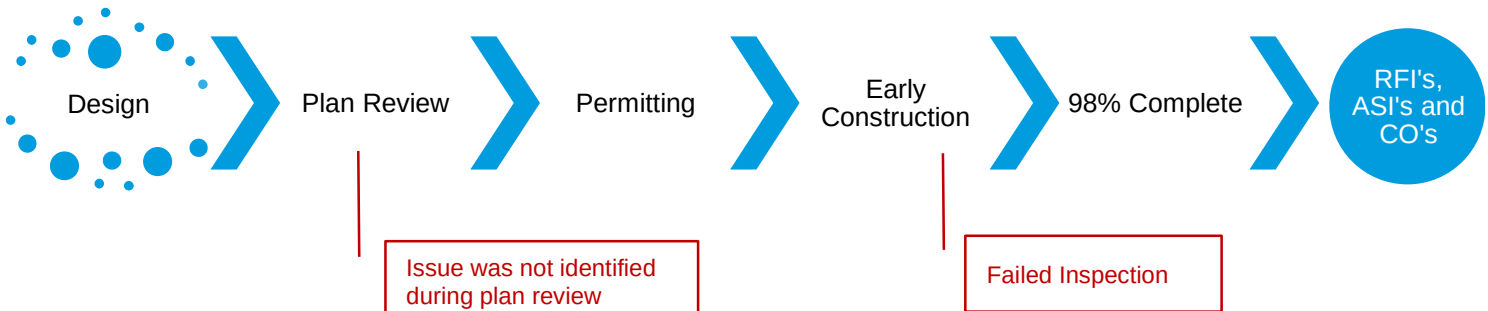
CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 5: SMART PROGRAM RENOVATIONS – BAIR MIDDLE SCHOOL

RSM selected Change Order 5 associated with Project P.002044, Bair Middle School – SMART Program Renovations, for review due to its approval at a late stage of project completion and the significant cost and schedule impact. Based on the NTP, construction commenced on March 3, 2022, with a scheduled completion date of January 28, 2023. The corresponding issue was identified when the project was approximately 88% complete and the change order was approved when the project was approximately 98% complete and added \$34,101.80 in costs along with a 209-day time extension. The change order included additional scope for the installation of nine (9) fire alarm devices identified during post-construction fire inspections.

The Construction Change Directive indicated that the additional fire alarm devices were identified through failed fire inspections conducted on August 16, 2023, and November 17, 2023. The first inspection failures were attributed to discrepancies between actual room usage and the Florida Inventory of School Houses (“FISH”) plans, where two rooms identified as classrooms were being used for storage. This change in use resulted in required fire safety devices not being included in the original design. The second inspection failure identified missing smoke detectors in the library and corridor 008, which were not reflected in the original construction drawings, resulting in incomplete installation of required fire alarm components.

In response to these inspection findings, the contractor, Danto Builders, LLC, submitted RFIs 48, 55, and 57 between August 29, 2023, and November 20, 2023, requesting clarification regarding the deficiencies. The A/E, Song and Associates, issued responses to the RFIs and subsequently released ASI 6 on December 4, 2023. The revised design was later approved and permitted on July 17, 2024. The corrective work associated with these changes ultimately passed fire alarm device inspection on May 9, 2025. The contractor initiated PCO 14 in eBuilder on June 24, 2024, which was subsequently incorporated into the sampled change order. Change Order 5 was fully executed on October 8, 2025, and approved by the Board on November 12, 2025.



Why This Happened

Root Cause 1: Design vs. Field Disconnect

- Building use conditions did not align with original design assumptions (FISH plans vs. actual)
- Fire alarms that should have been included in construction drawings were omitted

Root Cause 2: Reactive Process Flow

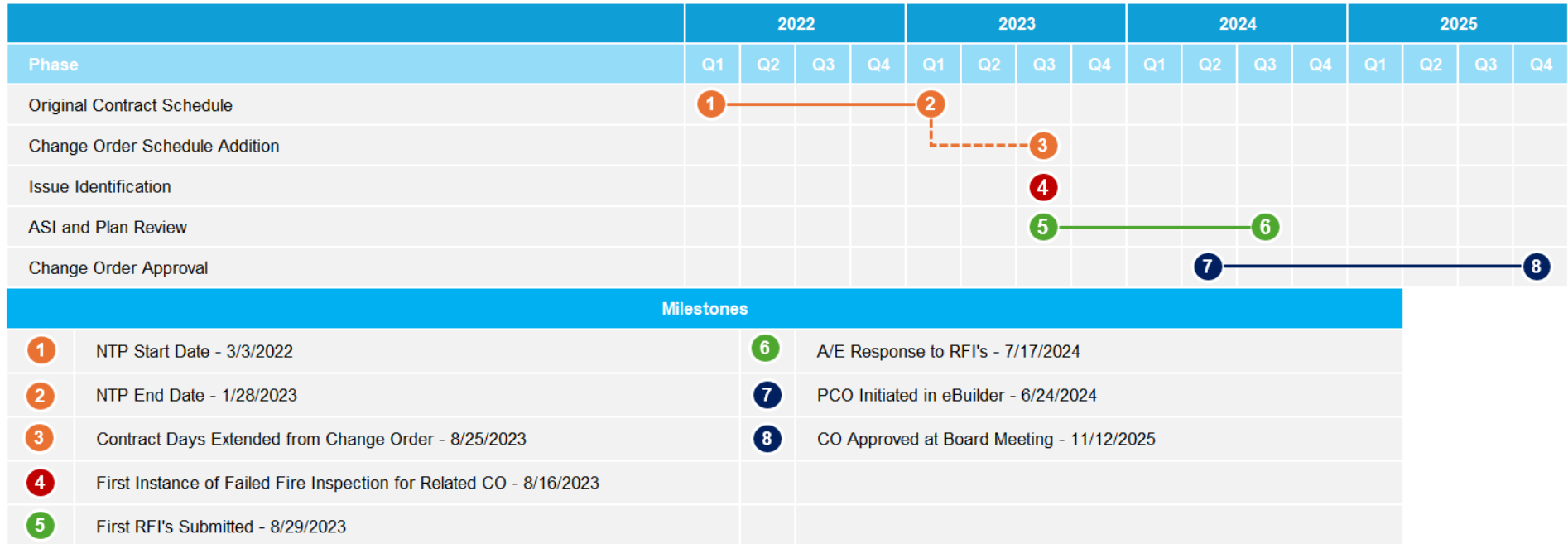
- Issue identified during inspection phase, not earlier design/review phases
- Multiple RFIs required to clarify scope after failure
- Design updates (ASI 6) occurred after construction

Impact

- 98%** Complete at Approval
- \$34K** Additional Cost
- 209 Days** Timeline Impact

CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 5 TIMELINE: SMART PROGRAM RENOVATIONS – BAIR MIDDLE SCHOOL



CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 6: SMART PROGRAM RENOVATIONS – MIRAMAR HIGH SCHOOL

RSM selected the change order associated with Project P.002003, Miramar High School – SMART Program Renovations, for detailed review due to its approval at the completion of the project and the cost impact associated with the change. Based on the Notice to Proceed, construction commenced on February 2, 2022, with a scheduled completion date of October 5, 2024. The corresponding issue was identified when the project was approximately 72% complete and the change order was approved when the project was reported 100% complete. The change order increased the project cost by \$233,636.27 and provided additional funding for temporary cooling measures required to support electrical infrastructure upgrades following an unforeseen design change to the campus electrical vault by Florida Power & Light (“FPL”).

We reviewed project documentation, including Contingency Use Directive (“CUD”) records, permitting records, and supporting correspondence. Documentation indicated that during an onsite meeting with the FPL design team on September 28, 2023, FPL determined that the existing electrical vault required design modifications to support the project’s electrical infrastructure improvements. The revised vault design affected the installation of the new main distribution panels and required replacement of the existing main disconnect panels.

To facilitate the vault upgrade, FPL required a campus-wide electrical shutdown while work was performed. As part of this requirement, Thornton Construction Company, Inc. was directed to provide temporary cooling throughout the campus to maintain appropriate environmental conditions and mitigate the potential for mold growth during the outage. The temporary cooling system received permit approval on June 5, 2024, with installation and operation occurring during the planned shutdown period from June 10, 2024, through July 12, 2024. Documentation reviewed noted that the shutdown was intentionally scheduled during the summer recess period when students were not on campus, thereby minimizing operational disruptions.

We further reviewed the associated change management documentation and noted that the additional costs were funded through Contingency Use Directive #29, which reduced Thornton Construction Company, Inc.’s contingency by \$233,636.27 and reallocated those funds to the Cost of Work budget line item. The associated PCO 29 was initiated in eBuilder on August 9, 2024. The CUD was executed by all required parties on November 22, 2024, and both the CUD and the associated Change Order were subsequently approved by the Board on December 17, 2024. A separate proposed change order, PCO 10, was initiated September 9, 2025, to add an extension of 214 days which was subsequently approved by the Board on October 14, 2025.

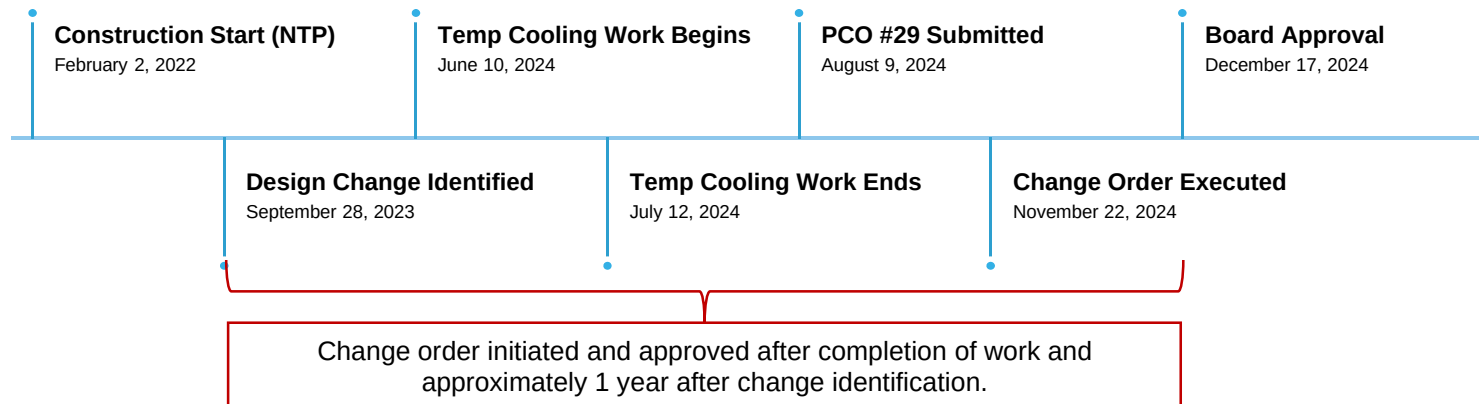
Why This Happened

Root Cause 1: Delayed Change Management

- Change was identified as necessary in September 2023, but the PCO was not initiated until August 2024, after completion of temporary cooling work
- Change order and CUD were processed and approved after project completion

Root Cause 2: Design vs. Field Disconnect

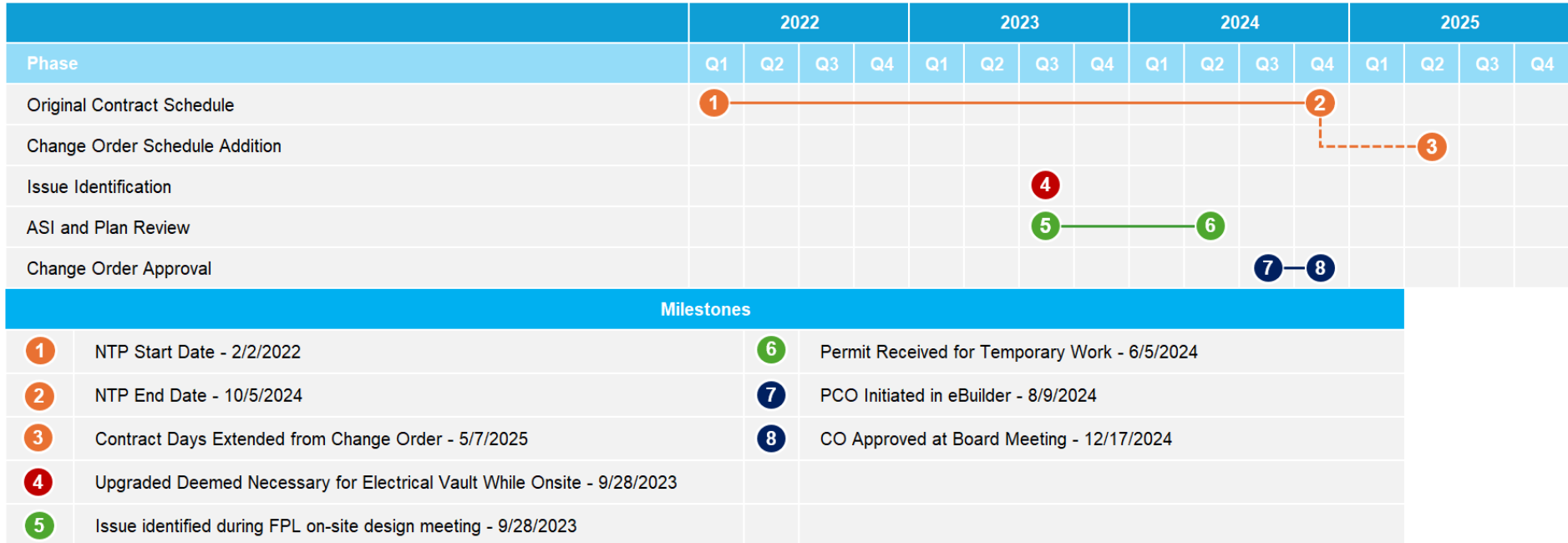
- FPL design team determined upgrade to electrical vault was required after onsite meeting



Project was
72% Complete
when the sampled change order was submitted.

CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 6 TIMELINE: SMART PROGRAM RENOVATIONS – MIRAMAR HIGH SCHOOL



CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 7: SMART PROGRAM RENOVATIONS – VIRGINIA SHUMAN YOUNG ELEMENTARY SCHOOL

RSM selected Change Order 4 associated with Project P.002000, Virginia Shuman Young Elementary School – SMART Program Renovations, for review due to its approval at a late stage of project completion and the significant cost impact associated with the change. Based on the NTP, the contractor start date was October 27, 2020, with a scheduled completion date of October 27, 2021. The corresponding issue was identified when the project was approximately 42% complete and the change order was approved when the project was approximately 97.5% complete and added \$140,831.24 in additional costs. The change order included additional scope for the installation of fire alarm devices across multiple buildings, which was required to obtain Building Department permit approval.

RSM reviewed project documentation including permitting records, Architect/Engineer correspondence, Engineer of Record comments, construction documents, and change order files. Documentation indicated that the additional fire alarm devices were required as a condition of Building Department permit review dated December 6, 2021. Although the fire alarm shop drawings had been approved by the Engineer of Record, the Building Department issued comments during its review that required further evaluation and revision of the design documents. Nyarko Architectural Group noted that several of the requested smoke detectors were not anticipated at the time of design because the applicable spaces were not identified in the FISH plans as Pre-K or sleeping rooms and were not originally intended for such use. However, subsequent use of certain rooms as sleeping spaces resulted in revised code interpretation requiring smoke detectors. Additionally, spaces identified in the FISH documentation as multipurpose rooms and teacher lounges, which did not contain cooking appliances, were not originally designed to include smoke detection devices under the initial code interpretation. The Building Plans Reviewer, however, required that smoke detectors be installed in these areas as part of the permit approval process. Nyarko Architectural Group further noted that remaining fire alarm device additions were attributable to design omissions, as they were not included in the original construction documents and were inadvertently excluded during the design process.

RSM further noted that the shop drawing permit dated November 11, 2021, was initially rejected by the Building Department for both electrical and fire alarm components on December 6, 2021. The electrical portion was subsequently approved on August 29, 2022, while the fire alarm portion was not approved until October 7, 2024. Following resolution of permitting and design revisions, the contractor, Advanced Roofing, Inc., initiated PCO #12 in eBuilder on November 4, 2024. The associated change order was fully executed by all parties on September 9, 2025, and approved by the Board on November 12, 2025.

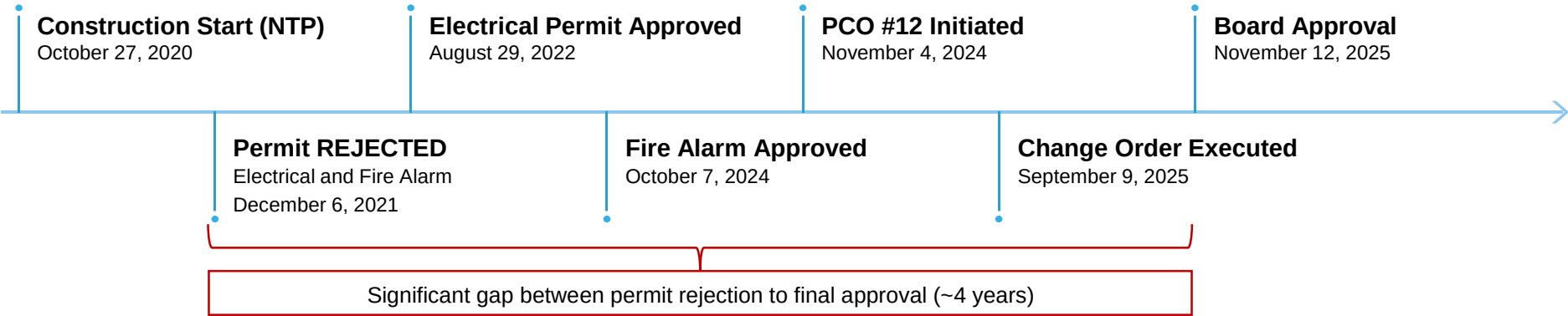
Why This Happened

Root Cause 1: Design and Code Interpretation

- Fire alarm scope expanded for permit approval
- Spaces reclassified (sleeping / Pre-K use)
- Building Department required additional detectors
- Design omissions in original documents

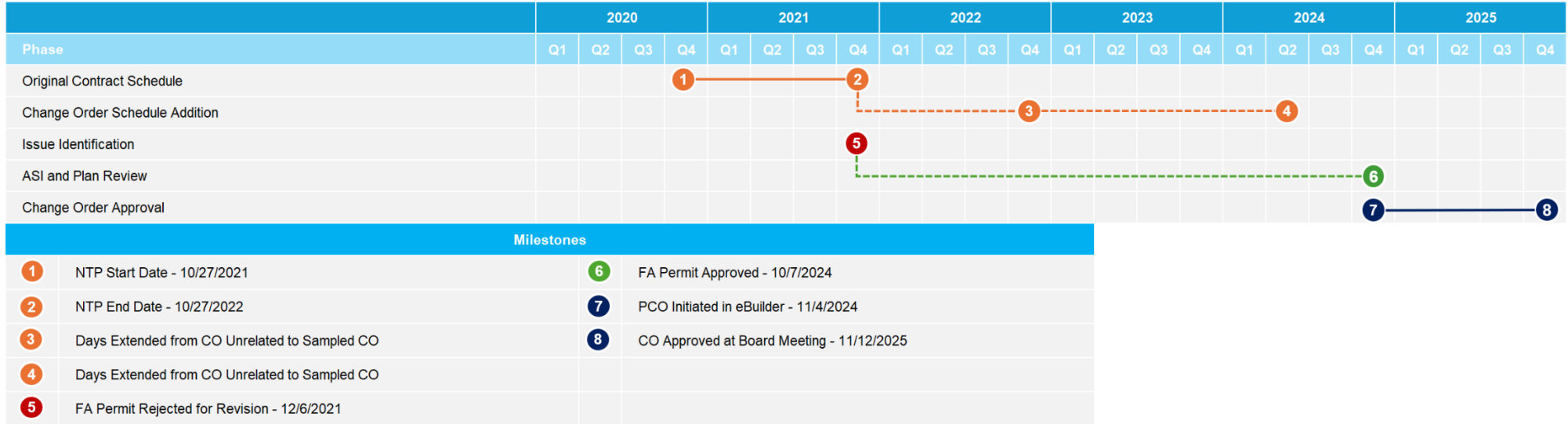
Impact

- 97.5%** Complete at Approval
- \$140K** Additional Cost
- ~4-Year** Timeline Impact



CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 7 TIMELINE: SMART PROGRAM RENOVATIONS – VIRGINIA SHUMAN YOUNG ELEMENTARY SCHOOL



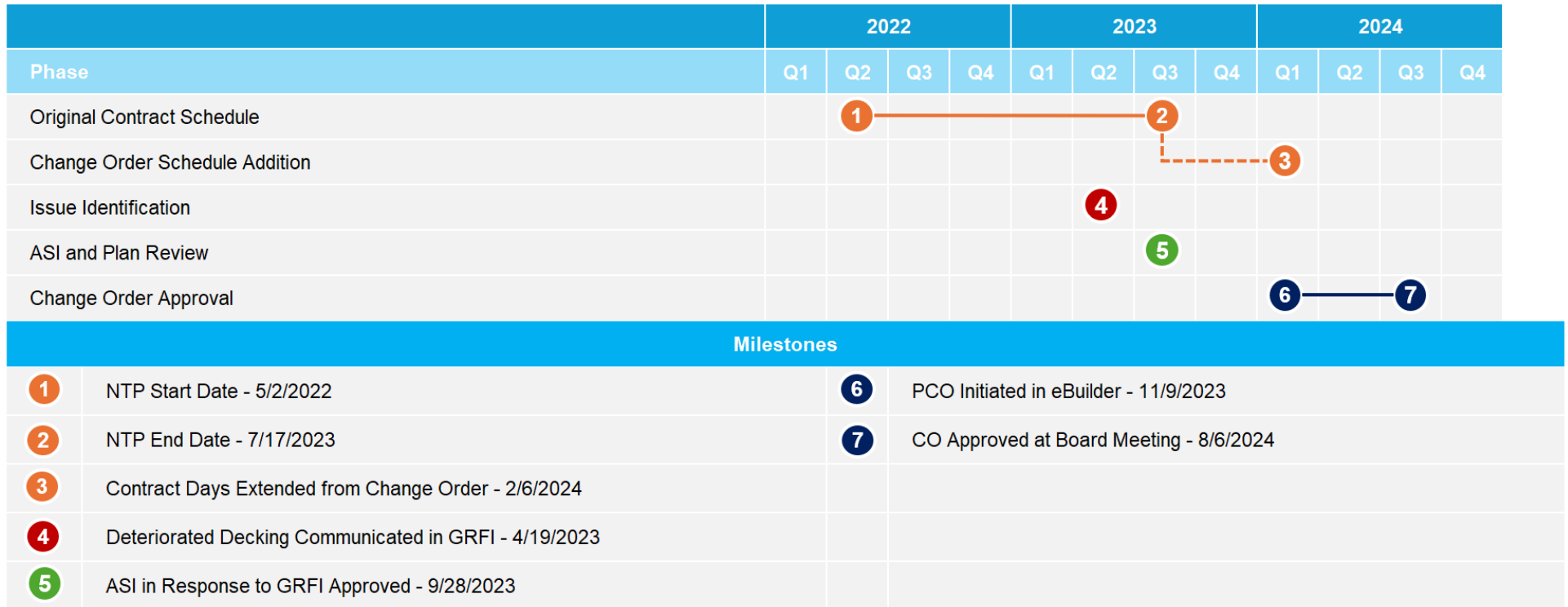
CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 8: SMART PROGRAM RENOVATIONS – ATLANTIC WEST ELEMENTARY SCHOOL

RSM selected Change Order 2 associated with Project P.002810, Atlantic West Elementary School – Roofing Buildings 1, 3, and 6 (SMART Program), for detailed review due to its approval at project closeout and the significant cost impact associated with the change. Based on the Notice to Proceed, the contractor start date was May 2, 2022, with a scheduled completion date of July 17, 2023. The corresponding issue was identified when the project was approximately 11% and the change order was approved when the project was 100% complete, which added \$666,061 in additional costs related to labor, materials, and equipment required to replace deteriorated metal decking identified as necessary for installation of the new roofing system. RSM reviewed project documentation including pre-bid Requests for Information, Architect Supplemental Instructions, permitting records, and change order files. A pre-bid RFI dated December 14, 2021, requested clarification regarding bidding assumptions related to potential unforeseen metal deck replacement conditions. During construction, Advanced Roofing submitted GRFI No. 1 on April 19, 2023, identifying concerns related to deteriorated decking conditions encountered in the field. In response, ASI Nos. 1 and 3 were issued on September 21, 2023, incorporating deck shop drawings and design clarifications required to address the field conditions. The associated deck permit was subsequently approved on September 28, 2023. RSM further noted that the deterioration of the existing metal deck necessitated full or partial replacement prior to installation of the roofing system. RSM also identified a related Change Order 3 that added 204 days to the project schedule. The time extension was attributed to multiple factors, including 68 days for weather delays, 101 days related to unforeseen conditions associated with the deteriorated decking, and 35 days due to material delays. Project records indicate that the majority of the schedule impact occurred during the period between the submission of GRFI No. 1 on April 19, 2023, and the approval of ASI Nos. 1 and 3 on September 28, 2023. PCO 3 was initiated in eBuilder on November 9, 2023, when the project was approximately 86% complete. The associated change order was fully executed by all parties on July 31, 2024, and approved by the Board on August 6, 2024.		Why This Happened Root Cause 1: Extended resolution from issue discovery - While deteriorated decking represented an unforeseen condition, indicators of potential deck replacement risk existed during procurement, and a significant portion of the project delay occurred between field identification of the condition and issuance of design direction. - The resulting costs and schedule impacts were ultimately formalized through change orders approved at project closeout.
		Impact \$666,061 Additional Cost 204 Day Extension:
		Project was 86% Complete when change order submitted.
December 2021 Pre-Bid Risk Identification (Missed Opportunity #1) A pre-bid RFI requested clarification regarding potential metal deck replacement assumptions. Concerns regarding decking conditions existed before construction began.	September 2023 Resolution and Design Response Delay (Missed Opportunity #3) Approximately five months elapsed between: - GRFI submission (April 2023) - ASI issuance and permitting approval (September 2023) Project records indicate much of the schedule impact occurred during this period.	
	Field Issue Identified (Missed Opportunity #2) Contractor identified deteriorated decking through GRFI No. 1 on April 19, 2023. Significant deterioration requiring replacement was formally identified during construction.	
April 2023		

CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 8 TIMELINE: SMART PROGRAM RENOVATIONS – ATLANTIC WEST ELEMENTARY SCHOOL



CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 9: SMART PROGRAM RENOVATIONS – SOUTH BROWARD HIGH SCHOOL

RSM selected the change order associated with Project P.001838, South Broward High School – SMART Program Renovations, for detailed review due to its approval at a late stage of project completion and the cost impact associated with the change. Based on the Notice to Proceed, construction commenced on December 28, 2020, with a scheduled completion date of June 11, 2022. The corresponding issue was identified when the project was approximately 26% complete and the change order was approved when the project was approximately 85% complete, increasing the project cost by \$259,439.72. The change order provided additional labor and materials required to modify existing wall surfaces within the auditorium to facilitate installation of new acoustical wall panels.

RSM reviewed project documentation, including monthly project status reports, permitting records, and change order records. Documentation indicated that during demolition of the existing sound curtains within Auditorium Building 2, the contractor discovered previously concealed existing window openings and surface-mounted conduits within the walls. These existing conditions prevented installation of the new acoustic panels in accordance with the manufacturer's installation specifications and required additional work to modify the existing wall surfaces. RFI 24 dated December 30, 2021, and RFI 35 dated February 2022 were issued requesting clarification regarding these unforeseen conditions. In response, DCO 18 was issued on April 18, 2023, for architectural drawings to accommodate the use of the acoustical panel in the auditorium. The corresponding ASI 8 for permitted approval of the panels was issued on April 22, 2024.

RSM further noted that the March 2023 monthly project update identified the inability to install the auditorium acoustical panels due to these unforeseen existing conditions. To address the issue, revised work was developed and the associated permit for the additional scope was approved on April 22, 2024.

Project records indicate that Johnson-Laux Construction, LLC initiated the associated PCO on September 24, 2024. The resulting change order was subsequently executed by all required parties on January 29, 2025, and approved by the Board on February 19, 2025.

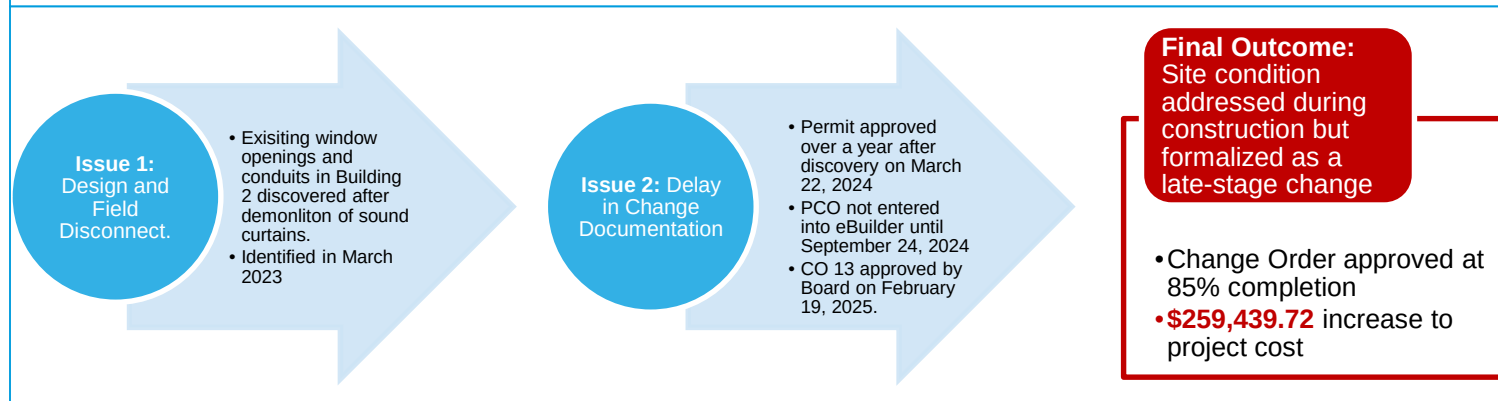
Why This Happened

Root Cause 1: Design and Field Disconnect

- Existing window openings and conduits on the wall surface prevented installation of acoustic panels as per manufacturer's specifications
- Required demolition of openings and construction of a new partition wall to conceal conduits and provide a suitable installation surface

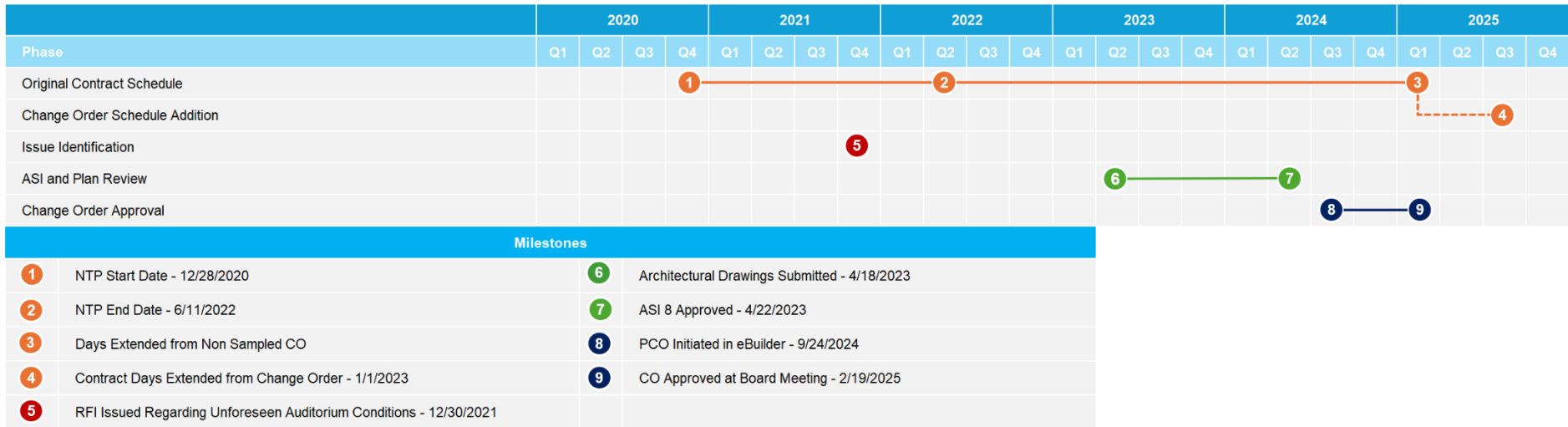
Root Cause 2: Delayed and Inefficient Change Management

- Issue was identified during construction but not promptly formalized into a change order.
- Resolution required design updates and permitting prior to execution
- Extended coordination and approval timelines resulted in change order execution near project closeout



CHANGE ORDER SAMPLES (CONTINUED)

SAMPLE 9: SMART PROGRAM RENOVATIONS – SOUTH BROWARD HIGH SCHOOL



RSM US LLP

201 E Las Olas Blvd, Suite 2500
Fort Lauderdale, FL 33301
T +1 954 462 6300
www.rsmus.com

RSM US LLP is a limited liability partnership and the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. The member firms of RSM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

RSM, the RSM logo and *the power of being understood* are registered trademarks of RSM International Association.

© 2026 RSM US LLP. All Rights Reserved.

