



**Office of the Inspector General
Los Angeles Unified School District**

**Audit of Swinerton Builders, Inc.
Contract No. 1710057 Change Order T-559**

CA 20-1252

June 30, 2020



Los Angeles Unified School District Office of the Inspector General

Dr. Richard Vladovic, Ed.D., President
Jackie Goldberg
Dr. George J. McKenna III
Monica Garcia
Scott M. Schmerelson
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Kelly Gonez
Members of the Board

Austin Beutner
Superintendent of Schools

William Stern
Inspector General

June 30, 2020

Ms. Judith Reece, Chief Procurement Officer (Facilities)
Procurement Services Division
Los Angeles Unified School District
333 S. Beaudry Avenue, 28th Floor
Los Angeles, CA 90017

RE: Audit of Contract No. 1710057 Change Order T-559
Swinerton Builders, Inc.
Roosevelt High School Comprehensive Modernization Project

Dear Ms. Reece,

This is our report on the audit of change order No. T-559 awarded to Swinerton Builders, Inc. under contract number 1710057.

Please contact our office if you have any questions.

Sincerely,

Austin E. Onwualu

Austin Onwualu, CPA, CIG, CGMA
Deputy Inspector General, Audits

William Stern

William Stern, MBA, CIG, CISM, CPP, CFE
Inspector General

c: Richard Lui
Cheri Thomas

Attachment

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Independent Auditor's Report

We have examined the change order cost awarded by the Los Angeles Unified School District (District) to Swinerton Builders, Inc. (Swinerton) under Contract No. 1710057 Change Order No. T-559 (change order).

Swinerton's management is responsible for the change order and for complying with the contract terms and conditions in the preparation of the change order proposal. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with the standards applicable to attestation engagements established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and accordingly, included examining, on a test basis, evidence supporting Swinerton's compliance with the contract requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the proposed change order cost is reasonable and adequately supported, in all material respects, and the Facilities Services Division's change order procedures were complied with in the execution of the change order.

Austin E. Onwualu

Austin Onwualu, CPA, CIG, CGMA
Deputy Inspector General, Audits

June 30, 2020



Audit of Swinerton Builders, Inc. Contract No. 1710057 Change Order No. T-559

Introduction

The Los Angeles Unified School District Office of the Inspector General (OIG) audited the change order awarded by the Los Angeles Unified School District (District) to Swinerton Builders, Inc. (Swinerton) to design and construct the Converged Internet Protocols (IP) Networks at Roosevelt High School.

On July 27, 2017, the District entered into Contract No. 1710057 with Swinerton for Roosevelt High School Comprehensive Modernization Project. Article 8.7 of the Scope of Work identified digital upgrades to existing low voltage systems on campus and provided an allowance of \$300,000 for the work, however, when the scope was fully quantified and estimated, the costs were well in excess of the set allowance.

On 12/3/2019, based on Swinerton's revised proposal, Change Order T-559 was issued to design and construct the Converged Internet Protocols (IP) Networks Scope in excess of the \$300,000 contract allowance. The scope of work includes but is not limited to new infrastructure for Data, Video, Voice e.g. Telephone, Public Address/Intercom (PA/Intercom), Autonomous PA, and Security Systems to meet current Digital IP Network requirement in existing buildings remaining on campus. The scope also includes providing temporary infrastructure for existing buildings currently used as interim housing and scheduled for demolition by phase through the course of the project.

Scope and Objectives

The objectives of the audit were to determine whether (i) the proposed change order cost is reasonable and adequately supported; and (ii) the Facilities Services Division's change order procedures were complied with in the execution of the change order.

Methodology

We reviewed Swinerton's change order proposal, and we verified and analyzed its proposed labor and materials costs, subcontractor costs, bond cost, and mark-up. We also reviewed the District's fair cost estimate for the change order work.

Results of Audit

We found that the proposed change order cost of \$600,038 was reasonable and adequately supported. We also found that the Facilities Services Division's change order procedures were complied with in the execution of the change order.



**Audit of Swinerton Builders, Inc.
Contract No. 1710057 Change Order No. T-559**

Audit Team

This audit was performed by the following auditors:

Mindy Qu, Audit Manager

Tony Li, Senior Auditor

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Maybe you are a school district employee, a parent or just a concerned citizen. Regardless, you can make a difference!

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If you wish, we will keep your identity confidential. You can remain anonymous, if you prefer. And you are protected by law from reprisal by your employer.

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The Board approved the Whistleblower Protection Policy on February 12, 2002. This policy protects LAUSD employees who make allegations of improper governmental activity from retaliation or reprisal. To assure the reporting of any activity that threatens the efficient administration of the LAUSD, reports that disclose improper governmental activities shall be kept confidential.

General Contact Information

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