



**Monitoring Review of
Construction Change Orders from
October 1, 2025 through March 31, 2026**

Project # 26-13

**Prepared by
Office of the Inspector General**

J. Timothy Beirnes, CPA, Inspector General



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

October 8, 2026

Governing Board Members

Re: Monitoring Review of Construction
Change Orders – October 1, 2025
through March 31, 2026 - *Project No.*
26-13

This review was performed pursuant to the Inspector General's authority set forth in Chapter 20.055, F.S. The review assessed whether change orders during the review period were negotiated in accordance with contract terms and conditions, calculated accurately, and whether the change order percentage is within industry averages. During this review, we also identified all construction contract change orders that the Governing Board authorized through resolutions during the period October 1, 2025 through March 31, 2026.

Sincerely,

A handwritten signature in blue ink that reads "J. Timothy Beirnes".

J. Timothy Beirnes, CPA
Inspector General

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BACKGROUND

A contract change order is created when a project requires an adjustment for time, scope of work, or cost of the project. Without monitoring, change orders can significantly increase a project's budget or timeline. At the request of the Governing Board, a report was created that expresses construction change orders as a percentage of original contract amounts. The Engineering and Construction Bureau of the Ecosystem Restoration and Capital Projects Division provided a reporting of the progress of construction contracts as well as the amount and percentage of change orders for projects between 2015 and 2020 to the Division Director in November 2020. This report showed an average change order amount of 4% for District contracts. Although the types of construction projects at the District are not typical of industry construction, the industry standard for change order percentages is approximately 8-14%. In FY 2020 our office performed the *Audit of Construction Change Orders*, (Project No. 21-07). Since the initial report, we have monitored the ongoing percentage for change orders since Fiscal Years 2020, which covers the time period since the initial audit report was issued.

Each contract is led by a project manager, who is responsible for negotiating changes with contractors and moving necessary change orders through the approval process. Currently, all the District's change orders, along with approvals and supporting documentation, are maintained in a construction project management information system, eBuilder, which the District began using in 2018. eBuilder is a cloud-based Software as a Service (SaaS) product that tracks the project's performance through the project's entire life cycle. Users access eBuilder by logging into the software online. Each user is provided a dashboard showing details of their projects, outstanding tasks, and communications with other project members. Construction project documentation was migrated to eBuilder in 2018. The entire life of the project can be monitored through the software, including:

- Site visits,
- Quotes,
- Negotiations of change order amounts (documented through correspondence)
- Change order documents
- Resource management,
- Invoices, and
- Project closeout.

Monitoring of the construction change order process and percentage will typically occur on a semi-annual basis. Monitoring reviews consist of calculating the change orders as a percentage of original contract and reviewing documentation and management authorization controls for the change orders that have been executed since the previous review. Our previous review covered the period from October 1, 2025 to March 31, 2026.

OBJECTIVES, SCOPE, AND METHODOLOGY

This review includes all contracts with change orders approved during the period October 1, 2025 through March 31, 2026 (the “Reporting Period”). This includes contracts that are still active as well as contracts that were completed and closed out during the Reporting Period. The review encompassed identifying all the change orders, associated with such contracts, approved during the period as well as the total cumulative contract change orders through March 31, 2026. The change order percentage calculation was determined based on total cumulative contract change orders to date. This was deemed the most appropriate method of assessing change order activity since many projects often span over several fiscal periods.

Our review also assessed whether change orders during the review period were negotiated in accordance with contract terms and conditions, calculated accurately, and whether the change order percentage is within industry standards. This review also included identifying all construction contract change orders that the Governing Board authorized through resolutions during the Reporting Period to ensure that all authorized change orders were included in the eBuilder system. It should be noted that the approval date in eBuilder represents the date that the staff finalized the approval process for a change order and not the Governing Boards authorization date. To accomplish our objectives, our audit methodology entailed performing the following procedures:

- Interviewing pertinent District staff,
- Reviewing any updates to Change Order policies and procedures,
- Running the “Approved Change Orders by Contract” report in eBuilder for the period from October 1, 2025 to March 31, 2026,
- Reviewing reports and documentation of authorized change orders for accuracy,
- Reviewing Governing Board meeting agendas and minutes to identify all authorized change orders; and
- Other procedures as deemed necessary.

Details regarding all contracts with change order activity during the Reporting Period are included in the Appendix on Page 7.

REVIEW RESULTS

A total of 112 change orders were executed during the Reporting Period, encompassing 32 different contracts. Thirty-six (36) of these change orders had no dollars associated with them, which is typically changes to contract completion time periods. This change order activity is summarized in the following table:

Change Order Summary for the Period 10/1/2025 - 3/31/2026			
	All Change Orders	Outliers	Excluding Outliers
Original Contract Amount	<u>\$ 987,131,867</u>	<u>\$ (297,766,519)</u>	<u>\$ 689,365,348</u>
Approved Prior Periods	\$ 170,111,579	\$ (159,175,135)	\$ 10,936,444
Approved Current Period	<u>(16,922,048)</u>	<u>31,907,759</u>	<u>14,985,711</u>
Cumulative Approved	<u>\$ 153,189,531</u>	<u>\$ (127,267,376)</u>	<u>\$ 25,922,155</u>
Percent of Original Contract	15.5%		3.8%

Documentation for a sample of 6 change orders was reviewed to ensure that the change order internal control processes were followed and that the eBuilder contained the necessary documentation. The documentation reviewed for these 6 change orders represents \$12,499,501, or 83.4%, of the total change orders approved during the Reporting Period. Change order average percentage for the Reporting Period was 15.5% with all contracts included, and 3.8% with outlying contracts excluded. The calculation, excluding the outliers, is within the industry average of 8-14%.

Cumulative change orders for six (6) contracts, shown in the table below, were considered as outliers by the Engineering and Construction Bureau Management and not indicative of a change order rate resulting from design and technical review errors or omissions. Additionally, design-build contracts were excluded from our analysis since they would also be considered outliers due to the nature of such contracts.

Change Orders Outliers For the period 10/1/2025 through 3/31/2026							
Project Name (Note 1)	Contract #	Original Contract Value	CO Approved Date	Approved Current Period	Approved Prior Periods	Cumulative Approved Changes	CO %
CEPP New Waters EAA A-2 STA, Palm Beach County, Florida	4600004380	\$ 175,844,000	10/02/2025 & 2/27/2026	\$ 1,623,954	\$115,754,684	\$ 117,378,638	66.8%
S9 and S9A Trash Rake and Pump Station Refurbishment, Broward County, FL	4600004514	\$ 27,492,651	11/18/2025 & 2/25/2026	\$ 127,906	\$ 13,641,602	\$ 13,769,508	50.1%
G-335 Trash Rake Replacement and Waterproofing Project, Palm Beach County, FL	4600004992	\$ 9,997,832	11/24/2025 & 3/10/2026	\$ (3,875,313)	\$ 29,950	\$ (3,845,363)	-38.5%
WPB FS Area L-15 Canal-PC Replacements (PC09, PC10, PC11, PC12), PC CIPP (PC02), PC Removal (PC04), Palm Beach County, FL	4600005033	\$ 10,039,925	10/02/2025	\$ (4,947,241)	\$ 0	\$ (4,947,241)	-49.3%
STA-1W Structure Refurbishments, Palm Beach County, FL	4600005077	\$ 60,752,471	10/31/2025	\$(25,727,406)	\$ 0	\$ (25,727,406)	-42.3%
C-38S ASR Test Wells (Second Set of Wells), Glades County, FL	4600005198	\$ 13,639,640	3/17/2026	\$ 890,341	\$ 29,748,899	\$ 30,639,240	224.6%
Total Outliers		\$ 297,766,519		\$(31,907,759)	\$159,175,135	\$ 127,267,376	

NOTE:

(1) Change orders were due to modifications to the scope of work or claim settlements.

During this review, we identified all construction contract change orders the Governing Board authorized through resolutions during the Reporting period, which covers the period since our last change order monitoring review report. During the Reporting Period the Governing Board approved three (3) change order resolutions. We noted that the change order was entered into eBuilder along with all necessary documentation and management authorizations. The total amount of change orders authorized by Governing Board resolution for the Reporting Period was \$1,736,912.

Contract Changes Through Board Resolution October 1, 2025 Through March 31, 2026				
Project (1)		Board Meeting Date	Resolution #	Board Approved Amount
S-9 and S-9A Trash Rake and Pump Station Refurbishments		11/13/2025	2025-1104	\$ 93,785
Indian River Lagoon South - Microware Tower Project		11/13/2025	2025-1105	\$1,230,180
Biscayne Bay Coastal Wetlands - Cutler Flow Way - Phase 2 Conveyance System Project		2/12/2026	2026-0206	\$ 412,947
Total				\$ 1,736,912

(1) Excludes design-build contracts.

APPENDIX

Approved Change Orders October 1, 2025 through March 31, 2026						
Project Name	Contract #	Original Commitment Value	Approved Current Period	Approved Prior Periods	Cumulative Approved Changes	CO %
C-139 Flow Equalization Basin, Hendry County, FL	4600004345	79,933,411.00	295,974.58	3,519,891.30	3,815,865.88	4.8%
CEPP EAA A-2 Stormwater Treatment Area, Palm Beach County, FL	4600004380	175,844,000.00	1,623,954.14	115,754,683.70	117,378,637.84	66.8%
S9 and S9A Trash Rake and Pump Station Refurbishment, Broward County, FL	4600004514	27,492,551.00	127,906.15	13,641,602.07	13,769,508.22	50.1%
S-2, S-3, S-4, S-7 and S-8 Monitoring Panels Project, Palm Beach, Glades and Broward Counties, FL	4600004593	16,877,000.00	(85,917.47)	614,567.51	528,650.04	3.1%
BBOW Outfall Flow Way Phase 1 Pump Station S-701, Miami-Dade County, FL	4600004658	35,847,000.00	15,306.98	882,745.10	898,052.08	2.5%
BBOW Outfall Flow Way Phase 2, Miami-Dade County, FL	4600004890	46,294,000.00	1,722,703.58	401,373.06	2,124,076.64	4.6%
WERP L-28 Structures (S-229A, S-229B, S-229C) Project, Miami-Dade County, FL	4600004894	46,717,331.00	27,510.21	900,993.51	928,503.72	2.0%
CEPP North S-8 Pump Station Modification Phase 1 Crane Refurbishment, Broward County, FL	4600004931	1,140,465.00	(83,516.09)	0.00	(83,516.09)	-7.3%
CLOSED Corbett Levee Phase 2, Palm Beach County, FL	4600004952	8,967,000.00	392,000.00	530,730.00	922,730.00	10.3%
IRL-S C-23/24 South Reservoir Project Package 1, St Lucie County, FL	4600004965	59,431,000.00	7,494.69	2,074,998.13	2,082,492.82	3.5%
G-335 Trash Rake Replacement and Waterproofing Project, Palm Beach County, FL	4600004992	9,997,832.00	(3,875,312.97)	29,950.00	(3,845,362.97)	-38.5%
CLOSED CEPP EAA North New River Canal Conveyance Improvement, Palm Beach County, FL	4600004993	86,213,656.00	10,510,448.52	133,782.82	10,644,231.34	12.3%
B-1 Underground Storage Tank Replacement, Palm Beach County, FL	4600004998	3,997,000.00	4,696.69	26,500.02	31,196.71	0.8%
G-6A Pump Station Project, Palm Beach County, FL	4600005019	99,448,892.00	0.00	973,035.03	973,035.03	1.0%
S-169 Demolition / S-169W/MS with Trash Rake (Manatee Structure) Project, Hendry County, Palm Beach County, FL	4600005021	9,572,000.00	405,220.01	465,612.51	870,832.52	9.1%
STA-1W Expansion #1 - Outflow Structures Backup Generators, Palm Beach County, FL	4600005024	2,917,000.00	89,821.52	(36,000.75)	53,820.77	1.8%
CLOSED WPB FS Area L-15 Canal-PC Replacements (PC09, PC10, PC11, PC12), PC CRPP (PC02), PC Removal (PC04), Palm Beach County, FL	4600005033	10,039,925.00	(4,947,240.80)	0.00	(4,947,240.80)	-49.3%
C-43 Reservoir Treatment Project, S-470 Pump Station, Hendry County, FL	4600005042	5,955,324.00	0.00	0.00	0.00	0.0%
CLOSED BCB Microwave Tower, Collier County, FL	4600005043	6,686,000.00	72,639.73	0.00	72,639.73	1.1%
IRL-S C-25 Reservoir and Storm Water Treatment Area (RSTA) Package 1 Site Preparation, St Lucie County, FL	4600005048	16,187,500.00	285,093.52	439,594.54	724,688.06	4.5%
STA-1W Structure Refurbishments, Palm Beach County, FL	4600005077	60,752,471.00	(25,727,406.00)	0.00	(25,727,406.00)	-42.3%
IRL-S C-23/C-24 RSTA Microwave Tower Compound, St Lucie County, FL	4600005103	15,345,000.00	1,230,180.29	13,713.08	1,243,893.37	8.1%
C-44 Reservoir STA Recreation Features Project, Martin County, FL	4600005107	2,200,000.00	0.00	435,210.00	435,210.00	19.8%
CEPP North L-5 Remnant Canal Improvements, Palm Beach County and Broward County, FL	4600005160	71,246,497.00	15,165.15	0.00	15,165.15	0.0%
C-385 ASR Test Wells (Second Set of Wells), Glades County, FL	4600005198	13,639,640.00	890,340.68	29,748,898.72	30,639,239.40	224.6%
CEPP EAA G-372S Pump Re-Purposing Improvements Project, Palm Beach County, FL	4600005202	2,882,000.00	328,594.13	0.00	328,594.13	11.4%
CLOSED B-270 Roof Replacement, Palm Beach County, FL	4600005210	311,523.00	0.00	0.00	0.00	0.0%
CLOSED S80 C33 Maintenance Repairs, Osceola County, FL	4600005240	393,487.00	0.00	0.00	0.00	0.0%
Design/Build Clewiston Field Station Relocation Project-Microwave Tower & IT Facility, Hendry County, FL	4604535A06	6,068,741.00	(17,705.37)	(364,244.67)	(381,950.04)	-6.3%
Design/Build Clewiston Field Station Relocation Project, Hendry County, FL	4604535A07	52,094,357.00	0.00	0.00	0.00	0.0%
Design/Build Flight Operations Facility - Early Works Project, Palm Beach County, FL	4604936A02	3,144,588.00	(230,000.00)	(11,914.52)	(241,914.52)	-7.7%
Design/Build Flight Operations Facility-Building Project, Palm Beach County, FL	4604936A04	9,493,976.00	0.00	(64,141.95)	(64,141.95)	-0.7%
TOTAL		987,131,867.00	(16,922,048.13)	170,111,579.21	153,189,531.08	15.5%
Outliers		(297,765,519.00)	31,907,758.80	(159,175,134.49)	(127,267,375.69)	
		689,365,348.00	14,985,710.67	10,936,444.72	25,922,155.39	3.8%