



HENSEL PHELPS

Plan. Build. Manage.

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September 29, 2025

Mr. Pat Reilly
City Auditor's Office
100 N. Andrews Ave.
Fort Lauderdale, FL 33301
Subject: Fort Lauderdale Aquatic Center – Consulting Report

Dear Mr. Reilly:

We are writing in response to the City of Fort Lauderdale (City), Fort Lauderdale Aquatic Center Renovation, Consulting Report, prepared by Carr, Riggs & Ingram, LLC (CRI). While we do concur with a majority of the audit findings, we do take exception to CRI's findings in the Results Matrix for Items 2. Vehicle Expenses and 3. Audit Fees.

2. VEHICLE EXPENSES

The Owner Agreement is silent regarding vehicles not associated with an allowance. Hensel Phelps charges a standard rate for their Superintendent and Project Manager vehicles company-wide, which is currently \$800. Per our Chief Financial Officer, the vehicle rate is calculated by using an average vehicle cost of \$40,000 depreciated over 60 months, with a total monthly vehicle cost calculated as follows:

$\$40,000/60 \text{ months} = \667

Insurance = \$100

Registration = \$10

Cost of Money (5% Rate) = \$34

Total = \$811

3. AUDIT FEES

As Hensel Phelps takes exception with the findings for Vehicle Expenses, we therefore also dispute the assessment of Audit Fees (per Article 26.2).

However, although we refute the applicable audit findings in sections 2 and 3 as noted above, as a closeout settlement offer we are proposing to capitulate the disputed vehicle cost of \$47,258 and associated 6% fee of \$2,835 plus \$41,000, representing half of the \$82,000 final audit fee. Lastly, we would also offer to capitulate our remaining contract balance of \$57,393, making our total final settlement offer to the city \$148,486.

Assuming this is acceptable, we will submit a final Change Order request of <\$57,393> to properly account for the allocation of the contract balance toward this settlement and will provide a check for the \$91,093 balance. We look forward to wrapping up this extremely successful project together.

OUR VALUES

OWNERSHIP | INTEGRITY | BUILDER | DIVERSITY | COMMUNITY

Thank you for your consideration and please let Greg Jennings or Cory Olson know if you have any questions.

Regards,

Hensel Phelps Construction Co.



Greg Jennings
Project Manager

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