

STATE BUDGET AND CONTROL BOARD

Meeting of Wednesday, March 5, 2014 -- 9:00 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

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I.		MEETING OF THE BUDGET AND CONTROL BOARD
A.		ADOPTION OF PROPOSED AGENDA
B.		REGULAR SESSION
1.	South Carolina State University	Update
2.	Division of General Services	University of South Carolina Lease – West Campus Development Leases
3.	Division of Procurement Services	University of South Carolina Request for Procurement Exemption Pursuant to Section 11-35- 710

STATE BUDGET AND CONTROL BOARD
MEETING OF March 5, 2014

REGULAR SESSION
ITEM NUMBER 1

AGENCY: South Carolina State University

SUBJECT: Update

Receive an update concerning South Carolina State University.

BOARD ACTION REQUESTED:

Receive as information an update concerning South Carolina State University.

ATTACHMENTS:

AGENCY: Division of General Services

SUBJECT: University of South Carolina Lease-West Campus Development Leases

The University of South Carolina requests approval to execute a Master Lease for its West Campus Development project with separate Supplemental Leases for Student Housing and Office Building sites. Common provisions are provided in the Master Lease, while specific provisions pertaining to each project type are included in each of the Supplemental Leases. The Master Lease provides for ground leases for three specified sites to be used for the construction of two student housing facilities with a total of approximately 878 beds and required parking of 719 spaces, and one commercial office building of approximately 130,000 sq. ft. with parking provided by the University within the existing Horizon garage (427 spaces allocated) at the current University rate of \$85 per month per space, subject to future increases. The terms of the ground leases are 40 years each, with two 10-year renewal terms available upon the agreement of both parties. The forty-year base term for each lease begins upon Substantial Completion of each of the facilities and terminates at the end of the 40-year period, or if renewed, at the end of the renewal period(s). The Master Lease agreement begins upon final approval and signature of the parties, which triggers the beginning of a License Term to allow for the construction of the improvements prior to the 40-year Lease Term beginning.

USC will charge a license fee for the Student Housing of \$16,000 per month (\$192,000 annually) for the Phase I site, and \$10,500 per month (\$126,000 annually) for the Phase IA site to compensate for the loss of parking revenue during this period. There is no charge for the license for the Office Building Site because USC does not derive any revenue currently for that site. Each of the three sites has a Base Rent component that is based upon the appraised value of the site, with increases of 2.5% every 5 years, as well as a Percentage Rent component. Payment of the Base Rent for the ground leases is required regardless of the financial performance of the facilities as detailed below:

- a. *Student Housing Lease:*
 - (1) Beginning annual Base Rents:
 - (a) Phase I site (Blossom, Lincoln, Devine, and Park) - \$277,860;
 - (b) Phase IA site (Greene, Lincoln, Devine and Park) - \$175,560.
 - (2) Percentage Rent - In addition to the Base Rent, USC will receive 15% of Positive Cash Flow in years 1-30 and 50% in years 31-40.
- b. *Office Building Lease (550 Assembly):*
 - (1) Beginning annual Base Rent is \$72,600 for the Office Building site.
 - (2) Percentage Rent - In addition to the base rent, USC will receive 15% of Positive Cash Flow for the Office Building.

The total revenue to the University from the Ground Leases and the Percentage Rents over the 40 year term is estimated at \$168,531,925.

Additionally, USC will lease back approximately 40,000 SF of rentable space within the new Office building to be constructed at 550 Assembly Street in Columbia, South Carolina. The building will be constructed on a .79 acre parcel at the southeast corner of Assembly and Blossom Streets on the same block as the University's existing Horizon I Research Building and the Horizon Parking Facility. The space leased by the University will be used for faculty offices and academic support space. The balance of the space in the building will be leased by the Developer for private use.

AGENCY: Division of General Services

SUBJECT: University of South Carolina Lease-West Campus Development Leases

The building is being designed, built, financed, operated and maintained by a private developer as a component of a West Campus Development Public-Private Partnership between Holder Properties, Inc. and the University of South Carolina. Pursuant to SC Code Ann. 11-35-3010, the Office of the State Engineer approved the University of South Carolina's determination to use the design-build-finance-operate-maintain project delivery method and allowed the University to proceed in accordance with the Procurement Code. Design-build-finance-operate-maintain means a project delivery method in which the governmental body enters into a single contract for design, construction, finance, maintenance and operation of an infrastructure facility over a contractually defined period.

The Office building is projected to be five stories and contain approximately 130,000 gross square feet. The building will be constructed of similar quality and appearance to adjacent University facilities. The Developer is contractually obligated to complete the building enabling occupancy on or before July 31, 2017. The University seeks to lease approximately 40,000 SF of rentable area on two floors. The University will utilize the space for faculty offices and academic support space to augment the College of Engineering and Computing. This college, currently accommodated in the Swearingen building and the 300 Main Street building, seeks to relocate faculty offices and support space to enable existing space in those buildings to be reassigned to instructional, lab and research space. Leasing space in the new office building will afford USC this opportunity.

The lease term will be ten (10) years commencing on or before July 31, 2017. USC will have the right to extend the term of this lease for up to two (2) consecutive terms of five (5) years each upon the same terms and conditions of the original lease except for Basic Rent, which will increase at 2.5% per annum. The landlord shall provide \$25 per SF for upfitting costs. Base rent will be \$16.60 per square foot for the first year of the lease. Thereafter, base rent increases annually as shown in the chart below:

Year	Base Rent Rate/SF	Annual Rent
1	\$16.60	\$664,000.00
2	\$17.02	\$680,800.00
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8	\$19.75	\$790,000.00
9	\$20.24	\$809,600.00
10	\$20.75	\$830,000.00
Average	\$18.61	
Total		\$7,444,400.00

AGENCY: Division of General Services

SUBJECT: University of South Carolina Lease-West Campus Development Leases

The University will be responsible for all operating costs as defined in the lease agreement and associated with the leased area. There are adequate funds for the lease according to a Budget Approval Form submitted by the University. The University has indicated that no student fee increase will be associated with this lease.

It is essential that the leased space which accommodates the need described above be near the USC campus for accessibility of the faculty, who will be located in this building, to the academic and lab space in the Swearingen and 300 Main Street buildings. USC has surveyed the lease market for 40,000 SF of suitable space near the campus and such space could not be located. However, the following chart represents comparable lease rates of similar business space, currently occupied, in the Columbia central business district:

Location	Base Rent Rate/SF
1320 Main Street (Meridian Bldg.)	\$16.75
1221 Main Street	\$24.00

BOARD ACTION REQUESTED:

As requested by the University of South Carolina, approve the proposed leases for the University's West Campus Development project.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; USC letter dated February 11, 2014

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 5, 2014

Regular Agenda

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:



Nolan L. Wiggins, Jr., Director

2. Subject: University of South Carolina Lease-West Campus Development Leases

3. Summary Background Information:

The University of South Carolina requests approval to execute a Master Lease for its West Campus Development project with separate Supplemental Leases for Student Housing and Office Building sites. Common provisions are provided in the Master Lease, while specific provisions pertaining to each project type are included in each of the Supplemental Leases. The Master Lease provides for ground leases for three specified sites to be used for the construction of two student housing facilities with a total of approximately 878 beds and required parking of 719 spaces, and one commercial office building of approximately 130,000 sq. ft. with parking provided by the University within the existing Horizon garage (427 spaces allocated) at the current University rate of \$85 per month per space, subject to future increases. The terms of the ground leases are 40 years each, with two 10-year renewal terms available upon the agreement of both parties. The forty-year base term for each lease begins upon Substantial Completion of each of the facilities and terminates at the end of the 40-year period, or if renewed, at the end of the renewal period(s). The Master Lease agreement begins upon final approval and signature of the parties, which triggers the beginning of a License Term to allow for the construction of the Improvements prior to the 40-year Lease Term beginning.

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- a. *Student Housing Lease:*
 - (1) Beginning annual Base Rents:
 - (a) Phase I site (Blossom, Lincoln, Devine, and Park) - \$277,860;
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 - (2) Percentage Rent - In addition to the Base Rent, USC will receive 15% of Positive Cash Flow in years 1-30 and 50% in years 31-40.
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 - (1) Beginning annual Base Rent is \$72,600 for the Office Building site.

- (2) Percentage Rent - In addition to the base rent, USC will receive 15% of Positive Cash Flow for the Office Building.

The total revenue to the University from the Ground Leases and the Percentage Rents over the 40 year term is estimated at \$168,531,925.

Additionally, USC will lease back approximately 40,000 SF of rentable space within the new Office building to be constructed at 550 Assembly Street in Columbia, South Carolina. The building will be constructed on a .79 acre parcel at the southeast corner of Assembly and Blossom Streets on the same block as the University's existing Horizon I Research Building and the Horizon Parking Facility. The space leased by the University will be used for faculty offices and academic support space. The balance of the space in the building will be leased by the Developer for private use.

The building is being designed, built, financed, operated and maintained by a private developer as a component of a West Campus Development Public-Private Partnership between Holder Properties, Inc. and the University of South Carolina. Pursuant to SC Code Ann. 11-35-3010, the Office of the State Engineer approved the University of South Carolina's determination to use the design-build-finance-operate-maintain project delivery method and allowed the University to proceed in accordance with the Procurement Code. Design-build-finance-operate-maintain means a project delivery method in which the governmental body enters into a single contract for design, construction, finance, maintenance and operation of an infrastructure facility over a contractually defined period.

The Office building is projected to be five stories and contain approximately 130,000 gross square feet. The building will be constructed of similar quality and appearance to adjacent University facilities. The Developer is contractually obligated to complete the building enabling occupancy on or before July 31, 2017. The University seeks to lease approximately 40,000 SF of rentable area on two floors. The University will utilize the space for faculty offices and academic support space to augment the College of Engineering and Computing. This college, currently accommodated in the Swearingen building and the 300 Main Street building, seeks to relocate faculty offices and support space to enable existing space in those buildings to be reassigned to instructional, lab and research space. Leasing space in the new Office building will afford USC this opportunity.

The lease term will be ten (10) years commencing on or before July 31, 2017. USC will have the right to extend the term of this lease for up to two (2) consecutive terms of five (5) years each upon the same terms and conditions of the original lease except for Basic Rent, which will increase at 2.5% per annum. The landlord shall provide \$25 per SF for upfitting costs. Base rent will be \$16.60 per square foot for the first year of the lease. Thereafter, base rent increases annually as shown in the chart below:

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The University will be responsible for all operating costs as defined in the lease agreement and associated with the leased area. There are adequate funds for the lease according to a Budget Approval Form submitted by the University. The University has indicated that no student fee increase will be associated with this lease.

It is essential that the leased space which accommodates the need described above be near the USC campus for accessibility of the faculty, who will be located in this building, to the academic and lab space in the Swearingen and 300 Main Street buildings. USC has surveyed the lease market for 40,000 SF of suitable space near the campus and such space could not be located. However, the following chart represents comparable lease rates of similar business space, currently occupied, in the Columbia central business district:

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4. What is the Board asked to do? Approve the proposed leases for the University of South Carolina for its West Campus Development project.

5. What is recommendation of the Division of General Services? Consider approval of the proposed leases for the University of South Carolina for its West Campus Development project.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- USC Letter Dated February 11, 2014

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches of this State. Governmental body excludes the General Assembly, Legislative Council, the Office of Legislative Printing, Information and Technology Systems, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Budget and Control Board is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Office of General Services of its requirement on rental request forms prepared by the office. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the office agree meets necessary requirements and standards for state leasing as prescribed in procedures of the board as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The board shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Office of General Services or his designee.

SECTION 1-11-56. Program to manage leasing: procedures.

The State Budget and Control Board, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of state agencies. The board's regulations, upon General Assembly approval, shall include procedures for

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of

(a) a nonappropriation for the renting agency,

(b) a dissolution of the agency, and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into, and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period, and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.



February 11, 2014

ASSOCIATE VICE PRESIDENT FOR
BUSINESS AFFAIRS

Ashlie Lancaster
Deputy Director
Division of General Services
SC Budget & Control Board
1200 Senate Street, Suite 460
Wade Hampton Building
Columbia, SC 29201

Re: University of South Carolina Leases-West Campus Development Project

Dear Ms. Lancaster,

The University of South Carolina requests approval from the Budget and Control Board to enter into three Ground Leases with a Developer, Holder Properties, Inc. that are lease-outs of University property and to enter into a lease of 40,000 square feet of office space in a building that is being constructed on one of the Ground Lease sites. The Developer was selected through an RFP process governed by the South Carolina Consolidated Procurement Code and overseen by the Office of the State Engineer.

The Ground Leases for the project include a Master Lease with separate Supplemental Leases for two Student Housing and one Office Building site. Common provisions governing the leases for all three sites are provided in the Master Lease, while specific provisions pertaining to each project type are included in each of the Supplemental Leases. The Master Lease provides for ground leases for the three specified sites to be used for the construction of two student housing facilities with a total of approximately 878 beds and required parking of 719 spaces, and one commercial office building of approximately 130,000 sq. ft. with parking provided by the University within the existing Horizon garage (427 spaces allocated) at the current University rate of \$85 per month per space, subject to future increases. The terms of the ground leases are 40 years each, with two 10-year renewal terms available upon the agreement of both parties. The forty-year base term for each lease begins upon Substantial Completion of each of the facilities and terminates at the end of the 40-year period, or if renewed, at the end of the renewal period(s). The Master Lease agreement begins upon final approval and signature of the parties, which triggers the beginning of a License Term to allow for the construction of the Improvements prior to the 40-year Lease Term beginning.

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two floors. The University will utilize the space for faculty offices and academic support space to augment the College of Engineering and Computing. This college, currently accommodated in the Swearingen building and the 300 Main Street building, seeks to relocate faculty offices and support space to enable existing space in those buildings to be reassigned to instructional, lab and research space. Leasing space in the new Office building will afford USC this opportunity.

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It is essential that the leased space which accommodates the need described above be near the USC campus for accessibility of the faculty, who will be located in this building, to the academic and lab space in the Swearingen and 300 Main Street buildings. USC has surveyed the lease market for

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1221 Main Street	\$24.00

We respectfully request that the Budget and Control Board approve the Master Lease for its West Campus Development project with separate Supplemental Leases for Student Housing and Office Building sites. We also request that the Budget and Control Board approve the proposed 10 year lease for the University of South Carolina to lease back 40,000 rentable square feet from Holder Properties, Inc. in a building to be constructed at 550 Assembly Street in Columbia, South Carolina on the University campus.

If we can offer additional information to assist with the evaluation of these lease requests, please do not hesitate to contact our office.

Sincerely,



Helen C. Zetgler

Associate Vice President for Business Affairs

AGENCY: Division of Procurement Services

SUBJECT: University of South Carolina Request for Procurement Exemption Pursuant to Section 11-35-710

The Department of Commerce and the University of South Carolina have been in discussion with a significant Fortune 100 Company for an economic development package that would bring significant business to, and create new jobs in, South Carolina. The Company has identified the proposed Office Building that is planned as part of the West Campus project as the targeted site for the location of this new business venture. As part of the overall package being developed to bring the Company to South Carolina, the University needs to be able to negotiate a services contract with the Company. The Company and the University desire to enter into a contractual arrangement whereby the Company would do research and development work while providing services to the University as part of its overall business strategy for this location. An exemption from the Procurement Code is needed to allow the University to negotiate directly with the Company as part of the economic development package.

The proposed exemption contains safeguards to ensure that the negotiated price for the contractual services is fair, reasonable, and tied to the economic development efforts associated with this building. This exemption may be used only after both the Department of Commerce submits a written certification to the members of the Budget and Control Board substantiating how the proposed contract will assist the Department with the Project Sunset economic development opportunity, and the University submits a written certification to the members of the Budget and Control Board substantiating the University's determination that it is paying a reasonable price, comparable to that which would be obtained with competition, for the items acquired pursuant to the contract.

Since this involves consideration of a matter that is incidental to a proposed contractual arrangement, the Board may elect to convene in executive session to discuss the matter, if necessary.

BOARD ACTION REQUESTED:

Consider approval of the University of South Carolina's request to approve the following exemption from the Procurement Code:

The University of South Carolina (USC) is exempted from complying with the purchasing procedures of the Consolidated Procurement Code, including Article 5, and from procuring through the respective chief procurement officer's area of responsibility solely for the acquisition of information technology pursuant to a contract with the business named in Project Sunset as designated by the Department of Commerce. The exemption does not extend to any material modifications beyond the general scope of the original contract. This exemption may be used

AGENCY: Division of Procurement Services

SUBJECT: University of South Carolina Request for Procurement Exemption Pursuant to Section 11-35-710

only after both the Department of Commerce submits a written certification to the members of the Budget and Control Board substantiating how the proposed contract will assist the Department with the Project Sunset economic development opportunity, and the University submits a written certification to the members of the Budget and Control Board substantiating the University's determination that it is paying a reasonable price, comparable to that which would be obtained with competition, for the items acquired pursuant to the contract. The contracts entered using this exemption shall not exceed a term of ten years. This action does not exempt USC from any other legal requirements that may be applicable. This exemption shall expire in three years. Once the details of Project Sunset are subject to public disclosure, USC shall submit a project summary (including the identity of the business referenced above) to the Board's Secretary for inclusion in the exhibits to the applicable Board minutes.

ATTACHMENTS:

Agenda item worksheet; Exemption; S.C. Code Ann. § 11-35-710

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting scheduled for: March 5, 2014

Regular Agenda

1. Submitted by:

(a) Agency: Division of Procurement Services

(b) Authorized Official Signature:

R. Voight Shealy, Materials Management Officer

2. Subject: University of South Carolina Request for Procurement Exemption Pursuant to Section 11-35-710

3. Summary Background Information:

The Department of Commerce and the University of South Carolina have been in discussion with a significant Fortune 100 Company for an economic development package that would bring significant business to, and create new jobs in, South Carolina. The Company has identified the proposed Office Building that is planned as part of the West Campus project as the targeted site for the location of this new business venture. As part of the overall package being developed to bring the Company to South Carolina, the University needs to be able to negotiate a services contract with the Company. The Company and the University desire to enter into a contractual arrangement whereby the Company would do research and development work while providing services to the University as part of its overall business strategy for this location. An exemption from the Procurement Code is needed to allow the University to negotiate directly with the Company as part of the economic development package.

The proposed exemption contains safeguards to ensure that the negotiated price for the contractual services is fair, reasonable, and tied to the economic development efforts associated with this building. The exemption may be used only after both the Department of Commerce submits a written certification to the Budget and Control Board members substantiating how the proposed contract will assist the Department with an substantial economic development opportunity, and the University submits a written certification to the Board substantiating the University's determination that it is paying a reasonable price, comparable to that which would be obtained with competition, for the items acquired pursuant to the contract.

4. What is Board asked to do?

Consider approval of the University of South Carolina's request to approve the following exemption from the Procurement Code:

The University of South Carolina (USC) is exempted from complying with the purchasing procedures of the Consolidated Procurement Code, including Article 5, and from procuring through the respective chief procurement officer's area of responsibility solely for the acquisition of information technology pursuant to a contract with the business named in Project Sunset as designated by the Department of Commerce. The exemption does not extend to any material modifications beyond the general scope of the original contract. This exemption may be used only after both the Department of Commerce submits a written certification to the members of the Budget and Control Board substantiating how the proposed contract will assist the Department with the Project Sunset economic development opportunity, and the University submits a written certification to the members of the Budget and Control Board substantiating the University's determination that it is paying a reasonable price, comparable to that which would be obtained with competition, for the items acquired pursuant to the contract. The contracts entered using this exemption shall not exceed a term of ten years. This action does not exempt USC from any other legal requirements that may be applicable. This exemption shall expire in three years. Once the details of Project Sunset are subject to public disclosure, USC shall submit a project summary (including the identity of the business referenced above) to the Board's Secretary for inclusion in the exhibits to the applicable Board minutes.

5. What is recommendation of Board division involved? Consider approval.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

(a) Section 11-35-710 of the Consolidated Procurement Code

The University of South Carolina (USC) is exempted from complying with the purchasing procedures of the Consolidated Procurement Code, including Article 5, and from procuring through the respective chief procurement officer's area of responsibility solely for the acquisition of information technology pursuant to a contract with the business named in Project Sunset as designated by the Department of Commerce. The exemption does not extend to any material modifications beyond the general scope of the original contract. This exemption may be used only after both the Department of Commerce submits a written certification to the members of the Budget and Control Board substantiating how the proposed contract will assist the Department with the Project Sunset economic development opportunity, and the University submits a written certification to the members of the Budget and Control Board substantiating the University's determination that it is paying a reasonable price, comparable to that which would be obtained with competition, for the items acquired pursuant to the contract. The contracts entered using this exemption shall not exceed a term of ten years. This action does not exempt USC from any other legal requirements that may be applicable. This exemption shall expire in three years. Once the details of Project Sunset are subject to public disclosure, USC shall submit a project summary (including the identity of the business referenced above) to the Board's Secretary for inclusion in the exhibits to the applicable Board minutes.

SUBARTICLE 3.

EXEMPTIONS

SECTION 11-35-710. Exemptions.

The board, upon the recommendation of the designated board office, may exempt governmental bodies from purchasing certain items through the respective chief procurement officer's area of responsibility. The board may exempt specific supplies, services, information technology, or construction from the purchasing procedures required in this chapter and for just cause by unanimous written decision limit or may withdraw exemptions provided for in this section. The following exemptions are granted from this chapter:

- (1) the construction, maintenance, and repair of bridges, highways, and roads; vehicle and road equipment maintenance and repair; and other emergency-type parts or equipment utilized by the Department of Transportation or the Department of Public Safety;
- (2) the purchase of raw materials by the South Carolina Department of Corrections, Division of Prison Industries;
- (3) South Carolina State Ports Authority;
- (4) Division of Public Railways of the Department of Commerce;
- (5) South Carolina Public Service Authority;
- (6) expenditure of funds at state institutions of higher learning derived wholly from athletic or other student contests, from the activities of student organizations, and from the operation of canteens and bookstores, except as the funds are used for the procurement of construction, architect-engineer, construction-management, and land surveying services;
- (7) livestock, feed, and veterinary supplies;
- (8) articles for commercial sale by all governmental bodies;
- (9) fresh fruits, vegetables, meats, fish, milk, and eggs;
- (10) South Carolina Arts Commission and South Carolina Museum Commission for the purchase of one-of-a-kind items such as paintings, antiques, sculpture, and similar objects. Before a governmental body procures the objects, the head of the purchasing agency shall prepare a written determination specifying the need for the objects and the benefits to the State. The South Carolina Arts Commission shall review the determination and forward a recommendation to the board for approval;
- (11) published books, periodicals, and technical pamphlets;
- (12) South Carolina Research Authority;
- (13) the purchase of supplies, services, or information technology by state offices, departments, institutions, agencies, boards, and commissions or the political subdivisions of this State from the South Carolina Department of Corrections, Division of Prison Industries;
- (14) Medical University Hospital Authority, if the Medical University Hospital Authority has promulgated a procurement process in accordance with its enabling provision.