

STATE BUDGET AND CONTROL BOARD

Meeting of Tuesday, September 3, 2013 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
A. ADOPTION OF PROPOSED AGENDA		
B. MINUTES OF PREVIOUS MEETING		
C. BLUE AGENDA		
1.	State Treasurer's Office	Bond Counsel Selection
2.	Division of General Services	Easements
3.	Division of General Services	Real Property Conveyances
4.	Division of General Services	Request by Department of Natural Resources to Enter Sanctuary Agreements on Bird Key-Stono, Crab Bank and Deveaux Bank Islands in Charleston County
5.	Division of Human Resources	Appointment of State Employee Grievance Committee Members
6.	Division of Procurement Services	Procurement Audit of Midlands Technical College Enterprise Campus Authority
7.	Division of Procurement Services	Request for Reauthorization of the Midlands Technical College Enterprise Campus Authority's Procurement Policy
8.	Division of Procurement Services	Procurement Audit and Certification
9.	Energy Office	Qualified Energy Conservation Bond Change in Scope from Prior Reallocation to JEDA for Abundant Power/Charleston Green Community Program to a Statewide Green Community Program
10.	Executive Director	Revenue Bonds
E. REGULAR SESSION		
1.	Public Employee Benefit Authority, Employee Insurance Program	State Health Plan Benefits and Contribution Rates Effective January 1, 2014
2.	Public Employee Benefit Authority, Employee Insurance Program	Pilot Health Plan for MUSC Effective January 1, 2014
3.	Division of State Budget	Permanent Improvement Projects
4.	Division of State Budget	Real Property Acquisitions

STATE BUDGET AND CONTROL BOARD
Meeting of Tuesday, September 3, 2013 -- 10:00 A. M.
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REGULAR SESSION AGENDA INDEX -- Page 2

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
5.	Division of General Services	College of Charleston Lease – Fountain Walk
6.	Division of General Services	Midlands Technical College Enterprise Campus Authority
7.	Clemson University	Not Exceeding \$30,300,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2013, of the State of South Carolina
8.	Budget and Control Board	Future Meeting

AGENCY: Public Employee Benefit Authority, Employee Insurance Program

SUBJECT: State Health Plan Benefits and Contribution Rates Effective January 1, 2014

Pursuant to Section 1-11-710(A)(2) of the South Carolina Code of Laws, the Board of Directors of the South Carolina Public Employee Benefit Authority is required to approve the provisions of the State Health Plan for the 2014 calendar year, including the applicable subscriber and employer contribution rates for 2014, by August 15, 2013.

As part of the General Appropriations Act of 2013, the General Assembly passed a proviso that set the premium increases for the 2014 State Health Plan and put limits upon other possible changes to the Plan's benefit structure, including increase in co-payments and deductibles. This proviso, set out in Section 105.7 of Part 1B of the Act, provides that:

105.7. (PEBA: FY 2014 State Health Plan) Of the funds authorized for the State Health Plan in Plan Year 2014 pursuant to Section 1-11-710(A)(2) of the 1976 Code, an employer premium increase of 6.8% and a subscriber premium increase of 0% for each tier (subscriber, subscriber/spouse, subscriber/children, full family) will result for the standard State Health Plan in Plan Year 2014. Co-payment increases for participants of the State Health Plan in Plan Year 2014 shall not exceed 20%. Notwithstanding the foregoing, pursuant to Section 1-11-710(A)(3), the Public Employee Benefit Authority may adjust the plan, benefits, or contributions of the State Health Plan during Plan Year 2014 to ensure the fiscal stability of the Plan.

Further, pursuant to federal health care regulations, the State Health Plan must be amended for 2014 to eliminate pre-existing condition exclusions for all participants, not just for participants under age 19. This change is required for all health care plans regardless of grandfathered status.

At the regular meeting of the PEBA Board of Directors on July 17, 2013, the PEBA Board approved a State Health Plan for the 2014 calendar year. As directed by the budget proviso, and as shown in Exhibit 2, the State Health Plan approved by the PEBA Board increases employer premium for each coverage tier by 6.8% for the 2014 calendar year and does not increase subscriber premium rates. Further, as authorized by the budget proviso, and as shown in Exhibit 3, the PEBA Board determined that the existing co-payments and deductibles for the State Health Plan must be increased by 20% for the 2014 plan year in order to ensure that the Plan remains properly funded for the plan year. In addition, the State Health Plan approved by the PEBA Board also eliminates any pre-existing condition exclusions for all participants as required by federal regulation for all plans beginning January 1, 2014. There are no other coverage or premium changes between the 2013 State Health Plan and the 2014 State Health Plan.

AGENCY: Public Employee Benefit Authority, Employee Insurance Program

SUBJECT: State Health Plan Benefits and Contribution Rates Effective January 1, 2014

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the Budget and Control Board, as evidenced by a majority vote of the Board. Coverage changes and premium increases made to the State Health Plan are policy determinations subject to Budget and Control Board approval. See Section 9-4-45(B) of the Code of Laws.

Accordingly, pursuant to Section 9-4-45, the Budget and Control Board is asked to approve the 2014 contribution rates and plan changes for the State Health Plan as set out in Exhibits 2 and 3.

BOARD ACTION REQUESTED:

Approve the 2014 contribution rates and plan changes for the State Health Plan as set out in Exhibits 2 (SC PEBA Monthly Premiums) and 3 (SC PEBA Benefit Summary) of this agenda item.

ATTACHMENTS:

Agenda item worksheet; Avant 7/25/13 letter; S.C. Code Ann. Sections 1-11-710 and 9-9-45; State Monthly Contribution Rates by Level of Coverage: 2013 and Proposed Effective January 1, 2014; Co-payments and Deductible Rates: 2013 and Proposed Effective January 1, 2014

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

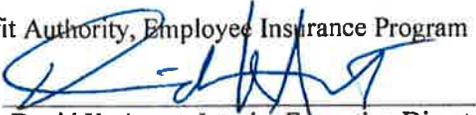
Meeting Scheduled for: September 3, 2013

Regular Agenda

1. Submitted by:

(a) Agency: Public Employee Benefit Authority, Employee Insurance Program

(b) Authorized Official Signature:


David K. Avant, Interim Executive Director

2. Subject: State Health Plan benefits and contribution rates effective January 1, 2014

3. Summary & Background Information

Pursuant to Section 1-11-710(A)(2) of the South Carolina Code of Laws, the Board of Directors of the South Carolina Public Employee Benefit Authority is required to approve the provisions of the State Health Plan for the 2014 calendar year, including the applicable subscriber and employer contribution rates for 2014, by August 15, 2013.

As part of the General Appropriations Act of 2013, the General Assembly passed a proviso that set the premium increases for the 2014 State Health Plan and put limits upon other possible changes to the Plan's benefit structure, including increase in co-payments and deductibles. This proviso, set out in Section 105.7 of Part 1B of the Act, provides that:

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Further, pursuant to federal health care regulations, the State Health Plan must be amended for 2014 to eliminate pre-existing condition exclusions for all participants, not just for participants under age 19. This change is required for all health care plans regardless of grandfathered status.

At the regular meeting of the PEBA Board of Directors on July 17, 2013, the PEBA Board approved a State Health Plan for the 2014 calendar year. As directed by the budget proviso, and as shown in Exhibit 2, the State Health Plan approved by the PEBA Board increases employer premium for each coverage tier by 6.8% for the 2014 calendar year and does not increase subscriber premium rates. Further, as authorized by the budget proviso, and as shown in Exhibit 3, the PEBA Board determined that the existing co-payments and deductibles for the State Health Plan must be increased by 20% for the 2014 plan year in order to ensure that the Plan

remains properly funded for the plan year. In addition, the State Health Plan approved by the PEBA Board also eliminates any pre-existing condition exclusions for all participants as required by federal regulation for all plans beginning January 1, 2014. There are no other coverage or premium changes between the 2013 State Health Plan and the 2014 State Health Plan.

4. What is Board asked to do?

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the Budget and Control Board, as evidenced by a majority vote of the Board. Coverage changes and premium increases made to the State Health Plan are policy determinations subject to Budget and Control Board approval. See Section 9-4-45(B) of the Code of Laws.

Accordingly, pursuant to Section 9-4-45, the Budget and Control Board is asked to approve the 2014 contribution rates and plan changes for the State Health Plan as set out in Exhibits 2 and 3.

5. What is recommendation of the agency involved?

Approve the 2014 contribution rates and plan changes for the State Health Plan as set out in Exhibits 2 and 3.

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
(b) Office Name: _____
-

7. Supporting Documents:

- (a) List those attached:
1. S.C. Code Ann. Sections 1-11-710 and 9-9-45
 2. State Monthly Contribution Rates by Level of Coverage: 2013 and Proposed Effective January 1, 2014.
 3. Co-payments and Deductible Rates: 2013 and Proposed Effective January 1, 2014.
- (b) List those not attached but available:
1. Federal Health Care Regulations

South Carolina
PUBLIC EMPLOYEE BENEFIT AUTHORITY

PEBA

David K. Avant
Interim Executive Director
Retirement Benefits

July 25, 2013

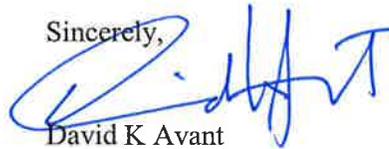
Marcia S. Adams, Executive Director
S.C. Budget and Control Board
1200 Senate Street
Columbia, SC 29201

Re: State Health Plan benefits and contribution rates effective January 1, 2014
Agenda Item for August 13, 2013 B&CB Meeting

Dear Ms. Adams:

As you know, S.C. Code Ann. Section 1-11-710(A)(2) requires the State Health Plan benefits and contribution rates for the coming calendar year to be approved by the board of directors of the South Carolina Public Employee Benefit Authority by August 15th of the preceding year. I would ask that you have this matter placed on the Budget and Control Board's agenda for the August 13, 2013, meeting. I have prepared the attached Agenda Item Worksheet for your review. Should you have any questions or comments, or should you need additional information, please do not hesitate to contact me. Thank you for your attention to this matter.

Sincerely,



David K Avant
Interim Executive Director

Enclosure

Attachment 1
South Carolina Code Sections Relevant to Agenda Item
Effective July 1, 2012

SECTION 1-11-703. Definitions.

As used in this article:

(9) "Board" means the Board of Directors of the South Carolina Public Employee Benefit Authority.

(10) "Employee insurance program" or "EIP" means the office of the South Carolina Public Employee Benefit Authority designated by the board to operate insurance programs pursuant to this article.

SECTION 1-11-710. State Budget and Control Board to make insurance available to active and retired employees; Insurance Reserve Fund to provide reinsurance; cost to be paid out of appropriated and other funds.

(A) The board shall:

(1) make available to active and retired employees of this State and its public school districts and their eligible dependents group health, dental, life, accidental death and dismemberment, and disability insurance plans and benefits in an equitable manner and of maximum benefit to those covered within the available resources;

(2) approve by August fifteenth of each year a plan of benefits, eligibility, and employer, employee, retiree, and dependent contributions for the next calendar year. The board shall devise a plan for the method and schedule of payment for the employer and employee share of contributions and by July first of the current fiscal year, develop and implement a plan increasing the employer contribution rates of the State Retirement Systems to a level adequate to cover the employer's share for the current fiscal year's cost of providing health and dental insurance to retired state and school district employees. The state health and dental plans must include a method for the distribution of the funds appropriated as provided by law which are designated for retiree insurance and also must include a method for allocating to school districts, excluding EIA funding, sufficient general fund monies to offset the additional cost incurred by these entities in their federal and other fund activities as a result of this employer contribution charge. The funds collected through increasing the employer contribution rates for the State Retirement Systems under this section must be deposited in the SCRHI Trust Fund established pursuant to Section 1-11-705. The amounts appropriated in this section shall constitute the State's pro rata contributions to these programs except the State shall pay its pro rata share of health and dental insurance premiums for retired state and public school employees for the current fiscal year;

(3) adjust the plan, benefits, or contributions, at any time to insure the fiscal stability of the system;

(4) set aside in separate continuing accounts in the State Treasury, appropriately identified, all funds, state-appropriated and other, received for actual health and dental insurance premiums due. Funds credited to these accounts may be used to pay the costs of administering the state health and dental plans and may not be used for purposes of other than providing insurance benefits for employees and retirees. A reserve equal to not less than one and one-half months' claims must be maintained in the accounts.

(B) The board may authorize the Insurance Reserve Fund to provide reinsurance, in an approved format with actuarially developed rates, for the operation of the group health insurance or cafeteria plan program, as authorized by Section 9-1-60, for active and retired employees of the State, and its public school districts and their eligible dependents. Premiums for reinsurance provided pursuant to this subsection must be paid out of state appropriated and other funds received for actual health insurance or cafeteria plan premiums due.



(C) Notwithstanding Sections 1-23-310 and 1-23-320 or any other provision of law, claims for benefits under any self-insured plan of insurance offered by the State to state and public school district employees and other eligible individuals must be resolved by procedures established by the board, which shall constitute the exclusive remedy for these claims, subject only to appellate judicial review consistent with the standards provided in Section 1-23-380.

(D) The General Assembly intends to authorize funding for the SCRHI Trust Fund in order to make progress toward reaching or maintaining the minimum annual required contribution under Governmental Accounting Standards Board Statement No. 45. The board shall determine the minimum annual required contribution pursuant to Section 1-11-705(H).

SECTION 9-4-45. (A) Policy determinations made by the South Carolina Public Benefit Authority are subject to approval by the State Budget and Control Board or its successor, evidenced by a majority vote of the board.

(B) For purposes of this section, policy determination means a determination by law required to be made by the South Carolina Public Benefit Authority in its administration of the Employee Insurance Program relating to coverage changes and premium increases and in its administration of the Retirement Division, actuarial assumptions governing the retirement system and adjustments in employer and employee contributions.

Monthly Premiums

	Employee	2013 Employer	2014 Employer
Employee	\$97.68	\$310.52	\$331.64
Employee/Spouse	\$253.36	\$615.08	\$656.92
Employee/Children	\$143.86	\$476.60	\$509.02
Full Family	\$306.56	\$770.12	\$822.50



Benefit Structure

	Current	20% Increase	Member Impact*
Deductible	\$350/\$700	\$420/\$840	253,832
Coinsurance max	\$2000/\$4000	\$2400/\$4800	23,018
Physician co-pay	\$10	\$12	373,198
Emergency room co-pay	\$125	\$150	58,589
Outpatient Hospital co-pay	\$75	\$90	199,738
Pharmacy co-pay	\$9/\$30/\$50	\$9/\$36/\$60	340,670

*Medicare eligible retirees with the Medicare Supplement are not impacted by these changes unless they utilize non-generic drugs.

STATE BUDGET AND CONTROL BOARD
MEETING OF September 3, 2013

REGULAR SESSION
ITEM NUMBER 2

AGENCY: Public Employee Benefit Authority, Employee Insurance Program

SUBJECT: Pilot Health Plan for MUSC Effective January 1, 2014

Pursuant to Section 1-11-710(A)(2) of the South Carolina Code of Laws, the Board of Directors of the South Carolina Public Employee Benefit Authority is required to approve any plan of health insurance benefits for the 2014 calendar year by August 15, 2013.

MUSC has proposed a pilot health plan covering all of its employees and their dependents under a patient-centered medical home (PCMH) model. At a meeting of the PEBA Board of Directors on August 5, 2013, the PEBA Board considered and approved the MUSC pilot health plan. The provisions of this pilot plan are shown on Exhibit 2.

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the Budget and Control Board, as evidenced by a majority vote of the Board. Coverage changes and premium increases made to the State Health Plan are policy determinations subject to Budget and Control Board approval. See Section 9-4-45(B) of the Code of Laws.

BOARD ACTION REQUESTED:

Pursuant to Section 9-4-45, approve the MUSC pilot health plan for MUSC's employees and their dependents for the 2014 calendar year, as shown on Exhibit 2 (MUSC's Proposed PCMH Pilot Program).

ATTACHMENTS:

Agenda item worksheet; S.C. Code Ann. Sections 1-11-710 and 9-9-45; MUSC pilot health plan description

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

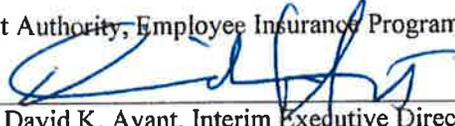
Meeting Scheduled for: September 3, 2013

Regular Agenda

1. Submitted by:

(a) Agency: Public Employee Benefit Authority, Employee Insurance Program

(b) Authorized Official Signature:


David K. Avant, Interim Executive Director

2. Subject: Pilot Health Plan for MUSC effective January 1, 2014

3. Summary & Background Information

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4. What is Board asked to do?

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the Budget and Control Board, as evidenced by a majority vote of the Board. Coverage changes and premium increases made to the State Health Plan are policy determinations subject to Budget and Control Board approval. See Section 9-4-45(B) of the Code of Laws.

Accordingly, pursuant to Section 9-4-45, the Budget and Control Board is asked to approve the MUSC pilot health plan for MUSC's employees and their dependents for the 2014 calendar year, as shown on Exhibit 2.

5. What is recommendation of the agency involved?

Approve the MUSC pilot health plan as shown on Exhibit 2.

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
(b) Office Name: _____
-

7. Supporting Documents:

- (a) List those attached:
1. S.C. Code Ann. Sections 1-11-710 and 9-9-45
 2. MUSC pilot health plan description.

Attachment I
South Carolina Code Sections Relevant to Agenda Item
Effective July 1, 2012

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(A) The board shall:

(1) make available to active and retired employees of this State and its public school districts and their eligible dependents group health, dental, life, accidental death and dismemberment, and disability insurance plans and benefits in an equitable manner and of maximum benefit to those covered within the available resources;

(2) approve by August fifteenth of each year a plan of benefits, eligibility, and employer, employee, retiree, and dependent contributions for the next calendar year. The board shall devise a plan for the method and schedule of payment for the employer and employee share of contributions and by July first of the current fiscal year, develop and implement a plan increasing the employer contribution rates of the State Retirement Systems to a level adequate to cover the employer's share for the current fiscal year's cost of providing health and dental insurance to retired state and school district employees. The state health and dental plans must include a method for the distribution of the funds appropriated as provided by law which are designated for retiree insurance and also must include a method for allocating to school districts, excluding EIA funding, sufficient general fund monies to offset the additional cost incurred by these entities in their federal and other fund activities as a result of this employer contribution charge. The funds collected through increasing the employer contribution rates for the State Retirement Systems under this section must be deposited in the SCRHI Trust Fund established pursuant to Section 1-11-705. The amounts appropriated in this section shall constitute the State's pro rata contributions to these programs except the State shall pay its pro rata share of health and dental insurance premiums for retired state and public school employees for the current fiscal year;

(3) adjust the plan, benefits, or contributions, at any time to insure the fiscal stability of the system;

(4) set aside in separate continuing accounts in the State Treasury, appropriately identified, all funds, state-appropriated and other, received for actual health and dental insurance premiums due. Funds credited to these accounts may be used to pay the costs of administering the state health and dental plans and may not be used for purposes of other than providing insurance benefits for employees and retirees. A reserve equal to not less than one and one-half months' claims must be maintained in the accounts.

(B) The board may authorize the Insurance Reserve Fund to provide reinsurance, in an approved format with actuarially developed rates, for the operation of the group health insurance or cafeteria plan program, as authorized by Section 9-1-60, for active and retired employees of the State, and its public school districts and their eligible dependents. Premiums for reinsurance provided pursuant to this subsection must be paid out of state appropriated and other funds received for actual health insurance or cafeteria plan premiums due.



(C) Notwithstanding Sections 1-23-310 and 1-23-320 or any other provision of law, claims for benefits under any self-insured plan of insurance offered by the State to state and public school district employees and other eligible individuals must be resolved by procedures established by the board, which shall constitute the exclusive remedy for these claims, subject only to appellate judicial review consistent with the standards provided in Section 1-23-380.

(D) The General Assembly intends to authorize funding for the SCRHI Trust Fund in order to make progress toward reaching or maintaining the minimum annual required contribution under Governmental Accounting Standards Board Statement No. 45. The board shall determine the minimum annual required contribution pursuant to Section 1-11-705(H).

SECTION 9-4-45. (A) Policy determinations made by the South Carolina Public Benefit Authority are subject to approval by the State Budget and Control Board or its successor, evidenced by a majority vote of the board.

(B) For purposes of this section, policy determination means a determination by law required to be made by the South Carolina Public Benefit Authority in its administration of the Employee Insurance Program relating to coverage changes and premium increases and in its administration of the Retirement Division, actuarial assumptions governing the retirement system and adjustments in employer and employee contributions.

MUSC's Proposed PCMH Pilot Program

Feature	MUSC Pilot Participant utilizing		
	PCMH and Provider Panel	SHP Network Provider (Same as Std. Plan)	Out-of-Network Provider (Same as Std. Plan)
Deductible	385/770 (PCMH and panel specific)	420/840 (SHP and Out-of-Network specific)	420/840 (SHP and Out-of-Network specific)
Coinsurance Rate	80%	80%	60%
Coinsurance Maximum	2200/4400	2400/4800	4800/9600
Preventative Benefits (List A/B)	No cost	Current SHP preventative benefits and cost share	Current SHP preventative benefits and cost share
Primary Care Office Visit	**20.00+ Copay	12.00 Per Occurrence Deductible and Deductible and Coinsurance	12.00 Per Occurrence Deductible and Deductible and Coinsurance
Specialist Office Visit - Coordinated By PCP	35.00 Copay	12.00 Per Occurrence Deductible and Deductible and Coinsurance	12.00 Per Occurrence Deductible and Deductible and Coinsurance
Specialist Office Visit - Not Coordinated By PCP	**50.00+ Copay	12.00 Per Occurrence Deductible and Deductible and Coinsurance	12.00 Per Occurrence Deductible and Deductible and Coinsurance
Emergency Room	150.00 per occurrence deductible plus coinsurance / deductible (per occurrence deductible waived if admitted)	150.00 per occurrence deductible plus coinsurance / deductible (per occurrence deductible waived if admitted)	150.00 per occurrence deductible plus coinsurance / deductible (per occurrence deductible waived if admitted)
Outpatient Hospital	Preventative - No cost PCP - 20.00 Specialist / Coordinated - 35.00 **Specialist / Non Coordinated - 50.00+ **Surgical - 250.00+ Radiology - **50.00+ (with reimbursement limited to SHP professional / free standing fee schedule)	90.00 per occurrence deductible plus coinsurance / deductible	90.00 per occurrence deductible plus coinsurance / deductible



MUSC's Proposed PCMH Pilot Program

	Pathology - 50.00		
*Inpatient Hospital Facility	No cost	Deductible / Coinsurance	Deductible / Coinsurance
Inpatient Hospital Professional	Deductible / Coinsurance	Deductible / Coinsurance	Deductible / Coinsurance
High End Radiology (MRI, CT, CAT, PET)	75.00 Copay with reimbursement limited to SHP professional / free standing fee schedule	75.00 per occurrence Deductible / Coinsurance	75.00 per occurrence Deductible / Coinsurance
Prescription Drugs	SHP Benefits	SHP Benefits	Not covered

Other reimbursement to PCMH:

- 1) 64.43 fee paid to PCMH for each member that completes a baseline health assessment / risk appraisal. Data gathered for the assessment will be shared with EIP for the purpose of program evaluation.
- 2) 10.00 / 4.00 monthly management fee paid to PCMH based upon patient risk and complexity. The fee will be paid per member per month and payment for a member will commence upon completion of the baseline health assessment / risk appraisal.

* Inpatient hospital facility services have allowances set at 80% of SHP contractual allowances

**To maintain revenue neutrality, these copays to be adjusted upward to increase total revenue by 7%.

Premiums

Both subscriber and employer premiums for the MUSC PCMH Pilot will be the same as the SHP premiums.

Outcomes Measurement

Outcomes will be determined based on the following:

Quality Metrics

1. Diabetic care - Hba1c
2. Diabetic care - LDLc
3. Diabetic care - eye exam
4. Breast cancer screening
5. Cervical cancer screening
6. Colorectal cancer screening
7. Proper user of asthma medications
8. ER utilization for asthma
9. Readmission rate
10. Emergency room utilization rate

MUSC's Proposed PCMH Pilot Program

11. Well child visits
12. Immunizations for two year olds
13. Immunizations for adolescents
14. Reductions in the evolution of population's biometric trends (i.e. metabolic risk factors, metabolic syndrome)
15. Population's compliance to "basic care requirements" for chronic conditions (i.e. Compliance target of XX%, all conditions or the top X)
16. Population's participation in health assessments and biometrics (XX% participation)

Cost Metrics

Outcome will also be determined by the total savings to the plan based on the results of the PCMH compared to expected results for the MUSC population. Any savings will be shared equally between the SHP and MUSC. All costs (administrative, claims, health assessment, and management fees) are considered in the shared savings calculation. Such metrics include:

1. XX% reduction in top medical spend such as Musculoskeletal Disease costs
2. XX% reduction in medical leave of absence days
3. XX% reduction in occasional sickness absence days
4. XX% reduction in the year-on-year cost per employee trend

Beneficiary Satisfaction Metrics

Metrics from the CAHPS Patient-Centered Medical Home Item Set will be used. This survey tool is attached and also may be found on the web as the fourth item on the following webpage:

https://www.cahps.ahrq.gov/clinician_group/

This survey tool includes question such as:

In the last 12 months, did anyone in this provider's office ask you if there are things that make it hard for you to take care of your health?

1. When you talked about starting or stopping a prescription medicine, how much did this provider talk about the reasons you might want to take a medicine?
2. In the last 12 months, how many days did you usually have to wait for an appointment when you needed care right away?
3. In the last 12 months, how often did the provider (named in an earlier question) seem informed and up-to-date about the care you got from specialists?
4. Did this provider's office give you information about what to do if you needed care during evenings, weekends, or holidays?

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Budget and Control Board approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

Establish Project for A&E Design

- (a) Summary 1-2014: JBRC Item 2. Budget and Control Board
Project: 9921, DEW Warehouse Roof Replacement
Funding Source: \$3,750 Other, Department of Workforce and Employment (DEW) funds which are Contingency Assessment funds, a portion of the unemployment tax that is used by DEW to fund administrative costs and employment services.
Request: Establish project and budget for \$3,750 (Other, DEW funds) to begin design work to replace the roof on the Department of Workforce and Employment's warehouse building on Wayne Street. The work will include replacing the roof, skylight domes, insulation, front and side canopies, and gutters. The 38 year-old roof is original to the building and is more than ten years past its normal life expectancy. It has had numerous ongoing leaks which have been addressed over time, including a larger, partial re-cover repair ten years ago. A roofing consultant engaged by the agency in 2012 to evaluate the roof concluded it was no longer cost effective to continue to repair it and recommended replacement. The agency's internal estimated cost of this project, prior to A&E design being done, is \$301,250. The proposed source of funds for construction is Other, DEW Contingency Assessment funds.
- (b) Summary 1-2014: JBRC Item 3. Department of Mental Health
Project: 9728, DMH Administration Building Roof and HVAC Replacement
Funding Source: \$18,000 Other, Operating Revenue funds which are Medicaid fee-for-service earned revenues for clinical services Mental Health provides under contract with Health and Human Services.
Request: Establish project and budget for \$18,000 (Other, Operating Revenue funds) to begin design work to replace the roof and HVAC equipment at the Department of Mental Health's Administration Building in Columbia. The work will include replacing the built up roof and a portion of the building's condensing units and air handlers. The existing flat built up roof and HVAC equipment are 45 years old and original to the building. The roof has developed numerous leaks and attempts to make temporary patches have not always been successful, so leaks continue. Two roofing consultants who have assisted in trying to stop the leaks have stated that the roof needs total replacement. Approximately half of the building's HVAC equipment was replaced in 2009, but the remaining old equipment has failures each summer, is inefficient to operate and maintain, and needs to be replaced. The agency's internal estimated cost of this project, prior to A&E design being done, is \$1,200,000. The proposed source of funds for construction is Other, Operating Revenue funds.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Establish Construction Budget

(c) Summary 1-2014: JBRC Item 1. Clemson University

Project: 9903, Watt Innovation Center Construction

Funding Source: \$30,543,000, including \$27,043,000 Institution Bond funds which are general obligation debt of the State backed by a pledge of University tuition and fees and \$3,500,000 Other, Private Gift funds which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purposes.

Request: Increase budget to \$30,543,000 (add \$30,300,000: \$27,043,000 Institution Bond and \$3,257,000 Other, Private Gift funds) to revise the scope and construct an approximately 70,000 square foot cutting edge facility at Clemson. The project was established in June 2012 for pre-design work which is now complete. The work will include constructing a new facility for teaching and research in science, technology and engineering that will include studios, smart classrooms and project areas with flexible infrastructure to serve the needs of an increasingly diverse student community and to accommodate current and emerging technologies with minimal cost and effort. The new facility is needed to address key University goals of providing for student leadership and related opportunities, to leverage the university's information technology investments and assets, and to introduce teaching and research modules based on the university's core competencies and marketplace relevance. It also addresses the campus's less than adequate classroom space. The facility will be constructed to LEED Silver certification and will include sustainable sites, energy and atmosphere, indoor environmental quality and other measures. The LEED cost benefit analysis shows a negative cost benefit of \$320,000 based on preliminary figures, but Clemson staff anticipate the negative benefit will be negligible once the design nears completion. The agency reports the total projected cost of this project is \$30,543,000 and additional annual operating costs ranging from \$240,000 to \$254,616 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is August 2013 and for completion of construction is December 2015. (See Attachment 1 for additional annual operating costs.)

(d) Summary 1-2014: JBRC Item 4. College of Charleston

Project: 9646, Jewish Studies Center Expansion

Funding Source: \$6,000,000, including \$5,000,000 Other, Capital Improvement Project Funds which are revenues in excess of current annual debt service related to bonds generated from a \$744 per semester student fee and \$1,000,000 Other, Private funds which are funds derived from external sources including individual contributors and foundations.

Request: Increase budget to \$6,000,000 (add \$5,932,500: \$4,932,500 Other, Capital Improvement Project Funds and \$1,000,000 Other, Private funds) to expand the Jewish Studies Center at the College of Charleston. The project was

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

established in June 2011 for pre-design work which is now complete. The 15,000 square foot expansion will include a kosher/vegetarian kitchen and dining room on the first floor and classrooms and academic support spaces on the second and third floors to add approximately 220 classroom seats. The College estimates approximately 10% of its student body is Jewish and the surrounding Charleston community has a large Jewish population. The College's current classroom utilization is well below the statewide standard and the additional classrooms will be used for multiple disciplines. The expansion will be constructed to LEED Silver certification and will include sustainable sites, energy and atmosphere, indoor environmental quality and other measures. The LEED cost benefit analysis shows a positive cost benefit of \$399,779 over 30 years. The agency reports the total projected cost of this project is \$6 million and additional annual operating costs of \$105,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is January 2014 and for completion of construction is December 2014. (See Attachment 2 for additional annual operating costs.)

(e) Summary 1-2014: JBRC Item 6. State Board for Technical and Comprehensive Education

Project: 6055, York - Building C Classroom Addition/Renovation

Funding Source: \$3,521,992 Other, College Capital Reserve Funds which are excess college revenues from various sources transferred at year end to an account for construction, renovation, maintenance and improvements to buildings.

Request: Increase budget to \$3,521,992 (add \$3,505,249 Other, College Capital Reserve Funds) to renovate and expand Building C at York Tech. The project was established in October 2012 for pre-design work which is now complete. The work will include renovating 7,760 square feet of the existing facility and adding a 2,800 square foot addition to convert eight small, seldom used 10-15 person classrooms to five larger, more flexible 35-40 person classrooms. It will also include renovating the building's front entrance to eliminate a structural problem where a metal canopy was removed from each side of the entrance and will create a new front façade and entrance allowing better circulation through the building. The renovation and expansion will provide flexible classrooms allowing utilization by multiple programs, address the structural issue, and provide for better circulation. Energy savings and conservation measures will include the installation of energy efficient exterior glazing, an energy efficient HVAC system, interior lighting sensors, and low flow plumbing fixtures. The agency reports the total projected cost of this project is \$3,521,992 and additional annual operating costs ranging from \$6,529 to \$6,927 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is December 2013 and for completion of construction is June 2014. (See Attachment 4 for additional annual operating costs.)

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

- (f) Summary 1-2014: JBRC Item 7. Budget and Control Board
Project: 9903, McEachern Parking Facility Waterproofing
Funding Source: \$3,000,000 Other, Depreciation Reserve funds which are derived from the rent account which receives rent charged to state agencies for use of state buildings.
Request: Increase budget to \$3,000,000 (add \$2,982,492 Other, Deprecation Reserve funds) to waterproof the underground McEachern Parking Facility serving the Capitol Complex to address numerous leaks. The project was established in September 2011 for pre-design work which is now complete. The work will include chemical grouting the curtain wall and localized areas, sealing the floor slab, tunnel entrances, and other areas, and providing weeps to alleviate pressure and reduce future potential leaks. The facility leaks in numerous areas, which contributes to corrosion of the steel reinforcing the concrete walls and will weaken the structure if not addressed. The waterproofing will also eliminate the need for Facilities Management to devote resources to stopgap measures including frequent cleaning and installing drip pans, mats and diverters to manage slip and fall hazards. Energy savings and conservation measures are not applicable this waterproofing project. The agency reports the total projected cost of this project is \$3 million and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is February 2014 and for completion of construction is February 2015.
- (g) Summary 1-2013: JBRC Item 8. Vocational Rehabilitation Department
Project: 9597, Walterboro VR Center Reroofing
Funding Source: \$416,700 Other, Work Training Center Program Income which is revenue generated by production contracts in the work training center providing client's opportunity to learn work skills, offset by client wages and other production costs.
Request: Increase budget to \$416,700 (add \$405,700 Other, Work Training Center Program Income funds) to reroof the Walterboro VR Center for the Vocational Rehabilitation (VR) Department. The project was established in June 2013 for pre-design work which is now complete. The work will include removing the existing built-up roof, applying a new vented built-up roof with associated flashings and metal work, and removing and disposing of asbestos-containing soffit material. The roof is approximately 24 years old and well past its life expectancy. Several leaks have already been repaired in the existing roof, but leaks continue. The roof needs to be replaced before water deteriorates the roof deck, ceilings and contents of the building. Energy savings and conservation measures will include the installation of energy efficient roofing insulation. The agency reports the total projected cost of this project is \$416,700 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is September 2013 and for completion of construction is November 2013.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Increase Budget

- (h) Summary 1-2014: JBRC Item 9. Budget and Control Board
Project: 9914, DEW - David Building Emergency Generator Installation
Funding Source: \$296,346 Other, Department of Workforce and Employment funds which derive from a combination of federal Supplemental Budget Request funds from the US Department of Labor and Contingency Assessment funds, a portion of the unemployment tax that is used by DEW to fund administrative costs and employment services.
Request: Increase budget to \$293,346 (add \$65,720 Other, DEW funds) to meet the low bid for installing an emergency generator at the Department of Workforce and Employment's (DEW) David Building. The project was established for pre-design work in October 2012 and the construction budget was established in December 2012. Bids on the project were received in June 2013 and all bids exceeded the approved project budget because labor costs and materials were higher than estimated. In addition, the small project contingency will be increased to 10% to provide for unforeseen conditions during construction. The work will include installing an emergency generator to supply back-up power for DEW's information technology operations, fire pumps, and building emergency egress lighting. Energy savings and conservation measures are not applicable to this generator project. The agency reports the total projected cost of this project is \$293,346 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is September 2013 and for completion of construction is December 2013.

Establish Project for Preliminary Land Studies

- (i) Summary 1-2014: JBRC Item 10. State Board for Technical and Comprehensive Education
Project: 6082, Horry-Georgetown - Conway Fire Station Acquisition
Funding Source: \$20,000 Other, College funds which are excess of revenues over expenses, held to address capital needs and local matching requirements.
Request: Establish project and budget for \$20,000 (Other, College funds) to procure the investigative studies required to adequately evaluate property prior to purchase. Horry-Georgetown Tech is considering the acquisition of approximately 2.5 acres of land with an approximately 5,000 square foot fire station located in the center of its Conway campus. The station is being vacated by the county and the College desires to use the existing facility to expand its maintenance and warehouse facilities. The College has outgrown its existing maintenance space and needs larger, more conducive acreage for these support services. As part of the acquisition, the College will close the road now serving the fire station, which intersects the campus at one of its busiest vehicular and pedestrian areas, creating a safety problem recognized by city, county and college officials.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

- (j) Summary 1-2014: JBRC Item 11. Department of Natural Resources
Project: 9935, Lancaster/Kershaw - Catawba River WMA Property Acquisition
Funding Source: \$20,000 Other, Heritage Land Trust Funds which are funds provided from various sources by law which can be used for acquiring interest in property in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of interest in priority areas.
Request: Establish project and budget for \$20,000 (Other, Heritage Land Trust Funds) to procure the investigative studies required to adequately evaluate property prior to purchase. The Department of Natural Resources is considering the acquisition of approximately 1,628 acres of land in Lancaster and Kershaw Counties that adjoins the Catawba River Wildlife Management Area. The property borders the river on the north side of Lake Wateree, provides habitat for game and non-game species including the federally endangered fish species, the shortnose sturgeon, and will provide for hunting, fishing and hiking opportunities for the public

BOARD ACTION REQUESTED:

Approve permanent improvement project establishment requests and budget revisions. All items have been reviewed favorably by the Joint Bond Review Committee.

ATTACHMENTS:

Attachments

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY CODE: H12 NAME: Clemson University
2. PROJECT #: 9903 NAME: Watt Innovation Center Construction
3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)
 COSTS SAVINGS NO CHANGE

4. **TOTAL ADDITIONAL OPERATING COSTS/SAVINGS**
Projected Financing Sources

(1) Fiscal Year	(2) General Funds	(3) Federal	(4) Other	(5) Total
1) 2015			\$240,000.00	\$240,000.00
2) 2016			\$247,200.00	\$247,200.00
3) 2017			\$254,616.00	\$254,616.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.)

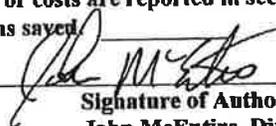
University generated funds

6. Will the additional costs be absorbed into your existing budget? Yes No
 If no, how will the additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities</u>	<u>\$120,000.00</u>
2. <u>Maintenance</u>	<u>\$120,000.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$240,000.00</u>

8. If personal services or costs are reported in section 7 above, please indicate the number of additional positions required or positions saved.

9. Submitted By:  6/4/13 Date
 Signature of Authorized Official and Title
 John McEntire, Director Capital Projects

**ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY Code H15 Name College of Charleston

2. PROJECT Project # 9646 Name Jewish Studies Center Expansion

3. ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2015-16	\$	\$	\$ 52,500.00	\$ 52,500.00 *
2) 2016-17	\$	\$	\$ 105,000.00	\$ 105,000.00
3) 2017-18	\$	\$	\$ 105,000.00	\$ 105,000.00

* partial year

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
College Fees

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

	<u>COST FACTORS</u>	<u>AMOUNT</u>
1.	Maintenance	\$65,625.00
2.	Utilities	39,375.00
3.		
4.		
5.		
6.		
7.		
8.		
	TOTAL	\$105,000.00

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: Stephen C. Osborne June 24, 2013
Signature of Authorized Official and Title Date

Permanent Improvement Project Information for September 3, 2013 B&CB Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CIP	Total Projected Project Cost
F03-9921	Budget and Control Board - DEW Warehouse Roof Replacement	\$3,750 for pre-design	8/13/13	\$3,750	8/13/13	No	To Be Determined
J12-9728	Department of Mental Health - DMH Administration Building Roof and HVAC Replacement	\$18,000 for pre-design	8/13/13	\$18,000	8/13/13	2009 CIP Year 2	To Be Determined
H12-9903	Clemson University - Watt Innovation Center Construction	\$243,000 for pre-design	6/27/12	\$243,000	6/27/12	2012 CIP Year 1	\$30,543,000
H15-9646	College of Charleston - Jewish Studies Center Expansion	\$67,500 for pre-design	6/14/11	\$67,500	6/14/11	2013 CIP Year 1	\$6,000,000
H59-6055	York Tech - Building C Classroom Addition/Renovation	\$16,743 for pre-design	10/30/12	\$16,743	10/30/12	2012 CIP Year 1	\$3,521,992
F03-9903	Budget and Control Board - McEachern Parking Facility Waterproofing	\$17,508 for pre-design	9/20/11	\$17,508	9/20/11	No	\$3,000,000
H73-9597	Vocational Rehabilitation Department - Walterboro VR Center Reroofing	\$11,000 for pre-design	6/18/13	\$11,000	6/18/13	No	\$416,700
F03-9914	Budget and Control Board - DEW - David Building Emergency Generator Installation	\$3,350 for pre-design	10/10/12	\$3,350	10/10/12	No	\$293,346
H59-6082	Horry-Georgetown Tech - Conway Fire Station Acquisition	\$20,000 for preliminary studies	8/13/13	\$20,000	8/13/13	No	To Be Determined
P24-9935	Department of Natural Resources - Lancaster/Kershaw - Catawba River WMA Property Acquisition	\$20,000 for preliminary studies	8/13/13	\$20,000	8/13/13	No	To Be Determined

Attachment 5
Additional Information on Funding Sources for
Higher Education Permanent Improvement Projects

Item (c) – Clemson University Watt Innovation Center Construction

The source of funds for construction is \$30,000,000, which includes \$27,043,000 Institution Bond funds and \$3,500,000 Other, Private Gift funds.

- 1) Institution Bond funds represent general obligation debt of the State backed by a pledge of University tuition and fees. The current uncommitted balance of Institution Bond funds for this project is zero. The State Institution Bond Resolution was expected to be approved by the Clemson Board of Trustees in July 2013 and will be submitted for B&C Board and other approvals after that date. For instate students, the amount of the student fee used to fund debt service is \$1,038 annually per student. For out-of-state students, the amount of the student fee used to fund debt service is \$2,550.
- 2) Other, Private Gift funds are amounts received from individuals, corporations and other entities that are to be expended for their restricted purposes. The current uncommitted balance of private gift funds for this project is \$3,500,000.

The University reports that no increase in any student fee or tuition will be required for design or construction of this facility.

Item (d) – College of Charleston Jewish Studies Center Expansion

The source of funds for construction is \$6,000,000, which includes \$5,000,000 Other, Capital Improvement Project Funds and \$1,000,000 Other, Private funds.

- 1) Other, Capital Improvement Project Funds are revenues generated by the Capital Improvement Fee that are in excess of the current annual debt service related to bonds issued under the SC Code of Laws. This fee is that portion of the student bill earmarked for debt service and renewal of the physical infrastructure. The College has had this fee in place since it became a public institution in 1970. The AY 2012-13 per semester fee is \$744, of which \$258 per semester is earmarked for debt service. The current uncommitted balance of Capital Improvement Project Funds is \$5,000,000.
- 2) Other, Private funds are those funds derived from external sources, including individual contributors and foundations, and not related to revenue generated from or through the operation of the institution or its auxiliary enterprises. The current uncommitted balance of private funds specifically for this project is \$1 million.

The College reports that no increase in any student fee or tuition will be required for design or construction of this facility.

Item (e) – York Technical College Building C Classroom Addition/Renovation

The source of funds for construction is \$3,521,992 Other, College Capital Reserve Funds. College Capital Reserve Funds come from excess revenues generated by college operations from various sources transferred at year-end to an account for construction, renovation, maintenance and improvements to buildings. The makeup of college revenue transferred at year-end to this fund includes student tuition and fees, grants and contracts, auxiliary funds, other operating revenues, state appropriations, local appropriations, capital appropriations, federal financial aid and other non-operating revenue. The current uncommitted balance of these funds is \$16,814,277. The College has been reluctant to borrow with its preferred strategy being to save up sufficient funds to directly fund capital activities without borrowing

and incurring debt service charges. A consequence of this pay-as-you-go strategy is steady growth of the college's unrestricted fund balance, of which the College Capital Reserve Funds are a part.

The College reports that no increase in any student fee or tuition will be required for pre-design or renovation of this facility.

Item (i) – Horry-Georgetown Technical College Conway Fire Station Acquisition

The source of funds for preliminary land studies is \$20,000 Other, College funds. College funds are the excess of revenues over expenses, held to address capital needs and local matching requirements. The current uncommitted balance of College funds is \$7,340,000.

The proposed source of funds for acquisition of the property is Other, College funds. The anticipated total cost of the project, including property acquisition and preliminary land studies, is approximately \$335,000. As noted above, the uncommitted balance of College funds is \$7,340,000.

The College reports that no increase in any student fee or tuition will be required for preliminary land studies or acquisition of this property.

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisitions

The Division of State Budget recommends approval of the following real property acquisitions:

- (a) **Agency:** **Clemson University PSA**
Acreage: 10± acres and five buildings totaling 24,684 square feet
Location: On Old Cherry Road in Clemson, formerly the USDA Agricultural Research Service Facility.
County: Pickens
Purpose: To acquire land and buildings to be used by Public Service Activities for the Research Farm Services Unit, Extension, and the Beginning Farmers and Ranchers Program.
Appraised Value: N/A
Price/Seller: Donation / US Department of Agriculture
Source of Funds: N/A
Project Number: P20-9548
Environmental Study: Approved
Building Condition Assessment: Approved
Additional Annual Op Cost/SOF: No additional annual operating costs are anticipated as Clemson has been paying utility and upkeep costs.
Current Year Property Tax: N/A - Exempt
Approved By: JBRC on 8/8/13
- (b) **Agency:** **Department of Natural Resources**
Acreage: 65.5± acres of undeveloped land
Location: On Oak Ridge Club Road and the Edisto River bordering the Gopher Tortoise Heritage Preserve near Windsor.
County: Aiken
Purpose: To expand the existing preserve to protect natural resources, including the state endangered gopher tortoise, and provide for outdoor recreational activities for the public.
Appraised Value: \$155,000
Price/Seller: \$129,250 / Robert C. and Laurie K. Blackmon, Williston, SC
Source of Funds: Other, Heritage Land Trust Funds
Project Number: P24-9930

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisitions

Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: No additional annual operating costs are anticipated as the property will be managed as part of the existing preserve.
Current Year Property Tax: \$198
Approved By: JBRC on 8/8/13

(c) Agency: **Department of Natural Resources**
Acreage: 88± acres of undeveloped land
Location: On the north side of Highway 162 bordering the Dungannon Plantation Heritage Preserve and Wildlife Management Area near Hollywood.
County: Charleston
Purpose: To expand the Dungannon Plantation Heritage Preserve to protect natural and cultural resources, including the federally endangered wood stork, and provide for outdoor recreational activities for the public.
Appraised Value: \$308,000
Price/Seller: \$308,000 / Elizabeth Hanahan Clark, Charleston, SC
Source of Funds: Other, Heritage Land Trust Funds and Other, Charleston County Greenbelt Bank funds
Project Number: P24-9933
Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: No additional annual operating costs are anticipated as the property will be managed as part of the existing preserve.
Current Year Property Tax: \$161
Approved By: JBRC on 8/8/13
Additional Information: This request also includes approval of a budget increase to the permanent improvement project of \$308,000 from the fund sources noted above.

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisitions

(d) Agency:	Department of Natural Resources
Acreage:	24.4± acres of undeveloped land
Location:	On Gauley Falls Road north of Highway 178 bordering the Jocassee Gorges Wildlife Management Area near Sunset.
County:	Pickens
Purpose:	To secure legal access along an entrance road into the Jocassee Gorges Wildlife Management Area that extends through this privately-owned parcel and to protect mature forests and trout waters.
Appraised Value:	\$110,000
Price/Seller:	\$101,622 / The Nature Conservancy
Source of Funds:	Other, Pickens County Game and Fish funds and Other, Fish and Wildlife Protection funds.
Project Number:	P24-9934
Environmental Study:	Approved
Building Condition	N/A
Assessment:	
Additional Annual Op Cost/SOF:	No additional annual operating costs are anticipated as the property will be managed as part of the existing wildlife management area.
Current Year Property Tax:	\$27
Approved By:	JBRC on 8/8/13

BOARD ACTION REQUESTED:

Approve the real property acquisitions as requested.

ATTACHMENTS:

Agenda item worksheet and attachments

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 3, 2013

Regular Agenda

1. Submitted by:

- (a) Agency: State Budget Division
- (b) Authorized Official Signature:


Les Boles, Director

2. Subject:

REAL PROPERTY ACQUISITIONS

3. Summary Background Information:

- (a) Agency: **Clemson University PSA**
Acreage: 10± acres and five buildings totaling 24,684 square feet
Location: On Old Cherry Road in Clemson, formerly the USDA Agricultural Research Service Facility.
County: Pickens
Purpose: To acquire land and buildings to be used by Public Service Activities for the Research Farm Services Unit, Extension, and the Beginning Farmers and Ranchers Program.
Appraised Value: N/A
Price/Seller: Donation / US Department of Agriculture
Source of Funds: N/A
Project Number: P20-9548
Environmental Study: Approved
Building Condition Assessment: Approved
Additional Annual Op Cost/SOF: No additional annual operating costs are anticipated as Clemson has been paying utility and upkeep costs.
Current Year Property Tax: N/A - Exempt
Approved By: JBRC on 8/8/13

- (b) Agency: **Department of Natural Resources**
Acreage: 65.5± acres of undeveloped land
Location: On Oak Ridge Club Road and the Edisto River bordering the Gopher Tortoise Heritage Preserve near Windsor.
County: Aiken
Purpose: To expand the existing preserve to protect natural resources, including the state endangered gopher tortoise, and provide for outdoor recreational activities for the public.
Appraised Value: \$155,000
Price/Seller: \$129,250 / Robert C. and Laurie K. Blackmon, Williston, SC
Source of Funds: Other, Heritage Land Trust Funds
Project Number: P24-9930
Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: No additional annual operating costs are anticipated as the property will be managed as part of the existing preserve.
Current Year Property Tax: \$198
Approved By: JBRC on 8/8/13

(c) Agency: **Department of Natural Resources**
Acreage: 88± acres of undeveloped land
Location: On the north side of Highway 162 bordering the
Dungannon Plantation Heritage Preserve and Wildlife
Management Area near Hollywood.
County: Charleston
Purpose: To expand the Dungannon Plantation Heritage Preserve to
protect natural and cultural resources, including the
federally endangered wood stork, and provide for outdoor
recreational activities for the public.
Appraised Value: \$308,000
Price/Seller: \$308,000 / Elizabeth Hanahan Clark, Charleston, SC
Source of Funds: Other, Heritage Land Trust Funds and Other, Charleston
County Greenbelt Bank funds
Project Number: P24-9933
Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: No additional annual operating costs are anticipated as the
property will be managed as part of the existing preserve.
Current Year Property Tax: \$161
Approved By: JBRC on 8/8/13
Additional Information: This request also includes approval of a budget increase to
the permanent improvement project of \$308,000 from the
fund sources noted above.

(d) Agency: **Department of Natural Resources**
Acreage: 24.4± acres of undeveloped land
Location: On Gauley Falls Road north of Highway 178 bordering
the Jocassee Gorges Wildlife Management Area near
Sunset.
County: Pickens
Purpose: To secure legal access along an entrance road into the
Jocassee Gorges Wildlife Management Area that extends
through this privately-owned parcel and to protect mature
forests and trout waters.
Appraised Value: \$110,000
Price/Seller: \$101,622 / The Nature Conservancy
Source of Funds: Other, Pickens County Game and Fish funds and Other,
Fish and Wildlife Protection funds.
Project Number: P24-9934
Environmental Study: Approved
Building Condition Assessment: N/A
Additional Annual Op Cost/SOF: No additional annual operating costs are anticipated as the
property will be managed as part of the existing wildlife
management area.
Current Year Property Tax: \$27
Approved By: JBRC on 8/8/13

4. What is Board asked to do?

Approve the property acquisitions as requested.

5. What is recommendation of Board Division involved?

Recommend approval of the property acquisitions requested.

6. Recommendation of other Division/Agency (as required)?

- (a) Authorized Signature: _____
(b) Division/Agency Name: _____
-

7. List of Supporting Documents:

1. Code Section 1-11-65
 - (a) Clemson PSA
 - (b) Department of Natural Resources - Aiken County
 - (c) Department of Natural Resources - Charleston County
 - (d) Department of Natural Resources - Pickens County

SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

**(a) Clemson University PSA
Pickens County**

1. Letter from Agency
2. Map
3. Environmental Results
4. Cost Implications

CLEMSON
UNIVERSITY

July 29, 2013

Ms. Carol Routh
Capital Budgeting, State Budget Division
1205 Pendleton Street, Suite 529
Columbia, SC 29201

Subject: USDA Cherry Road property

Dear Carol,

Please add the USDA Cherry Road land acquisition (donation) project to the agenda for the August 8 JBRC meeting as well as the August 13 B&CB meeting. Let me know if you have questions or need additional information. Thank you.

Sincerely,



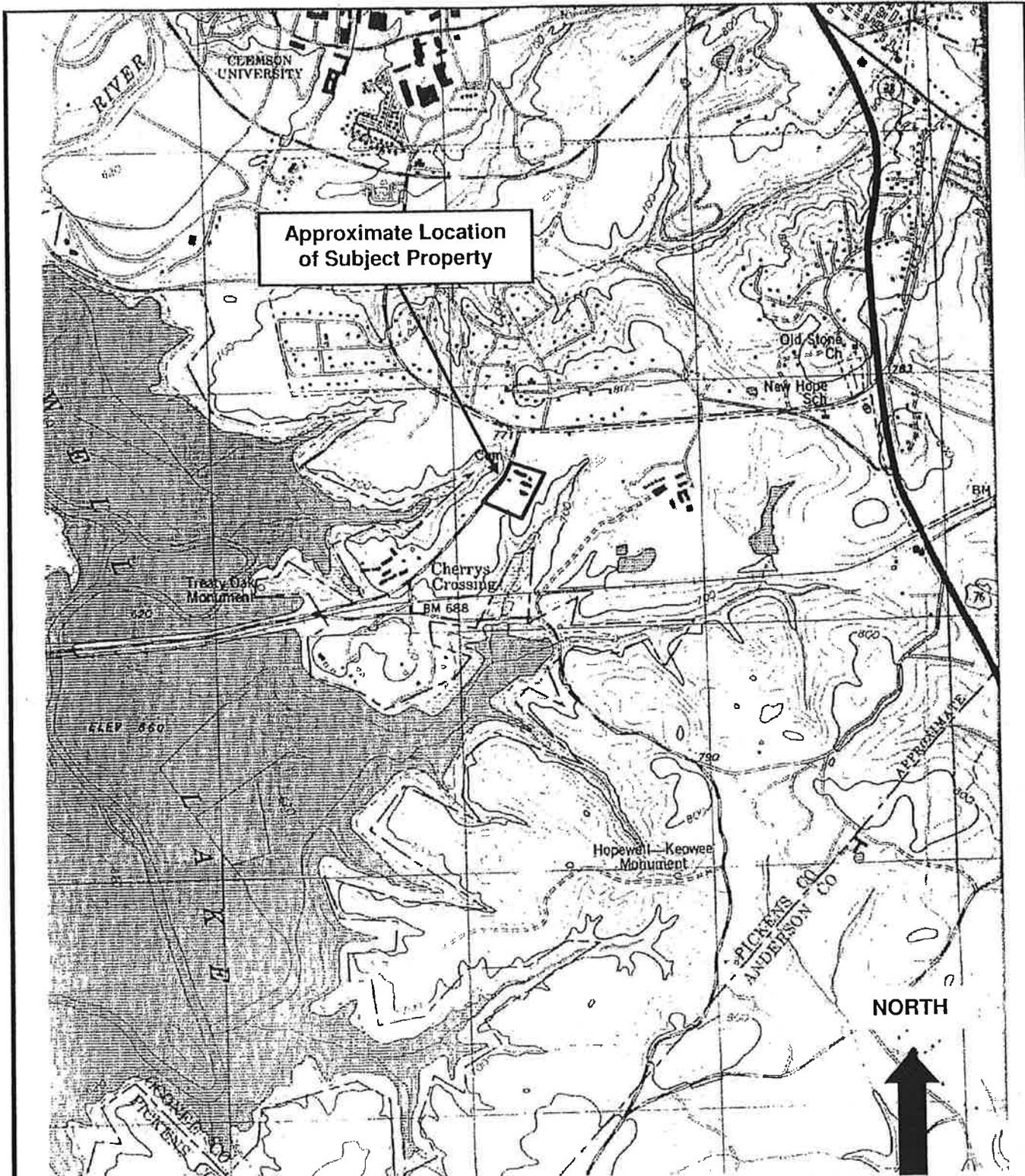
John McEntire
Director of Capital Projects

C: Laura Haselden
Kathy Boice



CAPITAL PROJECTS

Gentry Hall 191 Old Greenville Hwy. Box 345952 Clemson, SC 29634-5952
864.656.2010 FAX 864.656.0167



Reference: *Clemson, SC* USGS 7.5 Minute Quadrangle, Dated 1951 (Photorevised 1980)

FIGURE 1 – USGS TOPOGRAPHIC MAP

USDA Complex
 129-135 Old Cherry Road
 Clemson, Pickens County, South Carolina

S&ME Project No. 1264-13-202



281 Fairforest Way
 Greenville, South Carolina 29607



July 23, 2013

Ms. Laura Haselden
Clemson University
Office of Land & Capital Asset Stewardship
5 Research Drive
Greenville, South Carolina 29607

Reference: **Letter of Findings**
USDA Office Complex
129-135 Old Cherry Road
Clemson, Pickens County, South Carolina
S&ME Project 1264-13-202-100

Dear Ms. Haselden,

S&ME is pleased to provide this Letter of Findings for the activities performed at the referenced site. Our work was conducted in general agreement with S&ME Proposal No. 13398, dated July 11, 2013.

Project Background

On June 19, 2013, S&ME completed and submitted our Phase I ESA report for the referenced property. The Phase I report identified a machine shop on the site that has been present since the mid-1950s. A sink was observed in the shop that discharges into the on-site septic system. Given its historical use as a machine shop for over 50 years and chemicals typically used, the machine shop was considered to be a *recognized environmental condition* with respect to the site. Based on this, Clemson University requested additional assessment of the site.

S&ME obtained a groundwater sampling permit from the South Carolina Department of Health and Environmental Control (SCDHEC). As a condition of that permit, the sampling results will be submitted to the SCDHEC. Also, a private utility locator was subcontracted to locate potential underground utilities prior to drilling at the site.

Field Activities

On July 12, 2013, three soil borings (EB-1 through EB-3) were performed at the site. Boring EB-1 was performed immediately west of the machine shop; boring EB-2 was performed immediately south of the machine shop, adjacent to the sink discharge line; and boring EB-3 was performed adjacent to the southeastern corner of the septic tank. The borings were performed to depths ranging from 42 to 44 feet below ground surface (bgs) using a track-mounted geoprobe rig utilizing direct push techniques. Continuous soil samples were collected from the ground



surface to the termination depth of each boring. The soil samples were screened in the field for the presence of organic vapors using a photo-ionization detector (PID). PID readings for the samples ranged from 0 to 0.6 parts per million (ppm).

A groundwater sample was also collected from each direct-push boring. The groundwater samples were collected by advancing the groundwater sampling probe tip into saturated soils (40 to 44 feet bgs in EB-1 and EB-2, 38 to 42 feet bgs in EB-3). The probe rods were then pulled back toward the ground surface exposing the screened section of the rods. Groundwater then entered the rods through the screen and was extracted to the ground surface using new polyethylene tubing and a check valve. The groundwater samples were placed into laboratory prepared sampling containers, labeled and placed inside a cooler with ice. The samples were shipped to Pace Analytical via an overnight courier through chain of custody protocol. The groundwater samples were analyzed for volatile organic compounds (VOCs) using EPA Method 8260B and semi-volatile organic compounds (SVOCs) using EPA Method 8270C.

Findings and Conclusions

The results of the laboratory analysis indicated that VOCs and SVOCs were not present in the groundwater samples collected above laboratory detection limits. A copy of the laboratory report is attached.

Based on the analytical data obtained, it does not appear that groundwater adjacent to the machine shop and septic tank has been impacted. Therefore, the machine shop is no longer considered to be a *recognized environmental condition* with respect to the site.

Limitations

Our professional services have been performed, our findings obtained, and our conclusions prepared in accordance with customary principles and practices in the fields of environmental science and engineering. This statement is in lieu of other statements either expressed or implied. We are not responsible for the conclusions, opinions or recommendations made by others based on the records reviewed, site observations, field exploration, and laboratory test data presented in this report.

Environmental evaluations are inherently limited in the sense that conclusions and recommendations are developed from information obtained from limited research and site evaluation. This report is not a regulatory compliance audit. For these types of evaluations, it is often necessary to use information prepared by others and S&ME cannot be responsible for the accuracy of such information.

The laboratory analytical results are representative of conditions that existed on the dates these samples were collected. Conclusions about site conditions under no circumstances comprise a warranty that conditions in all areas within the site are of the same quality as those sampled. In addition, contamination may exist in forms not indicated by the limited assessment. Changes in regulations, interpretations, and/or enforcement policies may occur at any time and such changes could affect our conclusions.

This assessment was performed on behalf of and solely for the exclusive use of Clemson University. No other company, entity or person shall have any rights with regard to S&ME's contract with the above client, including but not limited to indemnification by S&ME, or any rights of reliance on the findings, conclusions and recommendations of this or any subsequent reports regarding the referenced site.

Closing

S&ME appreciates the opportunity to provide our environmental services to you. If you have any questions regarding this letter, or if we may be of any further assistance, please call us at 864-297-9944.

Sincerely,

S&ME, Inc.



Lynn J. Hendrix
Project Geologist



David Klemm, P.G.
Senior Geologist

Attachments

SUMMARY

S&ME, Inc. has performed a Phase I Environmental Site Assessment (ESA) of the USDA office complex located at 129-135 Old Cherry Road in Clemson, Pickens County, South Carolina. The following summary is intended as an overview of the Phase I ESA, and does not include the complete findings and opinions of the full report.

The purpose of this Phase I ESA was to identify *recognized environmental conditions (RECs)* in connection with the subject property. This Phase I ESA was prepared in general accordance with American Society for Testing and Materials (ASTM) E 1527-05, *Standard Practice for Environmental Assessments: Phase I Environmental Site Assessment Process*. This standard practice was published in November 2005 to satisfy new requirements for *All Appropriate Inquiries (AAI)* as per 40 CFR Part 312 to permit the User to qualify for certain CERCLA Landowner *Liability Protections (LLPs)*.

Four primary tasks are involved in a Phase I Assessment as outlined by ASTM E 1527-05: 1) site reconnaissance; 2) review of the public record; 3) interviews; and 4) written report containing findings and conclusions.

During the site visit, an environmental professional evaluated the subject property for drainage patterns, vegetation patterns, stains, discoloration, surrounding land use, and other visual aspects suggestive of the presence of RECs.

The subject site consists of approximately ten acres of land. The northern portion of the site is developed with five structures which comprise the USDA complex. Building 1 is utilized as office space for Clemson University personnel. Building 2 is a former cotton gin facility that is no longer operational. The western portion of the building is still utilized as a machine shop. Buildings 3, 4, and 5 are used for storage. The southern portion of the site consists of undeveloped woodlands.

According to information obtained during this assessment, the five on-site buildings were constructed in the mid-1950s by the USDA as a cotton quality research facility. Building 2 was used as a cotton ginning facility and Building 1 housed the controls. The three remaining buildings were used for storage. In the mid-1980s, the USDA moved the ginning machinery from the site, with the exception of the cotton press. A portion of Building 2 was used as a flax pilot plant from the 1990s through 2010. The machine shop, located in Building 2, has been present since the construction of the building, and is still used today. The cotton press was removed from Building 2 in 2012. Building 1 was converted from the cotton gin controls house into office space for Clemson University personnel in 1987.

On-Site Findings

A machine shop has been located in the western portion of Building 2 since its construction in the mid-1950s. Chemicals typically used in machine shops include cutting oils, grease, solvents, etc. Multiple containers of oil, grease, and paints were observed in the shop on the day of the site reconnaissance. Heavy staining was observed

on the concrete floor throughout the shop. Cracks were observed in the concrete floor. A sink was observed in the shop that discharges into the on-site septic system. Given its historical use as a machine shop for over 50 years and chemicals typically used, the machine shop is considered to be a *recognized environmental condition* with respect to the subject site.

Off-Site Findings

Several off-site facilities were identified on the regulatory database report within the specified search distances of the subject site. The facilities are not considered to be *recognized environmental conditions* based on their respective distance, regulatory status, and/or intervening topographical features.

In summary, this Phase I ESA has found evidence of *recognized environmental conditions* relative to the subject site, as detailed above.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to identify, to the extent feasible pursuant to the processes described herein, *recognized environmental conditions* (RECs) in connection with the subject property. This Phase I ESA was prepared in general accordance with the American Society for Testing and Materials (ASTM) entitled E 1527-05, *Standard Practice for Environmental Assessments: Phase I Environmental Site Assessment Process*. The standard practice became effective in November 2006 to satisfy new requirements for *All Appropriate Inquiries (AAI)* as per 40 CFR Part 312 to permit the User to qualify for certain *Landowner Liability Protections (LLPs)*.

ASTM defines the term *recognized environmental condition* as the presence or likely presence of hazardous substances or petroleum products on the property under conditions that indicate an existing release, a past release, or a material threat of a release of hazardous substances or petroleum products into the structures on the property or into the ground, groundwater, or surface water of the property. The term does not include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of enforcement action if brought to the attention of appropriate governmental agencies.

ASTM defines *historical recognized environmental condition* as an environmental condition which in the past would have been considered a *recognized environmental condition*, but which may or may not be considered a *recognized environmental condition* currently.

1.2 Scope of Services

S&ME's approach to performing this Environmental Site Assessment consisted of four major tasks in accordance with ASTM Standard Practice E-1527-05.

PROPERTY ACQUISITION INFORMATION FORMAT

PART I

1. Project Number: P20-9548
2. County: Pickens County
3. Description of Property: USDA - Agricultural Research Service Facility (a.k.a. Cotton Quality Research Property)
4. Grantor(s) Name and Address: USDA - Agricultural Research Service Facility, 129 Old Cherry Road, Clemson, SC 29631
5. Grantee(s) Name and Address: Clemson University
6. County Location: Pickens County, South Carolina
7. Acreage: Approximately 10 acres
8. Purpose for Acquisition: To acquire land and buildings
9. Demonstrate the need to acquire the property: To acquire land and buildings for Clemson University from the United States Department of Agriculture to be used by public Service Activities for Research Farm Services Unit, Extension, Beginning Farmers and Ranchers Program, etc.
10. Purchase Price: Donation
11. Current Year Property Tax Amount: none

PART II

1. How many sites were evaluated? n/a
2. Please list the selection criteria used to evaluate sites.
3. How was the final selection of the site made? n/a
4. Why was this specific site selected? Clemson seeks to acquire the property to continue to use it in support of current operations, as well as incorporate the property into PSA's biofuels research program and potentially for wood product research and development.
5. What is the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work? none

6. What are the estimated additional annual operating costs which will result from acquisition of the property and the anticipated source of funds? Explain the factors that determine the cost. If no costs, explain why not. None, continued use of property.

7. What are the estimated additional annual operating costs which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not. None, no plans at this time.

**(b) Department of Natural Resources
Aiken County**

1. Letter from Agency
2. Appraisal Results
3. Map
4. Environmental Results
5. Cost Implications

South Carolina Department of
Natural Resources



DNR

Alvin A. Taylor
Director

RECEIVED

JUN 18 2013

Budget & Control Board
OFFICE OF STATE BUDGET

June 18, 2013

Carol Routh and
Charles Shawver
Office of State Budget
1201 Main Street
Columbia, SC 29201

RE: Aiken - Gopher Tortoise Preserve / Wildlife Management Area Land Acquisition

Dear Carol and Charles:

Please accept this letter as a request for State Budget and Control Board approval to proceed with the purchase of +/- 65 acres of land in Aiken County by the Department of Natural Resources from Robert and Laurie K. Blackmon. The property borders the Northeast side of the Agency's Aiken County Gopher Tortoise Preserve / Wildlife Management Area, and adjoins the South Fork of the Edisto River. It contains both upland and wetland areas, and provides habitat for the Northernmost population of gopher tortoises in the United States. Appropriate management techniques at the preserve have increased the population of this State endangered species from less than 10 to over 100 today. Acquisition of the property will provide additional habitat for the gopher tortoise and offer recreational opportunities for the public.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Speares".

Scott Speares

Assistant Deputy Director - Outreach & Support Services

McNEILL APPRAISAL SERVICE

Certified General Real Estate Appraisers
And Consultants

*145 Pendleton Street, NW
Aiken, South Carolina 29801*

Katherine G. McNeill, SRA, GAA
Michael S. McNeill, CG

Telephone: 803.648.3841
Facsimile: 803.641.7500

May 9, 2013

Mr. Ken Prosser, WFWF
SC Department of Natural Resources
1000 Assembly Street
Columbia, South Carolina 29201-3117

Re: Appraisal of 65.510 Acres, More or Less
Aiken Gopher Tortoise Heritage Preserve
Aiken County
P. O. No. 4600251643

Dear Ken:

I have made an appraisal of a 65.510 acre, more or less, tract of land adjoining South Carolina Department of Natural Resource's Aiken Gopher Tortoise Heritage Preserve in Aiken County. The appraisal report is a Summary Report written in narrative format, compliant with the Uniform Standards of Professional Appraisal Practice (USPAP), as interpreted by me.

I have made a thorough search for comparable sales and used the best data available to develop the Sales Comparison Approach. The appraisal is made on the basis of any and all extraordinary assumptions and/or hypothetical conditions contained herein.

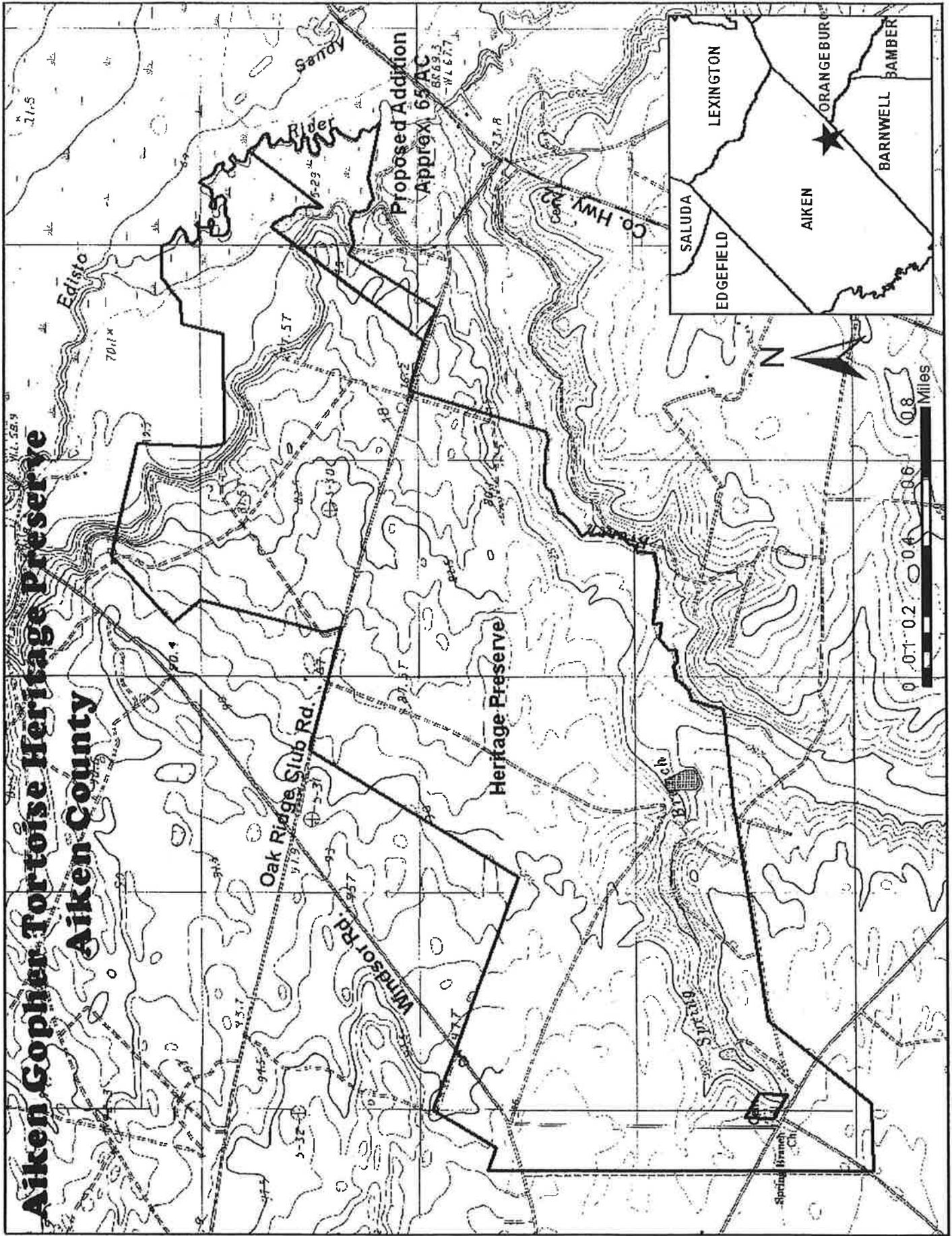
Based on these conditions, I conclude the final opinion of value, as of May 9, 2013 is:

\$155,000

ONE HUNDRED FIFTY-FIVE THOUSAND DOLLARS



Michael S. McNeill
Certified General
Real Estate Appraiser



CAROLINA ENVIRONMENTAL & GEOLOGICAL COMPANY, LLC.

PHASE I ENVIRONMENTAL SITE ASSESSMENT

75-ACRE ADDITION TO AIKEN GOPHER TORTOISE HERITAGE PRESERVE

OAK RIDGE CLUB ROAD/SOUTH FORK EDISTO RIVER
AIKEN COUNTY, SOUTH CAROLINA

AIKEN COUNTY TMS #268-00-03-003

A. SUMMARY

Carolina Environmental & Geological Company, LLC (CEGC) has performed this Phase I Environmental Site Assessment on the approximately 75-acre Addition to Aiken Gopher Tortoise Heritage Preserve located between Oak Ridge Club Road and South Fork Edisto River in Aiken County, South Carolina, for the South Carolina Department of Natural Resources.

This assessment was conducted in general compliance with the procedures and guidelines outlined in the South Carolina State Budget and Control Board Guidelines for Obtaining Studies for Land Acquisitions (11-16-10), ASTM E1527-05, and ASTM E2247-08. The investigation consisted of reasonably ascertainable: title search, historical records review, historical photographs review, and review of South Carolina Department of Health and Environmental Control (SCDHEC) records.

The tract was visually inspected on February 1, 2013. The site inspection also included a visual inspection of the present usage of adjoining and surrounding properties within the approximate recommended minimum search distance. During the site inspection, the ASTM E1528-06 Transaction Screen Questionnaire and ASTM E2247-08 User Questionnaire were completed as required.

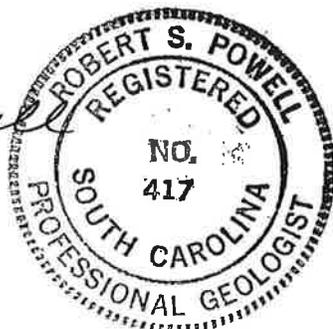
The findings, recommendations, and responses to the ASTM Questionnaires are recorded herein. No Phase II Environmental Site Assessment is recommended at this time. However, refer to Section C Site Description, Section H Findings, and Section J Conclusions.

If there are any questions concerning this Phase I Environmental Site Assessment, or if we can be of any further assistance on this project, please do not hesitate to contact us at (803) 479-8801. We appreciate the opportunity to provide this service.

Sincerely,

CAROLINA ENVIRONMENTAL & GEOLOGICAL COMPANY, LLC


Robert S. Powell, P.G.
Owner



4. Interior Observations

Interior observations refer to the inside of any building structure on the property. There are no building structures on the property.

G. INTERVIEWS

1. Interview with Owner

No negative environmental conditions were expressed by the Owner. Refer to the ASTM Transaction Screen Questionnaire and ASTM User Questionnaire in Appendix P 6 Interview Documentation.

2. Interview with Site Manager

The Site Manager is the Owner. Refer to paragraph G 1, above.

3. Interview with Occupants

There are no occupants on the property. Refer to paragraph G 1, above.

4. Interviews with Local Government Officials

The only governmental agency contacted has been SCDHEC Freedom of Information Center for information concerning environmental problems on the tract. As stated by SCDHEC FOI, no files were located pertaining to negative environmental conditions on the subject tract. Refer to Appendix P 5 Regulatory Records Documentation.

5. Interviews with Others

No interviews with others were conducted due to the SCDHEC FOI records review notification, Owner's response, and site inspection.

H. FINDINGS

The objective of this Phase I Environmental Site Assessment was to determine the presence or the potential presence of recognized negative environmental conditions on the subject property and adjoining/adjacent properties that would impact or contribute to future liability associated with the subject property.

To meet this objective, criteria as generally set forth by the South Carolina State Budget and Control Board Policy for Obtaining Studies for Land Acquisitions (Nov. 16, 2010), ASTM E1528-06, ASTM E1527-05, and ASTM E2247-08 were utilized, with respect to a visual inspection and reasonably ascertainable historical records review.

CEGC has performed this Phase I Environmental Site Assessment in general accordance with the scope and limitations of the above referenced guidelines for the Client. The findings of this assessment have revealed no obvious evidence of environmental concerns. Therefore, no Phase II Environmental Site Assessment is recommended at this time, provided the debris is removed as previously recommended.

I. OPINION

Based upon the observations made on the date of the site inspection, records review, and information obtained from others, no further environmental site assessment and/or investigations are recommended.

J. CONCLUSIONS

Based upon the current data, site inspection, and information obtained, no Phase II Environmental Site Assessment is recommended as of the date of the site inspection provided the debris is removed as previously recommended.

CEGC has performed this Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practices E1527-05 and E2247-08 on the subject property. Any exceptions to, or deletions from, this practice are described in Section B, subsections 2, 4, 5, and 6 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the property.

K. DEVIATIONS

There are no deviations from the standard of practice for Phase I Environmental Site Assessments concerning the findings, opinion, and conclusions exhibited or expressed in this report.

L. ADDITIONAL SERVICES

1. Archeological Sites

It is not known if there are any recorded archaeological sites on the subject property. Therefore, if any sites of potential archaeological significance are located on the property, the South Carolina Institute of Archaeology and Anthropology, Columbia, S.C. [(803) 777-8170] is to be notified to inspect the property and review their records.

2. Endangered Species

If any rare and/or endangered species are encountered on the property, the South Carolina Department of Natural Resources, Heritage Trust Program, Columbia, S.C. [(803) 734-3917] is to be notified to inspect the property and review their records.

M. REFERENCES

1. South Carolina State Budget and Control Board, Procurement Services Division, Procedures and Guidelines outlined in the South Carolina State Budget and Control Board "Guidelines for Obtaining Environmental Studies for Land Acquisition," Nov. 16, 2010.
2. American Society of Testing and Materials (ASTM), "Standard Practice for Environmental Site Assessments, Phase I Environmental Site Assessment Process," ASTM E1527-05.
3. American Society of Testing and Materials (ASTM), "Environmental Site Assessment Transaction Screen Questionnaire," ASTM E1528-06.
4. American Society of Testing and Materials (ASTM), "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process for Forestland and Rural Property," ASTM E2247-08.

BUDGET AND CONTROL BOARD PROPERTY INFORMATION

Part I

1. PROJECT NUMBER: P24-9930
2. COUNTY: Aiken
3. DESCRIPTION: Fee simple acquisition of 65.5 acres of undeveloped land in Aiken County.
4. GRANTOR(S): Robert C. and Laurie K. Blackmon, 2095 Oak Ridge Club Road, Williston, SC 29853.
5. GRANTEE(S): SC Department of Natural Resources (DNR), 1000 Assembly Street, Columbia, SC 29201.
6. COUNTY LOCATION: North side of Oak Ridge Club Road and south side of the Edisto River bordering the northeast side of the DNR's Gopher Tortoise Heritage Preserve approximately four miles east of the town of Windsor.
7. ACREAGE: 65.5
8. PURPOSE/PROJECT: Expand the DNR's Gopher Tortoise Heritage Preserve to protect the state's significant natural and cultural resources as outlined in the Heritage Trust Act (§51-17-140). The acquisition will protect clean water along the Edisto River and provide additional habitat for the state endangered gopher tortoise. Effective management techniques have increased the population of gopher tortoises on the preserve from less than 10 in 2004 to more than 100 today. The property will be open to the public for outdoor recreational activities, including hunting, fishing, hiking, viewing wildlife, and enjoying nature.
9. NEED TO ACQUIRE PROPERTY: See Number 8.
10. PURCHASE PRICE: \$129,250.00
11. CURRENT YEAR PROPERTY TAX AMOUNT: \$198.00

Part II

1. HOW MANY SITES WERE EVALUATED? Significant natural and cultural sites are continuously evaluated.

2. SELECTION CRITERIA USED TO EVALUATE SITES? Criteria concerning the DNR's Heritage Trust and Wildlife Management Area programs were used to evaluate the site. They include wildlife habitat, threatened and endangered species, habitat restoration, conversion threats, water quality, public access, and other related factors.
3. HOW WAS THE FINAL SELECTION MADE? Approval by the Heritage Trust Advisory Board and the DNR Board.
4. WHY WAS THIS SPECIFIC SITE SELECTED? The property adjoins the existing preserve and will protect water quality, and habitat for a state endangered reptile species.
5. ESTIMATED COST OF ANY CONSTRUCTION COST OR RENOVATIONS TO BE DONE ON THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS FOR SUCH WORK. No construction or renovations will be done on the property.
6. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM ACQUISITION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. IF NONE, EXPLAIN WHY. No additional operating costs should result from the acquisition. The property will be managed as part of the existing preserve.
7. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM CONSTRUCTION/RENOVATION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. EXPLAIN FACTORS THAT DETERMINE THE COSTS. IF NONE, EXPLAIN WHY. N/A

**(c) Department of Natural Resources
Charleston County**

1. Letter from Agency
2. Appraisal Results
3. Map
4. Environmental Results
5. Cost Implications

South Carolina Department of
Natural Resources



DNR

Alvin A. Taylor
Director

June 19, 2013

RECEIVED

JUN 20 2013

Office of State Budget
COLUMBIA, SOUTH CAROLINA

Carol Routh and
Charles Shawver
Office of State Budget
1201 Main Street
Columbia, SC 29201

RE: Charleston - Property Addition at Dungannon Plantation

Dear Carol and Charles:

Please accept this letter as a request for State Budget and Control Board Board approval to authorize the acquisition of property consisting of +/- 88.00 acres in Charleston County that adjoins the Agency's Dungannon Plantation Heritage Preserve/Wildlife Management Area. This property is being offered to the SC Department of Natural Resources (SCDNR) by a private citizen, Ms. Elizabeth Hanahan Clark, at a proposed purchase price of \$308,000; therefore, the total cost of the project should not exceed \$328,000. The funding for the initial phase of the project was solely from the Agency's Heritage Land Trust Fund (HLTF); thereafter, the remaining \$308,000 is to be funded from from the HLTF (\$154,000), and from a grant from the Charleston County Greenbelt Bank (\$154,000) - with funds from this grant to be deposited into the HLTF for disbursement.

The acquisition of this property will protect significant natural and cultural areas, including endangered species, as outlined in the Heritage Trust Act.

Sincerely,

Scott Speares

Assistant Deputy Director - Outreach & Support Services

CHARLESTON APPRAISAL SERVICE INC.

REAL ESTATE APPRAISERS AND CONSULTANTS

25 Cumberland Street
Charleston, SC 29401
Phone: 843-723-6256
Fax: 843-723-4676
Fed I.D. 57-0769203

Michael C. Robinson, MAI, SRA
President
Joseph G. McInerney, III
Harold E. Marshall
James L. Rogers, Jr.

March 23, 2012

RECEIVED
MAR 21 2013
Budget & Control Board
OFFICE OF STATE CLERK

Deanna M. Ruth
Certified Wildlife Biologist
South Carolina Department of Natural Resources
420 Dirleton Road
Georgetown, SC 29440

Re: Summary Appraisal Report
88 Acres, Part Dungannon Plantation
Town of Hollywood, Charleston County, SC
Part TMS# 225-00-00-010

Dear Mrs. Ruth:

At your request, we have made an appraisal of the above referenced tract. In conjunction with this appraisal, inspections have been made of the subject tract and the sales used for comparison to it. A description of the tract is included later in this report along with a discussion of each of the sales. Your attention is invited to the following report which exhibits the factual data and reasoning used in forming our opinion of value.

This value estimate was made after a thorough study of available sales and data felt to be pertinent to this appraisal. As a result of our investigation and analysis, it is our opinion that the fee simple market value of the subject tract as of March 19, 2012 is:

THREE HUNDRED EIGHT THOUSAND DOLLARS \$ 308,000

The subject tract lacks road frontage, and it is a portion of an approximately 591 acre parent tract. In this report, we have assumed the subject has reasonable access and that it can be legally subdivided from its parent tract. Our value estimate also assumes the soil is undisturbed and free of contaminants, groundwater contamination and hazardous materials. We have not been provided with an environmental audit to this effect, but we have noticed no areas of concern. Should any of the above assumptions be proven incorrect by subsequent studies, our value estimate could be affected.

This *Summary Appraisal Report* is intended to comply with the requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, effective January 1, 2012. It is also intended to comply with the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. It is a summary report due to the level of presentation contained herein.

We certify that to the best of our knowledge and belief, the statements and opinions contained in this report are full, true and correct. We certify that we have no interest in the subject tract and that neither the employment to make this appraisal nor the compensation is contingent upon the value

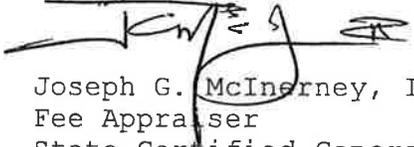
estimate.

This appraisal assignment was not made nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation or an amount which would result in approval of a loan. This appraisal is intended to meet the requirements of Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, Public Law.

This appraisal was prepared for the exclusive use of the client. The information and opinions contained in this appraisal set forth the appraisers' best judgment in light of the information available at the time of the preparation of this report. Any use of this appraisal by any other person or entity, or any reliance or decisions based on this appraisal are the sole responsibility and at the sole risk of the third party. Charleston Appraisal Service, Inc. accepts no responsibility for damages suffered by any third party as a result of reliance on or decisions made or actions taken based on this report.

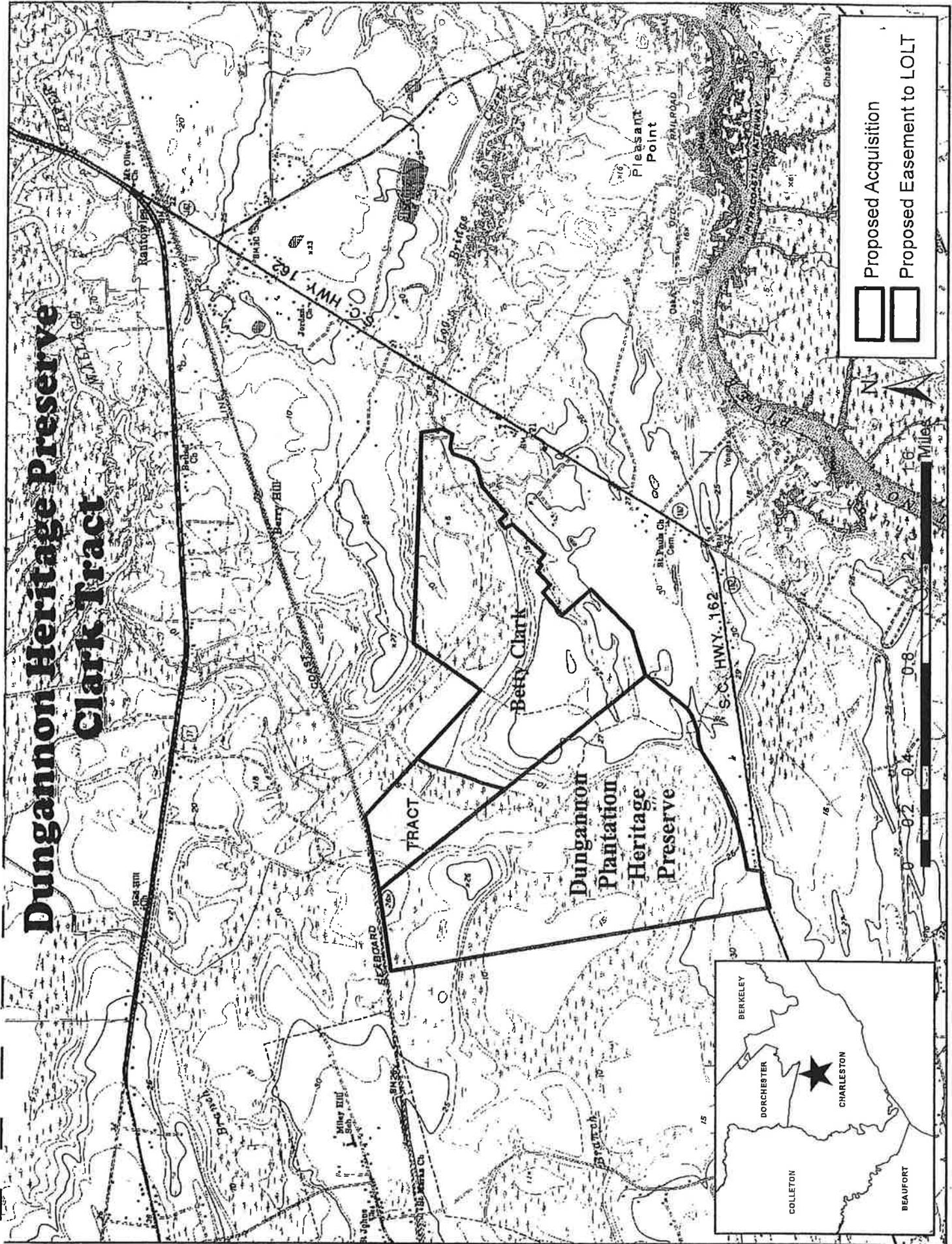
Respectfully submitted,
CHARLESTON APPRAISAL SERVICE, INC.


Michael C. Robinson, MAI, SRA
President
State Certified General Real
Estate Appraiser SC# CG 76


Joseph G. McInerney, III
Fee Appraiser
State Certified General Real
Estate Appraiser S.C. No. CG 3468

12-024

Dungannon Heritage Preserve Clark Tract



CONTOUR INTERVAL 5 FEET

1960/1971 USGS RAVENEL, SC QUADRANGLE MAP

CAROLINA ENVIRONMENTAL & GEOLOGICAL COMPANY, LLC.

PHASE I ENVIRONMENTAL SITE ASSESSMENT

**88-ACRE CLARK TRACT ADDITION TO DUNGANNON PLANTATION HERITAGE
PRESERVE**

**SOUTH CAROLINA HIGHWAY 162
CHARLESTON COUNTY, SOUTH CAROLINA**

PORTION OF TMS #225-00-00-010

A. SUMMARY

Carolina Environmental & Geological Company, LLC (CEGC) has performed this Phase I Environmental Site Assessment on the approximately 88-Acre Clark Tract addition to the Dungannon Plantation Heritage Preserve located north of S.C. Highway 162 in Charleston County, South Carolina, for the South Carolina Department of Natural Resources.

This assessment was conducted in general compliance with the procedures and guidelines outlined in the South Carolina State Budget and Control Board Guidelines for Obtaining Studies for Land Acquisitions (11-16-10) and ASTM E1527-05. The investigation consisted of reasonably ascertainable: title search, historical records review, historical photographs review, and review of South Carolina Department of Health and Environmental Control (SCDHEC) records.

The tract was visually inspected on June 14, 2013. The site inspection also included a visual inspection of the present usage of adjoining and surrounding properties within the approximate recommended minimum search distance. During the site inspection, the ASTM E1528-06 Transaction Screen Questionnaire was completed as required.

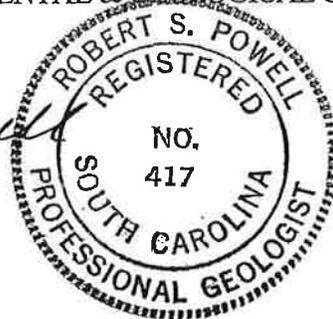
The findings, recommendations, and responses to the ASTM Questionnaire are recorded herein. No Phase II Environmental Site Assessment is recommended at this time. Refer to Section C Site Description, Section H Findings, and Section J Conclusions.

If there are any questions concerning this Phase I Environmental Site Assessment, or if we can be of any further assistance on this project, please do not hesitate to contact us at (803) 479-8801. We appreciate the opportunity to provide this service.

Sincerely,

CAROLINA ENVIRONMENTAL & GEOLOGICAL COMPANY, LLC


Robert S. Powell, P.G.
President



3. Exterior Observations

Exterior observations refer to the outside of any building structure on the property. There are no building structures on the property.

4. Interior Observations

Interior observations refer to the inside of any building structure on the property. There are no building structures on the property.

G. INTERVIEWS

1. Interview with Owner

No negative environmental conditions were expressed by the Owner. Refer to the ASTM Transaction Screen Questionnaire in Appendix P 6 Interview Documentation.

2. Interview with Site Manager

The Site Manager is the Owner. Refer to paragraph G 1, above.

3. Interview with Occupants

There are no occupants on the property. Refer to paragraph G 1, above.

4. Interviews with Local Government Officials

The only governmental agency contacted has been SCDHEC Freedom of Information Center for information concerning environmental problems on the tract. As stated by SCDHEC FOI, no files were located pertaining to negative environmental conditions on the subject tract. Refer to Appendix P 5 Regulatory Records Documentation.

5. Interviews with Others

No interviews with others were conducted due to the SCDHEC FOI records review notification, Owner's response, and site inspection.

H. FINDINGS

The objective of this Phase I Environmental Site Assessment was to determine the presence or the potential presence of recognized negative environmental conditions on the subject property and adjoining/adjacent properties that would impact or contribute to future liability associated with the subject property.

To meet this objective, criteria as generally set forth by the South Carolina State Budget and Control Board Policy for Obtaining Studies for Land Acquisitions (Nov. 16, 2010), ASTM E1528-06, and ASTM E1527-05 were utilized, with respect to a visual inspection and reasonably ascertainable historical records review.

CEGC has performed this Phase I Environmental Site Assessment in general accordance with the scope and limitations of the above referenced guidelines for the Client. The findings of this assessment have

revealed no obvious evidence of environmental concerns. Therefore, no Phase II Environmental Site Assessment is recommended at this time.

I. OPINION

Based upon the observations made on the date of the site inspection, records review, and information obtained from others, no further environmental site assessments and/or investigations are recommended at this time.

J. CONCLUSIONS

Based upon the current data, site inspection, and information obtained, no Phase II Environmental Site Assessment is recommended as of the date of the site inspection.

CEGC has performed this Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practices E1527-05 on the subject property. Any exceptions to, or deletions from, this practice are described in Section B, subsections 2, 4, 5, and 6 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the property.

K. DEVIATIONS

There are no deviations from the standard of practice for Phase I Environmental Site Assessments concerning the findings, opinion, and conclusions exhibited or expressed in this report.

L. ADDITIONAL SERVICES

1. Archeological Sites

It is not known if there are any recorded archaeological sites on the subject property. Therefore, if any sites of potential archaeological significance are located on the property, the South Carolina Institute of Archaeology and Anthropology, Columbia, S.C. [(803) 777-8170] is to be notified to inspect the property and review their records.

2. Endangered Species

If any rare and/or endangered species are encountered on the property, the South Carolina Department of Natural Resources, Heritage Trust Program, Columbia, S.C. [(803) 734-3917] is to be notified to inspect the property and review their records.

M. REFERENCES

1. South Carolina State Budget and Control Board, Procurement Services Division, Procedures and Guidelines outlined in the South Carolina State Budget and Control Board "Guidelines for Obtaining Environmental Studies for Land Acquisition," Nov. 16, 2010.
2. American Society of Testing and Materials (ASTM), "Standard Practice for Environmental Site Assessments, Phase I Environmental Site Assessment Process," ASTM E1527-05.
3. American Society of Testing and Materials (ASTM), "Environmental Site Assessment Transaction Screen Questionnaire," ASTM E1528-06.

BUDGET AND CONTROL BOARD PROPERTY INFORMATION

Part I

1. PROJECT NUMBER: P24-9933
2. COUNTY: Charleston
3. DESCRIPTION: Fee simple acquisition of approximately 88 acres of undeveloped land in Charleston County.
4. GRANTOR(S): Elizabeth Hanahan Clark, 4 Exchange Street, Charleston, SC 29401.
5. GRANTEE(S): SC Department of Natural Resources (DNR), 1000 Assembly Street, Columbia, SC 29201.
6. COUNTY LOCATION: North side of SC Highway 162 bordering the northeast side of DNR's Dungannon Plantation Heritage Preserve/Wildlife Management Area approximately two miles east of the Town of Hollywood.
7. ACREAGE: Approximately 88 acres.
8. PURPOSE/PROJECT: Expand the DNR's Dungannon Plantation Heritage Preserve to protect the state's significant natural and cultural resources as outlined in the Heritage Trust Act (§51-17-140). The acquisition will provide additional foraging and nesting habitat for the wood stork, a federally endangered species. This year, 228 nests were documented on Dungannon Plantation, making it the second largest stork rookery in the state. Besides the wood stork, the land will also provide habitat for ospreys, anhingas, egrets, and herons. The property will be open to the public for outdoor recreational activities, including hunting, hiking, viewing wildlife, and enjoying nature.
9. NEED TO ACQUIRE PROPERTY: See Number 8.
10. PURCHASE PRICE: \$308,000.00
11. CURRENT YEAR PROPERTY TAX AMOUNT: \$161.00

Part II

1. HOW MANY SITES WERE EVALUATED? Significant natural and cultural sites are continuously evaluated.

2. SELECTION CRITERIA USED TO EVALUATE SITES? Criteria concerning the DNR's Heritage Trust and Wildlife Management Area programs were used to evaluate the site. They include wildlife habitat, threatened and endangered species, habitat restoration, conversion threats, water quality, public access, and other related factors.
3. HOW WAS THE FINAL SELECTION MADE? Approval by the Heritage Trust Advisory Board and the DNR Board.
4. WHY WAS THIS SPECIFIC SITE SELECTED? The property adjoins the existing preserve and will protect habitat for a federally endangered bird species.
5. ESTIMATED COST OF ANY CONSTRUCTION COST OR RENOVATIONS TO BE DONE ON THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS FOR SUCH WORK. No construction or renovations will be done on the property.
6. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM ACQUISITION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. IF NONE, EXPLAIN WHY. No additional operating costs should result from the acquisition. The property will be managed as part of the existing preserve.
7. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM CONSTRUCTION/RENOVATION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. EXPLAIN FACTORS THAT DETERMINE THE COSTS. IF NONE, EXPLAIN WHY. N/A

**(d) Department of Natural Resources
Pickens County**

1. Letter from Agency
2. Appraisal Results
3. Map
4. Environmental Results
5. Cost Implication

South Carolina Department of
Natural Resources



DNR

Alvin A. Taylor
Director

June 21, 2013

Carol Routh and
Charles Shawver
Office of State Budget
1201 Main Street
Columbia, SC 29201

RECEIVED

JUN 26 2013

Budget & Control Board
OFFICE OF STATE BUDGET

RE: Pickens - Property Addition at Jocassee Gorges

Dear Carol and Charles:

Please accept this letter as a request for State Budget and Control Board Board approval to complete the aquisition of property consisting of +/-24.4 acres - the original scope entailed a purchase of +/-30.00 acres, hence the revised scope - in Pickens County that adjoins the Agency's Jocassee Gorges Wildlife Management Area. This property is being offered to the SC Department of Natural Resources (SCDNR) by The Nature Conservancy at a proposed purchase price of \$101,622; therefore, with professional services included, the total cost of the project should not exceed \$121,622. The funding for the initial phase of the project was solely from the Agency's Fish & Wildlife Protection Fund; thereafter, the remaining \$101,622 is to be funded from the County Fish and Game Fund of Pickens County (\$75,000) and SCDNR's Fish & Wildlife Protection Fund (\$26,622).

The acquisition of this property will protect additional wildlife habitat and secure legal access along a potion of SCDNR's road in Jocassee Gorges that goes through the subject tract.

Sincerely,

Scott Speares

Assistant Deputy Director - Outreach & Support Services



STONE & ASSOCIATES, INC.

1100A RUTHERFORD ROAD • GREENVILLE, SC 29609
TEL. (864) 232-3051 • FAX (864) 232-3053 • E-MAIL cbstone@stoneandassoc.com

June 20, 2013

Mr. Ken Prosser, WFWF
SC Department of Natural Resources
1000 Assembly Street
Columbia, South Carolina 29201-3117

Subject: Vacant Land – 24.44 Acres
Gauley Falls Road & Camp Adger Road
Near Sunset, Pickens County, South Carolina

Dear Mr. Prosser:

In accordance with your request, we have personally inspected the above referenced property and have prepared a Summary Appraisal Report with applicable exhibits and addenda, which explain and demonstrate the process used in completing this assignment.

This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraisers' file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraisers are not responsible for unauthorized use of this report.

The subject property is a 24.44-acre tract of vacant land that is comprised of a combination of cleared and wooded areas. The tract is located along the northwestern side of Gauley Falls Road, just north of US Highway 178 and just southwest of Table Rock State Park. The subject is located north of the City of Pickens and east of the Community of Sunset, within Pickens County, South Carolina. The tract is identified on Pickens County Tax Map 4165-02, Block 97, as a portion of Parcel 3701.

The purpose of this appraisal is to estimate the Market Value "As Is" of the Fee Simple Estate of the subject property as of June 17, 2013. "As Is" Market Value, Market Value, and Fee Simple Estate are further defined and qualified in the following appraisal report.

Mr. Prosser
June 20, 2013
Page Two

After analyzing the subject property and its market, and considering the various factors entering into the appraisal analysis, including the Assumptions and Limiting Conditions contained in the attached report, it is our opinion that the Market Value "As Is" of the Fee Simple Estate of the subject property as of June 17, 2013 is:

**ONE HUNDRED TEN THOUSAND DOLLARS
(\$110,000)**

of which, approximately

**SIXTEEN THOUSAND NINE HUNDRED FORTY DOLLARS
(\$16,940)**

is attributed to timber value. This value was determined by a timber valuation performed by Folk Land Management, Inc. *Please see Limiting Condition No. 22 and the summary of the timber valuation contained in the Addenda section of this report.*

In this assignment, the existence of hazardous waste material, which may or may not be present on or in the subject tract, was not observed by this appraiser. We have no knowledge of the existence of such materials on or near the subject tract; however, we are not qualified to detect such substances. The presence of such material may have an effect on the value or use of the subject tract. It is assumed that there are no hazardous material spills resulting from underground storage tanks or other causes associated with the subject tract. Full compliance with all environmental laws is assumed. The client is urged to retain an expert in this field, if further clarification is desired. We wish to clearly emphasize that the detection of any such hazardous materials is beyond the scope of this valuation analysis. Furthermore, it is assumed that the presence of any hazardous materials, gases or toxic substances that would cause a loss in value is assumed not to exist on the subject tract.

The value estimate assumes no impact on value because of "Section 404 - Wetlands" as defined by the US Army Corp. of Engineers. We have found no evidence of wetlands; however, we are not qualified in this field and urge the client to seek the advice of an expert to determine any potential impact of wetlands on the above referenced property.

The appraisal analysis, opinions and conclusions were developed and this appraisal report has been prepared in conformance with (and the use of this report is subject to) all regulations issued under Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and the Uniform Standards of Professional Appraisal Practice (USPAP) 2012-2013 Edition as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

Mr. Prosser
June 20, 2013
Page Three

We certify that we have the experience and knowledge to competently complete an appraisal of this type, and have made other appraisals of similar properties in the past. We further certify that the subject tract was inspected by Charles B. Stone, MAI, Allen D. McCravy, MAI, and Tara V. Cox.

This appraisal assignment was not conditional upon the production of a specified value, or a value within a given range. Future employment prospects are not dependent upon a specified value. Employment and the payment of the fee are not based on whether a loan application is approved or disapproved.

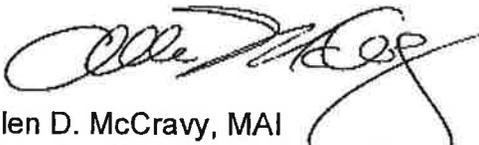
We appreciate the opportunity to be of service. If you have any questions, or require any additional information, please feel free to contact us anytime.

Respectfully submitted,

STONE & ASSOCIATES, INC.



Tara V. Cox
State Certified General Real Estate Appraiser
SC Certificate No. CG 5546



Allen D. McCravy, MAI
State Certified General Real Estate Appraiser
SC Certificate No. CG 3617



Charles B. Stone, MAI
State Certified General Real Estate Appraiser
SC Certificate No. CG 188

CAROLINA ENVIRONMENTAL & GEOLOGICAL COMPANY, LLC.

PHASE I ENVIRONMENTAL SITE ASSESSMENT

24.44-ACRE WALTON TRACT ADDITION

JOCASSEE GORGES/CAMP ADGER ROAD TRACT

CAMP ADGER ROAD AND GAULEY FALLS ROAD

PICKENS COUNTY, SOUTH CAROLINA

PORTION OF PICKENS COUNTY TMS #4165-02-97-3701

A. SUMMARY

Carolina Environmental & Geological Company, LLC (CEGC) has performed this Phase I Environmental Site Assessment on the 24.44-Acre Walton Tract Addition to the Jocassee Gorges/Camp Adger Road Tract located between Camp Adger Road and Gauley Falls Road in Pickens County, South Carolina, for the South Carolina Department of Natural Resources.

This assessment was conducted in general compliance with the procedures and guidelines outlined in the South Carolina State Budget and Control Board Guidelines for Obtaining Studies for Land Acquisitions (11-16-10) and ASTM E1527-05. The investigation consisted of reasonably ascertainable: title search, historical records review, historical photographs review, and review of South Carolina Department of Health and Environmental Control (SCDHEC) records.

The tract was visually inspected on February 27, 2013. The site inspection also included a visual inspection of the present usage of adjoining and surrounding properties within the approximate recommended minimum search distance. During the site inspection, the ASTM E1528-06 Transaction Screen Questionnaire was completed as required.

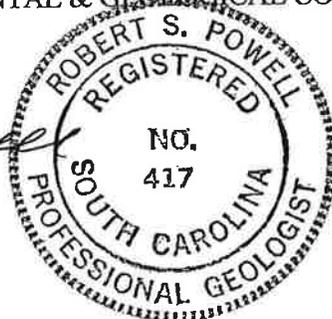
The findings, recommendations, and responses to the ASTM Questionnaires are recorded herein. No Phase II Environmental Site Assessment is recommended at this time. Refer to Section C Site Description, Section H Findings, and Section J Conclusions.

If there are any questions concerning this Phase I Environmental Site Assessment, or if we can be of any further assistance on this project, please do not hesitate to contact us at (803) 479-8801. We appreciate the opportunity to provide this service.

Sincerely,

CAROLINA ENVIRONMENTAL & GEOLOGICAL COMPANY, LLC


Robert S. Powell, P.G.
President



3. Exterior Observations

Exterior observations refer to the outside of any building structure on the property. There are no building structures on the property.

4. Interior Observations

Interior observations refer to the inside of any building structure on the property. There are no building structures on the property.

G. INTERVIEWS

1. Interview with Owner

No negative environmental conditions were expressed by the Owner. Refer to the ASTM Transaction Screen Questionnaire in Appendix P 6, Interview Documentation.

2. Interview with Site Manager

The Site Manager is the owner of the property.

3. Interview with Occupants

There are no occupants on the property. Refer to paragraph G 1, above.

4. Interviews with Local Government Officials

The only governmental agency contacted has been SCDHEC/FOI for information concerning environmental problems on the tract. As previously stated by SCDHEC/FOI, no files were located pertaining to negative environmental conditions on the subject tract. Refer to Appendix P 5, Regulatory Records Documentation.

5. Interviews with Others

No interviews with others were conducted due to the on-line records review, Owner's response, and site inspection.

H. FINDINGS

The objective of this Phase I Environmental Site Assessment was to determine the presence or the potential presence of recognized negative environmental conditions on the subject property and adjoining/adjacent properties that would impact or contribute to future liability associated with the subject property.

To meet this objective, criteria as generally set forth by the South Carolina State Budget and Control Board Policy for Obtaining Studies for Land Acquisitions (Nov. 16, 2010), ASTM

E1528-06, and ASTM E1527-05, were utilized, with respect to a visual inspection and reasonably ascertainable historical records review.

CEGC has performed this Phase I Environmental Site Assessment in general accordance with the scope and limitations of the above referenced guidelines for the Client. The findings of this assessment have revealed no obvious evidence of environmental concerns. Therefore, no Phase II Environmental Site Assessment is recommended at this time.

I. OPINION

Based upon the observations made on the date of the site inspection, records review, and information obtained from others, no further environmental site assessment and/or investigations are recommended.

J. CONCLUSIONS

Based upon the current data, site inspection, and information obtained, no Phase II Environmental Site Assessment is recommended as of the date of the site inspection.

CEGC has performed this Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practices E1527-05 and E1528-06 on the subject property. Any exceptions to, or deletions from, this practice are described in Section B, subsections 2, 4, 5, and 6 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the property.

K. DEVIATIONS

There are no deviations from the standard of practice for Phase I Environmental Site Assessments concerning the findings, opinion, and conclusions exhibited or expressed in this report.

L. ADDITIONAL SERVICES

1. Archeological Sites

It is not known if there are any recorded archaeological sites on the subject property. Therefore, if any sites of potential archaeological significance are located on the property, the South Carolina Institute of Archaeology and Anthropology, Columbia, S.C. [(803) 777-8170] is to be notified to inspect the property and review their records.

2. Endangered Species

If any rare and/or endangered species are encountered on the property, the South Carolina Department of Natural Resources, Heritage Trust Program, Columbia, S.C. [(803) 734-3917] is to be notified to inspect the property and review their records.

BUDGET AND CONTROL BOARD PROPERTY INFORMATION

Part I

1. PROJECT NUMBER: P24-9934
2. COUNTY: Pickens
3. DESCRIPTION: Fee simple acquisition of 24.44 acres of undeveloped land in Pickens County.
4. GRANTOR(S): The Nature Conservancy, 2231 Devine Street, Columbia, SC 29205.
5. GRANTEE(S): SC Department of Natural Resources (DNR), 1000 Assembly Street, Columbia, SC 29201.
6. COUNTY LOCATION: Northwest side of Gauley Falls Road north of SC Highway 178 bordering the south side of DNR's Jocassee Gorges Wildlife Management Area (WMA) in the Community of Sunset.
7. ACREAGE: 24.44
8. PURPOSE/PROJECT: The main purpose of the project is to secure legal access along an entrance road into Jocassee Gorges. The access route, Camp Adger Road, extends through a privately-owned parcel and acquisition of the property will ensure lawful passage. The DNR has never had legal access along the entire roadway since the land was acquired in 1998 and the property owner is not interested in granting a right-of-way easement to DNR. Besides the road, the land contains a mature hardwood forest and approximately 1,800 feet of trout waters. The property will be managed as part of Jocassee Gorges WMA and will be open to the public for outdoor recreational activities, including hunting, fishing, hiking, viewing wildlife, and enjoying nature.
9. NEED TO ACQUIRE PROPERTY: See Number 8.
10. PURCHASE PRICE: \$101,622.00
11. CURRENT YEAR PROPERTY TAX AMOUNT: \$27.00

Part II

1. **HOW MANY SITES WERE EVALUATED?** Significant natural and cultural sites are continuously evaluated.
2. **SELECTION CRITERIA USED TO EVALUATE SITES?** Criteria concerning the DNR's Heritage Trust and Wildlife Management Area programs were used to evaluate the site. They include wildlife habitat, threatened and endangered species, habitat restoration, conversion threats, water quality, public access, and other related factors.
3. **HOW WAS THE FINAL SELECTION MADE?** Approval by the DNR Board.
4. **WHY WAS THIS SPECIFIC SITE SELECTED?** The property adjoins DNR land and contains part of an important access road utilized by DNR and the public.
5. **ESTIMATED COST OF ANY CONSTRUCTION COST OR RENOVATIONS TO BE DONE ON THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS FOR SUCH WORK.** No construction or renovations will be done on the property.
6. **ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM ACQUISITION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. IF NONE, EXPLAIN WHY.** No additional operating costs should result from the acquisition. The property will be managed as part of the Jocassee Gorges WMA.
7. **ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM CONSTRUCTION/RENOVATION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. EXPLAIN FACTORS THAT DETERMINE THE COSTS. IF NONE, EXPLAIN WHY.** N/A

AGENCY: Division of General Services

SUBJECT: College of Charleston Lease – Fountain Walk

The College requests approval to lease 41,000 SF of space at Fountain Walk located at 360 Concord Street in downtown Charleston from R. E. R. Investments, Limited Company. The facility will be used for offices, classrooms, art studios and science labs.

A solicitation was conducted which resulted in three bids, only one of which met the College's requirements which is Fountain Walk. The other locations were not within the required one mile radius of the campus and would not allow students using campus facilities to change classes within an adequate time frame. Comparables of similar state agency space and other commercial property lease rates in the Charleston area are as follows:

Agency/Location	Rate/SF
SC Department of Revenue 1 South Park Circle	\$27.32
Vacant 25 Calhoun Street	\$35.00
Vacant 40 Calhoun Street	\$32.50

Fountain Walk is a prime location as the property is adjacent to a parking garage already used by the College as well as a public transportation stop. The site is also within walking distance of the main campus. The College will begin the renovation of the Rita Hollings Science Center and Simons Center for the Arts (two major academic buildings) within the next 12 months. This will require the relocation of occupants for the duration of the renovations. There is also the need to complete renovations and reconfigurations of existing space to meet the programmatic needs of academic and administrative units. The College does not have available space on campus to accommodate the shifts of these departments. Therefore, the College is seeking a long-term lease solution in the immediate downtown Charleston area.

The initial term of the lease is for seven years beginning on January 1, 2014 and ending on December 31, 2020, with one renewal period of seven additional years. The cost per square foot during the first year of the initial term is \$31.50/RSF, for an annual aggregate amount of \$1,291,500. For the remainder of the initial term and for the extended term, basic rent shall be adjusted annually for any change in the U.S. Consumer Price Index for all Urban Consumers (CPI-U) based on the percent change in the monthly index for April of each year, subject, however, to a 3% cap on annual increases over the immediately preceding year, regardless of whether the percent change in the CPI-U is higher than said cap. The rate includes utilities and janitorial services. Additionally, the landlord has agreed to provide \$30/SF in upfit costs.

Lease payments will be funded with College fees. The College has indicated that no fee increase will be associated with this lease. Based on the NTE (Not to Exceed) data, the total estimated lease cost over the seven year term is \$9,896,069.91.

AGENCY: Division of General Services

SUBJECT: College of Charleston Lease – Fountain Walk

Year	Basic Rent PSF (Rounded)	Maximum Basic Annual Rent	Monthly Maximum Basic Rent
1	\$31.50	\$1,291,500.00	\$107,625.00
2	\$32.45	\$1,330,245.00	\$110,853.75
3	\$33.42	\$1,370,152.35	\$114,179.36
4	\$34.42	\$1,411,256.92	\$117,604.74
5	\$35.45	\$1,453,594.63	\$121,132.89
6	\$36.52	\$1,497,202.47	\$124,766.87
7	\$37.61	\$1,542,118.54	\$128,509.88
Total		\$9,896,069.91	
AVG	\$34.48		

There will be an additional 14,000 SF available for lease in mid to late 2014. The College anticipates a need to lease this space as well. The requested action amount does not account for this additional square footage. Separate approval of this space will be sought through a lease amendment.

The College of Charleston has adequate funds for the lease according to a Budget Approval Form, which also includes a multi-year plan.

The lease was approved by the Commission on Higher Education (CHE) at its meeting on May 2, 2013 based on not to exceed terms. It was also approved by JBRC at its June 5, 2013 meeting at a rate of \$29/RSF not including utilities and janitorial costs. At its June 18, 2013 meeting, the Budget and Control Board did not approve the lease and requested that a solicitation be conducted. As a result of the solicitation, the total basic rent increased from \$9,110,667.53 to \$9,896,069.91; however, the new lease terms include utilities and janitorial costs, resulting in a projected estimated savings of approximately \$250,000 over the term of the lease. The new lease terms were approved by JBRC at its August 8, 2013 meeting

BOARD ACTION REQUESTED:

Approve the proposed lease for the College of Charleston at Fountain Walk in Charleston.

ATTACHMENTS:

Agenda item worksheet; Letter from College of Charleston dated April 24, 2013; SC Code Section 1-11-55 and 1-11-56

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 3, 2013

Regular Agenda

1. Submitted by:

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


Nolan Wiggins, Director

2. Subject: College of Charleston Lease – Fountain Walk

3. Summary Background Information:

The College requests approval to lease 41,000 SF of space at Fountain Walk located at 360 Concord Street in downtown Charleston from R. E. R. Investments, Limited Company. The facility will be used for offices, classrooms, art studios and science labs.

A solicitation was conducted which resulted in three bids, only one of which met the College's requirements which is Fountain Walk. The other locations were not within the required one mile radius of the campus and would not allow students using campus facilities to change classes within an adequate time frame. Comparables of similar state agency space and other commercial property lease rates in the Charleston area are as follows:

Agency/Location	Rate/SF
SC Department of Revenue 1 South Park Circle	\$27.32
Vacant 25 Calhoun Street	\$35.00
Vacant 40 Calhoun Street	\$32.50

Fountain Walk is a prime location as the property is adjacent to a parking garage already used by the College as well as a public transportation stop. The site is also within walking distance of the main campus. The College will begin the renovation of the Rita Hollings Science Center and Simons Center for the Arts (two major academic buildings) within the next 12 months. This will require the relocation of occupants for the duration of the renovations. There is also the need to complete renovations and reconfigurations of existing space to meet the programmatic needs of academic and administrative units. The College does not have available space on campus to accommodate the shifts of these departments. Therefore, the College is seeking a long-term lease solution in the immediate downtown Charleston area.

The initial term of the lease is for seven years beginning on January 1, 2014 and ending on December 31, 2020, with one renewal period of seven additional years. The cost per square foot during the first year of the initial term is \$31.50/RSF, for an annual aggregate amount

of \$1,291,500. For the remainder of the initial term and for the extended term, basic rent shall be adjusted annually for any change in the U.S. Consumer Price Index for all Urban Consumers (CPI-U) based on the percent change in the monthly index for April of each year, subject, however, to a 3% cap on annual increases over the immediately preceding year, regardless of whether the percent change in the CPI-U is higher than said cap. The rate includes utilities and janitorial services. Additionally, the landlord has agreed to provide \$30/SF in upfit costs.

Lease payments will be funded with College fees. The College has indicated that no fee increase will be associated with this lease. Based on the NTE (Not to Exceed) data, the total estimated lease cost over the seven year term is \$9,896,069.91.

Year	Basic Rent PSF (Rounded)	Maximum Basic Annual Rent	Monthly Maximum Basic Rent
1	\$31.50	\$1,291,500.00	\$107,625.00
2	\$32.45	\$1,330,245.00	\$110,853.75
3	\$33.42	\$1,370,152.35	\$114,179.36
4	\$34.42	\$1,411,256.92	\$117,604.74
5	\$35.45	\$1,453,594.63	\$121,132.89
6	\$36.52	\$1,497,202.47	\$124,766.87
7	\$37.61	\$1,542,118.54	\$128,509.88
Total		\$9,896,069.91	
AVG	\$34.48		

There will be an additional 14,000 SF available for lease in mid to late 2014. The College anticipates a need to lease this space as well. The requested action amount does not account for this additional square footage. Separate approval of this space will be sought through a lease amendment.

The College of Charleston has adequate funds for the lease according to a Budget Approval Form, which also includes a multi-year plan.

The lease was approved by the Commission on Higher Education (CHE) at its meeting on May 2, 2013 based on not to exceed terms. It was also approved by JBRC at its June 5, 2013 meeting at a rate of \$29/RSF not including utilities and janitorial costs. At its June 18, 2013 meeting, the Budget and Control Board did not approve the lease and requested that a solicitation be conducted. As a result of the solicitation, the total basic rent increased from \$9,110,667.53 to \$9,896,069.91; however, the new lease terms include utilities and janitorial costs, resulting in a projected estimated savings of approximately \$250,000 over the term of the lease. The new lease terms were approved by JBRC at its August 8, 2013 meeting.

4. **What is Board asked to do?** Approve the proposed lease for College of Charleston at

Fountain Walk in Charleston.

- 5. What is recommendation of the Division of General Services?** Approval of the proposed lease for College of Charleston at Fountain Walk in Charleston.
-

6. List of Supporting Documents:

- (a) Letter from College of Charleston dated April 24, 2013
- (b) SC Code Section 1-11-55 and 1-11-56

April 24, 2013

Ashlie Lancaster
South Carolina Budget and Control Board
General Services Division
Property Services
1201 Main Street, Suite 420
Columbia, SC 29201

RE: Swing Space at Fountain Walk

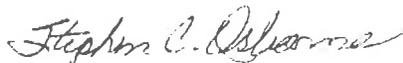
Dear Ms. Lancaster:

The College will begin the renovation of two of its major academic buildings within the next 12 months, which requires the relocation of occupants for the duration of the renovations. There is also the need to complete renovations and reconfigurations of existing space to meet the programmatic needs of academic and administrative units.

The College does not have available "swing space" on campus to accommodate the shifts of these departments. Therefore, the College is requesting approval to lease approximately 41,000SF of space at Fountain Walk located at 100 Aquarium Wharf in downtown Charleston. This is a prime location as the property is adjacent to a parking garage already used by the College as well as a public transportation stop. The site is also within walking distance of the main campus.

We respectfully request that this lease be included on the agenda for the Budget and Control Board meeting in June.

Sincerely,



Stephen C. Osborne
Executive Vice President for Business Affairs

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.

HISTORY: 1997 Act No. 153, Section 2; 2002 Act No. 333, Section 1; 2002 Act No. 356, Section 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, Section 13, eff August 1, 2011.

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.

HISTORY: 1997 Act No. 153, Section 2.

AGENCY: Division of General Services

SUBJECT: Midlands Technical College Enterprise Campus Authority

In 2004, the General Assembly created the Midlands Technical College Enterprise Campus Authority (Authority) for purposes of the development of the Northeast Campus. The Authority provides for the management, development and operation of the Enterprise Campus. The Enterprise Campus consists of approximately 150 acres at the intersection of Powell Road and Pisgah Church Road in northeast Richland County adjacent to the College's Northeast Campus. The Authority's mission is to pursue the location of business and industry on the Enterprise Campus that results in investment, job creation and relationships with the College that are beneficial to its students. Business partners will be able to purchase or lease facilities on the 150-acre campus.

Through an RFP seeking proposals from a Site Development Contractor, the Authority proposes to sell approximately 35 acres to an unnamed client referred to as Project Web or to the Developer who would enter into a design/build lease arrangement with Project Web. The appraised value of the property is \$30,000 per acre for parcels ranging from 15 to 30 acres. The primary term for a lease agreement between the Developer and Project Web would be not less than ten (10) years. Project Web proposes construction of one or more buildings containing a combined total of not less than 225,000 square feet of Class A office space with a total estimated cost in excess of \$45,000,000. More than 1,500 parking spaces will be needed for the facility. The total estimated investment in real and personal property is \$50,000,000 and the total number of new jobs is projected at 500.

The Authority is seeking approval of the proposed sale before the negotiation and execution of definitive documents because timely decisions are essential for economic development projects. The Authority requests approval to accept a sales price of not less than \$26,500 per acre, which is its cost base in the property, based on offsetting the appraised value with job creation and capital investment requirements. The proceeds from the sale of the property will be retained by the Midlands Technical College Enterprise Campus Authority pursuant to 2013-2014 Appropriations Bill H.3710, Part 1B, §101.24

BOARD ACTION REQUESTED:

Consider approving Midlands Technical College Enterprise Campus Authority's request to negotiate a sales price between \$26,500 - \$30,000 per acre to Project Web or the Developer.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-65; 2013-2014 Appropriations Bill H.3710, Part 1B, §101.24; Letter from Midlands Technical College Enterprise Campus Authority; Map

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 3, 2013

Regular Agenda

1. Submitted by:

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


Nolan L. Wiggins, Jr., Director

2. Subject: Midlands Technical College Enterprise Campus Authority

3. Summary Background Information:

In 2004, the General Assembly created the Midlands Technical College Enterprise Campus Authority (Authority) for purposes of the development of the Northeast Campus. The Authority provides for the management, development and operation of the Enterprise Campus. The Enterprise Campus consists of approximately 150 acres at the intersection of Powell Road and Pisgah Church Road in northeast Richland County adjacent to the College's Northeast Campus. The Authority's mission is to pursue the location of business and industry on the Enterprise Campus that results in investment, job creation and relationships with the College that are beneficial to its students. Business partners will be able to purchase or lease facilities on the 150-acre campus.

Through an RFP seeking proposals from a Site Development Contractor, the Authority proposes to sell approximately 35 acres to an unnamed client referred to as Project Web or to the Developer who would enter into a design/build lease arrangement with Project Web. The appraised value of the property is \$30,000 per acre for parcels ranging from 15 to 30 acres. The primary term for a lease agreement between the Developer and Project Web would be not less than ten (10) years. Project Web proposes construction of one or more buildings containing a combined total of not less than 225,000 square feet of Class A office space with a total estimated cost in excess of \$45,000,000. More than 1,500 parking spaces will be needed for the facility. The total estimated investment in real and personal property is \$50,000,000 and the total number of new jobs is projected at 500.

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4. What is the Board asked to do? Approve Midlands Technical College Enterprise Campus Authority's request to negotiate a sales price between \$26,500 - \$30,000 per acre to Project Web or the Developer.

5. What is the recommendation of the Division of General Services? Consider Midlands Technical College Enterprise Campus Authority's request to negotiate a sales price between \$26,500 - \$30,000 per acre to Project Web or the Developer.

6. Supporting Documents:

1. SC Code of Laws Section 1-11-65
2. 2013-2014 Appropriations Bill H.3710, Part 1B, §101.24
3. Letter from Midlands Technical College Enterprise Campus Authority
4. Map

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

South Carolina General Assembly

120th Session, 2013-2014

H. 3710

General Appropriations Bill for fiscal year 2013-2014

As Ratified by the General Assembly

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 101 – F03-BUDGET AND CONTROL BOARD

101.24. (BCB: Sale of Surplus Real Property) Up to fifty percent of the proceeds, net of selling expenses, from the sale of surplus real properties shall be retained by the Budget and Control Board and used for the deferred maintenance of state-owned buildings. The remaining fifty percent of the net proceeds shall be returned to the agency that the property is owned by, under the control of, or assigned to and shall be used by that agency for non-recurring purposes. This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Columbia State Farmers Market; the Department of Agriculture's Columbia Metrology Lab building and property; the Charleston Naval Complex Redevelopment Authority; the Department of Commerce's Division of Public Railways; the Midlands Technical College Enterprise Campus Authority; the Trident Technical College Enterprise Campus Authority; the Commissioners residence at the Department of Corrections and the Educational Television Commission's Key Road property.

The Educational Television Commission shall be authorized to retain the net proceeds from the sale of its property on Key Road, and such proceeds may be used for the renovation of the ETV Telecommunications Center and other maintenance and operating expenses. If it is determined that sufficient net proceeds are not to be derived from the sale of its property on Key Road to cover the cost of all renovations of the Telecommunications Center, the property on Key Road shall not be sold. Any proposed sale hereunder shall, prior to said sale, be submitted to the Budget and Control Board for approval as being in compliance with the requirements of this subsection.

The Department of Corrections shall be authorized to retain the net proceeds from the sale of the residence provided for the Commissioner of the Department of Corrections and use such proceeds for deferred maintenance needs at the Department of Corrections.

The Forestry Commission shall be authorized to retain the net proceeds from the sale of surplus land for use in firefighting operations and replacement of firefighting equipment.

The Department of Mental Health shall be authorized to retain the net proceeds it receives for sale of the property sold in accordance with, and identified in Exhibit A of the Sale and Purchase Agreement dated December 16, 2010 between the Department of Mental Health and Hughes Development Corporation for the sale of 165.79± acres on the Bull Street Campus, as approved by the Budget and Control Board on June 14, 2011.

The Department of Natural Resources shall be authorized to retain the net proceeds from the sale of existing offices originally purchased with a federal grant or with restricted revenue from hunting and fishing license sales for the improvement, consolidation, and/or establishment of regional offices and related facilities.

The Department of Vocational Rehabilitation shall be authorized to retain the net proceeds from the sale of 3.205 acres located at 22861 Highway 76 East in Clinton, South Carolina to be used for capital projects and deferred maintenance.

The Department of Agriculture, the Educational Television Commission, the Department of Corrections, the Department of Natural Resources, the Department of Mental Health, the Forestry Commission, and the Department of Vocational Rehabilitation shall annually submit a report, within sixty days after the close of the fiscal year, to the Senate Finance Committee and the House Ways and Means Committee on the status of the sale of the identified property and a detailed accounting on the expenditure of funds resulting from such sale.

This provision is comprehensive and supersedes any conflicting provisions concerning disposition of state owned real property whether in permanent law, temporary law or by provision elsewhere in this act.

Any unused portion of these funds may be carried forward into succeeding fiscal years and used for the same purposes.



**ENTERPRISE
CAMPUS**

AT MIDLANDS TECHNICAL COLLEGE

July 22, 2013

Nolan L. Wiggins, Jr., Director
Division of General Services
State Budget and Control Board
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Budget and Control Board Approval of Property Sale -- Request to Place on Agenda

Dear Director Wiggins:

The purpose of this correspondence is to request approval by the State Budget and Control Board ("State Board") of the sale by the Midlands Technical College Enterprise Campus Authority ("Authority") of an approximately thirty-five (35) acre parcel located on its Enterprise Campus for Project Web. We request that this matter be placed on the agenda for the meeting of the State Board scheduled for Tuesday, August 13, 2013.

Enterprise Campus Authority

In 2004, the General Assembly created the Authority to provide for the development of the Enterprise Campus at Midlands Technical College. 2004 S.C. Act No. 200 (codified as Sections 59-53-1780 to -1787, Code of Laws of South Carolina 1976, as amended). The Authority is a legal entity separate and distinct from Midlands Technical College ("College").

The purpose of the Authority is to provide for the management, development, and operation of the Enterprise Campus. The mission of the Authority is, in part, to pursue the location of business and industry on the Enterprise Campus that results in investment, job creation and relationships with the College that are beneficial to its students.

The Enterprise Campus is an approximately 130 acre area owned by the Authority and located adjacent to the College's Northeast Campus.¹ On the College's portion of the Northeast Campus, the College has its Center for Technology and the Engineering, Technology, and Science Building. The South Carolina Department of Commerce has certified the Enterprise Campus as an Industrial Park².

¹ The Enterprise Campus and Northeast Campus are located near the South Carolina Research Authority and Northwoods Golf Course properties and are bounded in part by Pisgah Church Road, Powell Road, and Gateway Plantation Road.

² Industrial Park certification by the Department of Commerce means the Enterprise Campus is ready for industrial development and that it meets specified criteria.

Project Web

The Authority received a request for proposal from an international real estate firm that is searching for a site for a publicly traded company with an investment grade credit rating engaged in commercial activities that are heavily reliant on information technology. The code name for this initiative is "Project Web." In collaboration with a commercial and industrial real estate development company ("Developer"), the Authority responded to the request for proposal.

The Authority proposes to sell an approximately thirty-five (35) acre site to either Project Web or to the Developer who would enter into a design/build lease arrangement with Project Web. The asking sales price is \$30,000 per acre, which is the per acre value contained in the appraisal of the property. The Authority requests the approval to accept a sales price of not less than \$26,500 per acre, which is our cost base in this property. The primary term for a lease agreement would be not less than ten (10) years.

Project Web involves the proposed construction of one or more buildings containing a combined total of not less than 225,000 square feet of Class A office space with a total estimated cost in excess of \$45,000,000. More than 1500 parking spaces will be needed for the facility. The total estimated investment in real and personal property is estimated at \$50,000,000 and the total number of new jobs is projected at 500.

The project schedule, as outlined in the request for proposal, provides for the (i) execution of a letter of intent by October 15, 2013, (ii) execution of a lease or purchase agreement by December 31, 2013, (iii) issuance of a certificate of occupancy by August 1, 2015, and (iv) complete occupancy by December 31, 2015.

Project Web would be the first business to locate on the Enterprise Campus.

The following economic development entities are engaged in the recruitment of Project Web: the South Carolina Department of Commerce, Richland County and the City of Columbia. The South Carolina Department of Commerce has approved incentives for Project Web. Local incentives have not been negotiated.

As of the date of this writing, there are no definitive documents between or among the Authority, the Developer or Project Web.

Request for Approval of Sale

The Authority understands that the traditional request for approval to sell real property requires the state entity to make certain declarations and to provide certain definitive documents. Because of the nature of the Authority's business and because Project Web is an economic development project, the Authority is unable to provide the normal types of documents.

Nevertheless, the Authority is asking for approval before the negotiation and execution of definitive documents because time will be of the essence for this project. Putting the Authority in a position where it would have to wait an extended period to get formal approval after

definitive documents are available could remove the Authority from consideration. Timely decisions are essential for economic development projects.

Declaration of Surplus Property

The Authority does not believe the property is surplus, particularly in the traditional sense that it is no longer needed to fulfill the purpose of a public entity. The proposed sale of the property to Project Web is in fulfillment of the purpose of the Authority – the pursuit of the location of business and industry on the Enterprise Campus that results in investment, job creation and relationships with the College. The Authority believes that the sale of the property for Project Web maximizes the public benefit that may be gained from a sale. The Authority has no intention for this property to be considered surplus or listed as being available as surplus property if the proposed sale for Project Web does not occur.

Request to Sale for Project Web

The Authority requests the State Budget and Control Board to approve the sale of approximately thirty-five (35) acres of land located on the Enterprise Campus to Project Web, or the Developer who would enter into a design/build lease arrangement with Project Web, subject to the following conditions (which includes flexibility to go up or down on any of the dollar values or numbers by ten percent (10%)):

- The price will be \$30,000 per acre.
- The price will be paid to the Authority at closing in good monies.
- Project Web must agree to construct one or more buildings containing a combined total of not less than 225,000 square feet of Class A office space with a total estimated cost in excess of \$45,000,000.
- Project Web must initiate construction of the building(s) on or before 4/17/2014 and construction must be completed by 4/30/2015. The company will be required to provide to the Authority reasonably satisfactory evidence that the company is obligated for the construction of a building with a cost in excess of \$45,000,000 and machinery and equipment in excess of \$4,000,000. In addition, appropriate performance bonds will be required to assure completion of construction.
- The Authority will reserve the right in the deed that it may repurchase the property if construction is not initiated within the required time period.
- Project Web must agree to create not less than 500 new jobs not later than twenty-four (24) months from the date definitive documents are executed. In addition, Project Web must agree to maintain the jobs for a period not less than five (5) years.
- Project Web must enter into one or more agreements with the College that provide educational, training and job opportunities that would be of benefit to the College's students.

Details of the Sale

See the discussions above for Project Web and Request to Sale for Project Web.

Details of the Prospective Purchaser

The name of the "Project Web" company cannot be publicly disclosed at this time. It is a publicly traded company with an investment grade credit rating engaged in commercial activities that are heavily reliant on information technology.

Justification for Sale

The Authority will consider the sale of land at the Enterprise Campus only to businesses and industries that commit to invest on the site, create jobs and to establish relationships with the College that benefit it's students. For Project Web, the company is in one of the four major industry clusters that the College has targeted – information technology. Project Web's educational and training needs match well with the College's information technology offerings. Moreover, Project Web is a publicly traded company with an investment grade credit rating and it has the financial wherewithal to make the project a reality. Project Web's location on the Enterprise Campus should prove valuable in attracting additional investments.

Supporting Documents

Attached are documents that are intended to facilitate the review and consideration of the Authority's request:

- Boundary Survey dated June 28, 2013
- Current Appraisal
- Deed into the Authority for the Enterprise Campus
- 2004 S.C. Act No. 200, the Midlands Technical College Enterprise Campus Authority Act
- Location maps
- Declaration of Restrictions

Conclusion

The Authority asks for favorable consideration of its request as described in this correspondence.

Sincerely,



Marshall (Sonny) White, Jr.
CEO

enclosures

1. I certify that the map is a true and correct representation of the land shown and that I am a duly licensed and qualified surveyor in the State of South Carolina.

2. I certify that the map is a true and correct representation of the land shown and that I am a duly licensed and qualified surveyor in the State of South Carolina.

3. I certify that the map is a true and correct representation of the land shown and that I am a duly licensed and qualified surveyor in the State of South Carolina.

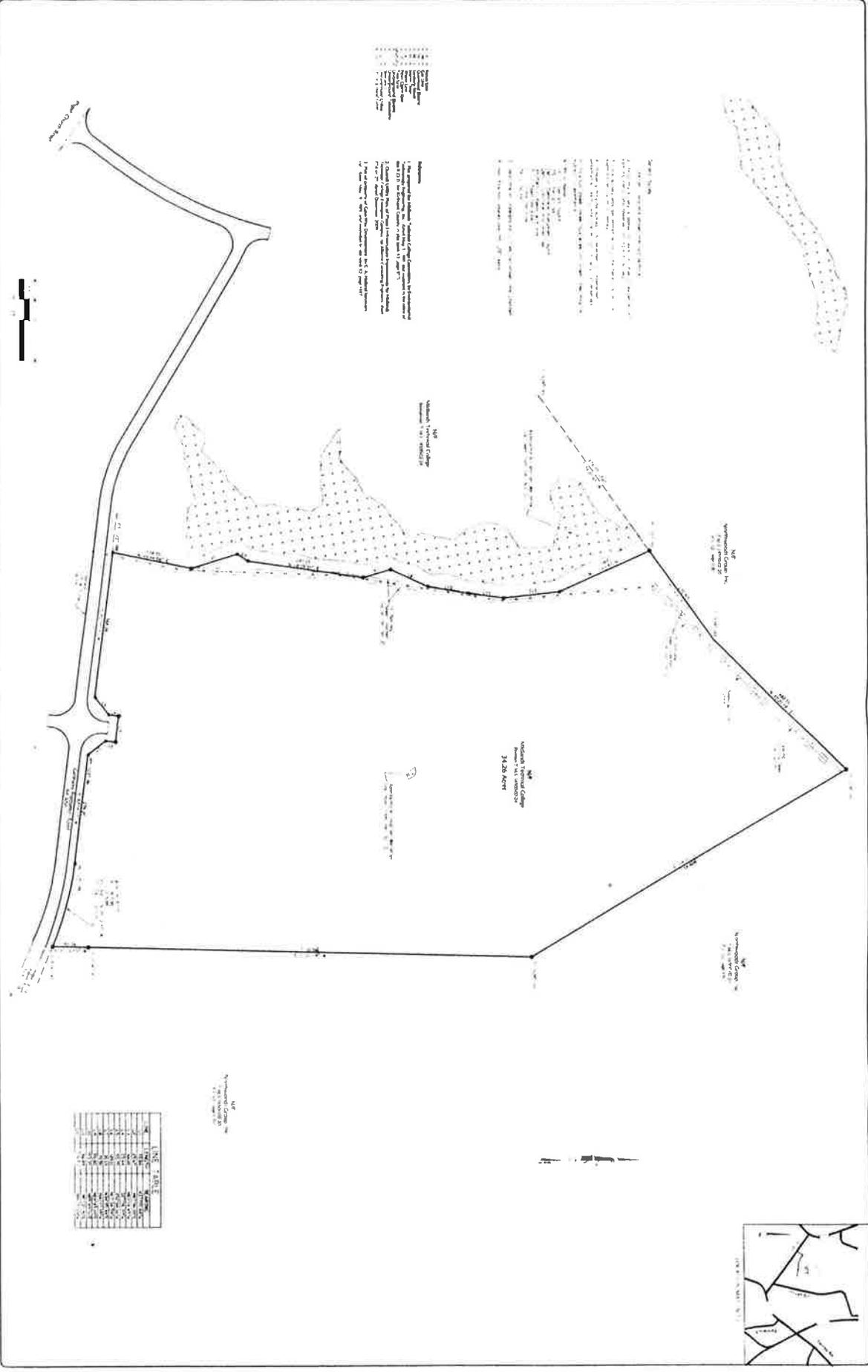
4. I certify that the map is a true and correct representation of the land shown and that I am a duly licensed and qualified surveyor in the State of South Carolina.

SURVEY ONE, LLC
 1000 W. 10th Street, Suite 100
 Columbia, SC 29201
 Phone: 803.733.1111
 Fax: 803.733.1112
 Email: info@surveyone.com



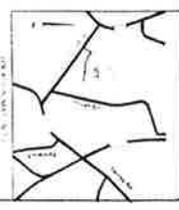
PREPARED FOR
MIDLANDS TECHNICAL COLLEGE
 RICHLAND COUNTY, SOUTH CAROLINA

BOUNDARY SURVEY



LINE LIST

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STATE BUDGET AND CONTROL BOARD
MEETING OF September 3, 2013

REGULAR SESSION
ITEM NUMBER 7

AGENCY: Clemson University

SUBJECT: Not Exceeding \$30,300,000 General Obligation State Institution Bonds (Issued on behalf of Clemson University), Series 2013, of the State of South Carolina

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$30,300,000 General Obligation State Institution Bonds (Issued on behalf of Clemson University), Series 2013, of the State of South Carolina.

The proceeds from the sale of the bonds will be used to defray the costs of planning, developing, constructing and equipping an approximately 70,000 square foot facility to provide flexible space for teaching and research in science, technology, and engineering on the campus.

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale not exceeding \$30,300,000 General Obligation State Institution Bonds (Issued on behalf of Clemson University), Series 2013, of the State of South Carolina.

ATTACHMENTS:

Pope 8/8/13 letter; Resolution



POPE ZEIGLER
LAW FIRM

COLUMBIA | CHARLOTTE

Pope Zeigler, LLC
1411 Gervais St., Ste 300
Post Office Box 11509
Columbia, SC 29211

MAIN 803 354.4900
FAX 803 354.4899
popezeigler.com

August 8, 2013

Mr. Delbert H. Singleton, Jr., Board Secretary
South Carolina State Budget and Control Board
Wade Hampton Office Building
1200 Senate Street, Room 612
Columbia, South Carolina 29201

VIA HAND DELIVERY

Re: Not exceeding \$30,300,000 General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2013 of the State of South Carolina (the "**Bonds**")

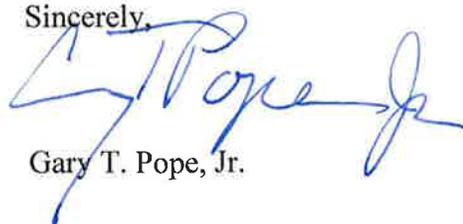
Dear Delbert:

On behalf of Clemson University, South Carolina, in connection with the issuance of the Bonds and in anticipation of the meeting of the South Carolina State Budget and Control Board (the "**State Board**") scheduled for September 3, 2013, we respectfully enclose the following for consideration:

1. A copy of a resolution adopted by the Board of Trustees of Clemson University on July 19, 2013 requesting the issuance of the Bonds; and
2. A copy of the State Board's resolution regarding the issuance of the Bonds.

We will also be sending you in Microsoft Word, the electronic version of Item 2 listed above so that you can have it revised as necessary. Please let us know if you need anything further or if you have any questions or concerns.

Sincerely,



Gary T. Pope, Jr.

Enclosures

cc: F. Richard Harmon, Jr., Senior Assistant State Treasurer

STATE BUDGET AND CONTROL BOARD
MEETING OF August 13, 2013

REGULAR SESSION
ITEM NUMBER 8

AGENCY: Budget and Control Board

SUBJECT: Future Meeting

The next regular meeting of the Budget and Control Board will be held at 10:00 a.m. on Thursday, October 31, 2013, in Room 252, Edgar A. Brown Building.

Schedule of Remaining Meetings in 2013

December 10, 2013

BOARD ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Thursday, October 31, 2013, in Room 252, Edgar A. Brown Building.

ATTACHMENTS:

STATE BUDGET AND CONTROL BOARD
Meeting of Tuesday, September 3, 2013 -- 10:00 A. M.
Room 252, Edgar A. Brown Building
BLUE AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
1.	State Treasurer's Office	Bond Counsel Selection
2.	Division of General Services	Easements
3.	Division of General Services	Real Property Conveyances
4.	Division of General Services	Request by Department of Natural Resources to Enter Sanctuary Agreements on Bird Key-Stono, Crab Bank and Deveaux Bank Islands in Charleston County
5.	Division of Human Resources	Appointment of State Employee Grievance Committee Members
6.	Division of Procurement Services	Procurement Audit of Midlands Technical College Enterprise Campus Authority
7.	Division of Procurement Services	Request for Reauthorization of the Midlands Technical College Enterprise Campus Authority's Procurement Policy
8.	Division of Procurement Services	Procurement Audit and Certification
9.	Energy Office	Qualified Energy Conservation Bond Change in Scope from Prior Reallocation to JEDA for Abundant Power/Charleston Green Community Program to a Statewide Green Community Program
10.	Executive Director	Revenue Bonds

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification of the assignment of bond counsel for conduit issues for which Board approval is requested:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$5,500,000 SC JEDA	SarlaFlex, Inc.	Haynsworth Sinkler Boyd	McNair Law Firm
\$4,500,000 SC JEDA	Senior Solutions	Haynsworth Sinkler Boyd	Pope Zeigler
\$160,000,000 SC JEDA	AnMed Health	McNair Law Firm	Parker Poe

BOARD ACTION REQUESTED:

Approve the referenced bond counsel assignment.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for September 3, 2013 Budget & Control Board Meeting
 Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel	Date STO Approved
\$5,500,000 SC JEDA	SarlaFlex, Inc.	Haynsworth Sinkler Boyd	McNair Law Firm	05/30/13
\$4,500,000 SC JEDA	Senior Solutions	Haynsworth Sinkler Boyd	Pope Zeigler	07/22/13
\$160,000,000 SC JEDA	AnMed Health	McNair Law Firm	Parker Poe	07/22/13

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

AGENCY: Division of General Services

SUBJECT: Easements

The Division of General Services requests approval of the following easement in accordance with SC Code of Laws:

- (a) County Location: Aiken
From: Aiken Technical College
To: Central Electric Power Cooperative, Inc.
Consideration: \$41,300
Description/Purpose: To grant a 1.50 acre easement for the construction, maintenance, alteration and replacement of an electric transmission line. The easement is part of a project to construct a secondary transmission line and to improve the electrical system reliability. Consideration is the appraised value plus additional compensation.
- (b) County Location: Charleston
From: Patriots Point Development Authority
To: Commissioners of Public Works of the Town of Mount Pleasant d/b/a Mount Pleasant Waterworks
Consideration: \$100
Description/Purpose: To grant a 0.035 acre utility easement for the construction, service and repair of water distribution and sewage collection lines, treatment and disposal facilities, backflow preventers and meters located on Parcels B, C and D at Patriots Point. The easement will serve the new waterfront restaurant at the Charleston Harbor Resort and Marina.

BOARD ACTION REQUESTED:

Approve the referenced easements.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 10-1-130

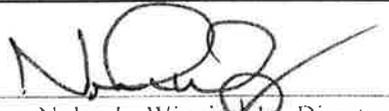
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 3, 2013

Blue Agenda

1. Submitted by:

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



Nolan L. Wiggins, Jr., Director

2. Subject:

EASEMENTS

3. Summary Background Information:

The Division of General Services requests that the Board concur and acquiesce in granting the following easements in accordance with SC Code of Laws:

- (a) County Location: Aiken
From: Aiken Technical College
To: Central Electric Power Cooperative, Inc.
Consideration: \$41,300
Description/Purpose: To grant a 1.50 acre easement for the construction, maintenance, alteration and replacement of an electric transmission line. The easement is part of a project to construct a secondary transmission line and to improve the electrical system reliability. Consideration is the appraised value plus additional compensation.

- (b) County Location: Charleston
From: Patriots Point Development Authority
To: Commissioners of Public Works of the Town of Mount Pleasant d/b/a Mount Pleasant Waterworks
Consideration: \$100
Description/Purpose: To grant a 0.035 acre utility easement for the construction, service and repair of water distribution and sewage collection lines, treatment and disposal facilities, backflow preventers and meters located on Parcels B, C and D at Patriots Point. The easement will serve the new waterfront restaurant at the Charelston Harbor Resort and Marina.

4. What is the Board asked to do? Approve the referenced easements.

5. What is recommendation of the Division of General Services? Recommend approval of the referenced easements.

6. List of Supporting Documents:

SC Code of Laws Section 10-1-130

SOUTH CAROLINA CODE OF LAWS

SECTION 10-1-130. State institutions and agencies may grant easements and rights of way on consent of Budget and Control Board.

The trustees or governing bodies of State institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

AGENCY: Division of General Services

SUBJECT: Real Property Conveyances

The Division of General Services recommends approval of the following property conveyances:

- (a) **Agency:** **Budget and Control Board (Adjutant General)**
Acreage: 2.6± acres
Location: 700 Blue Ridge Avenue, Belton
County: Anderson
Purpose: To transfer a surplus National Guard Armory to a political subdivision pursuant to Joint Resolution R10, S351. This joint resolution takes effect October 1, 2013.
Price/Transferred To: N/A / City of Belton

- (a) **Agency:** **Department of Transportation**
Acreage: 1.07± acres
Location: On U.S. Highway 25, North Augusta
County: Aiken
Purpose: To dispose of surplus property.
Price/Transferred To:
Appraised Value: \$54,000 as of 7/31/12
Price/Transferred To: \$20,000 / Belvedere Fire District
Disposition of Proceeds: To be retained by Department of Transportation pursuant to Proviso 101.24.
Additional Information: On October 30, 2012, the Board approved the sale of the former Sweetwater Maintenance Shed for not less than the appraised value which was \$54,000. The Belvedere Fire Department purchased 0.54 acre of the site in February 1999 and is interested in purchasing the remaining 1.07 acres to expand its operation. The Belvedere Fire Department has made an offer to purchase the property at less than the appraised value and SCDOT supports the sale as the expansion of fire services in the area will greatly serve the public.

BOARD ACTION REQUESTED:

Approve the property conveyances as requested.

ATTACHMENTS:

Agenda item worksheet and attachments

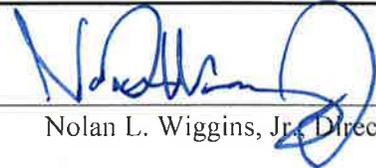
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 3, 2013

Blue Agenda

1. Submitted by:

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



Nolan L. Wiggins, Jr., Director

2. Subject: REAL PROPERTY CONVEYANCES

3. Summary Background Information:

- (a) **Agency:** Budget and Control Board (Adjutant General)
Acreage: 2.6± acres
Location: 700 Blue Ridge Avenue, Belton
County: Anderson
Purpose: To transfer a surplus National Guard Armory to a political subdivision pursuant to Joint Resolution R10, S351. This joint resolution takes effect October 1, 2013.
Price/Transferred To: N/A / City of Belton

- (b) **Agency:** Department of Transportation
Acreage: 1.07± acres
Location: On U.S. Highway 25, North Augusta
County: Aiken
Purpose: To dispose of surplus property.
Price/Transferred To:
Appraised Value: \$54,000 as of 7/31/12
Price/Transferred To: \$20,000 / Belvedere Fire District
Disposition of Proceeds: To be retained by Department of Transportation pursuant to Proviso 101.24.
Additional Information: On October 30, 2012, the Board approved the sale of the former Sweetwater Maintenance Shed for not less than the appraised value which was \$54,000. The Belvedere Fire Department purchased 0.54 acre of the site in February 1999 and is interested in purchasing the remaining 1.07 acres to expand its operation. The Belvedere Fire Department has made an offer to purchase the property at less than the appraised value and SCDOT supports the sale as the expansion of fire services in the area will greatly serve the public.

4. **What is Board asked to do?** Approve the property conveyances as requested.

5. **What is recommendation of Board Division involved?** Recommend approval of the property conveyances as requested.

6. **List of Supporting Documents:**

1. SC Code of Laws Section 1-11-65
2. 2013-2014 Appropriations Bill H.3710, Part 1B, Proviso 101.24
3. (a) Budget and Control Board (Adjutant General) – Anderson County
(b) Department of Transportation – Aiken County

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

South Carolina General Assembly

120th Session, 2013-2014

H. 3710

General Appropriations Bill for fiscal year 2013-2014

As Ratified by the General Assembly

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 101 – F03-BUDGET AND CONTROL BOARD

101.24. (BCB: Sale of Surplus Real Property) Up to fifty percent of the proceeds, net of selling expenses, from the sale of surplus real properties shall be retained by the Budget and Control Board and used for the deferred maintenance of state-owned buildings. The remaining fifty percent of the net proceeds shall be returned to the agency that the property is owned by, under the control of, or assigned to and shall be used by that agency for non-recurring purposes. This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Columbia State Farmers Market; the Department of Agriculture's Columbia Metrology Lab building and property; the Charleston Naval Complex Redevelopment Authority; the Department of Commerce's Division of Public Railways; the Midlands Technical College Enterprise Campus Authority; the Trident Technical College Enterprise Campus Authority; the Commissioners residence at the Department of Corrections and the Educational Television Commission's Key Road property.

The Educational Television Commission shall be authorized to retain the net proceeds from the sale of its property on Key Road, and such proceeds may be used for the renovation of the ETV Telecommunications Center and other maintenance and operating expenses. If it is determined that sufficient net proceeds are not to be derived from the sale of its property on Key Road to cover the cost of all renovations of the Telecommunications Center, the property on Key Road shall not be sold. Any proposed sale hereunder shall, prior to said sale, be submitted to the Budget and Control Board for approval as being in compliance with the requirements of this subsection.

The Department of Corrections shall be authorized to retain the net proceeds from the sale of the residence provided for the Commissioner of the Department of Corrections and use such proceeds for deferred maintenance needs at the Department of Corrections.

The Forestry Commission shall be authorized to retain the net proceeds from the sale of surplus land for use in firefighting operations and replacement of firefighting equipment.

The Department of Mental Health shall be authorized to retain the net proceeds it receives for sale of the property sold in accordance with, and identified in Exhibit A of the Sale and Purchase Agreement dated December 16, 2010 between the Department of Mental Health and Hughes Development Corporation for the sale of 165.79± acres on the Bull Street Campus, as approved by the Budget and Control Board on June 14, 2011.

The Department of Natural Resources shall be authorized to retain the net proceeds from the sale of existing offices originally purchased with a federal grant or with restricted revenue from hunting and fishing license sales for the improvement, consolidation, and/or establishment of regional offices and related facilities.

The Department of Vocational Rehabilitation shall be authorized to retain the net proceeds from the sale of 3.205 acres located at 22861 Highway 76 East in Clinton, South Carolina to be used for capital projects and deferred maintenance.

The Department of Agriculture, the Educational Television Commission, the Department of Corrections, the Department of Natural Resources, the Department of Mental Health, the Forestry Commission, and the Department of Vocational Rehabilitation shall annually submit a report, within sixty days after the close of the fiscal year, to the Senate Finance Committee and the House Ways and Means Committee on the status of the sale of the identified property and a detailed accounting on the expenditure of funds resulting from such sale.

This provision is comprehensive and supersedes any conflicting provisions concerning disposition of state owned real property whether in permanent law, temporary law or by provision elsewhere in this act.

Any unused portion of these funds may be carried forward into succeeding fiscal years and used for the same purposes.

**(a) Budget and Control Board (Adjutant General)
Anderson County**

List of Supporting Documents:

1. Letter from Office of the Adjutant General
2. Joint Resolution R10, S351

The State of South Carolina
Military Department

Office of the Adjutant General

ROBERT E. LIVINGSTON, JR.
MAJOR GENERAL
THE ADJUTANT GENERAL

1 NATIONAL GUARD ROAD
COLUMBIA, S.C. 29201-4752

July 23, 2013

Ms. Ashlie Lancaster
Deputy Director
SC Budget & Control Board
460 Wade Hampton Building
Columbia, South Carolina 29201

Dear Ms. Lancaster:

The Belton National Guard armory located at 700 Blue Ridge Avenue, Belton, South Carolina has been declared excess due to demographic changes and deferred maintenance costs. South Carolina Code of Laws, Article 13, Section 25-1-1660 provides the State Budget and Control Board with the authority to transfer these properties to a political subdivision if the political subdivision has donated real property for use as a site for a replacement armory.

However, in the case of the Belton National Guard armory, the National Guard does not foresee a future need for a replacement facility in this location, and requests that this property be transferred to the City of Belton per the joint resolution approved by the General Assembly.

Points of contact for the Military Department are LTC Andrew Batten or MSG Mark Hicks at (803) 299-4304/4150.

Sincerely,



Robert E. Livingston, Jr.
Major General, SCARNG
The Adjutant General

(R10, S351)

A JOINT RESOLUTION TO AUTHORIZE THE STATE BUDGET AND CONTROL BOARD TO TRANSFER OWNERSHIP OF THE BELTON NATIONAL GUARD ARMORY TO THE CITY OF BELTON.

Whereas, the National Guard Armory located at 700 Blue Ridge Avenue in Belton, South Carolina, will be vacated by the South Carolina National Guard in September 2013; and

Whereas, the City of Belton will use the armory for the benefit of the community. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

Ownership of armory transferred

SECTION 1. Notwithstanding the provisions of Sections 25-1-1660 and 1-11-58 of the 1976 Code and Act 248 of 2004, the State Budget and Control Board is directed to transfer ownership of the Belton National Guard Armory located at 700 Blue Ridge Avenue, Belton, South Carolina, to the City of Belton, South Carolina.

Time effective

SECTION 2. This joint resolution takes effect October 1, 2013.

Ratified the 21st day of March, 2013.

Approved the 22nd day of March, 2013. -- L.

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**(b) Department of Transportation
Aiken County**

List of Supporting Documents:

1. Letter from Department of Transportation
2. Letter from Belvedere Fire Department
3. Map



South Carolina
Department of Transportation

July 26, 2013

Nolan L. Wiggins, Jr., Director
Division of General Services
SC Budget and Control Board
1200 Senate Street, Suite 460
Columbia, South Carolina 29201

RE: 1.07 Acre surplus parcel located on US Route 25, Aiken County, MSC 108

Dear Mr. Wiggins:

As a result of the South Carolina Department of Transportation (SCDOT) consolidating its maintenance operations, a 1.07-acre parcel has been declared surplus, and approval was obtained from the SC Budget and Control Board on October 30, 2012 to sell the property for no less than the appraised value of \$54,000. The property is located in Aiken County adjacent to the remainder of the old MSC site that was declared surplus and sold to the Belvedere Fire District in 1999. The Belvedere Fire District is interested in purchasing this property to assemble with their adjoining parcel. The parcel is a flag-shaped lot with limited road frontage and would most benefit the adjoining landowner.

The property was offered to the Belvedere Fire District for the above mentioned amount, but the Fire District replied that it did not have adequate funds to purchase the property for that amount and counter-offered \$20,000, with an explanation that the property would be used to train fire fighters, which is in the public interest. Please find attached their letter stating the same. The South Carolina Department of Transportation (SCDOT) approves selling the property to the Belvedere Fire District for \$20,000 in the interest of providing training for fire fighters and would respectfully request the concurrence of the Budget and Control Board at the next scheduled meeting.

Please review and advise upon receiving word that all approvals have been obtained.

Yours very truly,

Robert J. St. Orge, Jr.
Secretary of Transportation

RJS:kec
Enclosure
File: PC/BWK



Belvedere Fire Department

Serving the Belvedere Community Since 1953

204 Hampton Avenue • Belvedere, South Carolina 29841
Business Phone (803) 279-5505 • FAX (803) 279-5528

July 08, 2013

RE: File MSC 108 – US Route 25 – Aiken County

To whom this may concern:

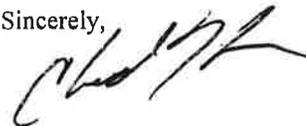
This letter is in addition to my previous letter referencing our \$20,000 purchase offer for the above parcel. This purchase would allow training for twenty departments, and over six hundred firefighters in our county, as well as Edgefield county departments that run mutual aid within our county. We do not currently have a training facility to handle the overwhelming training demands that is required by our firefighters. The Aiken burn building and repelling tower is located in the city of Aiken and controlled by Aiken Public Safety but has not been up to standards in several years.

Belvedere Fire Department protects a community of roughly 6,000 people and close to 2,500 homes and businesses. We also cover SC Hwy 25 and eight miles of Interstate 20. We serve an area that is continuously growing.

Of our \$14,900 budget, approved by the State Firefighters Association, we only have \$1,000 approved in training materials. We have saved and raised money with donations to help reach our goal to provide a facility for training our men and women with life saving skills and all departments to better serve their communities.

We purchased the front property, that was not in use by the state in 1999, and built our second station to help better protect the northern part of the county. This gave us better response to Edgefield county as mutual aid as well. We were required to put a gate and extra fence in when we purchased the front property, but the state has not maintained, nor had use of the requested parcel since that time. Local DOT officials advised that they have no use for this land, therefore do not maintain the land. It will take a lot of work and money to get this property ready for use, but our firefighters are willing to do whatever it takes. The money used to pay for the parcel could go far with other projects, but we feel that better protection and service to residents and visitors of our state is of greatest importance. I appreciate your time and look forward to hearing from you.

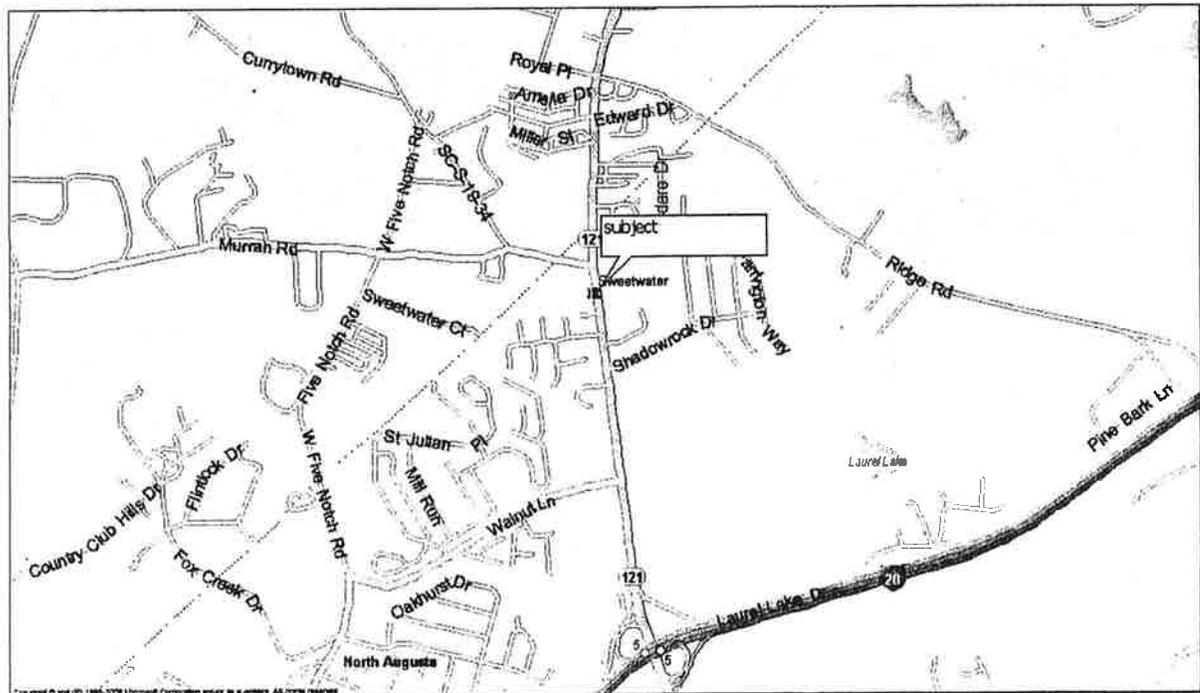
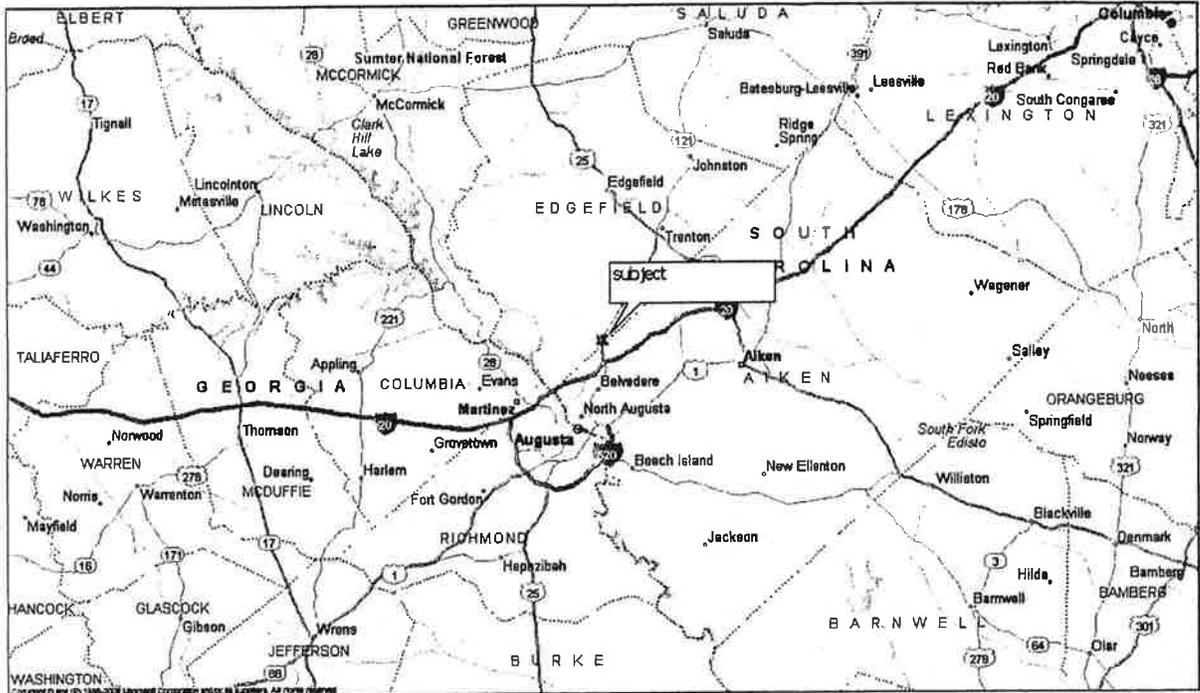
Sincerely,



Chad Hyler
Chief Belvedere Fire Department



LOCATION OF SUBJECT



STATE BUDGET AND CONTROL BOARD

MEETING OF September 3, 2013

BLUE AGENDA

ITEM NUMBER

4

AGENCY:

Division of General Services

SUBJECT:

Request by Department of Natural Resources to Enter Sanctuary Agreements on Bird Key-Stono, Crab Bank and Deveaux Bank Islands in Charleston County

The Department of Natural Resources (DNR) has determined that enhanced protection for nesting birds on Bird Key-Stono, Crab Bank and Deveaux Bank Islands is necessary so that the Department may control visitation by humans and pets which is harmful to nesting sea bird populations. Some years ago, the islands were previously dedicated as heritage preserves and placed in the South Carolina Heritage Trust Program. DNR has determined that its ability to control access to these islands is insufficient for the level of protection it deems necessary for nesting sea birds. DNR will have the authority to prohibit hunting and trespassing on the islands and to limit or prevent human access to the islands during such times or seasons as it deems necessary. Sanctuary Agreements for these areas were approved by the Budget and Control Board on March 21, 2006, but have now expired and the agreements for current approval are identical to the previous agreements.

BOARD ACTION REQUESTED:

Authorize the staff to enter Sanctuary Agreements.

ATTACHMENTS:

Agenda item worksheet; Letter from Department of Natural Resources; Proposed Sanctuary Agreements; SC Code of Laws Section 50-11-860

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 3, 2013

1. Submitted by:

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


Nolan L. Wiggins, Jr. Director

2. Subject: Request by Department of Natural Resources to enter Sanctuary Agreements on Bird Key-Stono, Crab Bank and Deveaux Bank Islands in Charleston County

3. Summary Background Information:

The Department of Natural Resources (DNR) has determined that enhanced protection for nesting birds on Bird Key-Stono, Crab Bank and Deveaux Bank Islands is necessary so that the Department may control visitation by humans and pets which is harmful to nesting sea bird populations. Some years ago, the islands were previously dedicated as heritage preserves and placed in the South Carolina Heritage Trust Program. DNR has determined that its ability to control access to these islands is insufficient for the level of protection it deems necessary for nesting sea birds. DNR will have the authority to prohibit hunting and trespassing on the islands and to limit or prevent human access to the islands during such times or seasons as it deems necessary. Sanctuary Agreements for these areas were approved by the Budget and Control Board on March 21, 2006, but have now expired and the agreements for current approval are identical to the previous agreements.

4. What is Board asked to do? Authorize the staff to enter Sanctuary Agreements.

5. What is recommendation of Board Division involved? Authorize the staff to enter Sanctuary Agreements.

6. List of Supporting Documents:

- (a) Letter from Department of Natural Resources
- (b) Proposed Sanctuary Agreements
- (c) SC Code of Laws Section 50-11-860

South Carolina Department of
Natural Resources



Alvin A. Taylor
Director

Office of Chief Counsel
Buford S. Mabry, Jr.
Paul S. League

July 15, 2013

HAND DELIVERED

Mr. Scott Capell
Division of General Services
SC State Budget & Control Board
1200 Senate St, Ste 460
Wade Hampton Bldg
Columbia, SC 29201

RE: Request for Renewal/Approval/Sanctuary Agreements – Bird Key-Stono, Crab Bank, and Deveaux Bank

Dear Mr. Capell:

This letter is a request on behalf of the South Carolina Department of Natural Resources (DNR) that the South Carolina State Budget and Control Board (Board) enter into sanctuary agreements with the DNR covering three islands. The islands are Bird Key-Stono, Crab Bank, and Deveaux Bank in Charleston County. I enclose herewith three proposed agreements, which are authorized under Section 50-11-860, SC Code Ann.. The agreements are identical to previous agreements for the same properties.

The purpose of the proposed sanctuaries is to provide enhanced protection for nesting bird populations on the islands. Heretofore, the Board and the DNR have entered into separate dedication agreements covering each island under the South Carolina Heritage Trust Program. These agreements primarily protect the islands from development or use for any purpose detrimental to the nesting shore birds; however, the dedication agreements are of limited use in controlling casual visitation by humans and dogs. The enforcement provisions in the Heritage Trust Program are based upon someone actually damaging the property. The nesting birds may be harmed significantly by the mere presence of humans, even though the land itself may suffer no injury. The sanctuary agreements will prohibit hunting and trespassing on the islands. Trespassing does not depend upon damage to the land; moreover, DNR Enforcement Officers will be able to enforce the agreements by issuing citations for violation of Section 50-11-860.

Please contact me if you require any additional information at this time.

Sincerely,

Paul S. League
Deputy Chief Counsel

Copy: Alvin A. Taylor
Ken Prosser
Felicia Sanders

WHEREAS, the State Budget and Control Board is desirous of protecting and enhancing the populations of birds and animals inhabiting the hereinafter described property by designating the land, including any tidelands, marshlands, lowlands, wetlands, beaches, creeks, and canals contained in and immediately abutting the hereinafter described property as a sanctuary, as recommended by the Director.

WHEREAS, the Director of the South Carolina Department of Natural Resources has determined that it is in the best interests of the birds and animals inhabiting said land to designate said property as described hereinafter as a sanctuary for the protection, conservation, and propagation of said birds and animals; and

Page 377, and

WHEREAS, the Director of the South Carolina Department of Natural Resources has determined that it is in the best interests of the birds and animals inhabiting said land to designate said property as described hereinafter as a sanctuary for the protection, conservation, and propagation of said birds and animals; and

WHEREAS, the South Carolina Department of Natural Resources, successor to the South Carolina Wildlife and Marine Resources Department, the Board of the South Carolina Department of Natural Resources, as successor to the South Carolina Wildlife and Marine Resources Commission, and the South Carolina State Budget and Control Board dedicated certain land in Charleston County as a South Carolina Heritage Preserve as provided in that certain Dedication Agreement, dated February 9, 1982, and filed in the office of the Clerk of Court for Charleston County, South Carolina at Book L 128 at

WHEREAS, the South Carolina Department of Natural Resources, successor to the South Carolina Wildlife and Marine Resources Department, the Board of the South Carolina Department of Natural Resources, as successor to the South Carolina Wildlife and Marine Resources Commission, and the South Carolina State Budget and Control Board dedicated certain land in Charleston County as a South Carolina Heritage Preserve as provided in that certain Dedication Agreement, dated February 9, 1982, and filed in the office of the Clerk of Court for Charleston County, South Carolina at Book L 128 at

WHEREAS, S.C. Code Ann. § 50-11-860, provides that the South Carolina Department of Natural Resources shall, without any cost whatsoever to the State, designate and establish sanctuaries, where birds and animals may breed unmolested; and

WHEREAS, the State of South Carolina is the owner of an island known as Bird Key-Stono, which island is managed by the South Carolina State Budget and Control Board; and

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)
SANCTUARY AGREEMENT)

NOW, KNOW ALL MEN BY THESE PRESENTS, that the State of South Carolina does hereby consent and agree to set aside the hereinafter described property for a period of five (5) years from the date hereof under the provisions herein and under the provisions of the aforementioned statute, as and for a sanctuary, free from all charges of rent and other charges, in consideration of the South Carolina Department of Natural Resource's agreement to manage access to the property for the aforesaid purposes.

IT IS EXPRESSLY UNDERSTOOD AND AGREED, that this Agreement shall in no way prevent the general public from entering any freely navigable uncontrolled waters as described herein for the purpose of fishing from boats; and

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED, that the South Carolina Department of Natural Resources has the right to prohibit hunting or trespassing, as defined by the Department, to prohibit dogs, to post, and prevent trespassing thereon, and to limit visitation to the island to such times and seasons and to such extent, as may be determined solely by the Department, and that the Department may do any and all things necessary to protect said property as a sanctuary without any charges or expense in connection therewith on the part of the State Budget and Control Board; and

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED, that the South Carolina Department of Natural Resources reserves the right to take deer, feral hogs, and other species if deemed necessary to control population numbers in support of any birds or animals deemed in need of protection by the South Carolina Department of Natural Resources, which action may be accomplished by special limited hunts, and

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED, that this Agreement shall bind the parties hereto and their successors and assigns for a period of five (5) years from the date hereof; and

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED, that this Agreement may be terminated or modified by either party hereto by thirty (30) days written notice thereof.

The lands, tidelands, marshlands, lowlands, wetlands, creeks, canals and other waterways over

which the Department of Natural Resources is hereby given authority to designate and establish as a

sanctuary are described as follows:

This Agreement includes the lands and tidelands, marshland, lowlands, wetlands, creeks, canals, and other waterways to the mean low water mark contained within the herein below described property and delineated on the map attached hereto designated "Exhibit A - Bird Key Stono."

All that certain piece, parcel or shoal of land situated, lying and being in the Stono River inlet between Folly Island and Kiawah Island in the County of Charleston, State of South Carolina, containing 20 acres, more or less, and known generally as Bird Key-Stono and shown in red as "Bird Key" on the National Ocean Survey Map updated to January 12, 1980; apportion of which is attached hereto and made a part hereof by reference (see "Exhibit A- Bird Key-Stono). It is noted that "Bird Key" may change in size and location from time to time from natural processes.

Approved by the State Budget and Control Board at its meeting of _____, 2013.

WITNESS, our hands and seal this _____ day of _____, 2013.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

THE STATE OF SOUTH CAROLINA,
BY AND THROUGH THE STATE
BUDGET AND CONTROL BOARD

BY: _____
Director
General Services Division

THE SOUTH CAROLINA DEPARTMENT
OF NATURAL RESOURCES

BY: _____
Alvin A. Taylor
Director

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

PERSONALLY appeared before me _____ and made

oath that he saw the within named State of South Carolina, by and through the State Budget and Control Board, General Services Division, by _____, its Director, sign, seal and as its act and deed deliver the within-written Deed, for the uses and purposes therein mentioned, and that he with _____, witnessed the execution thereof.

SWORN to before me this _____

day of _____, 2013.

NOTARY PUBLIC FOR SOUTH CAROLINA

_____ MY COMMISSION EXPIRES:

MY COMMISSION EXPIRES: _____

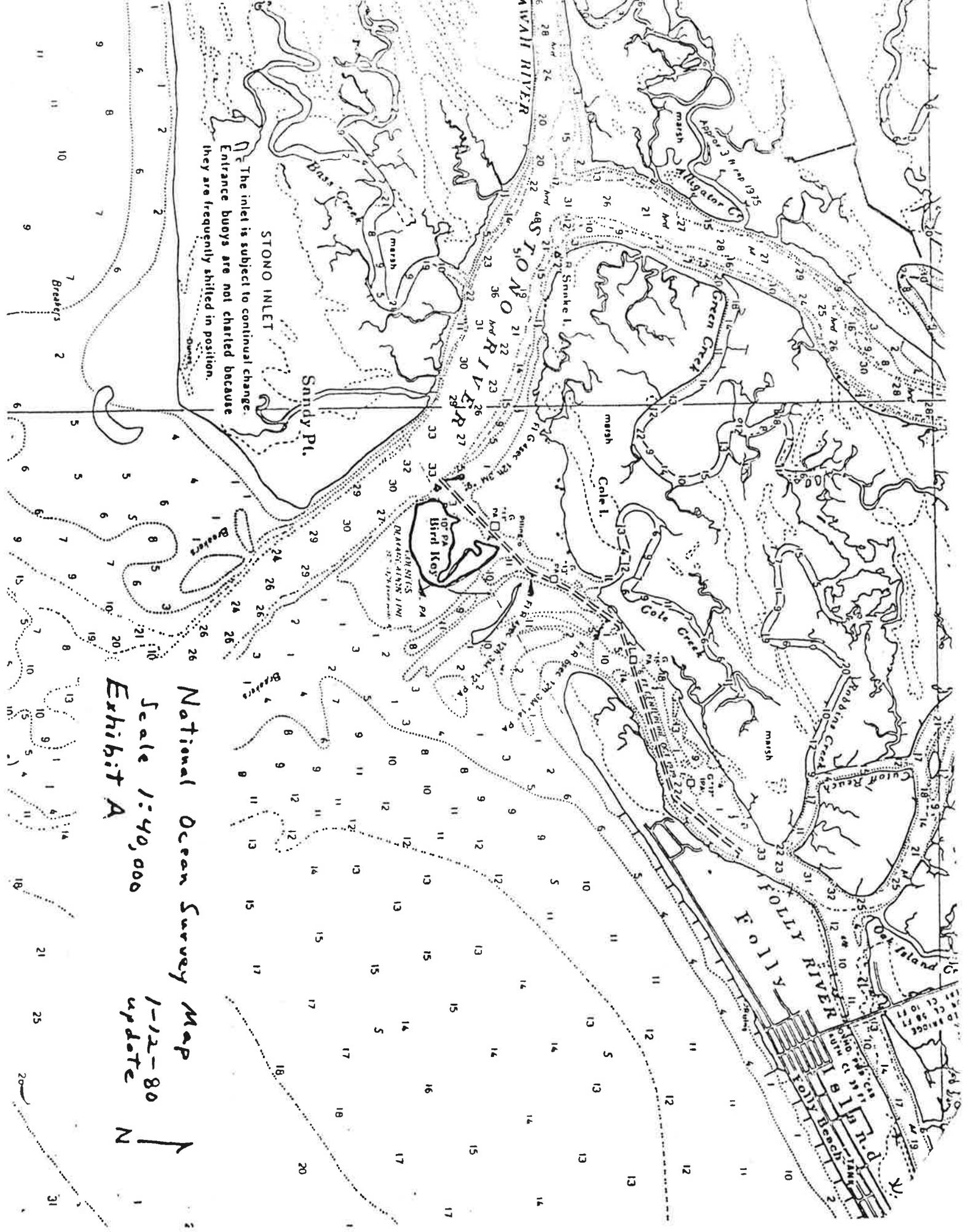
NOTARY PUBLIC FOR SOUTH CAROLINA

day of _____, 2013.

SWORN to before me this _____

PERSONALLY appeared before me _____, who being
duly sworn, says on oath that he/she saw the written-named South Carolina Department of Natural
Resources by Alvin A. Taylor, its Director, sign, seal and as its act and deed deliver the within instrument
for the uses and purposes therein mentioned, and that he/she with
_____ witnessed the execution thereof.

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)



The inlet is subject to continual change.
Entrance buoys are not charted because
they are frequently shifted in position.

National Ocean Survey Map
Scale 1:40,000
Exhibit A
1-12-80
update
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N

date hereof under the provisions herein and under the provisions of the aforementioned statute, as and for consent and agree to set aside the hereinafter described property for a period of five (5) years from the NOW, KNOW ALL MEN BY THESE PRESENTS, that the State of South Carolina does hereby

immediately abouting the hereinafter described property as a sanctuary, as recommended by the Director. including any tidelands, marshlands, lowlands, wetlands, beaches, creeks, and canals contained in and populations of birds and animals inhabiting the hereinafter described property by designating the land, WHEREAS, the State Budget and Control Board is desirous of protecting and enhancing the animals; and

described hereinafter as a sanctuary for the protection, conservation, and propagation of said birds and that it is in the best interests of the birds and animals inhabiting said land to designate said property as WHEREAS, the Director of the South Carolina Department of Natural Resources has determined the Clerk of Court for Charleston County, South Carolina at Book D 201 at Page 736, and

that certain Heritage Preserve Dedication Agreement, dated February 2, 1990, and filed in the office of Board dedicated certain land in Charleston County as a South Carolina Heritage Preserve as provided in Carolina Wildlife and Marine Resources Department, and the South Carolina State Budget and Control WHEREAS, the South Carolina Department of Natural Resources, successor to the South where birds and animals may breed unmolested; and

Natural Resources shall, without any cost whatsoever to the State, designate and establish sanctuaries, WHEREAS, S.C. Code Ann. § 50-11-860, provides that the South Carolina Department of which island is managed by the South Carolina State Budget and Control Board; and

WHEREAS, the State of South Carolina is the owner of an island known as Deveaux Bank,

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)
SANCTUARY AGREEMENT)

a sanctuary, free from all charges of rent and other charges, in consideration of the South Carolina Department of Natural Resource's agreement to manage access to the property for the aforesaid purposes. IT IS EXPRESSLY UNDERSTOOD AND AGREED, that this Agreement shall in no way prevent the general public from entering any freely navigable uncontrolled waters as described herein for the purpose of fishing from boats; and

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED, that the South Carolina Department of Natural Resources has the right to prohibit hunting or trespassing, as defined by the Department, to prohibit dogs, to post, and prevent trespassing thereon, and to limit visitation to the island to such times and seasons and to such extent, as may be determined solely by the Department, and that the Department may do any and all things necessary to protect said property as a sanctuary without any charges or expense in connection therewith on the part of the State Budget and Control Board; and

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED, that the South Carolina Department of Natural Resources reserves the right to take deer, feral hogs, and other species if deemed necessary to control population numbers in support of any birds or animals deemed in need of protection by the South Carolina Department of Natural Resources, which action may be accomplished by special limited hunts; and

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED, that this Agreement shall bind the parties hereto and their successors and assigns for a period of five (5) years from the date hereof; and

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED, that this Agreement may be terminated or modified by either party hereto by thirty (30) days written notice thereof.

The lands, tidelands, marshlands, lowlands, wetlands, creeks, canals and other waterways over which the Department of Natural Resources is hereby given authority to designate and establish as a sanctuary are described as follows:

This Agreement includes the lands and tidelands, marshland, lowlands, wetlands, creeks, canals, and other waterways to the mean low water mark contained within the herein below described property and delineated on the map attached hereto designated "Exhibit A - Deveaux Bank."

All that certain piece, parcel or shoal of land situate, lying, and being in the North Edisto River inlet in the vicinity of the southern end of Seabrook Island and northward from Botany Bay Island in the County of Charleston, State of South Carolina, containing 15 acres, more or less, but subject to change of size and location by the forces of nature; known generally as Deveaux Bank and shown as "Deveaux Bank" on the U.S. Coast and Geodetic Survey map and the Rockville quadrangle of South Carolina, updated by photorevision in 1971, a portion of which is attached hereto and made a part hereof by reference as Exhibit A.

Approved by the State Budget and Control Board at its meeting of _____, 2013.

WITNESS, our hands and seal this _____ day of _____, 2013.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

THE STATE OF SOUTH CAROLINA,
BY AND THROUGH THE STATE
BUDGET AND CONTROL BOARD

BY: _____

Director
General Services Division

THE SOUTH CAROLINA DEPARTMENT
OF NATURAL RESOURCES

BY: _____

Alvin A. Taylor
Director

STATE OF SOUTH CAROLINA)
)
)
) COUNTY OF RICHLAND)

PERSONALLY appeared before me _____ and made

oath that he saw the within named State of South Carolina, by and through the State Budget and Control Board, General Services Division, by _____, its Director, sign, seal and as its act and deed deliver the within-written Deed, for the uses and purposes therein mentioned, and that he with _____, witnessed the execution thereof.

SWORN to before me this _____

day of _____, 2013.

NOTARY PUBLIC FOR SOUTH CAROLINA

_____ MY COMMISSION EXPIRES:

DEVEAUX BANK

SUBJECT AREA

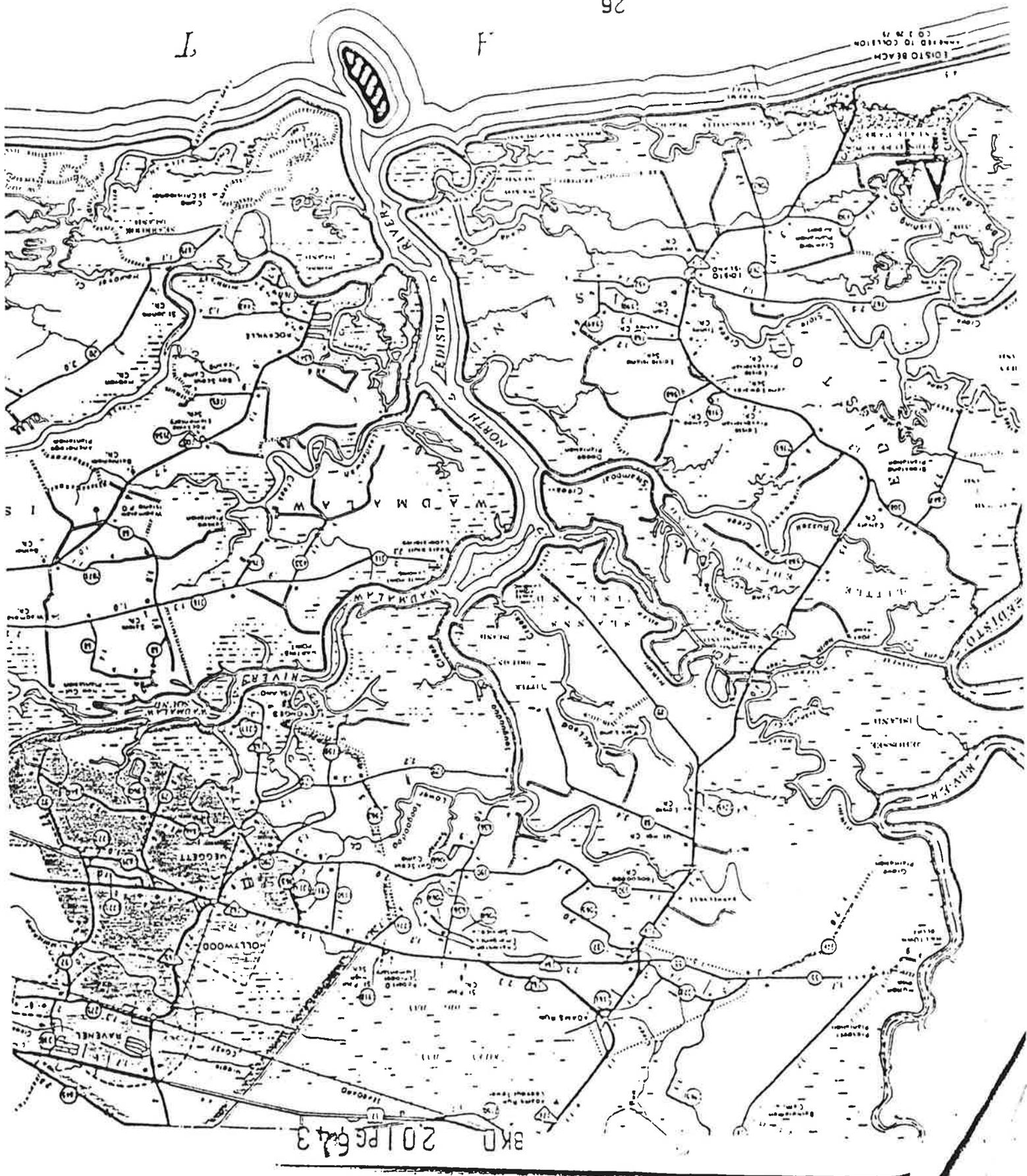


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EDISTO BEACH
UNLAWFUL COLLISION
CO 2 2 2 2



BKD 201 pg 643

date hereof under the provisions herein and under the provisions of the aforementioned statute, as and for consent and agree to set aside the hereinafter described property for a period of five (5) years from the NOW, KNOW ALL MEN BY THESE PRESENTS, that the State of South Carolina does hereby

immediately abutting the hereinafter described property as a sanctuary, as recommended by the Director, including any tidelands, marshlands, lowlands, wetlands, beaches, creeks, and canals contained in and populations of birds and animals inhabiting the hereinafter described property by designating the land, WHEREAS, the State Budget and Control Board is desirous of protecting and enhancing the

animals; and

described hereinafter as a sanctuary for the protection, conservation, and propagation of said birds and that it is in the best interests of the birds and animals inhabiting said land to designate said property as WHEREAS, the Director of the South Carolina Department of Natural Resources has determined

the Clerk of Court for Charleston County, South Carolina at Book M 323 at Page 687, and

that certain Dedication Agreement, dated February 2, 1999 and March 11, 1999, and filed in the office of Board dedicated certain land in Charleston County as a South Carolina Heritage Preserve as provided in Carolina Wildlife and Marine Resources Department, and the South Carolina State Budget and Control

WHEREAS, the South Carolina Department of Natural Resources, successor to the South

where birds and animals may breed unmolested; and

Natural Resources shall, without any cost whatsoever to the State, designate and establish sanctuaries, WHEREAS, S.C. Code Ann. § 50-11-860, provides that the South Carolina Department of

island is managed by the South Carolina State Budget and Control Board; and

WHEREAS, the State of South Carolina is the owner of an island known as Crab Bank, which

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)
SANCTUARY AGREEMENT)

a sanctuary, free from all charges of rent and other charges, in consideration of the South Carolina Department of Natural Resource's agreement to manage access to the property for the aforesaid purposes. IT IS EXPRESSLY UNDERSTOOD AND AGREED, that this Agreement shall in no way prevent the general public from entering any freely navigable uncontrolled waters as described herein for the purpose of fishing from boats; and

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED, that the South Carolina Department of Natural Resources has the right to prohibit hunting or trespassing, as defined by the Department, to prohibit dogs, to post, and prevent trespassing thereon, and to limit visitation to the island to such times and seasons and to such extent, as may be determined solely by the Department, and that the Department may do any and all things necessary to protect said property as a sanctuary without any charges or expense in connection therewith on the part of the State Budget and Control Board; and

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED, that the South Carolina Department of Natural Resources reserves the right to take deer, feral hogs, and other species if deemed necessary to control population numbers in support of any birds or animals deemed in need of protection by the South Carolina Department of Natural Resources, which action may be accomplished by special limited hunts; and

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED, that this Agreement shall bind the parties hereto and their successors and assigns for a period of five (5) years from the date hereof; and

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED, that this Agreement may be terminated or modified by either party hereto by thirty (30) days written notice thereof.

The lands, tidelands, marshlands, lowlands, wetlands, creeks, canals and other waterways over which the Department of Natural Resources is hereby given authority to designate and establish as a sanctuary are described as follows:

This Agreement includes the lands and tidelands, marshland, lowlands, wetlands, creeks, canals, and other waterways to the mean low water mark contained within the herein below described property and delineated on the map attached hereto designated "Exhibit A - Crab Bank."

All that certain piece, parcel, or tract of land situate, lying and being in Charleston Harbor in the County of Charleston, State of South Carolina, containing 22 acres, more or less, and known generally as "Crab Bank" and shown on the U.S. Department of Commerce Nautical Chart, Number 11523, entitled "Charleston Harbor Entrance", dated March 1997; a portion of which is attached hereto and made a part hereof by reference. It is noted that Crab Bank may periodically change in size from natural processes.

Approved by the State Budget and Control Board at its meeting of _____, 2013.

WITNESS, our hands and seal this _____ day of _____, 2013.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

THE STATE OF SOUTH CAROLINA,
BY AND THROUGH THE STATE
BUDGET AND CONTROL BOARD

BY: _____
Director
General Services Division

THE SOUTH CAROLINA DEPARTMENT
OF NATURAL RESOURCES

BY: _____
Alvin A. Taylor
Director

STATE OF SOUTH CAROLINA
)
)
)
COUNTY OF RICHLAND

PERSONALLY appeared before me _____ and made

oath that he saw the within named State of South Carolina, by and through the State Budget and

Control Board, General Services Division, by _____, its Director, sign, seal and as its

act and deed deliver the within-written Deed, for the uses and purposes therein mentioned, and that he

with _____, witnessed the execution thereof.

SWORN to before me this _____

day of _____, 2013.

NOTARY PUBLIC FOR SOUTH CAROLINA

MY COMMISSION EXPIRES: _____

STATE OF SOUTH CAROLINA
)
)
)
COUNTY OF RICHLAND

PERSONALLY appeared before me _____, who being
duly sworn, says on oath that he/she saw the written-named South Carolina Department of Natural
Resources by Alvin A. Taylor, its Director, sign, seal and as its act and deed deliver the within instrument
for the uses and purposes therein mentioned, and that he/she with
_____ witnessed the execution thereof.

SWORN to before me this _____
day of _____, 2013.

NOTARY PUBLIC FOR SOUTH CAROLINA
_____ MY COMMISSION EXPIRES: _____

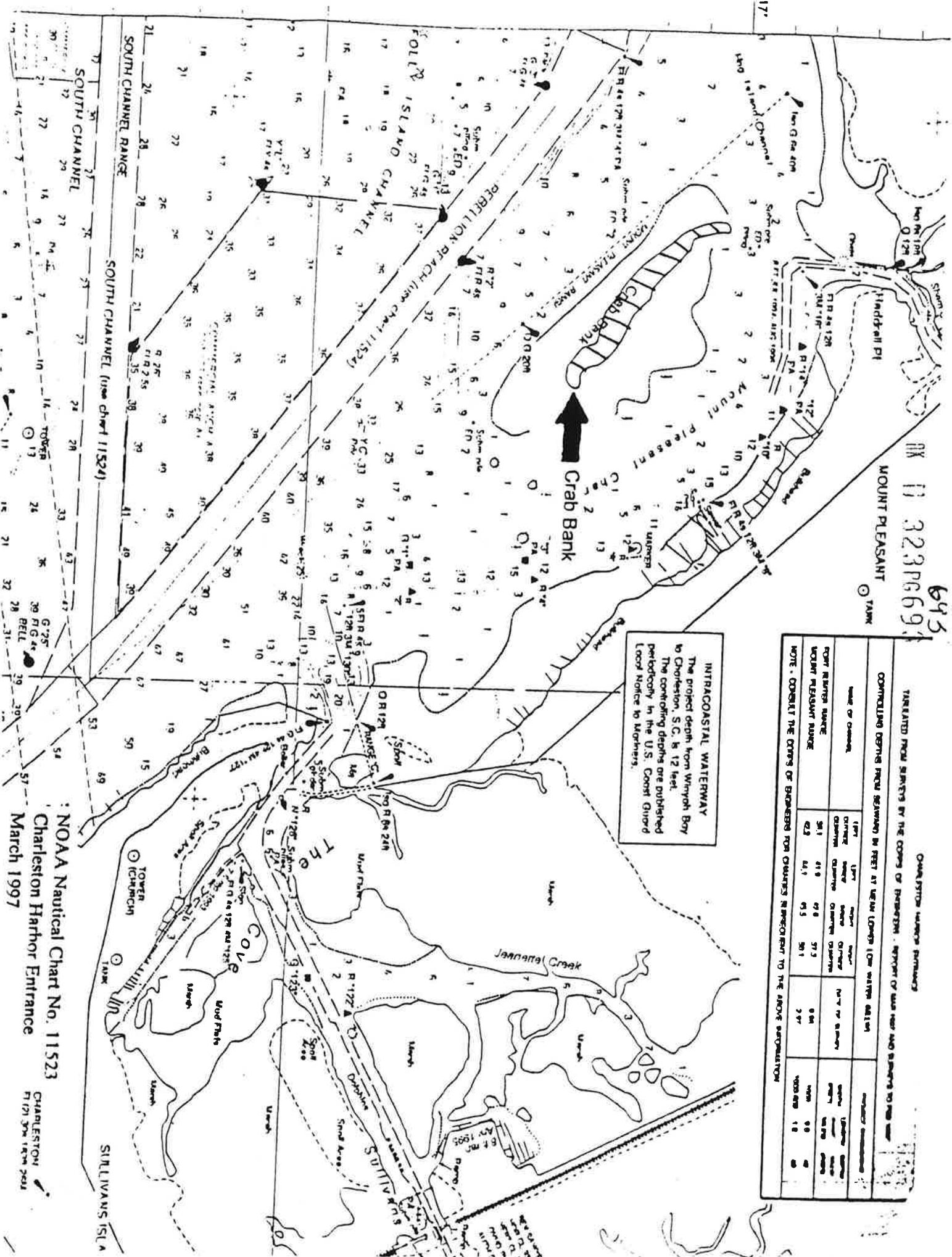
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QUALITY WATERWAY

TREATED FROM SURVEYS BY THE CORPS OF ENGINEERS. REPORT OF SURVEY AND SURVEY TO THE WATERWAY.

NAME OF CHANNEL	DEPTH	DATE	DEPTH	DATE	DEPTH	DATE	DEPTH	DATE
COAST GUARD SURVEY	50.1	41.9	47.8	37.3	38.8	38.8	38.8	38.8
U.S. NAVY SURVEY	42.3	44.1	41.5	30.1	29.7	29.7	29.7	29.7

INTRACOASTAL WATERWAY
The project depth from Winyah Bay to Charleston, S.C. is 12 feet. The controlling depths are published periodically in the U.S. Coast Guard Local Notice to Mariners.



NOAA Nautical Chart No. 11523
Charleston Harbor Entrance
March 1997

CHARLESTON
R 171 304 1400 2000

SOUTH CAROLINA CODE OF LAWS

SECTION 50-11-860. Department to designate and establish sanctuaries; agreements with landowners.

The department, without any costs whatsoever to the State, shall designate and establish sanctuaries where game, birds, and animals may breed unmolested, if any landowner enters into an agreement with the department to set aside and turn over to the State for that purpose a certain number of acres of land. There may be no hunting or trespassing upon these lands so designated as a sanctuary by anyone for five years from the date of the agreement. The department may post those lands so designated as a sanctuary in the name of the State and prosecute any persons hunting or trespassing on the lands. Any agreement entered into under authority given in this section may be terminated at any time by the landowner and the department.

AGENCY: Division of Human Resources

SUBJECT: Appointment of State Employee Grievance Committee Members

Section 8-17-340 (A) of the S.C. Code of Laws provides that members of the State Employee Grievance Committee be appointed by the Budget and Control Board. The Division of Human Resources recommends the reappointment of the following members for three year terms: Leesa Benggio, State Library; Elizabeth Hill, Department of Juvenile Justice; Terri McGee, Department of Natural Resources; Kenneth Norris, Vocational Rehabilitation Department; and Anne Wolf, Office of the Lieutenant Governor.

Agencies have submitted nominations, and the Division of Human Resources recommends the appointment of the following new members: Kim Aydlette, Department of Education; Dan Koon, Human Affairs Commission; and Mark Pleasant, Department of Transportation. Ms. Aydlette, Mr. Koon and Mr. Pleasant will serve three year terms.

BOARD ACTION REQUESTED:

Approve the following appointments as recommended by the Division of Human Resources to be effective when training is completed:

The reappointment of the following members for three year terms: Leesa Benggio, State Library; Elizabeth Hill, Department of Juvenile Justice; Terri McGee, Department of Natural Resources; Kenneth Norris, Vocational Rehabilitation Division; and Anne Wolf, Office of the Lieutenant Governor; and

The appointment of the following new members: Kim Aydlette, Department of Education; Dan Koon, Human Affairs Commission; and Mark Pleasant, Department of Transportation. Ms. Aydlette, Mr. Koon and Mr. Pleasant will serve three year terms.

ATTACHMENTS:

Agenda item worksheet; Section 8-17-340 (A) of the S.C. Code of Laws, 1976

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

Blue Agenda
 Regular Session
 Executive Session

September 3, 2013

1. Submitted by: (a) Agency: Human Resources Division

(b) Authorized Official Signature

Samuel L. Wilkins

2. Subject: Appointment of State Employee Grievance Committee Members

3. Summary Background Information:

Section 8-17-340 (A) of the S.C. Code of Laws provides that members of the State Employee Grievance Committee be appointed by the Budget and Control Board. The Human Resources Division recommends the reappointment of the following members for three year terms: Leesa Benggio, State Library; Elizabeth Hill, Department of Juvenile Justice; Terri McGee, Department of Natural Resources; Kenneth Norris, Vocational Rehabilitation Department; and Anne Wolf, Office of the Lieutenant Governor.

Agencies have submitted nominations, and the Human Resources Division recommends the appointment of the following new members: Kim Aydlette, Department of Education; Dan Koon, Human Affairs Commission; and Mark Pleasant, Department of Transportation. Ms. Aydlette, Mr. Koon and Mr. Pleasant will serve three year terms.

4. What is Board asked to do?

To approve the recommended appointments to be effective when training by the Human Resources Division is completed.

5. What is recommendation of the Board division involved?

Approval of the recommended appointments.

6. Recommendation of other office (as required)?

Office Name _____

Authorized
Signature _____

7. Supporting Documents:

List those attached:

List those not attached but available:

(1) Section 8-17-340 (A) of the S.C. Code of Laws, 1976

(1) Letters for Reappointment

(2) Letters of Nomination

SECTION 8-17-340. State Employee Grievance Committee; hearings; procedures; appeals.

(A) There is created the State Employee Grievance Committee constituted and appointed to serve as an administrative hearing body for state employee appeals. The State Human Resources Director shall forward to the committee for a hearing all appeals which meet jurisdictional requirements and relate to the following adverse employment actions: terminations, salary decreases based on performance, demotions, suspensions for more than ten days, and reductions in force when the State Human Resources Director determines there is a material issue of fact regarding inconsistent or improper application of the agency's reduction in force plan or policy. The committee shall consist of at least eighteen and not more than twenty-four members who must be appointed by the State Budget and Control Board to serve for terms of three years and until their successors are appointed and qualify. All members of the committee must be selected on a broadly representative basis from among the personnel of the various state agencies as recommended by the agency head.

The committee annually shall elect a chairman from among its members to serve for a one-year term. In addition, the State Human Resources Director may divide the committee into panels of five members to sit at hearings and designate a member to serve as the presiding officer and a member to serve as secretary at all panel hearings. A quorum of a panel consists of at least three members.

Vacancies occurring for a reason other than expiration of a term must be filled by the State Budget and Control Board in the same manner as the original appointments. Members may be reappointed for succeeding terms at the discretion of the State Budget and Control Board. The committee and the State Human Resources Director may recommend to the State Budget and Control Board that it promulgate regulations as necessary to carry out the provisions of this article and the board is authorized to promulgate these and other necessary regulations.

Committee members shall receive their normal pay for the time they are required to be away from their regular assignments. They may be reimbursed as provided by law from funds appropriated to the State Budget and Control Board for expenses, such as meals, lodging, and mileage, when using their personal automobiles, incurred in connection with the performance of necessary committee business.

STATE BUDGET AND CONTROL BOARD
MEETING OF September 3, 2013

BLUE AGENDA
ITEM NUMBER 6

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audit of Midlands Technical College Enterprise Campus Authority

In accordance with Section 59-53-1748(B) of the South Carolina Code of Laws, the Division of Procurement Services has reviewed the procurement system of the Midlands Technical College Enterprise Campus Authority. The audit report is submitted as information only.

BOARD ACTION REQUESTED:

Receive the audit report of the Midlands Technical College Enterprise Campus Authority as information only.

ATTACHMENTS:

Agenda item worksheet; Section 59-53-1784(B) of the South Carolina Code of Laws

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

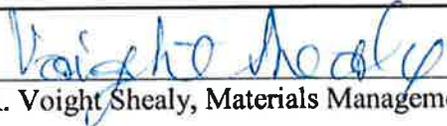
Meeting scheduled for: September 3, 2013

Blue Agenda

1. Submitted by:

(a) Agency: Division of Procurement Services

(b) Authorized Official Signature:


R. Voight Shealy, Materials Management Officer

2. Subject: Procurement Audit of the Midlands Technical College Enterprise Campus Authority

3. Summary Background Information:

In accordance with Section 59-53-1784(B) of the South Carolina Code of Laws, the Division of Procurement Services has reviewed the procurement system of the Midlands Technical College Enterprise Campus Authority. The audit report is submitted as information only.

4. What is Board asked to do?

Receive the audit report as information only.

5. What is recommendation of Board division involved?

We recommend the report be received as information only.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

(a) Section 59-53-1784(B) of the South Carolina Code of Laws

SECTION 59-53-1784. Lease agreements for construction and use of Enterprise Campus facilities; procurement policy; disposal of surplus property.

(B) For all matters associated with the Enterprise Campus, the authority is exempt from the South Carolina Consolidated Procurement Code, however, the authority shall adopt a procurement policy requiring competitive solicitations, and the policy must be filed with and approved by the State Budget and Control Board. The policy must include provisions for audit and recertification.

AGENCY: Division of Procurement Services

SUBJECT: Request for Reauthorization of the Midlands Technical College Enterprise Campus Authority's Procurement Policy

Midlands Technical College Enterprise Campus Authority requests that the Budget and Control Board reauthorize the Midlands Technical College Enterprise Campus Authority's procurement policy.

The Authority makes this request in accordance with Section 59-53-480(B) of the South Carolina Code of Laws, which exempts the Authority from the South Carolina Consolidated Procurement Code, provided the authority adopts a procurement policy requiring competitive solicitations. As a condition of adoption, the statute requires that the policy be filed with and approved by the State Budget and Control Board. The Board originally approved the procurement policy at its September 2006 meeting. On February 23, 2010, the Board reauthorized the Authority's procurement policy. Midlands Technical College Enterprise Campus Authority requests that the Budget and Control Board reauthorize the Procurement Policy. The Authority requested no changes to the current policy.

BOARD ACTION REQUESTED:

As requested by Midlands Technical College Enterprise Campus Authority, reauthorize the Authority's procurement policy.

ATTACHMENTS:

Agenda item worksheet; Section 59-53-480(B) of the South Carolina Code of Laws; Midlands Technical College Enterprise Campus Authority Procurement Policy; Summary comparison of Procurement Policy to the South Carolina Consolidated Procurement Code

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

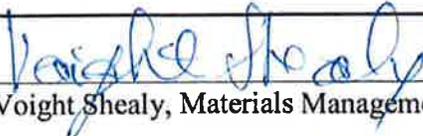
Meeting scheduled for: September 3, 2013

Blue Agenda

1. Submitted by:

(a) Agency: Procurement Services Division

(b) Authorized Official Signature:


R. Voight Shealy, Materials Management Officer

2. Subject: Request for re-authorization of the Midlands Technical College Enterprise Campus Authority's procurement policy

3. Summary Background Information:

Midlands Technical College Enterprise Campus Authority requests that the Budget and Control Board re-authorize the Midlands Technical College Enterprise Campus Authority's procurement policy.

The Authority makes this request in accordance with Section 59-53-480(B) of the South Carolina Code of Laws, which exempts the Authority from the South Carolina Consolidated Procurement Code, provided the authority adopts a procurement policy requiring competitive solicitations. As a condition of adoption, the statute requires that the policy be filed with and approved by the State Budget and Control Board. The Board originally approved the procurement policy at its September, 2006 meeting. That approval expired at the end of the second quarter of the fifth calendar year following approval. On February 23, 2010, the Board re-authorized the Authority's procurement policy. Midlands Technical College Enterprise Campus Authority requests that the Budget and Control Board re-authorize the Procurement Policy. The Authority requested no changes to the current policy.

4. What is Board asked to do?

As requested by Midlands Technical College Enterprise Campus Authority, re-authorize the Authority's procurement policy.

5. What is recommendation of Board division involved?

Consider Midlands Technical College Enterprise Campus Authority's request.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

(a) Section 59-53-480(B) of the South Carolina Code of Laws

(b) Midlands Technical College Enterprise Campus Authority Procurement Policy

(c) Summary comparison of Procurement Policy to the South Carolina Consolidated Procurement Code

SECTION 59-53-480. Exemptions from statutory bonding, leasing, procurement, and disposition of surplus property requirements; adoption of procurement policy.

(A) The authority and its permanent improvements and the financing of them are exempt from the provisions of Chapter 47 of Title 2, and the leasing of property and the granting of easements and rights-of-way by the authority are exempt from the provisions of Sections 1-11-55, 1-11-56, 1-11-57(1), and 10-1-130.

(B) For all matters associated with the enterprise campus, the authority is exempt from the South Carolina Consolidated Procurement Code; except that, the authority shall adopt a procurement policy requiring competitive solicitations, and the policy must be filed with and approved by the State Budget and Control Board. The policy must include provisions for audit and recertification.

(C) The authority is exempt from all regulations and general laws governing disposal of surplus government property.

MIDLANDS TECHNICAL COLLEGE ENTERPRISE CAMPUS AUTHORITY
PROCUREMENT POLICY

ARTICLE 1.

GENERAL PROVISIONS

SECTION 10. Citation.

This document shall be known and may be cited as the Midlands Technical College Enterprise Campus (MTCECA) Authority Procurement Policy”.

(a) As used in this document, unless the context clearly indicates otherwise, “MTCECA Procurement Policy” or “Procurement Policy” means this document including Appendix A, attached hereto, which is incorporated into this document by reference as if it were set out in this document in its entirety.

(b) Unless otherwise stated, all references to codes, procedures or policies pertain to this MTCECA Procurement Policy.

(c) The MTCECA Procurement Policy is adopted pursuant to Section 59-53-1784(B) of the South Carolina Code of Laws.

(d) Every solicitation, and every advertisement, notice or award of a solicitation issued or published pursuant to this Procurement Policy shall state as follows: PURSUANT TO SECTION 59-53-1784(B), THIS PROCUREMENT IS CONDUCTED IN ACCORDANCE WITH THE MTCECA PROCUREMENT POLICY.

SECTION 20. Purpose and policies.

The underlying purposes and policies of the MTCECA Procurement Policy are:

(a) to provide increased economy in MTCECA procurement activities and to maximize to the fullest extent practicable the purchasing values of funds while ensuring that procurements are the most advantageous to the MTCECA and in compliance with the provisions of the Ethics Government Accountability and Campaign Reform Act of 1991, as amended;

(b) to foster effective broad-based competition for MTCECA procurement within the free enterprise system;

(c) to develop procurement capability responsive to appropriate user needs;

(d) to permit the continued development of explicit and thoroughly considered procurement policies and practices;

(e) to require the adoption of competitive procurement policies and practices by MTCECA;

(f) to ensure the fair and equitable treatment of all persons who deal with MTCECA; and

(g) to provide safeguards for the maintenance of a procurement system of quality and integrity with clearly defined rules for ethical behavior on the part of all persons engaged in the MTCECA procurement process.

SECTION 30. Obligation of good faith.

Every contract or duty within the MTCECA Procurement Policy imposes an obligation of good faith in its negotiation, performance or enforcement. “Good faith” means honesty in fact in the conduct or transaction concerned and the observance of reasonable commercial standards of fair dealing.

SECTION 35. MTCECA may not designate surety company.

If the MTCECA, enters into a procurement contract and requires the bidder to provide a surety bond to secure the bid or the performance or payment of the contract, MTCECA may not require that the surety bond be furnished by a particular surety company or through a particular agent or broker.

SECTION 40. Application of MTCECA Procurement Policy.

(1) General Application. This MTCECA Procurement Policy applies only to contracts solicited or entered into after the approval of MTCECA Procurement Policy by the State Budget and Control Board unless the parties agree to its application to a contract entered into prior to that date.

(2) Application to Procurement. The MTCECA Procurement Policy is authorized by Section 59-53-1784(B) and applies to every procurement of supplies, services, or construction by Midlands Technical College Enterprise Campus Authority for matters associated with the Enterprise Campus as that term is defined in Section 59-53-1781.

(3) Compliance with Federal Requirements. Where a procurement involves the expenditure of federal assistance or contract funds, MTCECA shall also comply with such federal law and authorized regulations as are mandatorily applicable and which are not presently reflected in this Procurement Policy. Notwithstanding, where federal assistance or contract funds are used in a procurement by MTCECA, requirements that are more restrictive than federal requirements shall be followed.

(4) The acquisition of any facility or capital improvement by a foundation or eleemosynary organization on behalf of or for the use of MTCECA which involves the use of public funds in the acquisition, financing, construction, or current or subsequent leasing of the facility or capital improvement is subject to the provisions of this Procurement Policy in the same manner as MTCECA. The definition and application of the terms "acquisition", "financing", "construction", and "leasing" are governed by standards and principles established by the State Auditor.

(5) This Procurement Policy, including the accompanying Appendix, does not apply to any construction on real property if (a) the property has been leased by the MTCECA to a non-public entity, (b) the lease was approved pursuant to Section 59-53-1784(A), and (c) the construction is paid for entirely by non-public funds. All construction performed to facilities on the Enterprise Campus, or on real property owned by the MTCECA, shall be performed in compliance with the fire, life and safety codes administered by the State Engineer pursuant to Section 10-1-180, the same as any other public building.

SECTION 45. Payment for supplies and services .

Payment for supplies and services shall be as stated in the terms and conditions of the contract for the supplies and services.

SUBARTICLE 3.

DETERMINATIONS

SECTION 210. Determinations.

Written determinations and findings required by this Procurement Policy shall be retained in an official contract file of MTCECA . Such determinations shall be documented in sufficient detail to satisfy the requirements of audit as provided for in Section 1230.

SUBARTICLE 5.

DEFINITIONS

SECTION 310. Definitions.

Unless the context clearly indicates otherwise:

(2) "Board" means the governing body of the MTCECA.

(4) "Change order" means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual agreement of the parties to the contract.

(5) "Chief officer" means the person, above the level of procurement officer, designated in writing as such by the MTCECA Agency Head.

DELETE

(7) "Construction" means the process of building, altering, repairing, remodeling, improving, or demolishing any Midlands Technical College or MTCECA structure or building or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair or routine maintenance of existing structures, buildings, or real property.

(8) "Contract" means all types of agreements, for the procurement of supplies, services, or construction.

(9) "Contract modification" means a written order signed by the procurement officer, directing the contractor to make changes which the changes clause of the contract authorizes the procurement officer to order without the consent of the contractor.

(10) "Contractor" means any person having a contract with MTCECA.

(13) "Days" means calendar days. In computing any period of time prescribed by this Procurement Policy, or by any order of the Procurement Review Panel, the day of the event from which the designated period of time begins to run is not included. If the final day of the designated period falls on a Saturday, Sunday, or a legal holiday for the state or federal government, then the period shall run to the end of the next business day.

(15) "Designee" means a duly authorized representative of a person with formal responsibilities under the procedure.

(19) "Grant" means the furnishing by the State or the United States government of assistance, whether financial or otherwise, to any person to support a program authorized by law. It does not include an award, the primary purpose of which is to procure specified end products, whether in the form of supplies, services, or construction. A contract resulting from such an award shall not be deemed a grant but a procurement contract.

(20) "Invitation for Bids" means a written or published solicitation issued by an authorized procurement officer for bids to contract for the procurement of stated supplies, services or construction, which will ordinarily result in the award of the contract to the responsible bidder making the lowest responsive bid.

(24) "Procurement" means buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction. It also includes all functions that pertain to the obtaining of any supply, service or construction, including description of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration.

(25) "Procurement officer" means any person duly authorized by MTCECA, to enter into and administer contracts and make written determinations and findings with respect thereto.

(27) "Real property" means any land, all things growing on or attached thereto, and all improvements made thereto including buildings and structures located thereon.

(28) "Request for Proposals (RFP)" means a written or published solicitation issued by the procurement officer for proposals to provide supplies, services, or construction which ordinarily result in the award of

the contract to the responsible bidder making the proposal determined to be most advantageous to MTCECA. The award of the contract must be made on the basis of evaluation factors that must be stated in the RFP.

(29) "Services" means the furnishing of labor, time, or effort by a contractor not required to deliver a specific end product, other than reports which are merely incidental to required performance. This term includes consultant services other than architectural, engineering, land surveying, construction management, and related services.

(30) "Subcontractor" means any person having a contract to perform work or render service to a prime contractor as a part of the prime contractor's agreement with MTCECA.

(31) "Supplies" means all personal property including, but not limited to, equipment, materials, printing, and insurance.

(33) "State Engineer" means the person holding the position as head of the state engineer's office.

(37) "MTCECA" means the Midlands Technical College Enterprise Campus Authority.

SUBARTICLE 7.

PUBLIC ACCESS TO PROCUREMENT INFORMATION

SECTION 410. Public access to procurement information.

Procurement information shall be a public record to the extent required by Chapter 4 of Title 30 (The Freedom of Information Act) with the exception that commercial or financial information obtained in response to a "Request for Proposals" or any type of bid solicitation which is privileged and confidential need not be disclosed.

Privileged and confidential information is information in specific detail not customarily released to the general public, the release of which might cause harm to the competitive position of the party supplying the information. Examples of this type of information would include:

- (1) customer lists;
- (2) design recommendations and identification of prospective problem areas under an RFP;
- (3) design concepts, including methods and procedures;
- (4) biographical data on key employees of the bidder.

Evaluative documents predecisional in nature such as inter- or intra-agency memoranda containing technical evaluations and recommendations are exempted so long as the contract award does not expressly adopt or incorporate the inter- or intra-agency memoranda reflecting the predecisional deliberations.

DELETE

For all documents submitted in response or with regard to any solicitation or other request, the person submitting the documents must comply with any instructions provided in the solicitation for making information exempt from public disclosure. Any information not marked as required by the applicable instructions may be disclosed to the public. Nothing in this subparagraph exempts documents from this disclosure in accordance with Title 30, Chapter 4.

SUBARTICLE 11.

ACCEPTANCE OF GIFTS-IN-KIND AND CERTAIN SERVICES

SECTION 475. MTCECA may accept certain gifts-in-kind; restrictions.

MTCECA may accept gifts-in-kind of architectural or engineering services, or both, and items of construction of value less than two hundred fifty thousand dollars with the approval of the Director of the Office of General Services and designated staff of the Joint Bond Review Committee, provided that these

gifts may not be made or accepted if these gifts are offered with intent of influencing the judgment of MTCECA. No other approvals or procedural requirements, including the provisions of Chapter 35, Title 11, may be imposed on the acceptance of these gifts.

ARTICLE 3.

PROCUREMENT ORGANIZATION

SECTION 540. Authority and duties of MTCECA.

(3) Approval of Operational Procedures. MTCECA may develop internal operational procedures consistent with this Procurement Policy; provided, that such operational procedures are certified in writing by the chief officer as being consistent with this Procurement Policy.

DELETE

SUBARTICLE 3.

EXEMPTIONS

SECTION 710. Exemptions.

Any exemption granted by the Budget and Control Board pursuant to Section 11-35-710 of the South Carolina Code of Laws shall have the same effect on procurements conducted under this Procurement Policy that such an exemption has on procurements conducted pursuant to Title 11, Chapter 35 of the South Carolina Code of Laws. Any exemption granted by Section 11-35-710 of the South Carolina Code of Laws shall have the same effect on procurements conducted under this Procurement Policy that such an exemption has on procurements conducted pursuant to Title 11, Chapter 35 of the South Carolina Code of Laws.

SUBARTICLE 5.

SECTION 840. Delegation of authority.

Subject to this Procurement Policy, the MTCECA agency head may delegate authority to designees .

SECTION 841 Approval by State Budget and Control Board

The MTCECA Procurement Policy was approved by the State Budget and Control Board on January 25, 2005. The MTCECA Procurement Policy shall be resubmitted to the State Budget and Control Board for re-approval during the first quarter of the fifth calendar year following initial approval. The MTCECA Procurement Policy expires at the end of the second quarter of the fifth calendar year following initial approval unless re-approved by the State Budget and Control Board.

SUBARTICLE 9.

AUDITING

SECTION 1230. Auditing

(1) The Materials Management Office in consultation with MTCECA, shall develop written plans for the auditing of procurements conducted pursuant to this Procurement Policy.

Auditors from the Materials Management Office shall review the adequacy of the MTCECA internal controls in order to ensure compliance with the requirement of this Procurement Policy. Any noncompliance discovered through audit must be transmitted in management letters to the MTCECA and the State Budget and Control Board. The auditors shall provide in writing proposed corrective action to MTCECA. Based upon audit recommendations of the Materials Management Office, the State Budget and Control Board may revoke the MTCECA's authority under this Procurement Policy. Costs associated with the internal review and audits are the responsibility of MTCECA and will be paid to the entity performing the audit.

ARTICLE 5.

SOURCE SELECTION AND CONTRACT

SUBARTICLE 1.

DEFINITIONS

SECTION 1410. Definitions of terms used in this article.

Unless the context clearly indicates otherwise:

- (1) "Cost-reimbursement contract" means a contract under which a contractor is reimbursed for costs that are allowable and allocable in accordance with cost principles .
- (2) "Established catalog price" means the price included in a catalog, price list, schedule, or other form that:
 - (a) is regularly maintained by a manufacturer or vendor of an item;
 - (b) is either published or otherwise available for inspection by customers and
 - (c) states prices at which sales are currently or were last made to a significant number of buyers constituting the general buying public for the supplies or services involved.
- (3) "Invitation for bids" means all documents, whether attached or incorporated by reference, utilized for soliciting bids in accordance with the procedures set forth in Section 1520.
- (4) "Purchase description" means specifications or any other document describing the supplies, services, or construction to be procured.
- (5) "Request for proposals" means all documents, whether attached or incorporated by reference, utilized for soliciting proposals.
- (6) "Responsible bidder or offeror" means a person who has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance which may be substantiated by past performance.
- (7) "Responsive bidder or offeror" means a person who has submitted a bid or offer which conforms in all material aspects to the invitation for bids or request for proposals.

SUBARTICLE 3.

METHODS OF SOURCE SELECTION

SECTION 1510. Methods of source selection.

All MTCECA contracts shall be awarded by competitive sealed bidding as provided in Section 1520 except as otherwise provided in:

- (1) Section 1525 (Fixed Priced Bidding);

- (2) Section 1528 (Competitive Best Value Bidding);
- (6) Section 1530 (Competitive Sealed Proposals);
- (7) Section 1540 (Negotiations After Unsuccessful Competitive Sealed Bidding);
- (8) Section 1550 (Small Purchases);
- (9) Section 1560 (Sole Source Procurements);
- (10) Section 1570 (Emergency Procurements);
- (13) Section 3020 (Construction Procurement Procedures);
- (14) Section 3220 (Architect-Engineer, Construction Management and Land Surveying Services Procurement Procedures);
- (15) Section 3230 (Exception for Small Architect-Engineer and Land Surveying Services Contracts).

SECTION 1520. Competitive sealed bidding.

- (1) Condition for Use. Contracts amounting to one hundred thousand dollars or more shall be awarded by competitive sealed bidding except as otherwise provided in Section 1510.
- (2) Invitation for Bids. An invitation for bids shall be issued in an efficient and economical manner and shall include specifications and all contractual terms and conditions applicable to the procurement.
- (3) Notice. Adequate notice of the invitation for bids shall be given at a reasonable time prior to the date set forth therein for the opening of bids. Such notice shall include publications in a newspaper of general circulation in the State such as "South Carolina Business Opportunities" .
- (4) Receipt and Safeguarding of Bids. All bids (including modifications) received prior to the time of opening shall be kept secure and unopened, except as otherwise provided for in this Procurement Policy.
- (5) Bid Opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids and as otherwise provided in this Procurement Policy. The amount of each bid, and such other relevant information , together with the name of each bidder, shall be tabulated. The tabulation shall be open to public inspection at that time.
- (6) Bid Acceptance and Bid Evaluation. Bids shall be accepted unconditionally without alteration or correction, except as otherwise authorized in this Procurement Policy. The invitation for bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that are not set forth in the invitation for bids. Bids shall be evaluated based on the requirements set forth in the invitation for bids and in accordance with this Procurement Policy.
- (7) Correction or Withdrawal of Bids; Cancellation of Awards. Correction or withdrawal of inadvertently erroneous bids before bid opening, withdrawal of inadvertently erroneous bids after award, or cancellation and reaward of awards or contracts, after award but prior to performance may be permitted in accordance with Appendix A. After bid opening no changes in bid prices or other provisions of bids prejudicial to the interest of the MTCECA or fair competition shall be permitted. Except as may otherwise be provided by Appendix A, all decisions to permit the correction or withdrawal of bids, or to cancel awards, or contracts, after award but prior to performance shall be supported by a written determination by the chief officer .
- (8) Discussion with Bidders. As provided in the invitation for bids, discussions may be conducted with apparent responsive bidders for the purpose of clarification to assure full understanding of the requirements of the invitation for bids. All bids, in MTCECA's sole judgment, needing clarification shall be accorded such an opportunity. Clarification of any bidder's bid must be documented in writing by the procurement officer and shall be included with the bid. Documentation concerning the clarification shall be subject to disclosure upon request as required by Section 410.
- (9) Tie Bids. If two or more bidders are tied in price while otherwise meeting all of the required conditions, awards are determined as follows:
 - (a) If there is a South Carolina firm tied with an out-of-state firm, the award must be made automatically to the South Carolina firm.
 - (b) Tie bids involving South Carolina firms must be resolved in favor of the South Carolina firm located in Fairfield, Lexington or Richland County.

(d) Tie bids involving South Carolina firms in Fairfield, Lexington or Richland County must be resolved by the flip of a coin in the office of the procurement officer and witnessed by all interested parties.

(e) In all other situations where bids are tied, the award will be made by the procurement officer to the tied bidder offering the quickest delivery time, or if the tied bidders have offered the same delivery time, the tie shall be resolved by the flip of a coin in the office of the chief officer or MTCECA agency head or designee and witnessed by all interested parties.

(10) Award. Unless there is a compelling reason to reject bids as prescribed by Appendix A, notice of an intended award of a contract to the lowest responsive and responsible bidders whose bid meets the requirements set forth in the invitation for bids shall be given by posting such notice at a location specified in the invitation for bids. Prior to the posting of the award, MTCECA may negotiate with the lowest responsive and responsible bidder to lower his bid within the scope of the invitation for bids. The invitation for bids and the posted notice must contain a statement of a bidder's right to protest under Section 4210(1) and the date and location of posting must be announced at bid opening. When a contract has a total or potential value in excess of one hundred thousand dollars, in addition to the posted notice, notice of an intended award must be given to all bidders responding to the solicitation, except when only one response is received. Such notice must contain a statement of the bidder's right to protest under Section 4210(1).

When a contract has a total or potential value in excess of one hundred thousand dollars, sixteen days after notice is given MTCECA may enter into a contract with the bidder named in the notice in accordance with the provisions of this Procurement Policy and of the bid solicited. When only one response is received, the notice of intended award and the sixteen-day delay of award may be waived. A determination of responsibility must be made before award in accordance with Section 1810.

(11) Request for Qualifications. Prior to soliciting bids, the procurement officer, may issue a request for qualifications from prospective bidders. Such request shall contain at a minimum a description of the supplies or services to be solicited by the invitation for bids, the general scope of the work, the deadline for submission of information, and how prospective bidders may apply for consideration. The request shall require information concerning the prospective bidders' product specifications, qualifications, experience, and ability to perform the requirements of the contract. Adequate public notice of the request for qualifications shall be given in the manner provided in Section 1520(3).

After receipt of the responses to the request for qualifications from prospective bidders, the prospective bidders shall be ranked from most qualified to least qualified on the basis of the information provided. Bids shall then be solicited from at least the top two prospective bidders by means of an invitation for bids. The failure of a prospective bidder to be selected to receive the invitation for bids shall not be grounds for protest under Section 4210.

(13) Minor Informalities and Irregularities in Bids. A minor informality or irregularity is one which is merely a matter of form or is some immaterial variation from the exact requirements of the invitation for bids having no effect or merely a trivial or negligible effect on total bid price, quality, quantity, or delivery of the supplies or performance of the contract, and the correction or waiver of which would not be prejudicial to bidders. The procurement officer shall either give the bidder an opportunity to cure any deficiency resulting from a minor informality or irregularity in a bid or waive any such deficiency when it is to the advantage of MTCECA. Such communication or determination shall be in writing. Examples of minor informalities or irregularities include, but are not limited to:

(a) failure of a bidder to return the number of copies of signed bids required by the solicitation;

(b) failure of a bidder to furnish the required information concerning the number of the bidder's employees or failure to make a representation concerning its size;

(c) failure of a bidder to sign its bid, but only if the firm submitting the bid has formally adopted or authorized the execution of documents by typewritten, printed, or rubber stamped signature and submits evidence of such authorization, and the bid carries such a signature or the unsigned bid is accompanied by other material indicating the bidder's intention to be bound by the unsigned document, such as the submission of a bid guarantee with the bid or a letter signed by the bidder with the bid referring to and identifying the bid itself;

- (d) failure of a bidder to acknowledge receipt of an amendment to a solicitation, but only if:
 - (i) the bid received indicates in some way that the bidder received the amendment, such as where the amendment added another item to the solicitation and the bidder submitted a bid, thereon, provided that the bidder states under oath that it received the amendment prior to bidding and that the bidder will stand by its bid price or,
 - (ii) the amendment has no effect on price or quantity or merely a trivial or negligible effect on quality or delivery, and is not prejudicial to bidders, such as an amendment correcting a typographical mistake in the name of the governmental body;
- (e) failure of a bidder to furnish an affidavit concerning affiliates;
- (f) failure of a bidder to execute the certifications with respect to Equal Opportunity and Affirmative Action Programs;
- (g) failure of a bidder to furnish cut sheets or product literature;
- (h) failure of a bidder to furnish certificates of insurance;
- (i) failure of a bidder to furnish financial statements;
- (j) failure of a bidder to furnish references;
- (k) failure of a bidder to furnish its bidder number; and
- (l) notwithstanding Section 40-11-200(B) of the South Carolina Code of Laws, the failure of a bidder to indicate his contractor's license number or other evidence of licensure, provided that no contract shall be awarded to the bidder unless and until the bidder is properly licensed under the laws of South Carolina.

SECTION 1525. Competitive fixed price bidding.

- (1) Conditions for Use. When the procurement officer determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to MTCECA, a contract may be entered into by competitive fixed price bidding subject to the provisions of Section 1520 and Appendix A, unless otherwise provided for in this section.
- (2) Fixed Price Bidding. The purpose of fixed price bidding is to provide multiple sources of supply for specific supplies or services based on a preset maximum price that the MTCECA will pay for such supplies or services.
- (3) Public Notice. Adequate public notice of the solicitation shall be given in the same manner as provided in Section 1520(3).
- (4) Pricing. The MTCECA shall establish, prior to issuance of the fixed price bid, a maximum amount the MTCECA will pay for the supplies or services desired.
- (5) Evaluation. Vendors' responses to the fixed price bid will be reviewed to determine if they are responsive and responsible.
- (6) Discussion with Responsive Bidders. Discussions may be conducted with apparent responsive bidders to assure understanding of the requirements of the fixed price bid. All bidders whose bids, in the procurement officer's sole judgment, need clarification shall be accorded such an opportunity.
- (7) Award. Award must be made to all responsive and responsible bidders to the MTCECA request for competitive fixed price bidding. The contract file shall contain the basis on which the award is made and must be sufficient to satisfy external audit.
- (8) Bids Received After Award. Bidders not responding to the initial fixed price bid may be added to the awarded vendors' list provided the bidder furnishes evidence of responsibility and responsiveness to the MTCECA original fixed price bid as authorized by the solicitation.
- (9) Remedies. The failure of a specific offeror to receive business, once it has been added to the awarded vendors' list, shall not be grounds for a contract controversy under Section 4230.

SECTION 1528. Competitive best value bidding.

- (1) Conditions for Use. When a procurement officer determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the MTCECA, a contract may be entered

into by competitive best value bidding subject to the provisions of Section 1520 and Appendix A, unless otherwise provided for in this section.

(2) Best Value Bidding. The purpose of best value bidding is to allow factors other than price to be considered in the determination of award for specific supplies or services based on pre-determined criteria identified by the MTCECA.

(3) Public Notice. Adequate public notice of the request for the solicitation shall be given in the same manner as provided in Section 1520(3).

(4) Bid Opening. At bid opening, the only information that will be released is the names of the participating bidders. Cost information will be provided after the ranking of bidders and the issuance of award.

(5) Evaluation Factors. The best value bid shall state the factors to be used in determination of award and the numerical weighting for each factor. Cost must be a factor in determination of award and cannot be weighted at less than sixty percent. Best value bid evaluation factors may include, but are not limited to, any of the following as determined by the MTCECA in its sole discretion and not subject to protest:

(a) operational costs that the MTCECA would incur if the bid is accepted;

(b) quality of the product or service, or its technical competency;

(c) reliability of delivery and implementation schedules;

(d) maximum facilitation of data exchange and systems integration;

(e) warranties, guarantees, and return policy;

(f) vendor financial stability;

(g) consistency of the proposed solution with the MTCECA's planning documents and announced strategic program direction;

(h) quality and effectiveness of business solution and approach;

(i) industry and program experience;

(j) prior record of vendor performance;

(k) vendor expertise with engagement of similar scope and complexity;

(l) extent and quality of the proposed participation and acceptance by all user groups;

(m) proven development methodologies and tools; and

(n) innovative use of current technologies and quality results.

(6) Discussion with Responsive Bidders. Discussions may be conducted with apparent responsive bidders to assure understanding of the best value bid. All bidders whose bids, in the MTCECA's sole judgment, need clarification shall be accorded such an opportunity.

(7) Selection and Ranking. Bids shall be evaluated by using only the criteria stated in the best value bid and by adhering to the weighting as assigned. All evaluation factors, other than cost, will be considered prior to determining the effect of cost on the score for each participating bidder. Once the evaluation is complete, all responsive bidders shall be ranked from most advantageous to least advantageous to the MTCECA, considering only the evaluation factors stated in the best value bid.

(8) Award. Award must be made to the responsive and responsible bidder whose bid is determined, in writing, to be most advantageous to the MTCECA, taking into consideration all evaluation factors set forth in the best value bid. The contract file shall contain the basis on which the award is made and must be sufficient to satisfy external audit.

SECTION 1530. Competitive sealed proposals.

(1) Conditions for Use. When a procurement officer determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to MTCECA, a contract may be entered into by competitive sealed proposals subject to the provisions of Section 1520, unless otherwise provided for in this section. Subject to the requirements of Section 3220, the MTCECA may provide that it is either not practicable or not advantageous to MTCECA to procure specified types of supplies, services, or construction by competitive sealed bidding.

(2) Public Notice. Adequate public notice of the request for proposals shall be given in the same manner as provided in Section 1520(3).

(3) Receipt of Proposals. Proposals shall be opened publicly in accordance with procedures of the MTCECA. A tabulation of proposals shall be prepared and shall be open for public inspection after contract award.

(4) Request for Qualifications. Prior to soliciting proposals, the procurement officer, may issue a request for qualifications from prospective offerors. Such request shall contain at a minimum a description of the supplies or services to be solicited by the request for proposals and the general scope of the work and shall state the deadline for submission of information and how prospective offerors may apply for consideration. The request shall require information only on their qualifications, experience, and ability to perform the requirements of the contract.

After receipt of the responses to the request for qualifications from prospective offerors, the prospective offerors shall be ranked from most qualified to least qualified on the basis of the information provided. Proposals shall then be solicited from at least the top two prospective offerors by means of a request for proposals. The failure of a prospective offeror to be selected to receive the request for proposals shall not be grounds for protest under Section 4210.

(5) Evaluation Factors. The request for proposals shall state the relative importance of the factors to be considered in evaluating proposals but shall not require a numerical weighting for each factor. Price may but need not be an evaluation factor.

(6) Discussion with Offerors. As provided in the request for proposals, discussions may be conducted with apparent responsive offerors for the purpose of clarification to assure full understanding of the requirements of the request for proposals. All offerors, whose proposals, in MTCECA's sole judgment, need clarification shall be accorded such an opportunity.

(7) Selection and Ranking. Proposals shall be evaluated using only the criteria stated in the request for proposals and there must be adherence to any weightings that have been previously assigned. Once evaluation is complete, all responsive offerors shall be ranked from most advantageous to least advantageous to the MTCECA, considering only the evaluation factors stated in the request for proposals. If price is an initial evaluation factor, award shall be made in accordance with Section 1530(9) below.

(8) Negotiations. Whether price was an evaluation factor or not, the procurement officer, may, in its sole discretion and not subject to challenge through a protest filed under Section 4210, proceed in any of the manners indicated below:

(a) negotiate price with the highest ranked offeror. If a satisfactory price cannot be agreed upon, price negotiations may be conducted, in the sole discretion of MTCECA, with the second, and then the third, and so on, ranked offerors to such level of ranking as determined by MTCECA in its sole discretion; or

(b) negotiate with the highest ranking offeror on matters affecting the scope of the contract, so long as the overall nature and intent of the contract is not changed. If a satisfactory contract cannot be negotiated with the highest ranking offeror, negotiations may be conducted, in the sole discretion of MTCECA, with the second, and then the third, and so on, ranked offerors to such level of ranking as determined by MTCECA in its sole discretion; or

(c) during the negotiation process as outlined in subsections (a) and (b) above, if the procurement officer is unsuccessful in its first round of negotiations, it may reopen negotiations with any offeror with whom it previously negotiated; or

(d) if, after following the procedures set forth in this subsection, a contract is not able to be negotiated, the scope of the request for proposals may be changed in an effort to reduce the cost to a fair and reasonable amount, and all responsive offerors must be allowed to submit their best and final offers.

(e) In conducting negotiations, there must be no disclosure of any confidential information derived from proposals and negotiations submitted by competing offerors.

(9) Award. Award must be made to the responsive offeror whose proposal is determined in writing to be the most advantageous to the MTCECA, taking into consideration price and the evaluation factors set forth in the request for proposals, unless the MTCECA determines to utilize one of the options provided

in Section 1530(8). The contract file shall contain the basis on which the award is made and must be sufficient to satisfy external audit. Procedures and requirements for the notification of intent to award the contract shall be the same as those stated in Section 1520(10).

SECTION 1540. Negotiations after unsuccessful competitive sealed bidding.

When bids received pursuant to an invitation for bids under Section 1520 are considered unreasonable by the MTCECA, or are not independently reached in open competition, or the low bid exceeds available funds as certified by the MTCECA fiscal officer, and it is determined in writing by the chief officer, that time or other circumstances will not permit the delay required to resolicit competitive sealed bids, a contract may be negotiated pursuant to this section, provided that:

- (1) each responsible bidder who submitted a bid under the original solicitation is notified of the determination and is given reasonable opportunity to negotiate;
- (2) the negotiated price is lower than the lowest rejected bid by any responsible and responsive bidder under the original solicitation;
- (3) the negotiated price is the lowest negotiated price offered by any responsible and responsive offeror.

SECTION 1550. Bid procedures for Small Purchases.

(1) The following small purchase procedures may be utilized in conducting procurements for MTCECA that are less than one hundred thousand dollars in actual or potential value. Procurement requirements must not be artificially divided by MTCECA so as to constitute a small purchase under this section.

(2) Competition and Price Reasonableness. (a) Purchases Not in Excess of Five Thousand Dollars. Small purchases not exceeding five thousand dollars may be accomplished without securing competitive quotations if the prices are considered to be reasonable.

(b) Purchases from five thousand one cents to twenty five thousand dollars. Solicitations of verbal or written quotes from a minimum of three qualified sources of supply must be made and documentation of the quotes attached to the purchase requisition. The award shall be made to the lowest responsive and responsible source.

(c) Purchases from twenty five thousand one cents to fifty thousand dollars. Solicitation of written quotes from a minimum of three qualified sources of supply must be made and documentation of the quotes attached to the purchase requisition. The award must be made to the lowest responsive and responsible source.

(d) Purchases from fifty thousand one cents to one hundred thousand dollars. Written solicitation of written quotes, bids, or proposals shall be made. The procurement must be advertised at least once in the South Carolina Business Opportunities publication. A copy of the written solicitation and written quotes must be attached to the purchase requisition. Except as otherwise provided in this Procurement Policy, the award shall be made to the lowest responsive and responsible source or, when a request for proposal process is used, the highest ranking offeror.

(3) Protest rights. The provisions of Section 4210 do not apply to contracts awarded under the procedures set forth in this section.

(4) All competitive procurements above fifty thousand dollars must be advertised at least once in the South Carolina Business Opportunities publication.

SECTION 1560. Sole source procurement.

A contract may be awarded for a supply, service, or construction item without competition when, the MTCECA agency head, or a designee above the level of the procurement officer, determines in writing that there is only one source for the required supply, service, or construction item.

Written documentation must include the determination and basis for the proposed sole source procurement. Any delegation of authority respect to sole source determinations must be submitted in

writing to the board. In cases of reasonable doubt, competition must be solicited. Any decision by MTCECA that a procurement be restricted to one potential vendor must be accompanied by an explanation as to why no other will be suitable or acceptable to meet the need.

Any violation of this procedure by MTCECA shall, upon recommendation of the Materials Management Office and with approval of the majority of the State Budget and Control Board, result in the temporary suspension not to exceed one year of the MTCECA's ability to procure supplies, services, or construction items under this section.

SECTION 1570. Emergency procurements.

Notwithstanding any other provision of this Procurement Policy, the MTCECA agency head or a designee above the level of procurement officer may make or authorize others to make emergency procurements only when there exists an immediate threat to public health, welfare, critical economy and efficiency, or safety under emergency conditions provided, that such emergency procurements shall be made with as much competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

SUBARTICLE 5.

CANCELLATION OF SOLICITATIONS

SECTION 1710. Cancellation of invitation for bids or request for proposals.

Any solicitation under this Procurement Policy may be cancelled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interest of MTCECA. The reasons for rejection, supported with documentation sufficient to satisfy external audit, shall be made a part of the contract file. MTCECA shall not be obligated to reimburse offerors for any cost associated with cancellation.

SUBARTICLE 7.

RESPONSIBILITY OF BIDDERS AND OFFERORS

SECTION 1810. Responsibility of bidders and offerors.

(1) **Determination of Responsibility.** Responsibility of the bidder or offeror shall be ascertained for each contract let by MTCECA based upon full disclosure to the procurement officer concerning capacity to meet the terms of the contracts and based upon past record of performance for similar contracts. MTCECA may establish standards of responsibility that shall be enforced in all contracts awarded pursuant to this Procurement Policy.

(2) **Determination of Nonresponsibility.** A written determination of nonresponsibility of a bidder or offeror shall be made in accordance with this Procurement Policy. The unreasonable failure of a bidder or offeror to supply information promptly in connection with an inquiry with respect to responsibility may be grounds for a determination of nonresponsibility with respect to such bidder or offeror.

(3) **Right of Nondisclosure.** Except as otherwise provided by law, information furnished by a bidder or offeror pursuant to this section shall not be disclosed outside of the offices of MTCECA, the Office of the Attorney General, or the procurement officer without prior written consent by the bidder or offeror.

SECTION 1830. Cost or pricing data.

(1) Contractor Certification. A contractor shall, except as provided in subsection (3) of this section, submit cost or pricing data and shall certify that, to the best of his knowledge and belief, the cost or pricing data submitted is accurate, complete, and current as of a mutually determined specified date prior to the date of:

(a) the pricing of any contract awarded by competitive sealed proposals pursuant to Section 1530 or pursuant to the sole source procurement authority as provided in Section 1560 where the total contract price exceeds an amount established by the MTCECA ; or

(b) the pricing of any change order or contract modification which exceeds an amount established by the MTCECA .

(2) Price Adjustment. Any contract, change order or contract modification under which a certificate is required shall contain a provision that the price to MTCECA, including profit or fee, shall be adjusted to exclude any significant sums by which MTCECA finds that such price was increased because the contractor furnished cost or pricing data was inaccurate, incomplete, or not current as of the date agreed upon between MTCECA and the contractor.

(3) Cost or Pricing Data Not Required. The requirements of this section shall not apply to contracts:

(a) where the contract price is based on adequate price competition;

(b) where the contract price is based on established catalog prices or market prices;

(c) where contract prices are set by law or regulations; or

(d) where it is determined in writing that the requirements of this section may be waived and the reasons for such waiver are stated in writing.

SUBARTICLE 9.

TYPES AND FORMS OF CONTRACTS

SECTION 2010. Types of contracts; contract forms;

(1) Types of Contracts. Subject to the limitations of this section, any type of contract which will promote the best interests of MTCECA may be used, except that the use of a cost-plus-a-percentage-of-cost contract shall be approved by the board. A cost-reimbursement contract, including a cost-plus-a-percentage-of-cost contract, shall be used only when a determination sufficient for external audit is prepared showing that such contract is likely to be less costly to the MTCECA than any other type or that it is impracticable to obtain the supplies, services or construction required except under such a contract.

(2) Contract Forms. The MTCECA shall prescribe the form of the contracts to be used in connection with MTCECA purchasing and construction.

SECTION 2030. Multi-term contracts.

(1) Specified Period. Unless otherwise provided by law, a contract for supplies or services shall not be entered into for any period of more than one year unless approved in a manner prescribed in Appendix A; provided, that the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefor.

(2) Determination Prior to Use. Prior to the utilization of a multi-term contract, it shall be determined in writing by the MTCECA:

- (a) that estimated requirements cover the period of the contract and are reasonably firm and continuing;
- (b) that such a contract will serve the best interests of MTCECA by encouraging effective competition or otherwise promoting economies .
- (3) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be canceled.
- (4) The maximum time for any multi-term contract is seven years. Contracts exceeding seven years must be approved by the Board.

SUBARTICLE 11.

AUDIT OF RECORDS

SECTION 2220. Right to audit records.

(1) Audit of Cost or Pricing Data. All MTCECA contracts shall contain a clause setting forth the right at reasonable times and places to audit the books and records of any contractor or subcontractor who has submitted cost or pricing data pursuant to Section 1830 to the extent that such books and records relate to such cost or pricing data. The contract shall further set forth that the contractor or subcontractor who receives a contract, change order, or contract modification for which cost or pricing data is required, shall maintain such books and records that relate to such cost or pricing data for three years from the date of final payment under the contract, unless a shorter period is otherwise authorized in writing by the chief officer; provided, however, that such records shall be retained for additional periods of time beyond this three-year period upon request of the chief officer.

(2) Contract Audit. MTCECA shall be entitled to audit the books and records of a contractor or any subcontractor under any negotiated contract or subcontract other than a firm fixed price contract to the extent that such books and records relate to the performance of such contract or subcontract. Such books and records shall be maintained by the contractor for a period of three years from the date of final payment under the prime contract and by the subcontractor for a period of three years from the date of final payment under the subcontract, unless a shorter period is otherwise authorized in writing by the procurement officer.

SUBARTICLE 13.

DETERMINATIONS AND REPORTS

SECTION 2410. Finality of determinations.

The determinations required by Section 1520(7) (Competitive Sealed Bidding: Correction or Withdrawal of Bids; Cancellation of Awards), Section 1520(11) (Competitive Sealed Bidding: Request for Qualifications), Section 1525(1) (Competitive Fixed Price Bidding: Conditions for Use), Section 1528(1) (Competitive Best Value Bidding: Conditions for Use), Section 1528(8) (Competitive Best Value Bidding: Award), Section 1530(1) (Competitive Sealed Proposals, Conditions for Use), Section 1530(4) (Competitive Sealed Proposals: Request for Qualifications), Section 1530(8) (Competitive Sealed Proposals: Negotiations), Section 1530(9) (Competitive Sealed Proposals, Selection and Ranking of Prospective Offerors), Section 1530(10) (Competitive Sealed Proposals Award), Section 1540 (Negotiations After Unsuccessful Competitive Sealed Bidding), Section 1560 (Sole Source Procurement), Section 1570 (Emergency Procurement), Section 1810(2) (Responsibility of Bidders and Offerors, Determination of Nonresponsibility), Section 1830(3) (Cost or Pricing Data, Cost or Pricing Data Not Required), Section 2010 (Types and Forms of Contracts), Section 2030(2) (Multi-Term Contracts, Determination Prior to Use), Section 3220(5) (Procurement Procedure, Selection and Ranking of the

Three Most Qualified), and Section 4210(7) (Stay of Procurement During Protests, Decision to Proceed) shall be final and conclusive unless they are clearly erroneous, arbitrary, capricious, or contrary to law. The procurement officer or MTCECA's designees shall review samples of such determinations periodically, and issue reports and recommendations on the appropriateness of the determinations made.

SECTION 2420. Reporting of anticompetitive practices.

When any information or allegations concerning anticompetitive practices among any bidders or offerors, come to the attention of the MTCECA, immediate notice of the relevant facts shall be transmitted to the Attorney General.

SECTION 2430. Retention of procurement records.

All procurement records shall be retained and disposed of in accordance with MTCECA policy and procedures. All retained documents shall be made available to the Attorney General or a designee upon request and proper receipt therefor.

SECTION 2440. Records of procurement actions.

(1) Contents of Records. MTCECA shall maintain a record listing contracts to include but not limited to Section 1560 (Sole Source Procurement) or Section 1570 (Emergency Procurements). The procurement officer shall maintain these records for four years and the record shall contain:

- (a) each contractor's name;
- (b) the amount type of each contract;
- (c) a listing of supplies, services, or construction procured under each contract.

(2) Publication of Records. A copy of the record regarding sole source and emergency procurements shall be submitted to the Materials Management Office on an annual basis and shall be available for public inspection.

ARTICLE 7.

SPECIFICATIONS

SUBARTICLE 1.

DEFINITIONS

SECTION 2610. Definitions of terms used in this article.

As used in this article, the term "specifications" means any technical or purchase description or other description of the physical or functional characteristics, or of the nature of a supply, service, or construction item. It may also include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

SUBARTICLE 3.

SPECIFICATIONS

SECTION 2710. Issuance of specifications; duties of the MTCECA.

The MTCECA may prescribe procedures governing the preparation, maintenance, and content of specifications for supplies, services, and construction required by MTCECA.

SECTION 2730. Assuring competition.

All specifications shall be drafted so as to assure cost effective procurement of the MTCECA actual needs and shall not be unduly restrictive.

SECTION 2750. Specifications prepared by architects and engineers.

The requirements of this article regarding the nonrestrictiveness of specifications apply to each solicitation and include, among other things, all specifications prepared by architects, engineers, designers, draftsmen, and land surveyors for MTCECA contracts.

ARTICLE 9.

CONSTRUCTION, ARCHITECT-ENGINEER, CONSTRUCTION MANAGEMENT, AND LAND SURVEYING SERVICES

SUBARTICLE 1.

DEFINITIONS

SECTION 2910. Definitions of terms used in this article.

As used in this article, unless the context clearly indicates otherwise:

- (1) "Architect-engineer and land surveying services" are those professional services associated with the practice of architecture, professional engineering, land surveying, landscape architecture, and interior design pertaining to construction, as defined by the laws of this State, as well as incidental services that members of these professions and those in their employ may logically or justifiably perform, including studies, investigations, surveys, evaluations, consultations, planning, programming conceptual designs, plans and specifications, cost estimates, inspections, shop drawing reviews, sample recommendations, preparation of operating and maintenance manuals, and other related services.
- (2) "Construction" means the process of building, altering, repairing, remodeling, improving, or demolishing any public structure or building or other public improvements of any kind to any real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.
- (3) "Construction management services" are those professional services associated with a system in which MTCECA directly contracts with a professional construction manager to provide that group of management activities required to plan, schedule, coordinate, and manage the design and construction plan of a MTCECA project in a manner that contributes to the control of time, cost, and quality of construction as specified in the construction management contract.

SUBARTICLE 3.

CONSTRUCTION SERVICES

SECTION 3010. Method of construction contracting administration.

The method of construction contracting administration used for a construction project by the MTCECA shall be determined to be that method which is most advantageous to MTCECA and will result in the

most timely, economical, and successful completion of the construction project. The MTCECA shall determine in writing the appropriate method of construction contracting administration for a particular project and shall state in writing the facts and considerations which led to the selection of that particular method.

SECTION 3020. Construction procurement procedures.

(1) Source Selection. All MTCECA construction contracts shall be awarded pursuant to the procedures set forth in Section 1520 or 1530 subject to the exceptions enumerated in subsection (2) of this section and except as provided in Sections 1550, 1560, and 1570.

(2) The competitive processes required by subsection (1) of this section shall be subject to the following exceptions:

(a) Bid Acceptance. MTCECA solicitation shall set forth all requirements of the solicitation including, but not limited to:

(i) MTCECA, in consultation with the architect-engineer assigned to the project, shall identify all major subcontractors, who are expected to perform work for the prime contractor to or about the construction. In addition, MTCECA in consultation with the architect-engineer assigned to the project, may identify by specialty any subcontractors who are expected to perform work which is vital to the project. The determination of which subcontractors are included in the list provided in the solicitation is not protestable under any other provision of this Procurement Policy. Any bidder in response to a solicitation for bids shall set forth in his bid the name of only those subcontractors that will perform the work as identified in the solicitation for bids. If the bidder determines to use his own employees to perform any portion of the work for which he would otherwise be required to list a subcontractor and if the bidder is qualified to perform such work under the terms of the solicitation, the bidder shall list himself in the appropriate place in his bid and not subcontract any of that work except with the approval of MTCECA for good cause shown.

(ii) Failure to complete the list provided in the solicitation renders the bidder's bid unresponsive.

(iii) No prime contractor whose bid is accepted shall substitute any person as subcontractor in place of the subcontractor listed in the original bid, except for one or more of the following reasons:

(a) upon a showing satisfactory to MTCECA by the contractor that a subcontractor who was listed is not financially responsible;

(b) upon a showing satisfactory to MTCECA by the contractor that the scope of work bid by a listed subcontractor did not include a portion of the work required in the plans and specifications, and the exclusion is not clearly set forth in the listed subcontractor's original bid;

(c) upon a showing satisfactory to MTCECA made by the contractor within four working days of the bid opening that the subcontractor was listed as a result of an inadvertent clerical error;

(d) upon a showing satisfactory to MTCECA by the contractor that the listed subcontractor failed or refused to submit a performance and payment bond when requested by the prime contractor after the subcontractor had represented to the prime contractor that he could obtain a performance and payment bond;

(e) upon a showing satisfactory to MTCECA by the contractor that the listed subcontractor is required to be licensed and does not have the license by the time it is required by law;

(f) when the listed subcontractor fails or refuses to perform his subcontract;

(g) when the work of the listed subcontractor is found by MTCECA to be substantially unsatisfactory;

(h) upon mutual agreement of the contractor and subcontractor;

(i) with the consent of MTCECA for good cause shown.

The request for substitution must be made to MTCECA in writing. This written request does not give rise to any private right of action against the prime contractor in the absence of actual malice.

(iv) Where substitution is allowed, the prime contractor, before obtaining prices from any other subcontractor, must attempt in good faith to negotiate a subcontract with at least one subcontractor whose

bid was received prior to the submission of the prime contractor's bid. Nothing in this section affects a contractor's ability to request withdrawal of a bid in accordance with the provisions of this Procurement Policy.

(b) A determination of responsibility must be made before award in accordance with Section 1810.

(c) When bids received pursuant to an invitation for bids conducted pursuant to Section 1520 exceeds available funds and it is determined in writing by MTCECA that circumstances will not permit the delay required to resolicit competitive sealed bids, a contract may be negotiated pursuant to this section with the lowest responsible and responsive bidder, provided that this base bid, less any deductive alternates, does not exceed available funds by an amount greater than five percent of the construction budget established for that portion of the work. MTCECA may change the scope of the work to reduce the cost to be within the established construction budget but shall not reduce the cost below the established construction budget more than ten percent without the written approval of the chief officer based on the best interest of MTCECA.

(2) When the lowest base bid received pursuant to an invitation for bids exceeds approved available funds and the MTCECA is able to identify additional funds for the project, as certified by the appropriate fiscal officers, in the amount of the difference between the lowest base bid and the approved available funds for the project, the MTCECA shall submit its request to use the additional funds to the State Budget and Control Board and Joint Bond Review Committee in accordance with the provisions of Sections 2-47-40 and 2-47-50 of the South Carolina Code of Laws. The provisions of this paragraph apply only to those MTCECA projects that, pursuant to Section 59-53-1784, are subject to the provisions of Chapter 47, Title 2 of the South Carolina Code of Laws.

SECTION 3025. Approval of architectural, engineering or construction changes

MTCECA shall be allowed to approve and pay for amendments to architectural/engineering contracts and change orders to construction contracts which do not alter the original scope or intent of the project and which do not exceed the previously approved project budget.

SECTION 3030. Bond and security.

In all cases involving bonding and security, the requirement shall be left to the discretion of the MTCECA. The provisions of this section do not relieve MTCECA of any other applicable statutory requirements including, but not limited to Title 29, Chapter 6 of the South Carolina Code of Laws.

SECTION 3060. Fiscal responsibility.

Every contract modification, change order, or contract price adjustment under a construction contract with MTCECA shall be subject to the provisions of Sections 2-47-40 and 2-47-50 except as otherwise provided in Section 59-53-1784.

SUBARTICLE 5.

ARCHITECT-ENGINEER, CONSTRUCTION MANAGEMENT, AND LAND SURVEYING SERVICES

SECTION 3210. Applicability and policy.

It is the policy of MTCECA to announce publicly all requirements for architect-engineer, construction management, and land surveying services and to negotiate contracts for such services on the basis of demonstrated competence and qualification for the particular type of services required and at fair and

reasonable prices. This policy does not prohibit the acquisition of such services pursuant to Article 5 when such services are acquired in conjunction with construction.

SECTION 3220. Procurement procedures.

(1) Selection Committee. MTCECA shall establish its own architect-engineer, construction management, and land surveying services selection committee hereinafter referred to as the selection committee, which shall be composed of those individuals whom the MTCECA agency head determines to be qualified to make an informed decision as to the most competent and qualified firm for the proposed project. The MTCECA agency head shall serve on all selection committees.

(2) Advertisement of Project Description. The selection committee shall be responsible for:

- (a) developing a description of the proposed project,
- (b) enumerating all required professional services for that project, and
- (c) preparing a formal invitation to firms for submission of information.

The invitation shall include, but not be limited to, the project title, the general scope of work, a description of all professional services required for that project, the submission deadline, and how interested firms may apply for consideration. The invitation shall be formally advertised in South Carolina Business Opportunities.

(3) Response to Invitation. The date for submission of information from interested persons or firms in response to an invitation shall be not less than fifteen days after publication of the invitation. Interested architect-engineer, construction management, and land surveying persons or firms shall be required to respond to the invitation with the submission of information which the invitation requires.

(4) Interviews with Interested Firms. Following receipt of information from all interested persons and firms, the selection committee shall hold interviews with at least three persons or firms who have responded to the committee's advertisement and who are deemed most qualified on the basis of information available prior to the interviews. If less than three persons or firms have responded to the advertisement, the committee shall hold interviews with those that did respond. The selection committee's determination as to which will be interviewed shall be in writing and shall be based upon its review and evaluation of all submitted materials. The written report of the committee shall specifically list the names of all persons and firms that responded to the advertisement and enumerate the reasons of the committee for selecting those to be interviewed. The purpose of the interviews shall be to provide such further information as may be required by the MTCECA selection committee to fully acquaint itself with the relative qualifications of the several interested firms.

(5) Selection and Ranking of the Three Most Qualified. The selection committee shall evaluate each of the persons or firms interviewed in view of their:

- (a) past performance;
- (b) the ability of professional personnel;
- (c) demonstrated ability to meet time and budget requirements;
- (d) location;
- (e) recent, current, and projected workloads of the firms;
- (f) creativity and insight related to the project; and
- (g) related experience on similar projects and any other criteria identified in the invitation.

Based upon these evaluations, the selection committee shall select the three persons or firms which, in its judgment, are the best qualified, ranking the three in priority order. The selection committee's report ranking the three chosen persons or firms shall be in writing and shall include data substantiating its determinations.

(7) Negotiation of Contract. The procurement officer shall negotiate a contract for services with the most qualified person or firm at a compensation which is fair and reasonable to the MTCECA. Should the procurement officer be unable to negotiate a satisfactory contract with this person or firm, negotiations shall be formally terminated. Negotiations shall commence in the same manner with the second and then the third most qualified until a satisfactory contract has been negotiated. If no agreement is reached with

one of the three, additional persons or firms in order of their competence and qualifications shall be selected after consultation with the selection committee, and negotiations shall be continued in the same manner until agreement is reached.

(9) Award. Once a contract has been successfully negotiated in accordance with this section, notification of award of a contract shall be sent to all firms responding to the invitation.

SECTION 3230. Exception for small architect-engineer and land surveying services contract.

(1) Procurement Procedures for Certain Contracts. When MTCECA is securing architect-engineer or land surveying service which is estimated not to exceed fifty thousand dollars, MTCECA may employ the architects, engineers, or land surveyors by direct negotiation and selection, taking into account:

(a) the nature of the project,

(b) the proximity of the architect-engineer or land surveying services to the project,

(c) the capability of the architect, engineer, or land surveyor to produce the required service within a reasonable time,

(d) past performance, and

(e) ability to meet project budget requirements.

(2) Maximum Fees Payable to One Person or Firm. Fees paid during the twenty-four month period immediately preceding negotiation of the contract by any MTCECA for professional services performed by any one architectural-engineering or land surveying firm pursuant to Section 3230(1) shall not exceed one hundred thousand dollars. All persons or firms seeking to render professional services pursuant to this section shall furnish MTCECA a list of professional services, including fees paid therefor, performed for the MTCECA during the fiscal year immediately preceding the fiscal year in which the negotiations are occurring and during the fiscal year in which the negotiations are occurring.

(4) Splitting of Larger Projects Prohibited. MTCECA shall not break a project into small projects for the purpose of circumventing the provisions of Section 3220 and this section.

SUBARTICLE 3.

REGULATIONS FOR SALE, LEASE, TRANSFER, AND DISPOSAL

SECTION 3810. Procedures for sale, lease, transfer and disposal.

MTCECA is exempt from all laws governing the disposal of surplus property.

SECTION 3820. Allocation of proceeds for sale or disposal of surplus supplies.

The sale of all MTCECA owned supplies, property, or personal property not in actual MTCECA use shall be conducted and directed by the MTCECA. Such sales shall be held at such places and in such manner as in the judgment of the MTCECA shall be most advantageous to the MTCECA. Unless otherwise determined by MTCECA, sales shall be by either public auction or competitive sealed bid to the highest bidder.

ARTICLE 17.

LEGAL AND CONTRACTUAL REMEDIES

SUBARTICLE 1.

ADMINISTRATIVE RESOLUTION OF CONTROVERSIES

SECTION 4200. In every procurement under this Procurement Policy, MTCECA shall include a statement in the solicitation documents relating to the procurement, the following statement: “By participating in this procurement, the bidder, offeror, contractor, or subcontractor agrees that the rights and remedies contained in the Midlands Technical College Enterprise Campus Authority Procurement Policy are to the exclusion of all other rights and remedies for the bidder, offeror, contractor, or subcontractor against Midlands Technical College Enterprise Campus Authority at common law or otherwise for the loss or potential loss of an award of a contract under the Midlands Technical College Enterprise Campus Authority Procurement Policy.” The statement shall be typed in underlined capital letters, or rubber-stamped prominently, on the first page of the solicitation document.

SECTION 4210. Right to protest; procedure; settlement of protest; administrative review and decision; notice of decision; finality; stay of procurement pending; exclusivity of remedy.

(1) Right to Protest; Exclusive Remedy.

(a) Any prospective bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the solicitation of a contract shall protest to the chief officer in the manner stated in subsection (2) below within fifteen days of the date of issuance of the Invitation For Bids or Requests for Proposals or other solicitation documents, whichever is applicable, or any amendment thereto, if the amendment is at issue.

(b) Any actual bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the intended award or award of a contract shall protest to the chief officer in the manner stated in subsection (2) below within fifteen days of the date notification of award is posted in accordance with this code.

(c) The rights and remedies granted in this article to a disappointed bidder, offeror, contractor, or subcontractor are to the exclusion of all other rights and remedies of such disappointed bidder, offeror, contractor, or subcontractor against the MTCECA at common law or otherwise for the loss or potential loss of an award of a contract under the MTCECA Procurement Policy.

(2) Protest Procedure. A protest under subsection (1) shall be in writing, submitted to the chief officer, and shall set forth the grounds of the protest and the relief requested with enough particularity to give notice of the issues to be decided.

(3) Duty and Authority to Attempt to Settle Protests. Prior to commencement of an administrative review as provided in subsection (4), the chief officer, MTCECA agency head, or designees thereof shall attempt to settle by mutual agreement a protest of an aggrieved bidder, offeror, contractor, or subcontractor, actual or prospective, concerning the solicitation or award of the contract. The chief officer, MTCECA agency head, or designees thereof shall have the authority to approve any settlement reached by mutual agreement.

(4) Administrative Review and Decision. If in the opinion of the chief officer, after reasonable attempt, a protest cannot be settled by mutual agreement, the chief officer shall promptly conduct an administrative review and shall issue a decision in writing within ten days of completion of the review. The decision shall state the reasons for the action taken.

(5) Notice of Decision. A copy of the decision under subsection (4) of this section along with a statement of appeal rights under Section 4210(6) shall be mailed or otherwise furnished immediately to the protestant and any other party intervening. The chief officer shall also post a copy of the decision at a date and place communicated to all parties participating in the administrative review, and such posted decision shall indicate the date of posting on its face and shall be accompanied by a statement of the right to appeal provided in Section 4210(6).

(6) Finality of Decision. A decision under subsection (4) of this section shall be final and conclusive, unless fraudulent, or unless any person adversely affected by the decision requests a further administrative review by the Procurement Review Panel under Section 4410(1) within ten days of posting of the decision in accordance with Section 4210(5). The request for review shall be directed to the chief

officer, who shall forward the request to the Procurement Review Panel and shall be in writing, setting forth the reasons why the person disagrees with the decision of the chief officer. The person may also request a hearing before the Procurement Review Panel.

(7) Stay of Procurement During Protests. In the event of a timely protest under subsection (1) MTCECA shall not proceed further with the solicitation or award of the contract until a decision is rendered by the chief officer, or, in the event of timely appeal to the Procurement Review Panel, until a decision is rendered by the panel; provided, however, that solicitation or award of a protested contract will not be stayed if the chief officer, or MTCECA agency head, makes a written determination that the solicitation or award of the contract without delay is necessary to protect the best interests of the MTCECA.

SECTION 4220. Authority to debar or suspend.

Any order of suspension or debarment issued pursuant to Title 11, Chapter 35 of the South Carolina Code of Laws shall have the same effect on procurements conducted under this Procurement Policy that such an order has on procurements conducted pursuant to Title 11, Chapter 35 of the South Carolina Code of Laws.

SECTION 4230. Authority to resolve contract and breach of contract controversies.

(1) Applicability. This section applies to controversies between the MTCECA and a contractor or subcontractor when the subcontractor is the real party in interest, which arise under or by virtue of a contract between them including, but not limited to, controversies based upon breach of contract, mistake, misrepresentation, or other cause for contract modification or rescission. The procedure set forth in this section shall constitute the exclusive means of resolving a controversy between the MTCECA and a contractor or subcontractor concerning a contract solicited and awarded under the provisions of the MTCECA Procurement Policy.

(2) Request for Resolution; Time for Filing. Either the MTCECA or the contractor or subcontractor when the subcontractor is the real party in interest may initiate resolution proceedings before the chief officer by submitting a request for resolution to the chief officer in writing setting forth the general nature of the controversy and the relief requested with enough particularity to give notice of the issues to be decided. A request for resolution of contract controversy must be filed within one year of the date the contractor last performs work under the contract; provided, however, that in the case of latent defects a request for resolution of a contract controversy must be filed within one year of the date the requesting party first knows or should know of the grounds giving rise to the request for resolution.

(3) Duty and Authority to Attempt to Settle Contract Controversies. Prior to commencement of an administrative review as provided in subsection (4), the chief officer must attempt to settle by mutual agreement a contract controversy brought under this section. The chief officer shall have the authority to approve any settlement reached by mutual agreement.

(4) Administrative Review and Decision. If, in the opinion of the chief officer, after reasonable attempt, a contract controversy cannot be settled by mutual agreement, the chief officer must promptly conduct an administrative review and shall issue a decision in writing within ten days of completion of the review. The decision shall state the reasons for the action taken.

(5) Notice of Decision. A copy of the decision under subsection (4) of this section and a statement of appeal rights under Section 4230(6) shall be mailed or otherwise furnished immediately to all parties participating in the administrative review proceedings. The chief officer must also post a copy of the decision at a time and place communicated to all parties participating in the administrative review, and such posted decision must indicate the date of posting on its face and shall be accompanied by a statement of the right to appeal provided in Section 4230 (6).

(6) Finality of Decision. A decision under subsection (4) of this section shall be final and conclusive, unless fraudulent, or unless any person adversely affected requests a further administrative review by the Procurement Review Panel under Section 4410 (1) within ten days of the posting of the decision in

accordance with Section 4230 (5). The request for review must be directed to the chief officer who shall forward the request to the Procurement Review Panel and must be in writing setting forth the reasons why the person disagrees with the decision of the chief officer. The person may also request a hearing before the Procurement Review Panel.

(7) Regarding any controversy arising out of a contract between the MTCECA and a contractor, as a condition of receiving the award of a contract, MTCECA may require any bidder or offeror to agree to voluntary or mandatory alternative dispute resolution, including but not limited to, mediation and arbitration.

SUBARTICLE 2.

REMEDIES

SECTION 4310. Solicitations or awards in violation of the law.

(1) Applicability. The provisions of this section apply where it is determined by either the chief officer or the Procurement Review Panel, upon administrative review, that a solicitation or award of a contract is in violation of this Procurement Policy or other applicable provisions of law. The remedies set forth herein may be granted by either the chief officer after review under Section 4210 or by the Procurement Review Panel after review under Section 4410(1).

(2) Remedies Prior to Award. If, prior to award of a contract, it is determined that a solicitation or proposed award of a contract is in violation of this Procurement Policy or other applicable provision of law, then the solicitation or proposed award may be:

(a) canceled;

(b) revised to comply with this Procurement Policy or other applicable provision of law and rebid; or

(c) awarded in a manner that complies with the provisions of this Procurement Policy.

(3) Remedies After Award. If, after an award of a contract, it is determined that the solicitation or award is in violation of this Procurement Policy or other applicable provision of law;

(a) the contract may be ratified and affirmed, provided it is in the best interests of the MTCECA; or

(b) the contract may be terminated and the payment of such damages, if any, as may be provided in the contract, may be awarded.

(4) Entitlement to Costs. In addition to or in lieu of any other relief, when a protest submitted under Section 4210 is sustained, and it is determined that the protesting bidder or offeror should have been awarded the contract under the solicitation but is not, then the protesting bidder or offeror may request and be awarded a reasonable reimbursement amount, including reimbursement of its reasonable bid preparation costs.

SECTION 4320. Contract controversies.

Remedies available in a contract controversy brought under the provisions of Section 4230 are as follows: The chief officer or the Procurement Review Panel, in the case of review under Section 4410(1), may award such relief as is necessary to resolve the controversy as allowed by the terms of the contract or by applicable law.

SECTION 4330. Frivolous protests.

(1) Signature on Protest Constitutes Certificate. The signature of an attorney or party on a request for review, protest, motion, or other document constitutes a certificate by the signer that the signer has read such document, that to the best of the signer's knowledge, information, and belief formed after reasonable inquiry, it is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law, and that it is not interposed for any improper purpose,

such as to harass, limit competition, or to cause unnecessary delay or needless increase in the cost of the procurement or of the litigation.

(2) Sanctions for Violations. If a request for review, protest, pleading, motion, or other document is signed in violation of this subsection on or after appeal to the Procurement Review Panel, the Procurement Review Panel, upon motion or upon its own initiative, may impose upon the person who signed it, a represented party, or both, an appropriate sanction, which may include an order to pay to the other party or parties the amount of the reasonable expenses incurred because of the filing of the protest, pleading, motion, or other paper, including a reasonable attorney's fee.

SUBARTICLE 3.

REVIEW PANEL

SECTION 4410. Procurement Review Panel.

Section 11-35-4410 of the South Carolina Code of Laws applies to procurements subject to this Procurement Policy to the same extent it applies to procurements pursuant to Title 11, Chapter 35 of the South Carolina Code of Law.

Finality. The decision of the Procurement Review Panel is final as to administrative review and its decision may be appealed to the circuit court under the provisions of the South Carolina Administrative Procedures Act.

ARTICLE 19.

INTERGOVERNMENTAL RELATIONS

SUBARTICLE 1.

APPLICATION

SECTION 4610. Application

For purposes of cooperative purchasing, MTCECA is governed by Article 19, Title 11, Chapter 35 of the South Carolina Code of Laws.

ARTICLE 21.

ASSISTANCE TO MINORITY BUSINESSES

SECTION 5010. Definitions of terms used in this article.

The MTCECA may develop procedures establishing detailed definitions of the following terms using, in addition to the criteria set forth in this section, such other criteria as it may deem desirable.

As used in the article, unless the context clearly indicates otherwise:

(1) "Minority person" means a United States citizen who is economically and socially disadvantaged.

(a) "Socially disadvantaged individuals" means those individuals who have been subject to racial or ethnic prejudice or cultural bias because of their identification as members of a certain group, without regard to their individual qualities. Such groups include, but are not limited to, Black Americans,

Hispanic Americans, Native Americans (including American Indians, Eskimos, Aleuts and Native Hawaiians), Asian Pacific Americans, and other minorities to be designated by MTCECA.

(b) "Economically disadvantaged individuals" means those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged.

(2) A "socially and economically disadvantaged small business" means any small business concern which:

(a) is at least fifty-one percent owned by one or more citizens of the United States who are determined to be socially and economically disadvantaged.

(b) in the case of a concern which is a corporation, fifty-one percent of all classes of voting stock of such corporation must be owned by an individual determined to be socially and economically disadvantaged.

(c) in the case of a concern which is a partnership, fifty-one percent of the partnership interest must be owned by an individual or individuals determined to be socially and economically disadvantaged and whose management and daily business operations are controlled by individuals determined to be socially and economically disadvantaged. Such individuals must be involved in the daily management and operations of the business concerned.

SUBARTICLE 3.

ASSISTANCE TO MINORITY BUSINESSES

SECTION 5210. Statement of policy and its implementation.

(1) Statement of Policy. MTCECA recognizes that business firms owned and operated by minority persons have been historically restricted from full participation in our free enterprise system to a degree disproportionate to other businesses. MTCECA believes that it is in the best interest of MTCECA to assist minority-owned businesses to develop fully as a part of the policies and programs that are designed to promote balanced economic and community growth throughout the State. MTCECA, therefore, wishes to ensure that those businesses owned and operated by minorities are afforded the opportunity to fully participate in the overall procurement process of MTCECA. MTCECA, therefore, takes this leadership role in setting procedures that will result in awarding contracts and subcontracts to minority business firms in order to enhance minority capital ownership, overall state economic development and reduce dependency on the part of minorities.

(2) Implementation. MTCECA shall implement the policy set forth in subsection (1) of this section.

SECTION 5220. Duties of the chief officer.

(1) Assistance from the Chief Officer. The chief officer shall provide appropriate staff to assist minority businesses with the procurement procedures contained in this Procurement Policy.

(3) Source Lists. The procurement officer must maintain special source lists of minority business firms detailing the products and services they provide.

SECTION 5240. Minority business enterprise (MBE) utilization plan.

(1) In order to emphasize the use of minority small businesses, the MTCECA must develop a Minority Business Enterprise (MBE) Utilization Plan. The MBE Utilization Plan must include, but not be limited to:

(b) A policy statement expressing a commitment by the MTCECA to use MBE's in all aspects of procurement;

(2) MBE utilization plans must be submitted to the Governor's Office of Small and Minority Business Assistance ("OSMBA") for approval not later than July thirtieth, annually. Progress reports shall be submitted to the OSMBA not later than ten days after the end of each fiscal quarter and must include the:

- (a) Number of minority firms solicited;
- (b) Number of minority bids received; and
- (c) Dollar amount of minority bids awarded.

SECTION 5260. Annual report regarding contracts with certified small, minority, and women-owned businesses.

The MTCECA must report annually in writing to the board concerning the number and dollar value of contracts awarded to eligible minority businesses during the preceding fiscal year. These records shall be maintained to evaluate the progress of this program.

MIDLANDS TECHNICAL COLLEGE ENTERPRISE CAMPUS PROCUREMENT POLICY

Executive Summary for Re-Approval
Prepared for the Budget and Control Board
August 13, 2013

Overview

In Act 200 of 2004, the General Assembly created the Midlands Technical College Enterprise Campus Authority ("Authority"). The purpose of the Authority is to provide for the management, development, and operation of the Enterprise Campus. At this time, the Enterprise Campus consists of Midlands Technical College's Northeast Campus located near I-77 and Farrow Road in Richland County. The Northeast Campus is approximately 150 acres. Act 200 provides, in Section 59-53-1784(B), that the Authority is exempt from the South Carolina Consolidated Procurement Code, however, the Authority is required to adopt a procurement policy requiring competitive solicitations and the policy must include provisions for audit and certifications. The Authority's procurement policy must be filed with and re-approved by the State Budget and Control Board.

Working with the staff of the Materials Management Office, the Authority prepared an updated procurement policy consistent with the requirements of Act 200. The Authority's procurement policy reflects a policy that is very similar to the methodologies and procedures contained in the State Procurement Code.

Summary of Procurement Methods

The Authority's proposed procurement policy retains the basic solicitation methods contained in the State Procurement Code competitive sealed bidding and competitive sealed proposals. Similar to the State Procurement Code, sole source procurements and emergency procurements may be made. The State Procurement Code's provisions relating to solicitation of construction and architectural services remain in place. The Policy and Procedures include the following source selection methods (procurement processes).

1. **Competitive Sealed Bidding:** Solicitations are advertised in *South Carolina Business Opportunities* (SCBO). Award is made to the lowest priced responsive and responsible bidder. Prequalification is allowed.
2. **Competitive Sealed Proposals:** Solicitations are advertised in *South Carolina Business Opportunities* (SCBO). Award is made to the best responsive and responsible offeror, taking into consideration price and non-price factors. Prequalification is allowed. Negotiation is allowed.
3. **Sole Source:** Award is made to one vendor without a competitive process when the required item is available from only one source. Written determination by the chief officer is required.

4. Emergency: Award is made to one vendor without a competitive process when emergency conditions exist. Written determination by the MTCECA agency head or designee is required.

5. Construction: Solicitations are advertised in *South Carolina Business Opportunities* (SCBO). Award is made using the process for either Competitive Sealed Bidding or Competitive Sealed Proposals; however, additional requirements exist for construction procurements. Notably, listing by the bidders of those subcontractors that MTCECA asks to be listed.

6. Small Purchase Rules: Small purchase thresholds allow for minimal competition for contracts valued at \$100,000 or less.

The competition thresholds compare to the Consolidated Procurement Code as follows:

State Code \$ Up to \$10,000 No Competition required (HEEAPA amendment)	MTCECA Policy Up to \$10,000 No Competition required
\$10,000.01-\$50,000. Written solicitation of written quotes, bids, or proposals and advertised in SCBO	\$10,000.01-\$100,000 Written solicitations of written quotes from a minimum of three qualified sources
\$50,000.01 and above require sealed bids and advertise in SCBO	\$100,000.01 and above written solicitations of sealed bids from a minimum of 3 qualified sources and advertise in SCBO

The primary differences between the Authority's procurement policy and the State's Procurement Code are in the areas of small purchases. The various limits for the small purchases have been raised, with the highest level being \$100,000. As proposed for re-approval, the Authority will be able to proceed with procurements with minimal need to involve the central state procurement office. Safeguards are included in the proposed procurement policy including an audit requirement and authority for the State Budget and Control Board to revoke part or all of the approved procurement policy if the Authority fails to adhere to the applicable requirements.

Bond and Security (Section 3030)

The requirements shall be left to the discretion of the MTCECA

Right to Protest (Section 4210)

A protest procedure has been included. Protests will be heard by MTCECA's chief procurement officer. His/her decisions may be appealed to the State Procurement Review Panel.

Some of the State code's other sections, primarily those establishing the State's procurement authority structure, were eliminated.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audit and Certification

The Division of Procurement Services, in accord with Section 11-35-1210, has audited the following agency and recommends certification within the parameters described in the audit reports for the following limits (total potential purchase commitment whether single-or multi-year contracts are used):

Midlands Technical College (for a period of three years): supplies and services, \$300,000* per commitment; information technology, \$100,000* per commitment; consultant services, \$300,000* per commitment; construction contract change order, \$25,000 per change order; architect/engineer contract amendment, \$5,000 per amendment.

*Total potential purchase commitment whether single or multi-term contracts are used.

The audit confirms Midlands' Procurement Office has the internal controls and expertise to ensure compliance with applicable requirements of the South Carolina Consolidated Procurement Code and regulations for the certification levels requested.

BOARD ACTION REQUESTED:

In accord with Section 11-35-1210, grant the following procurement certification within parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used) for the following agency:

Midlands Technical College (for a period of three years): supplies and services, \$300,000* per commitment; information technology, \$100,000* per commitment; consultant services, \$300,000* per commitment; construction contract change order, \$25,000 per change order; architect/engineer contract amendment, \$5,000 per amendment.

*Total potential purchase commitment whether single or multi-term contracts are used.

ATTACHMENTS:

Agenda item worksheet and attachment

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting scheduled for: September 3, 2013

Blue Agenda

1. Submitted by:

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


R. Voight Shealy, Materials Management Officer

2. Subject: Procurement Certification for Midlands Technical College

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has reviewed the procurement system of Midlands Technical College and recommends its certification within the parameters described in the audit report for the following limits for a period of three years.

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$200,000 Per Commitment	*\$300,000 Per Commitment
II. Information Technology	*\$100,000 Per Commitment	*\$100,000 Per Commitment
III. Consultant Services	*\$200,000 Per Commitment	*\$300,000 Per Commitment
IV. Construction Contract Change Order	\$ 25,000 Per Change Order	\$ 25,000 Per Change Order
V. Architect/Engineer Contract Amendment	\$ 5,000 Per Amendment	\$ 5,000 Per Amendment

*Total potential purchase commitment whether single year or multi-term contracts are used.

The audit confirms Midlands' Procurement Office has the internal controls and expertise to ensure compliance with applicable requirements of the South Carolina Consolidated Procurement Code and regulations for the certification levels requested.

4. What is Board asked to do?

Grant procurement certification for Midlands Technical College by approval of the Blue Agenda.

5. What is recommendation of Board division involved? Approve.

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
(b) Division/Agency Name: _____

7. List of supporting documents:

- (a) Section 11-35-1210 of the Consolidated Procurement Code

South Carolina Consolidated Procurement Code

Auditing and Fiscal Reporting

§ 11-35-1210. Certification

- (1) Authority. The board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The designated board office shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.
- (2) Policy. Authorizations granted by the board to a governmental body are subject to the following:
 - (a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;
 - (b) responsiveness to user needs;
 - (c) obtaining of the best prices for value received.
- (3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

AGENCY: Energy Office

SUBJECT: Qualified Energy Conservation Bond Change in Scope from Prior Reallocation to JEDA for Abundant Power/Charleston Green Community Program to a Statewide Green Community Program

Reallocation to: JEDA

Reallocation Amount: \$10,000,000

Purpose/Description: Recommendation to approve a change in scope from Charleston to Statewide for the previously approved reallocation of \$10M of the volume cap QECB allocations to the South Carolina Jobs-Economic Development Authority (SC JEDA) for the benefit of Abundant Power Solutions, LLC, to implement a green community program. The scope modification has been approved by the Volume CAP Advisory Committee and the JEDA Board.

History: In April of 2011, Abundant Power Solutions, Inc. requested and received approval for \$10M in Qualified Energy Conservation Bond [QECB] volume cap allocation through the ARRA Volume Cap Allocation Committee and the Budget and Control Board with JEDA as conduit issuer. The 2011 proposed scope of the project was for a Green Community Program in the City of Charleston; however, applicant received an insufficient number of projects to meet the requirements under the program guidelines. In July 2012, the Internal Revenue Service guidelines for the use of QECBs broadened the range of programs which qualify under the Green Community Programs designation to 'promote energy conservation, energy efficiency or environmental conservation initiatives relating to energy consumption, broadly construed' and 'programs must involve property that is available for general public use or involve a loan or grant program that is broadly available to members of the general public'. Eligible initiatives under this expanded interpretation include [a] retrofitting initiatives for heating, cooling, lighting, water-saving, storm-water reducing or other efficiency measures; [b] distributed generation initiatives; [c] transportation initiatives that conserve energy and/or support alternative fuel infrastructure; [d] improvements to public infrastructure that enhance proximity and connectivity between community assets and public transit to reduce motor vehicle use; and [e] public street lighting upgrades.

AGENCY: Energy Office

SUBJECT: Qualified Energy Conservation Bond Change in Scope from Prior Reallocation to JEDA for Abundant Power/Charleston Green Community Program to a Statewide Green Community Program

Based on the expanded definition of the Green Community Program, Abundant Power proposes to create the South Carolina SAVES (SC SAVES) Program to be a state-wide Green Community Program Loan Program, which will make loans for measures promoting energy conservation, energy efficiency, and environmental conservation throughout South Carolina. It is estimated that this project will create approximately 96 jobs based on DOE estimates and save businesses and residents an estimated \$2,000,000 per year in energy costs at 20% savings. Applicant currently has the following projects identified in the City of Greenville: [i] energy efficiency measures at the Bi-Lo Center, including control upgrades, lighting retrofits, hot water and chiller plant upgrades, and roofing material; [ii] energy efficiency measures at a commercial office building currently undergoing renovations, including HVAC, lighting and building envelope upgrades; [iii] potential renovations at the Swamp Rabbit Trail greenways. In Richland County and the City of Columbia, the Applicant proposes to finance conversion of several diesel fleets (CMRTA, USC, City of Columbia, Richland County and Waste Management) to compressed natural gas ("CNG") and costs associated with fueling infrastructure. These projects are being implemented and developed by Trane as contractor and by Hess Corporation as natural gas and infrastructure provider. A private institutional buyer has been identified to purchase the QECBs for private placement.

Project Impact:	Completion of this project will create approximately 96 jobs based on DOE estimates and save businesses and residents an estimated \$2,000,000/year in energy costs at 20% savings.
Cost of Project:	\$10,000,000

BOARD ACTION REQUESTED:

Approve the change in scope for the previously approved reallocation request for JEDA/Abundant Power for a statewide green community program in the amount of \$10,000,000.00

ATTACHMENTS:

Agenda item worksheet; Letter from Abundant Power; Qualified Energy Conservation Bond Information Sheet

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: **September 3, 2013**

Agenda: **Blue**

1. **Submitted By:**

(a) Agency: *B&C Bd. – Energy Office*

(b) Authorized Official Signature: _____



2. **Subject:**

Qualified Energy Conservation Bond change in scope from prior reallocation to JEDA for Abundant Power/Charleston Green Community Program to a Statewide Green Community Program.

3. **Summary and Background Information:**

Reallocation to: JEDA

Reallocation Amount: \$10,000,000

Purpose/Description: Recommendation to approve a change in scope from Charleston to Statewide for the previously approved reallocation of \$10M of the volume cap QECB allocations to the South Carolina Jobs-Economic Development Authority (SC JEDA) for the benefit of Abundant Power Solutions, LLC, to implement a green community program. The scope modification has been approved by the Volume CAP Advisory Committee and the JEDA Board.

History: In April of 2011, Abundant Power Solutions, Inc. requested and received approval for \$10M in Qualified Energy Conservation Bond [QECB] volume cap allocation through the ARRA Volume Cap Allocation Committee and the Budget and Control Board with JEDA as conduit issuer. The 2011 proposed scope of the project was for a Green Community Program in the City of Charleston; however, applicant received an insufficient number of projects to meet the requirements under the program guidelines. In July 2012, the Internal Revenue Service guidelines for the use of QECBs broadened the range of programs which qualify under the Green Community Programs designation to 'promote energy conservation, energy efficiency or environmental conservation initiatives relating to energy consumption, broadly construed' and 'programs must involve property that is available for general public use or involve a loan or grant program that is broadly available to members of the general public'. Eligible initiatives under this expanded interpretation include [a] retrofitting initiatives for heating, cooling, lighting, water-saving, storm-water reducing or other efficiency measures; [b] distributed generation initiatives; [c] transportation initiatives that conserve energy and/or support alternative fuel infrastructure; [d] improvements to public infrastructure that enhance proximity and connectivity between community assets and public transit to reduce motor vehicle use; and [e] public street lighting upgrades. Based on the expanded definition of the Green Community Program, Abundant Power proposes to create the SouthCarolinaSAVES (SC SAVES) Program to be a state-wide Green Community Program Loan Program, which will make loans for measures promoting energy conservation, energy efficiency, and environmental conservation throughout South Carolina. It is estimated that this project will create approximately 96 jobs based on DOE estimates and save businesses and residents an estimated \$2,000,000 per year in energy costs at 20% savings. Applicant currently has the following projects identified in the City of Greenville: [i] energy efficiency measures at the Bi-Lo Center, including control upgrades, lighting retrofits, hot water and chiller plant upgrades,

and roofing material; [ii] energy efficiency measures at a commercial office building currently undergoing renovations, including HVAC, lighting and building envelope upgrades; [iii] potential renovations at the Swamp Rabbit Trail greenways. In Richland County and the City of Columbia, the Applicant proposes to finance conversion of several diesel fleets (CMRTA, USC, City of Columbia, Richland County and Waste Management) to compressed natural gas ("CNG") and costs associated with fueling infrastructure. These projects are being implemented and developed by Trane as contractor and by Hess Corporation as natural gas and infrastructure provider. A private institutional buyer has been identified to purchase the QECBs for private placement.

Project Impact: Completion of this project will create approximately 96 jobs based on DOE estimates and save businesses and residents an estimated \$2,000,000/year in energy costs at 20% savings.

Cost of Project: \$ 10,000,000

4. **What is Board asked to do?**

Approve the change in scope for the previously approved reallocation request for JEDA/Abundant Power for a statewide green community program in the amount of \$10,000,000.00.

5. **What is recommendation of Board Division involved?**

Approve the change in scope for the previously approved reallocation request for JEDA/Abundant Power for a statewide green community program in the amount of \$10,000,000.00.

6. **Recommendation of other Division/agency (as required)?**

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. **Supporting Documents**

(a) List Those Attached:

Letter from Abundant Power

Qualified Energy Conservation Bond Information Sheet

(b) List Those Not Attached But Available From Submitter:

Abundant Power/JEDA Inducement Resolution

Abundant Power/JEDA Inducement Agreement



July 18, 2013

Mr. Harry Huntley
South Carolina Jobs-Economic Development Authority
1201 Main Street, Suite 1600
Columbia, SC 29201

Dear Harry,

We are making progress with the marketing of the South Carolina SAVES Green Community Loan Program (the "SC SAVES Program") and the origination of loans in order to deploy the \$10 million allocation of Qualified Energy Conservation Bonds ("QECBs") that South Carolina Jobs-Economic Development Authority ("JEDA") has received from the South Carolina Energy Office. The SC SAVES Program is being set up as a "Green Community Program" under the IRS guidelines for using QECBs and as such is focused on making loans for measures promoting energy conservation, energy efficiency, and environmental conservation within the State of South Carolina. As a state-wide Green Community Program, the SC SAVES Program is designed to be in furtherance of the policy behind the South Carolina Energy Efficiency Act, and thus it is being marketed in various local jurisdictions across the State. The SC SAVES Program is being designed and administered on JEDA's behalf in accordance with Abundant Power's guidelines for its SAVES loan programs (SAVES being our acronym for "Sustainable and Verifiable Energy Savings") which it has in place in several other jurisdictions. Attached for your reference are copies of the IRS guidelines issued last summer on a Green Community Program and the South Carolina Energy Efficiency Act which supports the implementation of such a program state wide.

To enable the use of the Green Community Program approach across the State, JEDA will need to adopt resolutions authorizing and entering into an inducement agreement for such a program and the issuance of the QECBs to fund the same. Attached are drafts prepared by McGuire Woods of such resolutions and an inducement agreement as well as a petition to the State Budget and Control Board of South Carolina. In some instances the local jurisdiction may be interested in re-branding the program within its jurisdiction with the local jurisdiction's name, which according to McGuire Woods is permissible provided the local jurisdiction adopts a similar resolution authorizing such a local Green Community Program.

To date we have originated two different baskets of projects in two different regions of the State, and we have a private institutional buyer interested in purchasing the QECBs associated with these projects on a private placement basis. In the first case, we have a basket of projects within the City of Greenville that in total ranges from \$2MM to upwards of \$5MM which are being developed and will be implemented by Trane as contractor. These projects consist energy efficiency measures at the Bi Lo Center as part of its overall renovation, with the measures comprised of control upgrades, lighting retrofits, and hot water and chiller plant upgrades, and roofing material; energy efficiency measures at a commercial office building which too is undergoing renovation, with the measures comprised of HVAC, lighting and building envelope upgrades; and a possible renovation of the City's Swamp Rabbit Trail given that greenways are a specific use of QECB proceeds when undertaken within the context of a Green Community Program. The City of Greenville and the Greenville Arena District are reviewing the use of the SC SAVES funding for these

projects, and if approved, they would like to enact their own program GreenvilleSAVES for publicity purposes and to foster further use of the funding for other public and private projects within the City.

The second basket of projects involves \$3MM to \$5MM for financing the conversion of several diesel fleets in and around Richland County and the City of Columbia to compressed natural gas ("CNG") and paying for the associated fueling infrastructure. These projects are being developed and implemented by Trane as the contractor and by Hess Corporation as the natural gas and infrastructure provider. Hess is proposing to install three CNG fueling stations encircling the Columbia area for approximately \$3MM and then provide upwards of another \$2MM to convert fleets to CNG vehicles. The fleets considering such conversion include CMRTA, University of South Carolina, City of Columbia, Richland County, and Waste Management. The use of QECBs to fund alternative fuel projects such as CNG conversion and fueling is specifically approved under the Green Community Program regulations of the IRS.

We invite you and your board to respond with any questions about the SC SAVES Program. We at Abundant are excited to be a part of this exciting program and look forward to moving it ahead in the State of South Carolina to promote energy efficiency and associated conservation measures as part of a state wide Green Community Program

Sincerely,



W. Gregory Montgomery
Managing Partner

cc: Ashlie Lancaster, South Carolina Energy Office

Qualified Energy Conservation Bonds

The *Energy Improvement and Extension Act of 2008*, enacted in October 2008, authorized the issuance of Qualified Energy Conservation Bonds (QECBs) that may be used by state, local and tribal governments to finance certain types of energy projects. QECBs are qualified tax credit bonds. The October 2008 enabling legislation set a limit of \$800 million on the volume of energy conservation tax credit bonds that may be issued by state and local governments. *The American Recovery and Reinvestment Act of 2009*, enacted in February 2009, expanded the allowable bond volume to \$3.2 billion. QECBs are not subject to a U.S. Department of Treasury application and approval process. Bond volume is instead allocated to each state based on the state's percentage of the U.S. population as of July 1, 2008. Each state is then required to allocate a portion of its allocation to "large local governments" within the state based on the local government's percentage of the state's population. Large local governments are defined as municipalities and counties with populations of 100,000 or more. Large local governments may reallocate their designated portion back to the state if they choose to do so.

To develop a method for issuing allocation authority and processing reallocation requests for QECBs and other Recovery Act bonds, the General Assembly passed the South Carolina Volume Cap Reallocation Act of 2010. From this Act, a Volume Cap Advisory Committee was created which undertook a process of determining which communities were going to utilize their QECB and other bond allocations and developed a plan at the state level to reallocate unused state level authority. The Energy Office also developed an application for QECB reallocation requests.

The total state allocation included \$46,475,000 in bond authority - \$34,005,212.63 was designated for cities and counties with populations over 100,000 and \$12,469,787.70 was the balance of state. Currently local waivers have been received in the amount of \$31,067,431.73 for a total of \$43,537,219.43 in state level bond authority. This amount less the previously approved reallocation requests for \$16,500,000 delineated below leaves a balance of \$27,037,219.43 in bond authority available for reallocation. None of the approved reallocations are for private activity bonds.

Requestor	Amount	Project Description	Financing Mechanism
City of Greenville	\$4,000,000	Performance contract with Ameresco for municipal building energy efficiency retrofits	City of Greenville
JEDA/Abundant Power	\$10,000,000	Bonds to fund a green community financing program for commercial and residential in the City of Charleston (now requesting change in scope to statewide)	JEDA
City of Columbia	\$2,500,000	Columbia Housing Authority residential EE retrofits	Bank loan
TOTAL	\$16,500,000		

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposals to issue revenue bonds have been completed with satisfactory results. The projects require approval under State law.

- a. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$160,000,000 Hospital Refunding Bonds (\$110,000,000 refunding involved)
Allocation Needed: -0-
Name of Project: AnMed Health
Employment Impact: maintaining approximately 2,974 jobs
Project Description: to (i) refinance all or a portion of the outstanding principal amounts of the (a) \$34,585,000 original principal amount South Carolina Job-Economic Development Authority Hospital Refunding Revenue Bonds (AnMed Health Project), Series 2009A, (b) \$56,800,000 original principal amount south Carolina Jobs-Economic Development Authority Hospital Refunding Revenue Bonds (AnMed Health Project), Series 2009C, and (c) \$18,805,000 original principal amount South Carolina Jobs-Economic Development Authority Hospital Refunding Revenue Bonds (AnMed Health Project), Series 2009D which were previously issued to refund prior indebtedness of the Corporation, and (ii) finance, through the issuance and sale of additional bonds, the cost of renovations and improvements to and the expansion of hospital facilities and improvements located at the Corporation's Main and North hospital campuses and related machinery and equipment, including, but not limited to, a replacement of the Corporation's central information system, operating room relocation, sleep/TMS center renovations, and the acquisition of computer systems, major medical equipment and other hospital machinery and equipment to be located at the aforesaid campuses.
Note: *public or private sale*
Bond Counsel: William M. Musser, McNair Law Firm, P.A.
- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$4,200,000 Economic Development Revenue Bonds
Allocation Needed: -0-
Name of Project: SENIORS Solutions
Employment Impact: maintain 139 jobs and add 15 more within 24 months
Project Description: acquire land and refinance existing indebtedness used to construct

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

Note: project in Anderson County and to acquire land and construct and
improve buildings in Greenville County
private sale
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.

BOARD ACTION REQUESTED:

Adopt resolutions approving the referenced proposals to issue revenue bonds.

ATTACHMENTS:

Resolutions

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PUBLIC OR PRIVATE SALE OF NOT EXCEEDING \$160,000,000 AGGREGATE PRINCIPAL AMOUNT HOSPITAL REVENUE BONDS (ANMED HEALTH PROJECT) SERIES 2013, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 Code of Laws of South Carolina 1976, as amended (the "Act"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Hospital Revenue Bonds (AnMed Health Project), Series 2013, in the aggregate principal amount of not exceeding \$160,000,000 (the "Bonds") through public or private sale as may be determined by the Authority to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be sold through a public or private sale, acceptable to the Authority.

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through public or private sale, be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

a.

Summary of Refinancing Proposal for
AnMed Health

PRELIMINARY – SUBJECT TO CHANGE

September 3, 2013 Board Meeting

Outstanding bonds proposed to be refinanced	(a) \$34,585,000 original principal amount South Carolina Jobs-Economic Development Authority Hospital Refunding Revenue Bonds (AnMed Health Project), Series 2009A, (b) \$56,800,000 original principal amount South Carolina Jobs-Economic Development Authority Hospital Refunding Revenue Bonds (AnMed Health Project), Series 2009C and (c) \$18,805,000 original principal amount South Carolina Jobs-Economic Development Authority Hospital Refunding Revenue Bonds (AnMed Health Project), Series 2009D (\$109,480,000 aggregate principal outstanding at 08/01/13)
Average interest rate of bonds refinanced	Variable Rate
Projected average interest rate of refinancing bonds	Variable Rate
True interest cost of refinancing bonds	Variable Rate
Projected net present value savings (net of costs)	N/A
Projected net present value savings as a percentage of the bonds refinanced	N/A
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	
Underwriting	-0-
Legal fees – bond, disclosure and general counsel	\$270,000
Rating agency fees	-0-
Advisory fees	-0-
Bond trustee/registrar	-0-
Accounting and verification	-0-
Credit enhancement/bond insurance	-0-
Publication, printing, contingencies and all other expenses	\$10,000
Total	\$280,000

Prepared by: AnMed Health
Date: August 13, 2013

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$4,200,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (SENIOR SOLUTIONS PROJECT) SERIES 2013, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 11, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "*Act*"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (SENIOR Solutions Project) Series 2013, in the aggregate principal amount of not exceeding \$4,200,000 (the "*Bonds*"), through private sale which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be sold by the Authority through private sale acceptable to the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.



Summary of Refinancing Proposal for

SENIOR Solutions

August 6, 2013

Outstanding bonds proposed to be refinanced \$2,200,000 (commercial loan)	\$2,200,000 existing loan on commercial properties
Average interest rate of bonds refinanced (commercial loan)	6.00%
Projected average interest rate of refinancing bonds	2.45%
True interest cost of refinancing bonds	2.45%
Projected net present value savings (net of costs)	\$415,845
Projected net present value savings as a percentage of the bonds refinanced	18.9%
Estimated costs ¹ (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	.22% / 12%
Underwriting	\$0
Legal fees – bond, disclosure and general counsel	\$50,000
Rating agency fees	\$0
Advisory fees	\$0
Bond trustee/registrar	\$0
Accounting and verification	\$0
Credit enhancement/bond insurance	\$0
Publication, printing, contingencies and all other expenses	\$5,000
Total	

Prepared on behalf of SCBT
Date: August 6, 2013

¹ This is a private placement to SCBT so most of these costs are not applicable and apply to a publicly rated transaction.