

MINUTES OF BUDGET AND CONTROL BOARD MEETING

FEBRUARY 15, 1977                      9:30 A. M.

The Budget and Control Board met at 9:30 a. m. on February 15, 1977 in the Governor's Conference Room with the following members in attendance:

Governor James B. Edwards  
Mr. Grady L. Patterson, Jr.  
Mr. Earle E. Morris, Jr.  
Senator Rembert C. Dennis  
Mr. F. Julian LeaMond

Also attending were W. T. Putnam, P. C. Smith and W. A. McInnis.

The following items of business were considered:

MINUTES OF PREVIOUS MEETINGS - Budget and Control Board members had previously been furnished with minutes of the meetings held on February 1 and 8, 1977. Without objection, the Budget and Control Board approved these minutes as written.

POLL OF FEBRUARY 10, 1977 - Board members gave unanimous approval to all six items included on a poll agenda dated 2/10/77 furnished along with agenda materials for the present meeting. Items included in the poll are specifically identified as such in these minutes.

DIVISION OF ADMINISTRATION - TRANSFER OF FUNDS TO SLED (POLL ITEM 1) - The Division of Administration has requested Board approval of the transfer of \$38,504 of funds appropriated "To Match Federal Law Enforcement Funds" to the State Law Enforcement Division. The funds proposed for transfer are from the Division of Administration's fiscal year 1973-74 appropriation and the purpose of the transfer is to provide matching funds needed for two discretionary grants SLED has received from the Law Enforcement Assistance Administration for the SEGIS computer system.

The Budget and Control Board without objection approved the transfer of \$38,504 from the Division of Administration to SLED as requested.

Information pertaining to this matter has been retained in these files and is identified as Exhibit I.

MEDICAL UNIVERSITY - SELECTION OF A&E FIRMS (POLL ITEM 2) - The Medical University has requested Board approval of the selection of four architectural and engineering firms for one-year, on-call contracts to cover minor engineering and architectural services which exceed the capacity of in-house staff. Firms selected by the Medical University after following the required selection procedure, in order of preference, are:

- (1) For Architectural Services:
  1. Demetrios C. Liollo Architects & Associates Ltd.;
  2. Jeffrey Marc Rosenblum; and
  3. J. Harrell Gandy, Architect.
- (2) For Civil Engineering Services:
  1. The Sheridan Corporation, Engineers;
  2. Sigma Engineers, Inc.; and
  3. Cummings and McCrady, Architect/Engineers.
- (3) For Electrical Engineering Services:
  1. George B. Rast, Consulting Engineer;
  2. Poplin Engineers, Inc.; and
  3. Owens and Associates, Inc.
- (4) For Mechanical Engineering Services:
  1. Cummings & McCrady, Architects/Engineers;
  2. Poplin Engineers, Inc.; and
  3. George B. Rast, Consulting Engineer.

The Budget and Control Board without objection approved the selection of (1) Demetrious C. Liollo Architects & Associates Ltd. for architectural services; (2) The Sheridan Corporation, Engineers, for civil engineering services; (3) George B. Rast, Consulting Engineer, for electrical engineering services; and (4) Cummings & McCrady, Architects/Engineers for mechanical engineering services.

Information pertaining to this matter has been retained in these files and is identified as Exhibit II.

DEPARTMENT OF SOCIAL SERVICES - PROPOSED CONTRACT WITH THE SOUTH CAROLINA MEDICAL CARE FOUNDATION (POLL ITEM 3) - The Department of Social Services has requested Budget and Control Board approval of a contract with the South Carolina Medical Care Foundation under which the Professional

Standard Review Organization would perform Federally-required medical reviews of nursing care facilities and mental hospitals. As proposed, the annual cost of the contract would be \$200,000, 75% of which would be financed from Federal sources.

The Budget and Control Board without objection approved the contract with the South Carolina Medical Care Foundation as requested by the Department of Social Services.

Information pertaining to this matter has been retained in these files and is identified as Exhibit III.

CONSULTANT SERVICES CONTRACTS (POLL ITEM 4) - Budget and Control Board approval, as is required by a proviso in the 1976-77 Appropriation Act (Part I, Section 13, Pages 44-45), has been requested for the following consultant contracts:

1. DIVISION OF ADMINISTRATION: (a) Oak Ridge Associated Universities, Consultant, to prepare and present to high school students a program known as "Energy Today and Tomorrow" which explains the energy crisis and why it exists at a cost of \$67,000 in FY 1977-78, with the funds to be provided from private and Federal sources. (b) State Development Board, Consultant, to prepare an industrial land availability study covering two-thirds of the State at a cost of \$20,000, 2/3 of which are from Federal sources and 1/3 of which are from State sources.

2. HIGHWAY DEPARTMENT: Roy Jorgensen Associates, Inc., Consultant, to prepare self-instructional maintenance and safety training courses for maintenance personnel at a cost of \$26,300, to be funded from Federal sources.

3. PARKS, RECREATION AND TOURISM: USC Institute of Archeology and Anthropology, Consultant, to perform archeological and historical research of site at Long Bluff State Park, at a cost of \$24,958, from State sources.

The Budget and Control Board without objection approved the referenced consultant services contracts as requested.

Information pertaining to this matter has been retained in these files and is identified as Exhibit IV.

DIVISION OF MOTOR VEHICLE MANAGEMENT - VEHICLE PURCHASE REQUESTS -

(POLL ITEM 5) - Mr. Allan J. Spence, Director of the Division of Motor Vehicle Management, presented the following vehicle purchase requests:

1. Department of Youth Services: (a) one Plymouth Gran Fury; and (b) four 15-passenger maxi-vans as fleet additions for use by new Juvenile Homes.

2. Department of Corrections: one 15-passenger maxi-van as a fleet addition for use by employment program participants.

3. Department of Mental Health: one 12-passenger van as a fleet addition.

4. Clemson University: one intermediate size sedan as a fleet addition for use at the Baruch Forest Science Institute at Georgetown.

The Budget and Control Board without objection approved the referenced vehicle purchases as requested with the following exceptions as recommended by Mr. Spence:

(1) The additional options requested by the Department of Youth Services for the Agency Director's vehicle were not approved; and (2) the additional rear area air-conditioning unit requested by the Department of Mental Health was not approved.

Information relating to this matter has been retained in these files and is identified as Exhibit IV.

DIVISION OF GENERAL SERVICES - PRINTING EQUIPMENT (POLL ITEM 6) -

The Division of General Services presented and recommended approval of the following printing equipment purchases:

(1) Criminal Justice Academy: one Challenge Three Spindle paper drilling machine, Model EH-3A, at an approximate cost of \$2,600;

(2) University of South Carolina: one A B Dick Offset Press Model

360 (a repossessed unit with a new machine warranty) at an approximate cost of \$4,800;

3. University of South Carolina: one Challenge Model 193 paper cutter at an approximate cost of \$850; and

4. Vocational Rehabilitation Department: one A B Dick Model III Platemaker at an approximate cost of \$950.

The Budget and Control Board without objection approved the referenced printing equipment purchases as requested.

Information pertaining to this matter has been retained in these files and is identified as Exhibit VI.

STATE PORTS AUTHORITY - OPERATING FUNDS EXPENDITURE POLICY -

Consideration of this item was carried over to a future meeting.

CENTRAL PAYROLL/PERSONNEL SYSTEM - The Committee previously appointed by the Budget and Control Board to study the feasibility of a central payroll/personnel system for the State Government has now determined that such a system is not only feasible but that it is also highly desirable. State Auditor Putnam presented a proposed Resolution for adoption by the Budget and Control Board endorsing the undertaking of immediate steps for the ultimate implementation of a central payroll/personnel system and directing all of the Board's staff to give total cooperation to the Comptroller General and the State Treasurer in accomplishing this objective.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board unanimously approved the adoption of the proposed Resolution. Information pertaining to this matter has been retained in these files and is identified as Exhibit VII.

CAPITAL IMPROVEMENT BOND RECOMMENDATIONS - State Auditor Putnam reviewed a proposed letter of transmittal which would accompany the Budget and Control Board's recommendations on releases of Capital Improvement Bond funds previously authorized and on new Capital Improvement Bond authorizations. In his review of the draft letter, Mr. Putnam called particular attention.

to paragraphs a. and b. Paragraph a. refers to requests by the Department of Mental Health for funding for Villages "B" and "C", one of which can be financed through the issuance of Capital Improvement Bonds to be repaid from Patient Fees and the other which can be partially financed in this manner. The draft letter indicated that, while Budget and Control Board members are sympathetic with these projects, they also took note of the fact that planning funds had been provided previously for both projects and that, since this planning work is still incomplete, further funding should await the more complete details which will be provided when the planning studies previously funded have been completed.

Paragraph b. takes note of the substantial request submitted by the State Board for Technical and Comprehensive Education and points out that no recommendation for funding has been made by the Budget and Control Board because Board members feel strongly that the original concept of local funding for capital projects for Technical Education Centers should be continued. The letter indicates that, if this procedure proves inadequate, a plan similar to that now in effect in most State colleges and universities should be developed to fund construction projects from Student Fees.

The draft letter concludes by pointing out that the debt service requirements for the recommended Capital Improvement Bonds and all other outstanding and proposed general obligations of the State which are subject to the proposed Constitutional limitation will be approximately 6.5 percent of general fund revenues during fiscal year 1978-79 and, since the limitation presumably will be 7 percent, further Capital Improvement Bond approvals must be severely restricted.

Mr. Putnam also reviewed the debt service estimates presented to the Board at its February 1, 1977 meeting and pointed out that a revision of these estimates had been made. The estimates presented at the February 1, 1977 meeting used the general fund revenue estimates for fiscal year 1976-77 as the basis for calculating the percent of general fund revenue

which the estimated debt service for fiscal year 1977-78 would represent. While 1976-77 is literally the "next preceding fiscal year," the general fund revenue figures used, at this point in time, necessarily are estimates. To avoid relating the limitation to an estimated general fund revenue figure, the revised information uses fiscal year 1975-76 as the "next preceding fiscal year" in order that an actual general fund revenue figure is used in calculating the percent of general fund revenues represented by the estimated debt service requirements in fiscal year 1977-78.

Board members expressed approval of the draft letter outlined by Mr. Putnam and indicated general agreement with the revised method for calculating the estimated debt service percentage of general fund revenues.

Mr. Putnam then presented the following projects for consideration by the Budget and Control Board for inclusion in the Board's recommendations to the General Assembly:

1. State Law Enforcement Division	
a. Building for Criminal Justice Information and Communication System	\$ 300 000
2. Budget and Control Board	
a. For Employment Security Commission Building site	300 000
b. Acquisition of 2221 Devine Street property	2 350 000
c. Acquisition of New South Life Insurance Company Headquarters property	1 200 000
d. For payment for sinking fund notes on properties acquired previously (1001 Assembly Street and 1423-25 Victoria Street)	<u>270 510</u>
Total for further consideration	<u>\$4 420 510</u>

In connection with the proposed additional project for the State Law Enforcement Division, Mr. Putnam pointed out that SLED had attempted to work out an arrangement with the Department of Corrections to meet this need but that this solution did not materialize. He also noted that his staff had investigated this situation and had found a critical need for additional space to house SLED's Information and Communication System.

Following a brief discussion, upon a motion by Mr. Morris, seconded

by Senator Dennis, the Budget and Control Board without objection approved the addition of \$300,000 for a building for the State Law Enforcement Division's Criminal Justice Information and Communication System to the list of projects approved at the February 1, 1977 meeting.

The Budget and Control Board interrupted its consideration of Capital Improvement Bond projects to consider other agenda items after which the Board invited Mr. Rudy Counts, Assistant Director of General Services, to comment on the four other items included on the additional list of projects presented for further consideration at the present meeting.

With regard to the \$300,000 requested for the Employment Security Commission Building site, Mr. Counts pointed out that, at the time the decision was made to locate this building at the more central location, a contract had been entered into with the City of Columbia calling for the payment by the State to the City of \$300,000 for the central site or the transfer of other State-owned property (valued at \$300,000). Mr. Counts also noted that the contract period expires in April of this year and, up to the present time, that no investigation had been undertaken to pursue the possibility of transferring other State properties but that the City had indicated a willingness to handle the payment in this manner. The Budget and Control Board without objection agreed to exclude this request from its Bond recommendations and requested Mr. Counts and the Division of General Services to pursue the land exchange possibility with the City of Columbia.

Upon a motion by Mr. Patterson, the Budget and Control Board without objection agreed to exclude the request for \$2,350,000 to acquire the 2221 Devine Street property from its list of recommendations since the lease-purchase agreement runs for five years and includes a provision for an annual escalation in the purchase price of only \$25,000.

Upon a motion by Senator Dennis, the Budget and Control Board without objection authorized Governor Edwards and Mr. Putnam to work with the Division

of General Services to determine the status of litigation involving the New South Life Insurance Company and its possible effects upon any action by the Board to recommend an authorization of Bond funds to acquire the Company's headquarters property.

(SECRETARY'S NOTE: It was determined subsequently that the court at this time will not consider the sale of this property to anyone and that no recommendation on this property should be made by the Budget and Control Board at the present time.)

Mr. Counts indicated, with regard to the \$270,510 requested to pay sinking fund notes on the 1001 Assembly Street and 1423-25 Victoria Street properties, that in both cases payments are being received which are retiring the balances outstanding. Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Budget and Control Board voted to exclude from its recommendations to the General Assembly any funds for this purpose.

As revised by actions at the present meeting, the Budget and Control Board's recommendations to the General Assembly provide for the release of \$1,234,400 of Bond funds previously authorized and for new authorizations totaling \$10,597,922.

Information pertaining to this matter has been retained in these files and is identified as Exhibit VIII.

DARLINGTON COUNTY - HOSPITAL REVENUE BONDS (REVISION) - Darlington County has requested that the maturity dates on the \$3,750,000 of Hospital Revenue Bonds approved by the Budget and Control Board at its December 14, 1976 meeting be changed from November 1 to March 1 of each year beginning March 1, 1978 and ending March 1, 1992.

Following a brief discussion, the Budget and Control Board, upon a motion by Mr. Patterson, seconded by Mr. Morris, approved the change in maturity dates for the referenced issue as requested.

Information relating to this matter has been retained in these files and is identified as Exhibit IX.

STATE PERSONNEL DIVISION - POLICY ON FILLING OF VACANCIES - Consideration of this item was carried over to a future meeting.

STATE PERSONNEL DIVISION - DRAFT LEGISLATION ON NEPOTISM, HOLIDAYS, SICK LEAVE AND GRIEVANCES - Dr. Jack Mullins, Director of the State Personnel Division, appeared before the Budget and Control Board to discuss drafts of legislation on nepotism, holidays, sick leave and grievances. Copies of this legislation had been supplied to Board members previously in the January 27, 1977 poll and in agenda materials for the present meeting.

Following a brief discussion in which it was pointed out that the draft legislation on nepotism is designed to clarify the law in this regard, the Budget and Control Board, upon a motion by Morris, seconded by Mr. LeMond, without objection endorsed the submission of the draft legislation on nepotism to the General Assembly.

In the discussion on the proposed legislation on holidays, Dr. Mullins pointed out that its basic purpose is to provide for holiday uniformity among State employees who work differing workweeks. In this regard, he also noted that the proposed legislation provides that the preceding Friday shall be granted as a holiday whenever any of the specified legal holidays fall on a Saturday.

Following a brief discussion, upon a motion by Senator Dennis, seconded by Mr. Morris, the Budget and Control Board without objection endorsed the submission of the proposed legislation on holidays to the General Assembly.

Following a discussion of the proposed legislation on sick leave in which Board members asked that the draft be revised so as to explicitly provide that sick leave be earned at the rate of  $1\frac{1}{4}$  days per month, the Budget and Control Board without objection endorsed the submission of the proposed legislation on sick leave to the General Assembly.

Dr. Mullins pointed out that, for the purpose of providing occasional relief to the regular members, the draft legislation on grievances makes provision for four alternate Grievance Committee members in addition to the seven

regular members. In the ensuing discussion, Board members asked that the draft be revised to provide that the Chairman of the Grievance Committee be appointed by the Board and, upon a motion by Mr. LeaMond, seconded by Mr. Morris, endorsed the legislation on grievances as revised, subject to its review by the Board's consultant on employee relations, Thompson, Ogletree and Deakins.

Copies of the referenced draft legislation have been retained in these files and are collectively identified as Exhibit X.

STATE PERSONNEL DIVISION - PERSONNEL MANUAL SUBCOMMITTEE - The Budget and Control Board without objection agreed to add to the agenda a request by Dr. Mullins that a subcommittee of the Board be appointed to work with the State Personnel Division on the preparation of a personnel manual for State Government agencies. Following a brief discussion, upon a motion by Senator Dennis, seconded by Mr. Morris, the Budget and Control Board agreed to establish such a subcommittee and Governor Edwards appointed Mr. Patterson, Mr. Morris and Mr. Putnam to serve on that subcommittee.

STATE PERSONNEL DIVISION - PROPOSED ADMINISTRATIVE LEAVE POLICY - Consideration of this item was carried over to a future meeting.

NEXT REGULAR MEETING - The Budget and Control Board agreed to hold its next meeting on March 3, 1977 at 2:30 p. m. and tentatively set 2:30 p. m., March 17, 1977 as the date for the following meeting.

EXECUTIVE SESSION - Mr. Putnam announced that three items pertaining to individual employees and one item possibly relating to a court action had been proposed for consideration in Executive Session. The Budget and Control Board without objection agreed to consider these matters, whereupon Governor Edwards declared the meeting to be in Executive Session.

RATIFICATION OF EXECUTIVE SESSION ACTIONS - Following the Board's consideration of Executive Session items, Governor Edwards declared the meeting to be in open session and announced that the following actions had been taken during Executive Session:

regular members. In the ensuing discussion, Board members asked that the draft be revised to provide that the Chairman of the Grievance Committee be appointed by the Board and, upon a motion by Mr. LeaMond, seconded by Mr. Morris, endorsed the legislation on grievances as revised, subject to its review by the Board's consultant on employee relations, Thompson, Ogletree and Deakins.

Copies of the referenced draft legislation have been retained in these files and are collectively identified as Exhibit X.

STATE PERSONNEL DIVISION - PERSONNEL MANUAL SUBCOMMITTEE - The Budget and Control Board without objection agreed to add to the agenda a request by Dr. Mullins that a subcommittee of the Board be appointed to work with the State Personnel Division on the preparation of a personnel manual for State Government agencies. Following a brief discussion, upon a motion by Senator Dennis, seconded by Mr. Morris, the Budget and Control Board agreed to establish such a subcommittee and Governor Edwards appointed Mr. Patterson, Mr. Morris and Mr. Putnam to serve on that subcommittee.

STATE PERSONNEL DIVISION - PROPOSED ADMINISTRATIVE LEAVE POLICY - Consideration of this item was carried over to a future meeting.

NEXT REGULAR MEETING - The Budget and Control Board agreed to hold its next meeting on March 3, 1977 at 2:30 p. m. and tentatively set 2:30 p. m., March 17, 1977 as the date for the following meeting.

EXECUTIVE SESSION - Mr. Putnam announced that three items pertaining to individual employees and one item possibly relating to a court action had been proposed for consideration in Executive Session. The Budget and Control Board without objection agreed to consider these matters, whereupon Governor Edwards declared the meeting to be in Executive Session.

RATIFICATION OF EXECUTIVE SESSION ACTIONS - Following the Board's consideration of Executive Session items, Governor Edwards declared the meeting to be in open session and announced that the following actions had been taken during Executive Session:

(1) Accepted the resignation of a member of the State Employee Grievance Committee;

(2) Received as information a report by the State Auditor on the employment and termination of an employee of the University of South Carolina;

(3) Authorized the Patriots Point Development Authority to employ a Director of Development on a consultant basis;

(4) Added to the Executive Session agenda and reaffirmed its earlier position on the 1976-77 salary for the Executive Director of the Public Railways Commission; and

(5) Approved a procedural change relating to the handling of grievance cases.

Without objection, the Budget and Control Board ratified these actions.

The meeting was adjourned at 12:15 p. m.

(1) Accepted the resignation of a member of the State Employee Grievance Committee;

(2) Received as information a report by the State Auditor on the employment and termination of an employee of the University of South Carolina;

(3) Authorized the Patriots Point Development Authority to employ a Director of Development on a consultant basis;

(4) Added to the Executive Session agenda and reaffirmed its earlier position on the 1976-77 salary for the Executive Director of the Public Railways Commission; and

(5) Approved a procedural change relating to the handling of grievance cases.

Without objection, the Budget and Control Board ratified these actions.

The meeting was adjourned at 12:15 p. m.

## STATE BUDGET AND CONTROL BOARD

*Acted on at 2/15/77 meeting*

POLL

MEETINGS OF

2/10/77

, 1977

POLL INDEX

<u>Poll Number</u>	<u>Agency</u>	<u>Subject</u>
1	Division of Administration	Transfer of funds to SLED
2	Medical University	Selection of A&E firms
3	Department of Social Services	Proposed contract with Medical Care Foundation
4	Various	Consultant services contracts
5	Motor Vehicle Management	Vehicle purchase requests
6	General Services Division	Printing equipment purchases

STATE BUDGET AND CONTROL BOARD

POLL OF 2/10/77, 1977

POLL ITEM NUMBER 1

---

Agency: Division of Administration

---

Subject: Transfer of funds from Division of Administration to SLED.

Request described in Dr. Meredith's letter is for the transfer from DOA to SLED of \$38,504 of funds appropriated "To Match Federal Law Enforcement Funds." The transfer would provide the matching funds for two discretionary grants SLED has received from LEAA for the SEGIS computer system.

---

Board Action Requested:

Approve

---

Vote Of Board Member: (Please indicate by initialing appropriate line below.)

\_\_\_\_\_ I approve of the above action.

\_\_\_\_\_ I disapprove of the above action.

\_\_\_\_\_ Hold for regular meeting.

---

Attachments:

Meredith letter of 1/28/77 to Putnam

January 28, 1977

Mr. Bill Putnam  
State Auditor  
Wade Hampton Office Building  
Columbia, South Carolina 29201

Dear Mr. Putnam:

The South Carolina Law Enforcement Division has received two discretionary grants from the Law Enforcement Administration Agency of the Department of Justice to continue the SEGIS computer system for South Carolina. These grants will provide the funds for implementation of additional parts of the total system. The grants require a state cash match of \$38,504. After the budget reduction for the current fiscal year, the eight agencies involved do not have available funds to provide the required match. Therefore, this letter serves as a request to transfer \$38,504 from the Division of Administration's fiscal year 1973-74 appropriation line item "To Match Federal Law Enforcement Funds" to SLED.

Thank you for your assistance in this matter.

Sincerely,

Jim W. Meredith

JWM:cg

STATE BUDGET AND CONTROL BOARD

POLL OF 2/10, 1977

POLL ITEM NUMBER 2

---

Agency: Medical University

---

Subject: Selection of four A&E firms for one-year, on-call contracts to cover minor engineering and architectural services which exceed the capacity of in-house staff:  
Firms selected by the Medical University, in order of preference, are:

- (1) For Architectural Services:
    1. Demetrious C. Liollo Architect & Associates Ltd.;
    2. Jeffrey Marc Roseblum; and
    3. J. Harrell Gandy, Architect.
  - (2) For Civil Engineering Services:
    1. The Sheridan Corporation, Engineers;
    2. Sigma Engineers, Inc.; and
    3. Cummings & McCrady, Architect/Engineers.
  - (3) For Electrical Engineering Services:
    1. George B. Rast, Consulting Engineer;
    2. Poplin Engineers, Inc; and
    3. Owens and Associates, Inc.
  - (4) For Mechanical Engineering Services:
    1. Cummings & McCrady, Architects/Engineers;
    2. Poplin Engineers, Inc.; and
    3. George B. Rast, Consulting Engineer.
- 

Board Action Requested:

Approve selections, pursuant to Code Section 1-453 through 1-460.

Required selection procedure followed.

---

Vote Of Board Member: (Please indicate by initialing appropriate line below.)

- \_\_\_\_\_ I approve of the above action.  
\_\_\_\_\_ I disapprove of the above action.  
\_\_\_\_\_ Hold for regular meeting.
- 

Attachments:

Wise letter to Putnam dated 2/1/77 plus attachments

OFFICE OF THE VICE PRESIDENT FOR  
ADMINISTRATION AND FINANCE  
(803) 792-4291



## Medical University of South Carolina

80 BARRE STREET / CHARLESTON, SOUTH CAROLINA 29401  
February 1, 1977

Mr. William T. Putnam  
State Auditor  
Post Office Box 11333  
Columbia, South Carolina 29211

Dear Mr. Putnam:

During the course of its normal business, the Medical University requires minor engineering and architectural services for various tasks which exceed the capacity of the in-house staff. Typical services we require are:

- Annual survey of the Hospital electrical system to meet DHEC requirements.
- Assistance in solving difficult heating and air conditioning problems.
- Analysis of structures to determine what repairs are needed or their ability to take the floor loads of certain pieces of equipment.
- Preparation of preliminary sketches and estimates to accompany grant applications

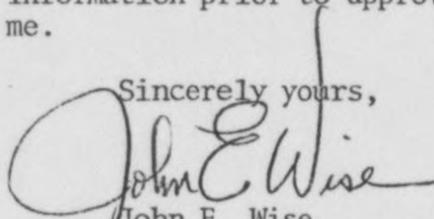
Since the present regulations covering the engagement of architect/engineers became effective, we have met these needs by engaging one of the A/E's working on a related major project to perform these services. With the reduction of our major projects, this practice is becoming increasingly difficult. Several months ago, our Director of Physical Plant discussed the problem with Mr. McPherson of your office. As a result, it was agreed that we would select (using the prescribed procedures) local firms to do this work and negotiate a one-year, on-call contract with each one. Copies of four contracts for these services, as well as the other materials required by the procedures, are enclosed.

We plan to use operating funds to pay for these services, since they will generally be for maintenance, repair, and operation of the physical plant. It is specifically understood that these contracts will not be used for capital improvement projects. For each such project, the regular architectural/engineering selection procedure will be followed; the architect/engineers who are used for the minor maintenance contracts will be considered on an equal basis with other firms applying for consideration.

Mr. William T. Putnam  
February 1, 1977

Should you need additional information prior to approval of these forms,  
please do not hesitate to call on me.

Sincerely yours,

  
John E. Wise  
Vice President

JW/fm

Enclosures

A/E SELECTION FOR CONSULTANT SERVICES  
RANKING OF THREE MOST QUALIFIED FIRMS  
FOR EACH FIELD

Architect

1. Liollo
2. Rosenblum
3. Gandy

Civil

1. Sheridan
2. Sigma
3. Cummings & McCrady

Electrical

1. Rast
2. Poplin
3. Owens

Mechanical

1. Cummings & McCrady
2. Poplin
3. Rast

The News and Courier

✓  
✓  
3. 1976

State of South Carolina }  
COUNTY OF CHARLESTON }

Personally appeared before me

J. Harris advertising Clerk  
of The News and Courier, a newspaper published in the City  
of Charleston, County and State aforesaid, who, being duly  
sworn, says that the advertisement of

Copy Attached

appeared in the issues of said newspaper on the following

day(s): August 13, 14, 15, 1976

Subscribed and sworn to  
before me this 20th day  
of August  
A. D. 1976

J. Harris

The Medical University of South Carolina proposes to engage professional consulting services in the disciplines listed below to provide advice and assistance on the solution of specific operational problems which may arise relating to these disciplines. These services are to be retained for a period of one year.  
Disciplines - Architecture  
Civil Engineering  
Mechanical Engineering  
Electrical Engineering  
Interested firms or individuals should submit resumes citing their qualifications to the Director, Physical Plant, Medical University of South Carolina 50 Barre Street, Charleston, South Carolina 29401, by August 27, 1976. Selection of a firm to work on this project will be conducted by University officials as prescribed by the "Procedures To Be Followed by State Agencies in the Selection of Architectural and/or Engineering Firms" as revised and published by the S. C. State Budget and Control Board.

Ine by wife  
NOTARY PUBLIC, S. C.

NOTARY PUBLIC FOR SOUTH CAROLINA  
My Commission expires September 9, 1984

The Medical University of South Carolina proposes to engage professional consulting services in the disciplines listed below to provide advice and assistance on the solution of specific operational problems which may arise relating to these disciplines. These services are to be retained for a period of one year.

Disciplines - Architecture  
Civil Engineering  
Mechanical Engineering  
Electrical Engineering

Interested firms or individuals should submit resumes citing their qualifications to the Director, Physical Plant, Medical University of South Carolina 80 Barre Street, Charleston, South Carolina 29401, by August 27, 1976. Selection of a firm to work on this project will be conducted by University officials as prescribed by the "Procedures To Be Followed by State Agencies In the Selection of Architectural and/or Engineering Firms" as revised and published by the S. C. State Budget and Control Board.

LISTING OF CAPITAL IMPROVEMENT PROJECTS  
INITIATED SINCE JULY, 1974

MEDICAL UNIVERSITY OF SOUTH CAROLINA

<u>PROJECT NO.</u>	<u>PROJECT NAME</u>	<u>ARCHITECT</u>	<u>PROJECT COST</u>
19-74	Additional Floors, Clinical Science and Administration Building	LBC&W	\$7,272,933
19-75	Expansion of High Tension Electric System	Frederick A. Smith	675,000
19-76	Alterations to Rooms 351-355, Basic Science Building	MUSC Staff	27,000
19-77	Alterations to O.R. #10 Air Conditioning	MUSC Staff	35,000
19-78	Alterations to 3-Center/West X-Ray	MUSC Staff	69,000
19-79	Alterations to Lab No. 1., Basic Science Building	MUSC Staff	45,000
19-80	Miscellaneous Hospital Alterations	Gill, Wilkins & Wood	1,400,000
19-81	Improve Air Conditioning, Building B	MUSC Staff	55,250
19-82	Demolition of 76 Barre Street	MUSC Staff	2,000
19-83	Addition to President's Home	Lee and Partners (pending approval)	150,000
19-84	Enclose Admin. Bldg. Loggia	Project Inactive	
19-84	Alterations to Rooms 409/424 Basic Science	MUSC Staff	12,000

## INDEX

<u>FIRM</u>	<u>Page Number</u>
 <u>Architects</u>	
Carl G. Baker, Architects	1
Read Barnes, Architect	2
Constantine and Constantine, Architects	3
Cummings & McCrady, Architects/Engineers	4
J. Harrell Gandy, Architect	5
Gill, Wilkins & Wood	6
LBC&W South Carolina	7
Lockwood Greene, Architect/Engineers	8
Demetrios C. Liollo, AIA	9
Jeffrey Marc Rosenblum	10
J. E. Sirrinc Company	11
 <u>Civil Engineers</u>	
Consolidated Engineering Services, Inc.	12
Cummings & McCrady, Architect/Engineers	13
George A. Z. Johnson, Jr., Inc.	14
LBC&W South Carolina	15
Lockwood Greene, Architects/Engineers	16
G. E. Lohr Company	17
The Sheridan Corporation, Engineers	18
Sigma Engineers, Inc.	19
J. E. Sirrinc Company	20
 <u>Electrical Engineers</u>	
Consolidated Engineering Services, Inc.	21
Hensley-Schmidt, Inc. (and G. E. Lohr)	22
LBC&W South Carolina	23
Lockwood Greene, Architects/Engineers	24
Owens and Associates, Inc. --	25
Poplin Engineers, Inc.	26
George B. Rast, Consulting Engineer	27
J. E. Sirrinc Company	28
 <u>Mechanical Engineers</u>	
Consolidated Engineering Services, Inc.	29
Cummings & McCrady, Architects/Engineers	30
Hensley-Schmidt, Inc. (and G. E. Lohr)	31
LBC&W South Carolina	32
Owens and Associates, Inc.	33
Poplin Engineers, Inc.	34
George B. Rast, Consulting Engineer	35
J. E. Sirrinc Company	36

A/E INTERVIEWS

WEDNESDAY, OCTOBER 20, 1976

Architects

9:00 a.m.	Read Barnes	Read Barnes, Architect
9:25 a.m.	Augustus Constantine	Constantine and Constantine, Architects
9:50 a.m.	Jeffrey Marc Rosenblum	Jeffrey Marc Rosenblum
10:15 a.m.	Demetrios C. Liollo	Demetrios C. Liollo, AIA
10:40 a.m.	J. Harrell Gandy	J. Harrell Gandy, Architect

-----  
FRIDAY, OCTOBER 22, 1976

Civil and Mechanical Engineers

9:00 a.m.	John McCrady	Cummings & McCrady, Architect/Engineers
-----------	--------------	--

Civil Engineers

9:25 a.m.	G. Stuart Turner, P.E.	Consolidated Engineering Services, Inc.
9:50 a.m.	George A. Z. Johnson	George A. Z. Johnson, Jr., Inc.
10:15 a.m.	Harold J. LeaMond	Sigma Engineers, Inc.
10:40 a.m.	G. E. Lohr	G. E. Lohr Company
11:05 a.m.	John C. Sheridan, III	The Sheridan Corporation, Engineers

Electrical and Mechanical Engineers

11:30 a.m.	Coleman C. Owens, Jr.	Owens and Associates, Inc.
11:55 a.m.	Clyde B. Poplin, Jr.	Poplin Engineers, Inc.
3:00 p.m.	George B. Rast	George B. Rast, Consulting Engineer

STATE BUDGET AND CONTROL BOARD

POLL OF 2/10, 1977

POLL ITEM NUMBER 3

---

Agency: Department of Social Services

---

Subject: Consulting services contract.

DSS requests approval of a contract with the S. C. Medical Care Foundation under which the Professional Standard Review Organization (PSRO) would perform Federally-required medical reviews of nursing care facilities and mental hospitals. Federal funds would finance 75% of the proposed annual cost of \$200,000.

---

Board Action Requested:

For information and review.

---

Vote Of Board Member: (Please indicate by initialing appropriate line below.)

\_\_\_\_\_ I approve of the above action.

\_\_\_\_\_ I disapprove of the above action.

\_\_\_\_\_ Hold for regular meeting.

---

Attachments:

Floyd 2/9/77 to Putnam.



R. Archie Ellis  
Commissioner

February 9, 1977

Mr. William Putnam  
State Administrator  
Wade Hampton Office Building  
Columbia, S. C. 29201

Attention: Mr. McGiss

Dear Mr. Putnam:

The Department of Social Services, Medical Assistance Division, is charged with performing medical review in all nursing care facilities and mental hospitals consistent with Federal Regulations 45 CFR 250.23 and 45 CFR 250.24. The Medical Assistance Division is further charged with providing Utilization Review and Control of seventeen (17) covered services consistent with Federal Regulations 45 CFR 250.18.

The Medical Assistance Division employs a Medical Review Team headed by a licensed physician and including registered nurses and medical social workers. Their responsibility is to perform medical review on all of the participating nursing facilities and mental hospitals. This service must be in compliance with Federal Regulations to prevent a noncompliance financial penalty against the Medicaid Program. A performance report is submitted to the HEW Regional Office confirming the audits carried out in this area. Further, the Regional Office performs annual on-site field audits to confirm reports submitted by our Agency.

The South Carolina Medical Care Foundation has proposed through the Professional Standard Review Organization (PSRO) to carry out the above function, maintain compliance with Federal Regulation, and submit required reports at a proposed annual cost of \$200,000. This contract function will be matched on a Federal basis of 75%. We request your approval for us to pursue with actual contract drafts, execution, and implementation of this function under the South Carolina Medical Care Foundation.

*Now covers hospitals  
want to extend to  
cover nursing homes  
& mental health.*

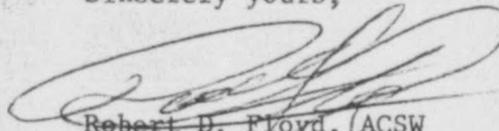


Mr. William Putnam  
February 9, 1977  
Page 2

The approval to pursue medical review by the South Carolina Medical Care Foundation will then provide the Medical Assistance Division with the necessary resources to pursue utilization review, and program integrity of all seventeen (17) covered services. The staff would then be redirected to carry out the necessary function that has not been pursued on an indepth basis in compliance as related to Federal Regulations 45 CFR 250.18. During Fiscal Year 76, one registered nurse performed the type review proposed and denied a total of \$106,133 in services that were unnecessary or not covered by the South Carolina State Plan. In addition, this proposal would also enable the South Carolina Department of Social Services to carry out several proposals made in the Legislative Audit Council study. These functions would be matched at a 75-25 basis.

We ask that you give consideration to the above proposal to enable us to implement within 90 days from the proposed contract with the South Carolina Medical Care Foundation.

Sincerely yours,



Robert D. Floyd, ACSW  
Interim Commissioner

RDF/McOSt

STATE BUDGET AND CONTROL BOARD

POLL OF 2/10, 1977

POLL ITEM NUMBER 4

Agency:  
Various

Subject: Consultant Services Contracts:

(1) DIVISION OF ADMINISTRATION

(a) Consultant: Oak Ridge Associated Universities Purpose: To prepare and present to high school students a program explaining the energy crisis and why it exists. Program known as "Energy Today and Tomorrow." Maximum Dollars: \$67,000 in FY 77-78 Source of Funds: 100% private and Federal.

(b) Consultant: State Development Board Purpose: To prepare Industrial Land Availability Study covering 2/3 of State. Maximum Dollars: \$20,000 Source of Funds 2/3 Federal; 1/3 State.

(2) HIGHWAY DEPARTMENT

Consultant: Roy Jorgensen Associates, Inc. Purpose: To prepare self-instructional maintenance and safety training courses for maintenance personnel. Maximum Dollars: \$26,300 Source of Funds: 100% Federal.

(3) PARKS, RECREATION & TOURISM

Consultant: USC Institute of Archeology and Anthropology Purpose: To perform archeological and historical research of historic site at Long Bluff State Park. Maximum Dollars: \$24,958 Source of Funds: 100% State.

Board Action Requested:

Approve, pursuant to proviso in 1976-77 Appropriation Act (Part I, Section 13, pp. 44-45).

Vote Of Board Member: (Please indicate by initialing appropriate line below.)

\_\_\_\_\_ I approve of the above action.

\_\_\_\_\_ I disapprove of the above action.

\_\_\_\_\_ Hold for regular meeting.

Attachments:

STATE BUDGET AND CONTROL BOARD

POLL OF 2/10, 1977

POLL ITEM NUMBER 5

---

Agency:

Division of Motor Vehicle Management

---

Subject: Vehicle purchase requests:

1. YOUTH SERVICES

- a. One Plymouth Gran Fury as replacement vehicle for Director
- b. Four 15-passenger maxi-vans as fleet additions for use by new juvenile homes  
(See enclosures 1, 2, 3 and 4.)

2. DEPARTMENT OF CORRECTIONS: One 15-passenger maxi-van as fleet addition for use by employment program participants. Federal funds will finance. (Enclosure 5)

3. MENTAL HEALTH: One 12-passenger van as fleet addition.

4. CLEMSON UNIVERSITY: One intermediate size sedan as fleet addition for use at Baruch Forest Science Institute at Georgetown. (Enclosure 6).

---

Board Action Requested:

Approve 1(B), 2, and 4 as requested.

Approve 1(A) except for requested additional options.

Approve 3 except for requested addition of rear area airconditioning unit.

---

Vote Of Board Member: (Please indicate by initialing appropriate line below.)

\_\_\_\_\_ I approve of the above action.

\_\_\_\_\_ I disapprove of the above action.

\_\_\_\_\_ Hold for regular meeting.

---

Attachments:

Spence listing dated 2/10/77 plus enclosures



STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
DIVISION OF MOTOR VEHICLE MANAGEMENT  
P. O. BOX 633  
COLUMBIA, S.C. 29202

ALLAN J. SPENCE  
DIRECTOR  
PHONE (803) 758-7818

BUDGET AND CONTROL BOARD  
AGENDA ITEMS

February 10, 1977

Mr. Allan J. Spence, Director, Division of Motor Vehicle Management, desires to appear before the Budget and Control Board regarding the vehicle purchases listed below:

1. S.C. Department of Youth Services (SCDYS). SCDYS desires to purchase the following vehicles:
  - A. One (1) Plymouth Gran Fury as a replacement vehicle for the Director. In addition to the options approved by the Board, SCDYS desires to add an FM radio and a vinyl top at a total additional cost of approximately \$183.00

Recommendation: Approval of unit purchase. However, disapproval of the requested additional options. Since these items do not effect the utility of the vehicle and the resale will only be enhanced by approximately \$25.00, it would not be economically feasible.

- B. Four (4) fifteen passenger maxi-vans as fleet additions for use by new juvenile homes now in operation or soon to be opened.

Recommendation: Approval. The requested units are to fill additional requirements and are of the type best suited for the intended use. Agency certifies that there are no units on hand that could fill this requirement. Please refer to enclosures (1), (2), (3), and (4).

2. S.C. Department of Corrections (SCDC). SCDC request permission to purchase one (1) fifteen (15) passenger maxi-van as a fleet addition to be used to transport Employment Program participants to and from the job site.

Recommendation: Approval. This is an additional requirement brought about by an increase in program participation. Please refer to enclosure (5).

3. S.C. Department of Mental Health (SCDMH). SCDMH request permission to purchase one (1) twelve (12) passenger van as a fleet addition. The unit is to be equipped as specified by the state contract except for the addition of rear area air conditioning unit at an additional

BUDGET AND CONTROL BOARD  
AGENDA ITEMS  
February 10, 1977

cost of approximately \$397.40.

Recommendation: Approval except the portion pertaining to the rear area air conditioning. The standard unit is sufficient to fill the needs as described in the vehicle request.

4. Clemson University (CU). CU desires to purchase one (1) intermediate size sedan as a fleet addition to be used by the Baruch Forest Science Institute at Georgetown.

Recommendation: Approval. The additional requirement was brought about by the addition of personnel and general expansion of programs. Please refer to enclosure (6).

JUSTIFICATION FOR VANS

The DSO grant was awarded to Department of Youth Services, Youth Bureau Division, 11/3/75 from LEAA, but actual implementation was 1/1/76.

This grant was phased in over a period of two (2) years.

We presently have two (2) group homes opened and they are located in Summerville and the Shannondora in West Columbia. The reason for these two (2) vans not being ordered earlier, the contract ran out and we had to wait for the new contracts.

The other two group homes to open are Charleston Boy's Home, approximate opening date is 3/77 and the Greenville Girl's Home to open 6/77. These homes will probably be opened by the time we receive the vans.

The staff has been using their own private vehicles and will continue to do so until the vehicles are delivered. This will and is causing a strain on the travel monies that have been allotted to these four (4) group homes.

This grant was awarded in the amount of \$1,500,000 and these vans are included in the budget of this grant. Also, included in the budget is approximately \$4,000 to be used for gas and oil, etc.

#### JUSTIFICATION FOR VANS

The DSO grant was awarded to Department of Youth Services, Youth Bureau Division, 11/3/75 from LEAA, but actual implementation was 1/1/76.

This grant was phased in over a period of two (2) years.

We presently have two (2) group homes opened and they are located in Summerville and the Shannondora in West Columbia. The reason for these two (2) vans not being ordered earlier, the contract ran out and we had to wait for the new contracts.

The other two group homes to open are Charleston Boy's Home, approximate opening date is 3/77 and the Greenville Girl's Home to open 6/77. These homes will probably be opened by the time we receive the vans.

The staff has been using their own private vehicles and will continue to do so until the vehicles are delivered. This will and is causing a strain on the travel monies that have been allotted to these four (4) group homes.

This grant was awarded in the amount of \$1,500,000 and these vans are included in the budget of this grant. Also, included in the budget is approximately \$4,000 to be used for gas and oil, etc.

JUSTIFICATION FOR VANS

The DSO grant was awarded to Department of Youth Services, Youth Bureau Division, 11/3/75 from LEAA, but actual implementation was 1/1/76.

This grant was phased in over a period of two (2) years.

We presently have two (2) group homes opened and they are located in Summerville and the Shannondora in West Columbia. The reason for these two (2) vans not being ordered earlier, the contract ran out and we had to wait for the new contracts.

The other two group homes to open are Charleston Boy's Home, approximate opening date is 3/77 and the Greenville Girl's Home to open 6/77. These homes will probably be opened by the time we receive the vans.

The staff has been using their own private vehicles and will continue to do so until the vehicles are delivered. This will and is causing a strain on the travel monies that have been allotted to these four (4) group homes.

This grant was awarded in the amount of \$1,500,000 and these vans are included in the budget of this grant. Also, included in the budget is approximately \$4,000 to be used for gas and oil, etc.

JUSTIFICATION FOR VANS

The DSO grant was awarded to Department of Youth Services, Youth Bureau Division, 11/3/75 from LEAA, but actual implementation was 1/1/76.

This grant was phased in over a period of two (2) years.

We presently have two (2) group homes opened and they are located in Summerville and the Shannondora in West Columbia. The reason for these two (2) vans not being ordered earlier, the contract ran out and we had to wait for the new contracts.

The other two group homes to open are Charleston Boy's Home, approximate opening date is 3/77 and the Greenville Girl's Home to open 6/77. These homes will probably be opened by the time we receive the vans.

The staff has been using their own private vehicles and will continue to do so until the vehicles are delivered. This will and is causing a strain on the travel monies that have been allotted to these four (4) group homes.

This grant was awarded in the amount of \$1,500,000 and these vans are included in the budget of this grant. Also, included in the budget is approximately \$4,000 to be used for gas and oil, etc.



South Carolina  
Department of Corrections

P.O. BOX 766/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29202  
TELEPHONE 758-8444  
WILLIAM D. LEEKE, Commissioner

RECEIVED  
JAN 25 AM 11 55

January 10, 1977

Mr. Allan J. Spence, Director  
Division of Motor Vehicle Management  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Allan:

We are requesting permission to purchase an additional vehicle for use to transport Employment Program participants to and from the Daniel Construction Company. Payment for this vehicle will be from Federal Funds provided in a grant for this project. The vehicle is needed due to the increase in the number of participants in this program.

Your assistance in obtaining permission to purchase this vehicle will be appreciated.

Yours very truly,

  
William D. Leeke

WDL:fes

Attachments

Req. #5014  
DMVM-6-75

72

BOARD OF  
CORRECTIONS

W. M. CROMLEY, JR.  
Chairman  
Saluda, S. C.

MRS. LOUIS E. CONDON  
Vice Chairman  
Mt. Pleasant, S. C.

CLARENCE E. WATKINS  
Secretary  
Camden, S. C.

NORMAN KIRKLAND  
Member  
Bamberg, S. C.

CHARLES C. MOORE  
Member  
Spartanburg, S. C.

E. N. ZEIGLER  
Member  
Florence, S. C.

GOV. JAMES B. EDWARDS, Member, Ex-Officio, Columbia, S. C.

ENCLOSURE (5)

Item 9:

This unit is needed for off-site transportation for Institute personnel stationed at Georgetown, S. C. The vehicle will be used for travel between Georgetown and Clemson and throughout the state for research and educational purposes associated with the Institute's programs.

The Institute currently has only one sedan available for off-site travel. This other unit was purchased in 1974 when the Institute had only two faculty members. The new unit is a part of planned program expansion and will be used by all Institute personnel which currently is five faculty members and eighteen classified personnel.

STATE BUDGET AND CONTROL BOARD

POLL OF 2/10, 1977

POLL ITEM NUMBER 6

---

Agency: Division of General Services

---

Subject: Printing equipment purchase requests:

- A. Criminal Justice Academy: Challenge Three Spindle paper drilling machine, Model EH-3A, approximate cost \$2,600.
- B. University of South Carolina: A B Dick Offset Press Model 360 (a repossessed unit with new machine warranty); approximate cost \$4,800.
- C. University of South Carolina: Challenge Model 193 paper cutter, approximate cost \$850.
- D. Vocational Rehabilitation Dept.: A B Dick Model III Platemaker, approximate cost \$950.

---

Board Action Requested:

Approve

---

Vote Of Board Member: (Please indicate by initialing appropriate line below.)

- \_\_\_\_\_ I approve of the above action.
- \_\_\_\_\_ I disapprove of the above action.
- \_\_\_\_\_ Hold for regular meeting.
- 

Attachments:

STATE BUDGET AND CONTROL BOARD  
DIVISION OF GENERAL SERVICES  
AGENDA

I. Printing Equipment

February 15, 1977

- A. The Criminal Justice Academy requests approval to purchase a Challenge Three Spindle paper drilling machine model EH-3A with drills, blocks, etc., approximate cost of \$2600.00. This equipment is necessary to prepare printed materials for looseleaf manuals for classroom instruction and exercises for all courses at the training academy. (Approximately 182 reams of paper is required per month.) The drilling has been done previously by transporting the materials to other agencies and borrowing their equipment. Purchase of this machine would save on manpower and production time. No additional personnel will be required. It is recommended that the Board approve purchase of this equipment.
- B. The University of South Carolina requests approval to purchase an AB Dick Offset Press Model 360 -- a repossessed unit with new machine warranty-- approximate cost of \$4,800.00 installed. This unit would replace one that is 10-12 years old. A new unit lists for \$7,830.00. This will be used in the USC print shop. It is recommended that the Board approve purchase of this equipment.
- C. The University of South Carolina requests approval to purchase a Challenge Model 193" paper cutter, approximate cost \$850.00. This equipment will be used in the Russell House Quick Copy print shop for printing materials for student organizations on campus and replaces one that is inoperable as parts are no longer available. It is recommended that the Board approve purchase of this equipment.
- D. Vocational Rehabilitation Department requests approval to purchase an AB Dick Model III Platemaker, approximate cost of \$950.00. This equipment will be used in their Greenwood Workshop for production training and contract services in preparing clients for competitive employment and as an income producer for the facility. It is recommended that the Board approve the purchase of this equipment.

All of the above requests and their justification have been reviewed by Mr. Charles Moore, State Printing Officer, and he concurs with our recommendation.

EXHIBIT I  
2/15/77

January 28, 1977

Mr. Bill Putnam  
State Auditor  
Wade Hampton Office Building  
Columbia, South Carolina 29201

Dear Mr. Putnam:

The South Carolina Law Enforcement Division has received two discretionary grants from the Law Enforcement Administration Agency of the Department of Justice to continue the SEGIS computer system for South Carolina. These grants will provide the funds for implementation of additional parts of the total system. The grants require a state cash match of \$38,504. After the budget reduction for the current fiscal year, the eight agencies involved do not have available funds to provide the required match. Therefore, this letter serves as a request to transfer \$38,504 from the Division of Administration's fiscal year 1973-74 appropriation line item "To Match Federal Law Enforcement Funds" to SLED.

Thank you for your assistance in this matter.

Sincerely,

Jim W. Meredith

JWM:cg

8-76

EXHIBIT II  
2/15/77

OFFICE OF THE VICE PRESIDENT FOR  
ADMINISTRATION AND FINANCE  
(803) 792-4291

MST



# Medical University of South Carolina

80 BARRE STREET / CHARLESTON, SOUTH CAROLINA 29401

February 1, 1977

Mr. William T. Putnam  
State Auditor  
Post Office Box 11333  
Columbia, South Carolina 29211

Dear Mr. Putnam:

During the course of its normal business, the Medical University requires minor engineering and architectural services for various tasks which exceed the capacity of the in-house staff. Typical services we require are:

- Annual survey of the Hospital electrical system to meet DHEC requirements.
- Assistance in solving difficult heating and air conditioning problems.
- Analysis of structures to determine what repairs are needed or their ability to take the floor loads of certain pieces of equipment.
- Preparation of preliminary sketches and estimates to accompany grant applications

Since the present regulations covering the engagement of architect/engineers became effective, we have met these needs by engaging one of the A/E's working on a related major project to perform these services. With the reduction of our major projects, this practice is becoming increasingly difficult. Several months ago, our Director of Physical Plant discussed the problem with Mr. McPherson of your office. As a result, it was agreed that we would select (using the prescribed procedures) local firms to do this work and negotiate a one-year, on-call contract with each one. Copies of four contracts for these services, as well as the other materials required by the procedures, are enclosed.

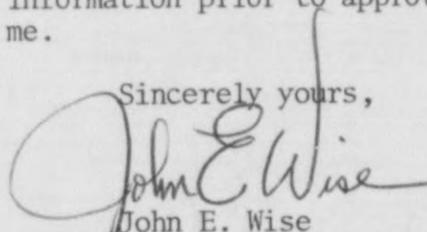
We plan to use operating funds to pay for these services, since they will generally be for maintenance, repair, and operation of the physical plant. It is specifically understood that these contracts will not be used for capital improvement projects. For each such project, the regular architectural/engineering selection procedure will be followed; the architect/engineers who are used for the minor maintenance contracts will be considered on an equal basis with other firms applying for consideration.

1 - 77

Mr. William T. Putnam  
February 1, 1977

Should you need additional information prior to approval of these forms,  
please do not hesitate to call on me.

Sincerely yours,



John E. Wise  
Vice President

JW/fm

Enclosures

A/E SELECTION FOR CONSULTANT SERVICES  
RANKING OF THREE MOST QUALIFIED FIRMS  
FOR EACH FIELD

Architect

1. Liollo
2. Rosenblum
3. Gandy

Civil

1. Sheridan
2. Sigma
3. Cummings & McCrady

Electrical

1. Rast
2. Poplin
3. Owens

Mechanical

1. Cummings & McCrady
2. Poplin
3. Rast

The News and Courier

*Handwritten notes:*  
✓  
✓  
3-27-77

State of South Carolina }  
COUNTY OF CHARLESTON }

Personally appeared before me

J. Harris advertising Clerk  
of The News and Courier, a newspaper published in the City  
of Charleston, County and State aforesaid, who, being duly  
sworn, says that the advertisement of

Copy Attached

appeared in the issues of said newspaper on the following

day(s): August 13, 14, 15, 1976

Subscribed and sworn to  
before me this 20th day  
of August  
A. D. 1976

*J. Harris*

*Frank W. Peppers*  
NOTARY PUBLIC, S. C.

NOTARY PUBLIC FOR SOUTH CAROLINA  
My Commission expires September 9, 1984

The Medical University of South Carolina proposes to engage professional consulting services in the disciplines listed below to provide advice and assistance on the solution of specific operational problems which may arise relating to these disciplines. These services are to be retained for a period of one year.  
Disciplines - Architecture  
Civil Engineering  
Mechanical Engineering  
Electrical Engineering  
Interested firms or individuals should submit resumes citing their qualifications to the Director, Physical Plant, Medical University of South Carolina 50 Barre Street, Charleston, South Carolina 29401, by August 27, 1976. Selection of a firm to work on this project will be conducted by University officials as prescribed by the "Procedures To Be Followed by State Agencies in the Selection of Architectural and/or Engineering Firms" as revised and published by the S. C. State Budget and Control Board.

The Medical University of South Carolina proposes to engage professional consulting services in the disciplines listed below to provide advice and assistance on the solution of specific operational problems which may arise relating to these disciplines. These services are to be retained for a period of one year.

Disciplines - Architecture  
Civil Engineering  
Mechanical Engineering  
Electrical Engineering

Interested firms or individuals should submit resumes citing their qualifications to the Director, Physical Plant, Medical University of South Carolina 80 Barre Street, Charleston, South Carolina 29401, by August 27, 1976. Selection of a firm to work on this project will be conducted by University officials as prescribed by the "Procedures To Be Followed by State Agencies In the Selection of Architectural and/or Engineering Firms" as revised and published by the S. C. State Budget and Control Board.

LISTING OF CAPITAL IMPROVEMENT PROJECTS  
INITIATED SINCE JULY, 1974

MEDICAL UNIVERSITY OF SOUTH CAROLINA

<u>PROJECT NO.</u>	<u>PROJECT NAME</u>	<u>ARCHITECT</u>	<u>PROJECT COST</u>
19-74	Additional Floors, Clinical Science and Administration Building	LBC&W	\$7,272,933
19-75	Expansion of High Tension Electric System	Frederick A. Smith	675,000
19-76	Alterations to Rooms 351-355, Basic Science Building	MUSC Staff	27,000
19-77	Alterations to O.R. #10 Air Conditioning	MUSC Staff	35,000
19-78	Alterations to 3-Center/West X-Ray	MUSC Staff	69,000
19-79	Alterations to Lab No. 1., Basic Science Building	MUSC Staff	45,000
19-80	Miscellaneous Hospital Alterations	Gill, Wilkins & Wood	1,400,000
19-81	Improve Air Conditioning, Building B	MUSC Staff	55,250
19-82	Demolition of 76 Barre Street	MUSC Staff	2,000
19-83	Addition to President's Home	Lee and Partners (pending approval)	150,000
19-84	Enclose Admin. Bldg. Loggia	Project Inactive	
19-84	Alterations to Rooms 409/424 Basic Science	MUSC Staff	12,000

INDEX

<u>FIRM</u>	<u>Page Number</u>
<u>Architects</u>	
Carl G. Baker, Architects	1
Read Barnes, Architect	2
Constantine and Constantine, Architects	3
Cummings & McCrady, Architects/Engineers	4
J. Harrell Gandy, Architect	5
Gill, Wilkins & Wood	6
LBC&W South Carolina	7
Lockwood Greene, Architect/Engineers	8
Demetrios C. Liollo, AIA	9
Jeffrey Marc Rosenblum	10
J. E. Surrine Company	11
<u>Civil Engineers</u>	
Consolidated Engineering Services, Inc.	12
Cummings & McCrady, Architect/Engineers	13
George A. Z. Johnson, Jr., Inc.	14
LBC&W South Carolina	15
Lockwood Greene, Architects/Engineers	16
G. E. Lohr Company	17
The Sheridan Corporation, Engineers	18
Sigma Engineers, Inc.	19
J. E. Surrine Company	20
<u>Electrical Engineers</u>	
Consolidated Engineering Services, Inc.	21
Hensley-Schmidt, Inc. (and G. E. Lohr)	22
LBC&W South Carolina	23
Lockwood Greene, Architects/Engineers	24
Owens and Associates, Inc. --	25
Poplin Engineers, Inc.	26
George B. Rast, Consulting Engineer	27
J. E. Surrine Company	28
<u>Mechanical Engineers</u>	
Consolidated Engineering Services, Inc.	29
Cummings & McCrady, Architects/Engineers	30
Hensley-Schmidt, Inc. (and G. E. Lohr)	31
LBC&W South Carolina	32
Owens and Associates, Inc.	33
Poplin Engineers, Inc.	34
George B. Rast, Consulting Engineer	35
J. E. Surrine Company	36

A/E INTERVIEWS

WEDNESDAY, OCTOBER 20, 1976

Architects

9:00 a.m.	Read Barnes	Read Barnes, Architect
9:25 a.m.	Augustus Constantine	Constantine and Constantine, Architects
9:50 a.m.	Jeffrey Marc Rosenblum	Jeffrey Marc Rosenblum
10:15 a.m.	Demetrios C. Liollo	Demetrios C. Liollo, AIA
10:40 a.m.	J. Harrell Gandy	J. Harrell Gandy, Architect

-----  
FRIDAY, OCTOBER 22, 1976

Civil and Mechanical Engineers

9:00 a.m.	John McCrady	Cummings & McCrady, Architect/Engineers
-----------	--------------	--

Civil Engineers

9:25 a.m.	G. Stuart Turner, P.E.	Consolidated Engineering Services, Inc.
9:50 a.m.	George A. Z. Johnson	George A. Z. Johnson, Jr., Inc.
10:15 a.m.	Harold J. LeMond	Sigma Engineers, Inc.
10:40 a.m.	G. E. Lohr	G. E. Lohr Company
11:05 a.m.	John C. Sheridan, III	The Sheridan Corporation, Engineers

Electrical and Mechanical Engineers

11:30 a.m.	Coleman C. Owens, Jr.	Owens and Associates, Inc.
11:55 a.m.	Clyde B. Poplin, Jr.	Poplin Engineers, Inc.
3:00 p.m.	George B. Rast	George B. Rast, Consulting Engineer

For B+c  
Bd  
meeting.

---

Bill,  
Check with J.  
McPherson on  
this. WTD

2-7-77

Bill McInnis

1. Contract w/Liollio:
  - a. Para 5.3 must be omitted
  - b. Need clause stating that contract is for one year only.
2. Contract w/Rost
  - a. Para 5.3.4 must be omitted
3. Contract w/Cummings & McCrady
  - a. Para 5.3.9. must be omitted
4. Contract w/Sheridan
  - a. Para 5.3.4 must be omitted

Otherwise they are OK.

I have advise Bob Clark of MUSC of these changes.

gmm

THE AMERICAN INSTITUTE OF ARCHITECTS



---

AIA Document B141

**Standard Form of Agreement Between  
Owner and Architect**

*THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES; CONSULTATION WITH  
AN ATTORNEY IS ENCOURAGED WITH RESPECT TO ITS COMPLETION OR MODIFICATION*

---

**AGREEMENT**

made this \_\_\_\_\_ day of \_\_\_\_\_ in the year of Nineteen  
Hundred and \_\_\_\_\_

**BETWEEN** the Owner: Medical University of South Carolina  
80 Barre Street  
Charleston, South Carolina

and the Architect: Demetrios C. Liollo Architect and Associates Ltd.  
Charleston, South Carolina

For the following Project: \_\_\_\_\_ Architectural consulting and services, as  
(Include detailed description of Project location and scope) required.

The Owner and the Architect agree as set forth below.

MULTIPLE OF DIRECT PERSONNEL EXPENSE

- I. THE ARCHITECT shall provide professional services for the Project in accordance with the Terms and Conditions of this Agreement.
- II. THE OWNER shall compensate the Architect, in accordance with the Terms and Conditions of this Agreement.
  - A. FOR BASIC AND ADDITIONAL SERVICES, as described in Paragraphs 1.1 and 1.3, compensation shall be computed on the basis of a MULTIPLE OF DIRECT PERSONNEL EXPENSE, as follows:

Principals' time at the fixed rate of \_\_\_\_\_ dollars (\$) \_\_\_\_\_ per hour.  
For the purposes of this Agreement, the Principals are:

including

Employees' time (~~other than~~ Principals) at a multiple of two and two tenths  
( 2.2 ) times the employees' Direct Personnel Expense as defined in Article 4.

Services of professional consultants at a multiple of one and one tenth  
( 1.1 ) times the amount billed to the Architect for such services.

- B. AN INITIAL PAYMENT OF None \_\_\_\_\_ dollars (\$) \_\_\_\_\_ )  
shall be made upon the execution of this Agreement and credited to the Owner's account.
- C. FOR REIMBURSABLE EXPENSES, amounts expended as defined in Article 5, including computer time for professional services.

- III. THE OWNER AND ARCHITECT agree in accordance with the Terms and Conditions of this Agreement that:
  - A. IF SCOPE of the Project is changed materially, compensation shall be subject to renegotiation.
  - B. IF THE SERVICES covered by this Agreement have not been completed within \_\_\_\_\_ ( \_\_\_\_\_ ) months of the date hereof, the amounts of compensation, rates and multiples set forth in Paragraph II shall be subject to renegotiation.

ARTICLE 1

ARCHITECT'S SERVICES

1.1 Principal Services

The principal services expected of the architect under this contract shall consist of providing consultation on architectural problems, design services relative to future facilities, system or equipment; layouts; schematic designs; preliminary cost estimates; architectural drafting; and other related work, as requested by the Owner.

1.2 Other Services

Other services may be requested of the architect such as the following.

1.2.1 Providing analyses of the Owner's needs, and programming the requirements of the Project.

1.2.2 Providing financial feasibility or other special studies.

1.2.3 Providing planning surveys, site evaluations, environmental studies or comparative studies of prospective sites.

1.2.4 Providing services to investigate existing conditions or facilities or to make measured drawings thereof, or to verify the accuracy of drawings or other information furnished by the Owner.

1.2.5 Providing interior design and other services required for or in connection with the selection of furniture and furnishings.

1.2.6 Making investigations involving detailed appraisals and valuations of existing facilities, and surveys or inventories required in connection with construction performed by the Owner.

1.2.7 Providing consultation concerning replacement of any Work damaged by fire or other cause during construction, and furnishing professional services of the type set forth in Paragraph 1.1 as may be required in connection with the replacement of such Work.

1.2.8 Providing services of professional consultants for other than the normal structural, mechanical and electrical engineering services.

1.2.9 Providing any other services not otherwise included in this Agreement or not customarily furnished in accordance with generally accepted architectural practice.

ARTICLE 2

THE OWNER'S RESPONSIBILITIES

2.1 The Owner shall provide full information regarding his requirements.

2.2 The Owner shall designate, when necessary, a representative authorized to act in his behalf. The Owner shall examine documents submitted by the Architect and shall render decisions pertaining thereto promptly, to avoid unreasonable delay in the progress of the Architect's services.

### ARTICLE 3

#### DIRECT PERSONNEL EXPENSE

Direct Personnel Expense is defined as the salaries of professional, technical and clerical employees engaged on the Project by the Architect, and the cost of their mandatory and customary benefits such as statutory employee benefits, insurance, sick leave, holidays, vacations, pensions and similar benefits.

### ARTICLE 4

#### REIMBURSABLE EXPENSES

4.1 Reimbursable Expenses are in addition to the Compensation for Basic and Additional Services and include actual expenditures made by the Architect, his employees, or his professional consultants in the interest of the Project for the expenses listed in the following Subparagraphs:

4.1.1 Expense of transportation and living when traveling in connection with the Project; long distance calls and telegrams; and fees paid for securing approval of authorities having jurisdiction over the Project.

4.1.2 Expense of reproductions, postage and handling of Drawings and Specifications excluding duplicate sets at the completion of each Phase for the Owner's review and approval.

4.1.3 If authorized in advance by the Owner, expense of overtime work requiring higher than regular rates and expense of renderings or models for the Owner's use.

4.1.4 Expense of computer time for professional services when included in Paragraph II.

4.1.5 Expense of computer time when used in connection with Additional Services.

### ARTICLE 5

5.1 The Owner shall compensate the Architect for services rendered on the basis of a multiple of two and two tenths (2.2) times the architect's direct personnel expense. The hourly salary of all professional and technical personnel is established at \$15.00 per person, including principals. Services of professional consultants shall be paid at a multiple of one and one tenth (1.1) times the amount billed to the Architect for such services. Reimbursable expenses, as defined in Article 4, shall be paid at cost (without use of a multiple).

5.2 Payments for Services of the Architect as defined in Article 1, and for Reimbursable Expenses as defined in Article 4, shall be made monthly upon presentation of the Architect's statement of services rendered.

~~5.3 Payments due the Architect under this Agreement shall bear interest at the legal rate commencing sixty days after the date of billing.~~

#### ARTICLE 6

##### ARCHITECT'S ACCOUNTING RECORDS

Records of Reimbursable Expenses and for services performed on the basis of a Multiple of Direct Personnel Expense shall be kept on a generally recognized accounting basis and shall be available to the Owner or his authorized representative at mutually convenient times.

#### ARTICLE 7

##### TERMINATION OF AGREEMENT

8.1 This Agreement may be terminated by either party upon seven days' written notice should the other party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination.

8.2 In the event of termination due to the fault of parties other than the Architect, the Architect shall be paid his compensation for services performed to termination date, including Reimbursable Expenses then due and all termination expenses.

8.3 Termination Expenses are defined as Reimbursable Expenses directly attributable to termination.

#### ARTICLE 8

##### OWNERSHIP OF DOCUMENTS

Drawings and Specifications as instruments of service are and shall remain the property of the Architect whether the Project for which they are made is executed or not. They are not to be used by the Owner on other projects or extensions to this Project except by agreement in writing and with appropriate compensation to the Architect.

#### ARTICLE 9

##### SUCCESSORS AND ASSIGNS

The Owner and the Architect each binds himself, his partners, successors and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. Neither the Owner nor the

Architect shall assign, sublet or transfer his interest in this Agreement without the written consent of the other.

ARTICLE 10

EXTENT OF AGREEMENT

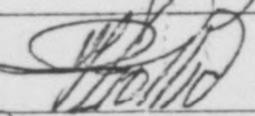
This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect.

This Agreement executed the day and year first written above.

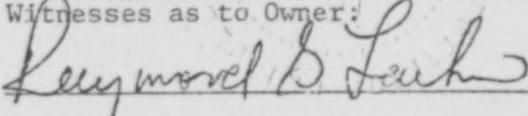
OWNER Board of Trustees, Medical  
University of South Carolina

ARCHITECT Demetrios C. Liollo and  
Associates Ltd.

BY:

BY: 

Witnesses as to Owner:

Witnesses as to Owner: 

This document has important legal consequences; consultation with an attorney is encouraged with respect to its completion or modification.

STANDARD  
FORM OF AGREEMENT  
BETWEEN OWNER AND ENGINEER  
FOR  
PROFESSIONAL SERVICES



*Issued by*

PROFESSIONAL ENGINEERS IN PRIVATE PRACTICE

*A practice division of the*

NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

© 1974, NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS  
2029 K STREET, N.W., WASHINGTON, D.C. 20006

# Guide Sheet for Completing Standard Form of Agreement Between Owner and Engineer for Professional Services

1. Page 1—Insert proper name of partnership, corporation or governmental body that is the Owner on first page and execution page. Make certain person signing for Owner has authority to do so and that there is an indication of the capacity in which he signs. (See Commentary, paragraph 7.)

2. Page 1—Insert as complete a description of the Project as possible. Include, to the extent known, a description of the land where the Project is to be located, any special requirements as to performance, capacity or function, budgetary limitations and any special source of funds for which the Project must qualify. Identify studies, reports or analyses previously prepared which are being furnished by Owner to Engineer for his guidance, such as reports and studies referred to in paragraph 3.3. Identify other special aspects or peculiarities of the Project. (See Commentary, paragraph 8.)

3. Section 4—Period of Service. This Section has been prepared in recognition of thought expressed in paragraph 4.1 that there will be a continuous period of service through completion of the Construction Phase with timely responses from the Owner to the Engineer's submission and with prompt authority to proceed with each Phase of services after the preceding Phase has been completed. The blank spaces provided in paragraphs 4.2, 4.3 and 4.4 should be filled in recognizing this understanding. The blank space in paragraph 4.10 should be filled in with whatever is considered a reasonable time in the particular Project for the taking of bids or receiving proposals, awarding the contract and starting construction. The three-month and one-year periods provided in paragraph 4.11 may not be appropriate for all Projects and should be modified as circumstances indicate.

4. Paragraph 5.1.1—Methods of Payment for Services (See Commentary, paragraph 12). One of the applicable Methods of Compensation provided in paragraphs 5.1.1.1 through 5.1.1.5 should pertain; otherwise use paragraph 5.1.1.6. Cross out the inapplicable paragraphs and insert initials of both parties opposite the crossing out. When payment is on the basis of a lump sum or a percentage fee, it is customary to provide for higher compensation for the Engineer in a Project involving several prime contracts or in the case of Construction Contracts which contain cost-plus or incentive-savings provisions. Accordingly, blank spaces have been provided in paragraphs 5.1.1.1 through 5.1.1.5. The blank spaces for the number of prime contractors is intended to be filled in with the number normally anticipated for a Project of the type involved, such as a governmentally financed one where the law requires separate prime contracts. Paragraph 2.1.8 is intended to cover an additional number, if any, not anticipated at the time the Engineer makes his fee commitment with the Owner. In filling in the blank spaces with respect to the anticipated extra services due to cost-plus or incentive-compensation arrangements with Contractors, bear in mind the provision of paragraph 3.8 which requires the Owner to furnish auditing services if he wishes to ascertain how or for what purposes the Contractor has used the moneys paid to him under the Construction Contract. Before inserting the factor in paragraphs 5.1.1.5, 5.1.2.1 and 5.1.2.4 review the definition of payroll costs contained in paragraph 5.3.2.

If none of the suggested Methods of Compensation are applicable, paragraph 5.1.1.6 may be used and an appropriately identified exhibit attached to the Agreement. Typical use of paragraph 5.1.1.6 would be in the situation where a percentage fee arrangement is to be converted to a fixed fee at the conclusion of the Preliminary Design Phase or where there is a provision for a guaranteed maximum fee. When paragraph 5.1.1.6 is used, paragraph 5.2.3 may also be used to cover special arrangements with respect to the times of payment.

5. Paragraph 5.1.2—Payment for Additional Services (See Commentary, paragraph 12). Space has been provided in paragraph 5.1.2.1 through 5.1.2.4 for different rates of compensation for different types of Additional Services. Any inapplicable paragraph should be crossed out and initials inserted in the margin by both parties. If one method of compensation is to apply to all Additional Services, be certain that the cross references are correctly adjusted.

6. Paragraph 5.3.2 contemplates the identification of the key personnel in the Engineer's organization who are to be assigned to the Project. (See Commentary, paragraph 12 as to the proper meaning of the term "principals.") In developing the factor for the payroll cost method of compensation, bear in mind that paragraph 5.3.2 is set up so that the factor is applied to the salary, wages and fringe benefits of all personnel, and payroll costs of principals (whether they be a corporate officer at a fixed salary or a partner with a drawing account who shares in the profits) are to be itemized. In lieu of the detailed accounting required to substantiate the amount paid for customary and statutory benefits of personnel, a percentage of salaries and wages may be agreed to in advance and inserted in the blank space at the end of paragraph 5.3.2; otherwise the sentence should be crossed out and initialed by both parties.

7. The blank space in paragraph 5.3.5 should be filled in after consultation with the Owner.

## TABLE OF CONTENTS

	<i>Page No.</i>
IDENTIFICATION OF THE PARTIES AND GENERAL DESCRIPTION OF THE PROJECT .....	1
SECTION 1—BASIC SERVICES OF ENGINEER .....	1
1.1. General .....	1
1.2. Study and Report Phase .....	1
1.3. Preliminary Design Phase .....	2
1.4. Final Design Phase .....	4
1.5. Bidding or Negotiating Phase .....	2
1.6. Construction Phase .....	2
SECTION 2—ADDITIONAL SERVICES OF ENGINEER .....	3
2.1. General .....	3
2.2. Resident Services During Construction .....	3
SECTION 3—OWNER'S RESPONSIBILITIES .....	4
SECTION 4—PERIOD OF SERVICE .....	4
SECTION 5—PAYMENTS TO ENGINEER .....	5
5.1. Methods of Payment for Services and Expenses of Engineer .....	5
5.2. Times of Payment .....	6
5.3. General .....	6
5.3.1. Construction Cost .....	6
5.3.2. Payroll Costs .....	6
5.3.3. Reimbursable Expense .....	6
5.3.4. Late Payment .....	6
5.3.5. Payment on Termination .....	6
SECTION 6—GENERAL CONSIDERATIONS .....	7
6.1. Termination .....	7
6.2. Reuse of Documents .....	7
6.3. Estimates of Cost .....	7
6.4. Arbitration .....	7
6.5. Successors and Assigns .....	8
SECTION 7—SPECIAL PROVISIONS .....	8

This document has important legal consequences; consultation with an attorney is encouraged with respect to its completion or modification.

STANDARD FORM OF AGREEMENT  
BETWEEN  
OWNER AND ENGINEER  
FOR  
PROFESSIONAL SERVICES

THIS IS AN AGREEMENT made as of \_\_\_\_\_ day of \_\_\_\_\_

in the year Nineteen Hundred and Seventy \_\_\_\_\_ by and between

\_\_\_\_\_ Medical University of South Carolina \_\_\_\_\_

\_\_\_\_\_ (hereinafter called OWNER) and

\_\_\_\_\_ George B. Rast and Associates \_\_\_\_\_

\_\_\_\_\_ (hereinafter called ENGINEER).

OWNER intends to engage electrical engineering services to augment its own  
capabilities for a period of one year.

\_\_\_\_\_ (hereinafter called the Project).

OWNER and ENGINEER in consideration of their mutual covenants herein agree in respect of the performance of professional engineering services by ENGINEER and the payment for those services by OWNER, as set forth below.

ENGINEER shall serve as OWNER's professional engineering representative in those phases of the Project to which this Agreement applies, and will give consultation and advice to OWNER during the performance of his services.

SECTION 1—BASIC SERVICES OF ENGINEER

1.1. General.

1.1.1. ENGINEER shall perform professional services as hereinafter stated which include normal civil, structural, mechanical and electrical engineering services and normal architectural services incidental thereto. engineering services incidental thereto.

1.2. Study and Report Phase.  
After written authorization to proceed, ENGINEER shall:

1.2.1. Consult with OWNER to determine his requirements for the Project and review available data.

~~1.2.2. Advise OWNER as to the necessity of his providing or obtaining from others data or services of the types described in paragraph 3.3, and act as OWNER's representative in connection with any such services.~~

1.2.3. Provide special analyses of OWNER's needs, planning surveys, site evaluations and comparative studies of prospective sites and solutions.

1.2.4. Provide general economic analysis of OWNER's requirements applicable to various alternatives.

1.2.5. Prepare a Report with appropriate exhibits indicating clearly the considerations involved and the alternative solutions available to OWNER, and setting forth ENGINEER's findings and recommendations with opinions of probable costs.

1.2.6. Furnish five copies of the Report and present and review it in person with OWNER.

### 1.3. Preliminary Design Phase.

After written authorization to proceed with the Preliminary Design Phase, ENGINEER shall:

1.3.1. In consultation with OWNER and on the basis of the accepted Report, determine the scope of the Project.

1.3.2. Prepare preliminary design documents consisting of final design criteria, preliminary drawings and outline specifications.

1.3.3. Based on the information contained in the preliminary design documents, submit a revised opinion of probable cost for the Project including Construction Cost, contingencies, compensation for all professionals and consultants, costs of land, rights-of-way and compensation for or damages to properties and interest and financing charges (all of which are hereinafter called "Project Costs").

1.3.4. Furnish five copies of the above preliminary design documents and present and review them in person with OWNER.

### 1.4. Final Design Phase.

After written authorization to proceed with the Final Design Phase, ENGINEER shall:

1.4.1. On the basis of the accepted preliminary design documents prepare for incorporation in the Contract Documents, final drawings to show the character and scope of the work to be performed by contractors on the Project (hereinafter called "Drawings"), and Specifications.

1.4.2. Furnish to OWNER such documents and design data as may be required for, and assist in the preparation of, the required documents so that OWNER may obtain approvals of such governmental authorities as have jurisdiction over design criteria applicable to the Project, and assist in obtaining such approvals by participating in submissions to and negotiations with appropriate authorities.

1.4.3. Advise OWNER of any adjustments to his latest opinion of probable Project Cost caused by changes in scope, design requirements or Construction Costs and furnish a revised opinion of probable Project Cost based on the Drawings and Specifications.

1.4.4. Prepare bid forms, notice to bidders, instructions to bidders, general conditions and supplementary conditions, and assist in the preparation of other related documents.

1.4.5. Furnish five copies of the above documents and present and review them in person with OWNER.

### 1.5. Bidding or Negotiating Phase.

After written authorization to proceed with the Bidding or Negotiating Phase, ENGINEER shall:

1.5.1. Assist OWNER in obtaining bids or negotiating proposals for each separate prime contract for construction or equipment.

1.5.2. Consult with and advise OWNER as to the acceptability of subcontractors and other persons and organizations proposed by the prime contractor(s) (hereinafter called "Contractor(s)") for those portions of the work as to which such acceptability is required by the Contract Documents.

1.5.3. Consult with and advise OWNER as to the acceptability of substitute materials and equipment proposed by

Contractor(s) when substitution is permitted by the Contract Documents.

1.5.4. Assist OWNER in evaluating bids or proposals and in assembling and awarding contracts.

### 1.6. Construction Phase.

During the Construction Phase ENGINEER shall:

~~1.6.1. Consult with and advise OWNER and act as his representative as provided in Articles 1 through 17, inclusive, of the Standard General Conditions of the Construction Contract, National Society of Professional Engineers document 1910-8, 1974 edition; the extent and limitations of the duties, responsibilities and authority of ENGINEER as assigned in said Standard General Conditions shall not be modified without ENGINEER's written consent; all of OWNER's instructions to Contractor(s) will be issued through ENGINEER who will have authority to act on behalf of OWNER to the extent provided in said Standard General Conditions except as otherwise provided in writing.~~

~~1.6.2. Make periodic visits to the site to observe as an experienced and qualified design professional the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the Contract Documents; he shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of work; he shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by Contractor(s) or the safety precautions and programs incident to the work of Contractor(s). His efforts will be directed toward providing assurance for OWNER that the completed Project will conform to the Contract Documents, but he shall not be responsible for the failure of Contractor(s) to perform the construction work in accordance with the Contract Documents. During such visits and on the basis of his on-site observations he shall keep OWNER informed of the progress of the work, shall endeavor to guard OWNER against defects and deficiencies in the work of Contractor(s) and may disapprove or reject work as failing to conform to the Contract Documents.~~

1.6.3. Review and approve Shop Drawings (as that term is defined in the aforesaid Standard General Conditions) and samples, the results of tests and inspections and other data which any Contractor is required to submit, but only for conformance with the design concept of the Project and compliance with the information given in the Contract Documents; determine the acceptability of substitute materials and equipment proposed by Contractor(s); and receive and review (for general content as required by the Specifications) maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection which are to be assembled by Contractor(s) in accordance with the Contract Documents.

~~1.6.4. Issue all instructions of OWNER to Contractor(s); prepare routine change orders as required; he may, as OWNER's representative, require special inspection or testing of the work; he shall act as interpreter of the requirements of the Contract Documents and judge of the performance thereunder by the parties thereto and shall make decisions on all claims of OWNER and Contractor(s) relating to the execution and progress of the work and all other matters and questions related thereto; but ENGINEER shall not be liable for the results of any such interpretations or decisions rendered by him in good faith.~~

~~1.6.5. Based on his on-site observations as an experienced and qualified design professional and on his review of Contractor(s) applications for payment and the accom-~~

panying data and schedules, determine the amounts owing to Contractor(s) and approve in writing payments to Contractor(s) in such amounts; such approvals of payment will constitute a representation to OWNER, based on such observations and review, that the work has progressed to the point indicated and that, to the best of his knowledge, information and belief, the quality of the work is in accordance with the Contract Documents (subject to an evaluation of the work as a functioning Project upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any qualifications stated in his approval), but by approving an application for payment ENGINEER will not be deemed to have represented that he has made any examination to determine how or for what purposes any Contractor has used the moneys paid on account of the Contract Price, or that title to any of the Contractor(s)' work, materials or equipment has passed to OWNER free and clear of any lien, claims, security interests or encumbrances.

~~If requested by the Owner,~~  
1.6.6. Conduct an inspection to determine if the Project is substantially complete and a final inspection to determine if the Project has been completed in accordance with the Contract Documents and if each Contractor has fulfilled all of his obligations thereunder so that ENGINEER may approve, in writing, final payment to each Contractor.

1.6.7. ENGINEER shall not be responsible for the acts or omissions of any Contractor, any subcontractor or any of the Contractor(s)' or subcontractors' agents or employees or any other persons (except his own employees and agents) at the Project site or otherwise performing any of the work of the Project.

## SECTION 2—ADDITIONAL SERVICES OF ENGINEER

### 2.1. General.

If authorized in writing by OWNER, ENGINEER shall furnish or obtain from others Additional Services of the following types ~~which are not considered normal or customary Basic Services; these will be paid for by OWNER as indicated in Section 5.~~

2.1.1. Preparation of applications and supporting documents for governmental grants, loans or advances in connection with the Project; preparation or review of environmental assessments and impact statements; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.

2.1.2. Services to make measured drawings of or to investigate existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by OWNER.

2.1.3. Services resulting from significant changes in general scope of the Project or its design including, but not limited to, changes in size, complexity, OWNER's schedule, or character of construction; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are due to causes beyond ENGINEER's control.

2.1.4. Providing renderings or models for OWNER's use.

2.1.5. Preparing documents for alternate bids requested by OWNER for work which is not executed or documents for out-of-sequence work.

2.1.6. Investigations involving detailed consideration of

operations, maintenance and overhead expenses; and the preparation of rate schedules, earnings and expense statements, feasibility studies, appraisals and valuations; detailed quantity surveys of material, equipment and labor; and audits or inventories required in connection with construction performed by OWNER.

2.1.7. Furnishing the services of special consultants for other than the normal civil, structural, mechanical and electrical engineering and normal architectural design incidental thereto, such as consultants ~~for interior design, selection of furniture and furnishings, communications, acoustics, kitchens and landscaping.~~

~~2.1.8. Services resulting from the involvement of more separate prime contracts for construction or for equipment than are contemplated by paragraphs 5.1.1.2 or 5.1.1.4.~~

~~2.1.9. Services in connection with change orders to reflect changes requested by OWNER if the resulting change in compensation for Basic Services is not commensurate with the additional services rendered and services resulting from significant delays, changes or price increases occurring as a direct or indirect result of material, equipment or energy shortages.~~

2.1.10. Services during out-of-town travel required of ENGINEER other than visits to the Project site as required by Section 1.

2.1.11. Preparing for OWNER, on request, a set of reproducible record prints of Drawings showing those changes made during the construction process, based on the marked-up prints, drawings and other data furnished by Contractor(s) to ENGINEER and which ENGINEER considers significant.

2.1.12. Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction, (2) a significant amount of defective or neglected work of any Contractor, (3) prolongation of the contract time of any prime contract by more than sixty days, (4) acceleration of the work schedule involving services beyond normal working hours, and (5) default by any Contractor.

2.1.13. Preparation of operating and maintenance manuals; extensive assistance in the utilization of any equipment or system (such as initial start-up, testing, adjusting and balancing); and training personnel for operation and maintenance.

2.1.14. Services after completion of the Construction Phase, such as inspections during any guarantee period and reporting observed discrepancies under guarantees called for in any contract for the Project.

2.1.15. Preparing to serve or serving as a consultant or witness for OWNER in any litigation, public hearing or other legal or administrative proceeding involving the Project.

2.1.16. Additional services in connection with the Project, including services normally furnished by OWNER and services not otherwise provided for in this Agreement.

### 2.2. Resident Services During Construction.

2.2.1. If requested by OWNER or recommended by ENGINEER and agreed to in writing by the other, a Resident Project Representative and assistants will be furnished and will act as directed by ENGINEER in order to provide more extensive representation at the Project site during the Construction Phase. Such services will be paid for by OWNER as indicated in paragraph 5.1.2.4.

2.2.2. The duties and responsibilities and the limitations on the authority of the Resident Project Representative and assistants will be set forth in Exhibit A which is to be identified, attached to and made a part of this Agreement before such services begin.

2.2.3. Through more extensive on-site observations of the work in progress and field checks of materials and equipment by the Resident Project Representative (if furnished) and assistants, ENGINEER shall endeavor to provide further protection for OWNER against defects and deficiencies in the work, but the furnishing of such resident Project representation will not make ENGINEER responsible for construction means, methods, techniques, sequences or procedures or for safety precautions or programs, or for Contractor(s)' failure to perform the construction work in accordance with the Contract Documents.

### SECTION 3—OWNER'S RESPONSIBILITIES

OWNER shall:

3.1. Provide full information as to his requirements for the Project.

3.2. Assist ENGINEER by placing at his disposal all available information pertinent to the Project including previous reports and any other data relative to design and construction of the Project.

3.3. Furnish to ENGINEER, as required by him for performance of his Basic Services, data prepared by or services of others, such as core borings, probings and sub-surface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials and equipment; appropriate professional interpretations of all of the foregoing; property, boundary, easement, right-of-way, topographic and utility surveys and property descriptions; zoning and deed restriction; and other special data or consultations not covered in paragraph 2.1; all of which ENGINEER may rely upon in performing his services.

~~3.4. Provide engineering surveys to enable Contractor(s) to proceed with their work.~~

3.5. Guarantee access to and make all provisions for ENGINEER to enter upon public and private property as required for ENGINEER to perform his services.

3.6. Examine all studies, reports, sketches, Drawings, Specifications, proposals and other documents presented by ENGINEER, obtain advice of an attorney, insurance counselor and other consultants as he deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of ENGINEER.

3.7. Pay all costs incident to obtaining bids or proposals from contractors.

3.8. Provide such legal, accounting, independent cost estimating and insurance counseling services as may be required for the Project, and such auditing service as OWNER may require to ascertain how or for what purpose any contractor has used the moneys paid to him under the construction contract.

3.9. Designate in writing a person to act as OWNER's representative with respect to the work to be performed under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define OWNER's policies and decisions with

respect to materials, equipment, elements and systems pertinent to ENGINEER's services.

3.10. Give prompt written notice to ENGINEER whenever OWNER observes or otherwise becomes aware of any defect in the Project.

3.11. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

3.12. Furnish, or direct ENGINEER to provide, necessary Additional Services as stipulated in Section 2 of this Agreement or other services as required.

3.13. Bear all costs incident to compliance with the requirements of this Section 3.

### SECTION 4—PERIOD OF SERVICE

~~4.1. See page 8~~

~~4.1. The provisions of 4.2 through 4.8, inclusive, and the various rates of compensation for ENGINEER's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Construction Phase. ENGINEER's obligation to render services hereunder will extend for a period which may reasonably be required for the design, award of contracts and construction of the Project including extra work and required extensions thereto.~~

~~4.2. The services called for in the Study and Report Phase will be completed and the Report submitted within \_\_\_\_\_ calendar days following the authorization to proceed with that phase of services.~~

~~4.3. After acceptance by OWNER of the Report, indicating any specific modifications or changes in scope desired by OWNER, and upon written authorization from OWNER, ENGINEER shall proceed with the performance of the services called for in the Preliminary Design Phase, and shall submit preliminary design documents and a revised opinion of probable Project Cost within \_\_\_\_\_ calendar days following the authorization to proceed with that phase of services.~~

~~4.4. After acceptance by OWNER of the preliminary design documents and revised opinion of probable Project Cost, indicating any specific modifications or changes in scope desired by OWNER, and upon written authorization from OWNER, ENGINEER shall proceed with the performance of the services called for in the Final Design Phase, so as to deliver Contract Documents and a revised opinion of probable Project Cost for all authorized work on the Project within \_\_\_\_\_ calendar days after the authorization to proceed with that phase of services.~~

~~4.5. ENGINEER's services under the Study and Report Phase, Preliminary Design Phase and Final Design Phase shall each be considered complete at the earlier of (1) the date when the submissions for that phase have been accepted by OWNER or (2) thirty days after the date when such submissions are delivered to OWNER for final acceptance, plus such additional time as may be considered reasonable for obtaining approval of governmental authorities having jurisdiction over design criteria applicable to the Project.~~

~~4.6. After acceptance by OWNER of the Contract Documents and ENGINEER's most recent opinion of probable~~

Project Cost and upon written authorization to proceed, ENGINEER shall proceed with performance of the services called for in the Bidding or Negotiating Phase. This Phase shall terminate and the services to be rendered thereunder shall be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with Contractor(s) (except as may be otherwise required to complete the services called for in paragraph 6.3.2.5).

4.7. The Construction Phase will commence with the execution of the first prime contract to be executed for the work of the Project or any part thereof, and will terminate upon written approval by ENGINEER of final payment on the last prime contract to be completed. Construction Phase services may be rendered at different times in respect of separate prime contracts if the Project involves more than one prime contract.

4.8. In the event that the work of the Project is to be performed under more than one prime contract, OWNER and ENGINEER shall, prior to commencement of the Final Design Phase, develop a schedule for performance of ENGINEER's services during the Final Design, Bidding or Negotiating and Construction Phases in order to sequence and coordinate properly such services as applicable to the work under such separate contracts. This schedule is to be prepared whether or not the work under such contracts is to proceed concurrently and is to be attached as an exhibit to and made a part of this Agreement, and the provisions of paragraphs 4.4 thru 4.6 inclusive, will be modified accordingly.

4.9. If OWNER has requested significant modifications or changes in the scope of the Project, the time of performance of ENGINEER's services shall be adjusted appropriately.

4.10. If OWNER fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, or if the Construction Phase has not commenced within \_\_\_\_\_ calendar days (plus such additional time as may be required to complete the services called for under paragraph 6.3.2.5) after completion of the Final Design Phase, ENGINEER may, after giving seven days written notice to OWNER, suspend services under this Agreement.

4.11. If ENGINEER's services for design or during construction of the Project are delayed or suspended in whole or in part by OWNER for more than three months for reasons beyond ENGINEER's control, ENGINEER shall on written demand to OWNER (but without termination of this Agreement) be paid as provided in paragraph 5.3.5 for the services delayed or suspended. If such delay or suspension extends for more than one year for reasons beyond ENGINEER's control, or if ENGINEER for any reason is required to render services more than one year after Substantial Completion, the various rates of compensation provided for elsewhere in this Agreement shall be subject to renegotiation.

## SECTION 5—PAYMENTS TO ENGINEER

5.1. Methods of Payment for Services and Expenses of ENGINEER. See page 8.

5.1.1. *Basic Services.* OWNER shall pay ENGINEER for Basic Services rendered under Section 1 on one of the following bases (except as otherwise provided in paragraph 5.1.1.6):

5.1.1.1. *Lump Sum.* If the work of the entire Project is awarded on the basis of one prime contract, a lump sum fee of \$ \_\_\_\_\_; but, if the prime contract contains cost-plus or incentive savings provisions for the Contractor's basic compensation, a lump sum fee of \$ \_\_\_\_\_

or  
5.1.1.2. *Lump Sum.* If the work of the Project is awarded on the basis of not more than a total of \_\_\_\_\_ separate prime contracts for construction and for equipment, a lump sum fee of \$ \_\_\_\_\_; but, if the prime contracts contain cost-plus or incentive savings provisions for the Contractor's basic compensation, a lump sum fee of \$ \_\_\_\_\_

or  
5.1.1.3. *Percentage.* If the work of the entire Project is awarded on the basis of one prime contract, \_\_\_\_\_% of the Construction Cost; but, if the prime contract contains cost-plus or incentive savings provisions for the Contractor's basic compensation, \_\_\_\_\_% of the Construction Cost.

or  
5.1.1.4. *Percentage.* If the work of the Project is awarded on the basis of not more than a total of \_\_\_\_\_ separate prime contracts for construction and for equipment, \_\_\_\_\_% of the Construction Cost; but, if the prime contracts contain cost-plus or incentive savings provisions for the Contractor's basic compensation, \_\_\_\_\_% of the Construction Cost.

or  
5.1.1.5. *Payroll Cost Times a Factor.* An amount based on the payroll costs times a factor of \_\_\_\_\_ for services rendered by principals and employees assigned to the Project.

or  
5.1.1.6. *Other Method.* (To be used in case none of the above methods of compensation is applicable.)  
(Refer to and attach schedule when applicable.)

5.1.2. *Additional Services.* OWNER shall pay ENGINEER for Additional Services rendered under Section 2 as follows:

5.1.2.1. *General.* For Additional Services rendered under paragraphs 2.1.1 through 2.1.16, inclusive (except services covered by paragraph 2.1.7 and services as a consultant or witness under paragraph 2.1.15), on the basis of payroll costs times a factor of \_\_\_\_\_ for services rendered by principals and employees assigned to the Project.

5.1.2.2. *Special Consultants.* For services and reimbursable expenses of special consultants employed by ENGINEER pursuant to paragraphs 2.1.7 or 2.1.16, the amount billed to ENGINEER therefor times a factor of \_\_\_\_\_

5.1.2.3. *Serving as a Witness.* For the services of the principals and employees as consultants or witnesses in any litigation, hearing or proceeding in accordance with paragraph 2.1.15, at the rate of \$ \_\_\_\_\_ per day or any portion thereof (but compensation for time spent in preparing to appear in any such litigation, hearing or proceeding will be on the basis provided in paragraph 5.1.2.1).

5.1.2.4. *Resident Project Services.* For resident services during construction furnished under paragraph 2.2.1, on the basis of payroll costs times a factor of \_\_\_\_\_ for services rendered by principals and employees assigned to field offices in connection with resident Project representation.

[Delete inapplicable paragraphs and initial]

[Delete inapplicable paragraphs and initial]

~~5.1.3. Reimbursable Expenses. In addition to payments provided for in paragraphs 5.1.1 and 5.1.2, OWNER shall pay ENGINEER the actual costs of all reimbursable expenses incurred in connection with all Basic and Additional Services.~~

~~5.1.4. As used in this paragraph 5.1, the terms "Construction Cost," "payroll costs" and "reimbursable expenses" will have the meanings assigned to them in paragraphs 5.3.1, 5.3.2 and 5.3.3.~~

~~5.2. Times of Payment.~~

~~5.2.1. ENGINEER shall submit monthly statements for Basic and Additional Services rendered and for reimbursable expenses incurred. When compensation is on the basis of a lump sum or percentage of construction cost the statements will be based upon ENGINEER's estimate of the proportion of the total services actually completed at the time of billing. Otherwise, these monthly statements will be based upon ENGINEER's payroll cost times a factor. OWNER shall make prompt monthly payments in response to ENGINEER's monthly statements.~~

~~5.2.2. Where compensation for Basic Services is on the basis of a lump sum or percentage of Construction Cost, OWNER shall, upon conclusion of each phase of Basic Services, pay such additional amount, if any, as may be necessary to bring total compensation paid on account of such phase to the following percentages of total compensation for all phases of Basic Services:~~

<del>Phase</del>	<del>Suggested Range</del>	<del>Insert Actual Percentage and Initial in Margin</del>
<del>Study and Report</del>	<del>( 5-30%)</del>	<del>.....%</del>
<del>Preliminary Design</del>	<del>( 5-30%)</del>	<del>.....%</del>
<del>Final Design</del>	<del>(35-75%)</del>	<del>.....%</del>
<del>Bidding or Negotiating</del>	<del>( 2-10%)</del>	<del>.....%</del>
<del>Construction</del>	<del>(10-20%)</del>	<del>.....%</del>
<del>TOTAL</del>	<del>X</del>	<del>100 %</del>

~~5.2.3. Payments for Basic Services in accordance with paragraph 5.1.1.6 shall be made as follows:~~

~~(Refer to and attach schedule when applicable.)~~

~~5.3. General.~~

~~5.3.1. The construction cost of the entire Project (herein referred to as "Construction Cost") means the total cost of the entire Project to OWNER, but it will not include ENGINEER's compensation and expenses, the cost of land, rights-of-way, or compensation for or damages to properties unless this Agreement so specifies nor will it include OWNER's legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with the Project. When Construction Cost is used as a basis for payment it will be based on one of the following sources with precedence in the order listed:~~

~~5.3.1.1. For completed construction the total cost of all work performed as designed or specified by ENGINEER.~~

~~5.3.1.2. For work not constructed, the lowest bona fide bid received from a qualified bidder for such work; or if the work is not bid, the lowest bona fide negotiated proposal for such work.~~

~~5.3.1.3. For work for which no such bid or proposal is received, ENGINEER's most recent opinion of probable Project Cost.~~

~~Labor furnished by OWNER for the Project will be included in the Construction Cost at current market rates~~

~~including a reasonable allowance for overhead and profit. Materials and equipment furnished by OWNER will be included at current market prices except used materials and equipment will be included as if purchased new for the Project. No deduction is to be made from ENGINEER's compensation on account of any penalty, liquidated damages, or other amounts withheld from payments to Contractor(s).~~

~~5.3.2. The payroll costs used as a basis for payment mean the salaries and wages paid to all personnel engaged directly on the Project, including, but not limited to, engineers, architects, surveymen, designers, draftsmen, specification writers, estimators, other technical personnel, stenographers, typists and clerks; plus the cost of customary and statutory benefits including, but not limited to, social security contributions, unemployment, excise and payroll taxes, workmen's compensation, health and retirement benefits, sick leave, vacation and holiday pay applicable thereto. For the purposes of this Agreement, the principals of ENGINEER and their hourly payroll costs are: \$13.00~~

~~The amount of customary and statutory benefits of all other personnel will be considered equal to .....% of salaries and wages.~~

~~5.3.3. Reimbursable expenses mean the actual expenses incurred directly or indirectly in connection with the Project for: transportation and subsistence incidental thereto; obtaining bids or proposals from Contractor(s); furnishing and maintaining field office facilities; subsistence and transportation of Resident Project Representatives and their assistants; toll telephone calls and telegrams; reproduction of reports, Drawings and Specifications, and similar Project-related items in addition to those required under Section 1; computer time including an appropriate charge for previously established programs; and, if authorized in advance by OWNER, overtime work requiring higher than regular rates.~~

~~5.3.4. If OWNER fails to make any payment due ENGINEER for services and expenses within sixty days after receipt of ENGINEER's bill therefor the amounts due ENGINEER shall include a charge at the rate of 1% per month from said sixtieth day, and in addition ENGINEER may, after giving seven days written notice to OWNER, suspend services under this Agreement until he has been paid in full all amounts due him for services and expenses.~~

~~5.3.5. If this Agreement is terminated by OWNER upon the completion of any phase of the Basic Services, progress payments due ENGINEER for services rendered through such phase shall constitute total payment for such services. If this Agreement is terminated by OWNER during any phase of the Basic Services, ENGINEER will be paid for services rendered during that phase on the basis of payroll costs times a factor of ..... for services rendered during that phase to date of termination by principals and employees assigned to the Project. In the event of any termination, ENGINEER will be paid for all unpaid Additional Services and unpaid reimbursable expenses, plus all termination expenses. Termination expenses mean reimbursable expenses directly attributable to termination, which shall include an amount computed as a percentage of total compensation for Basic Services earned by ENGINEER to the date of termination, as follows:~~

~~20% if termination occurs after commencement of the Preliminary Design Phase but prior to commencement of the Final Design Phase; or~~

~~10% if termination occurs after commencement of the Final Design Phase.~~

## SECTION 6—GENERAL CONSIDERATIONS

### 6.1. Termination

This Agreement may be terminated by either party upon seven days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

### 6.2. Reuse of Documents.

All documents including Drawings and Specifications furnished by ENGINEER pursuant to this Agreement are instruments of his services in respect of the Project. They are not intended or represented to be suitable for reuse by OWNER or others on extensions of the Project or on any other project. Any reuse without specific written verification or adaptation by ENGINEER will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, and OWNER shall indemnify and hold harmless ENGINEER from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

### 6.3. Estimates of Cost.

6.3.1. Since ENGINEER has no control over the cost of labor, materials or equipment, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions, his opinions of probable Project Cost or Construction Cost provided for herein are to be made on the basis of his experience and qualifications and represent his Best judgment as a design professional familiar with the construction industry, but ENGINEER cannot and does not guarantee that proposals, bids or the Construction Cost will not vary from opinions of probable cost prepared by him. If prior to the Bidding or Negotiating Phase OWNER wishes greater assurance as to the Construction Cost he shall employ an independent cost estimator as provided in paragraph 3.8.

6.3.2. If a Construction Cost limit is established as a condition to this Agreement, the following will apply:

6.3.2.1. The acceptance by OWNER at any time during the Basic Services of a revised opinion of probable Project Cost in excess of the then established cost limit will constitute a corresponding increase in the Construction Cost limit.

6.3.2.2. Any Construction Cost limit established by this Agreement will include a bidding contingency of ten percent unless another amount is agreed upon in writing.

6.3.2.3. ENGINEER will be permitted to determine what materials, equipment, component systems and types of construction are to be included in the Drawings and Specifications and to make reasonable adjustments in the scope of the Project to bring it within the cost limit.

6.3.2.4. If the Bidding or Negotiating Phase has not commenced within six months of the completion of the Final Design Phase, the established Construction Cost limit will not be effective or binding on ENGINEER, and OWNER shall consent to an adjustment in such cost limit commensurate with any applicable change in the general level of prices in the construction industry between the date of completion of the Final Design Phase and the date on which proposals or bids are sought.

6.3.2.5. If the lowest bona fide proposal or bid exceeds the established Construction Cost limit, OWNER shall (1) give written approval to increase such cost limit, (2) authorize negotiating or rebidding the Project within a reasonable time, or (3) cooperate in revising the Project scope or quality. In the case of (3), ENGINEER shall, without additional charge, modify the Contract Documents as necessary to bring the Construction Cost within the cost limit. The providing of such service will be the limit of ENGINEER's responsibility in this regard and, having done so, ENGINEER shall be entitled to payment for his services in accordance with this Agreement.

### 6.4. Arbitration

6.4.1. All claims, counter-claims, disputes and other matters in question between the parties hereto arising out of or relating to this Agreement or the breach thereof will be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining, subject to the limitations stated in paragraphs 6.4.3 and 6.4.4 below. This agreement so to arbitrate and any other agreement or consent to arbitrate entered into in accordance therewith as provided below, will be specifically enforceable under the prevailing law of any court having jurisdiction.

6.4.2. Notice of demand for arbitration must be filed in writing with the other parties to this Agreement and with the American Arbitration Association. The demand must be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event may the demand for arbitration be made after the time when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

6.4.3. All demands for arbitration and all answering statements thereto which include any monetary claim must contain a statement that the total sum or value in controversy as alleged by the party making such demand or answering statement is not more than \$200,000 (exclusive of interest and costs). The arbitrators will not have jurisdiction, power or authority to consider, or make findings (except in denial of their own jurisdiction) concerning any claim, counter-claim, dispute or other matter in question where the amount in controversy thereof is more than \$200,000 (exclusive of interest and costs) or to render a monetary award in response thereto against any party which totals more than \$200,000 (exclusive of interest and costs).

6.4.4. No arbitration arising out of, or relating to, this Agreement may include, by consolidation, joinder or in any other manner, any additional party not a party to this Agreement.

6.4.5. By written consent signed by all the parties to this Agreement and containing a specific reference hereto, the limitations and restrictions contained in paragraphs 6.4.3 and 6.4.4 may be waived in whole or in part as to any claim, counter-claim, dispute or other matter specifically described in such consent. No consent to arbitration in respect of a specifically described claim, counter-claim, dispute or other matter in question will constitute consent to arbitrate any other claim, counter-claim, dispute or other matter in question which is not specifically described in such consent or in which the sum or value in controversy exceeds \$200,000 (exclusive of interest and costs) or which is with any party not specifically described therein.

6.4.6. The award rendered by the arbitrators will be final, not subject to appeal and judgment may be entered upon it in any court having jurisdiction thereof.

6.5. Successors and Assigns.

OWNER and ENGINEER each binds himself and his partners, successors, executors, administrators and assigns to the other party of this Agreement and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement; except as above, neither OWNER nor ENGINEER shall

assign, sublet or transfer his interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than OWNER and ENGINEER.

SECTION 7—SPECIAL PROVISIONS

OWNER and ENGINEER agree that this Agreement is subject to the following special provisions which together with the provisions hereof and the exhibits and schedules hereto represent the entire Agreement between OWNER and ENGINEER; they may only be altered, amended or repealed by a duly executed written instrument.

7.1. Engineer's responsibilities.

7.1.1. The Engineer shall be responsible to indemnify and save the Owner harmless from and against all claims and actions and all expenses incidental to defense of any such claims or actions based upon or arising out of errors, omissions or other action of the Engineer.

4.1 The Engineer shall provide the services described in the preceeding sections for a period of one (1) year from the effective date this contract. This term shall be extended for the time required to complete assigned tasks which are in progress. However, no new assignments shall be made or undertaken during such an extension of the contract time.

5.1 Owner shall pay Engineer for services rendered under Sections 1 and 2 on amount based on actual payroll costs times a factor of two and two-tenths (2.2) for services rendered by principals and employees working on assignments for the Owner. In addition, the Owner shall pay invoice costs for work by others engaged by the Engineer on the Owner's behalf, times a factor of one and one-tenth (1.1); out-of-town transportation, and lodging, special material or supplies and other costs; all if previously authorized by the Owner at invoice cost.

IN WITNESS WHEREOF the parties hereto have made and executed this Agreement as of the day and year first above written.

OWNER:

.....  
.....  
.....

ENGINEER:

*George B. Rest and Associates by George B. Rest, owner*

This document has important legal consequences; consultation with an attorney is encouraged with respect to its completion or modification.

STANDARD  
FORM OF AGREEMENT  
BETWEEN OWNER AND ENGINEER  
FOR  
PROFESSIONAL SERVICES



*Issued by*

PROFESSIONAL ENGINEERS IN PRIVATE PRACTICE

*A practice division of the*

NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

© 1974, NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS  
2029 K STREET, N.W., WASHINGTON, D.C. 20006

# Guide Sheet for Completing Standard Form of Agreement Between Owner and Engineer for Professional Services

---

1. Page 1—Insert proper name of partnership, corporation or governmental body that is the Owner on first page and execution page. Make certain person signing for Owner has authority to do so and that there is an indication of the capacity in which he signs. (See Commentary, paragraph 7.)

2. Page 1—Insert as complete a description of the Project as possible. Include, to the extent known, a description of the land where the Project is to be located, any special requirements as to performance, capacity or function, budgetary limitations and any special source of funds for which the Project must qualify. Identify studies, reports or analyses previously prepared which are being furnished by Owner to Engineer for his guidance, such as reports and studies referred to in paragraph 3.3. Identify other special aspects or peculiarities of the Project. (See Commentary, paragraph 8.)

3. Section 4—Period of Service. This Section has been prepared in recognition of thought expressed in paragraph 4.1 that there will be a continuous period of service through completion of the Construction Phase with timely responses from the Owner to the Engineer's submission and with prompt authority to proceed with each Phase of services after the preceding Phase has been completed. The blank spaces provided in paragraphs 4.2, 4.3 and 4.4 should be filled in recognizing this understanding. The blank space in paragraph 4.10 should be filled in with whatever is considered a reasonable time in the particular Project for the taking of bids or receiving proposals, awarding the contract and starting construction. The three-month and one-year periods provided in paragraph 4.11 may not be appropriate for all Projects and should be modified as circumstances indicate.

4. Paragraph 5.1.1—Methods of Payment for Services (See Commentary, paragraph 12). One of the applicable Methods of Compensation provided in paragraphs 5.1.1.1 through 5.1.1.5 should pertain; otherwise use paragraph 5.1.1.6. Cross out the inapplicable paragraphs and insert initials of both parties opposite the crossing out. When payment is on the basis of a lump sum or a percentage fee, it is customary to provide for higher compensation for the Engineer in a Project involving several prime contracts or in the case of Construction Contracts which contain cost-plus or incentive-savings provisions. Accordingly, blank spaces have been provided in paragraphs 5.1.1.1 through 5.1.1.5. The blank spaces for the number of prime contractors is intended to be filled in with the number normally anticipated for a Project of the type involved, such as a governmentally financed one where the law requires separate prime contracts. Paragraph 2.1.8 is intended to cover an additional number, if any, not anticipated at the time the Engineer makes his fee commitment with the Owner. In filling in the blank spaces with respect to the anticipated extra services due to cost-plus or incentive-compensation arrangements with Contractors, bear in mind the provision of paragraph 3.8 which requires the Owner to furnish auditing services if he wishes to ascertain how or for what purposes the Contractor has used the moneys paid to him under the Construction Contract. Before inserting the factor in paragraphs 5.1.1.5, 5.1.2.1 and 5.1.2.4 review the definition of payroll costs contained in paragraph 5.3.2.

If none of the suggested Methods of Compensation are applicable, paragraph 5.1.1.6 may be used and an appropriately identified exhibit attached to the Agreement. Typical use of paragraph 5.1.1.6 would be in the situation where a percentage fee arrangement is to be converted to a fixed fee at the conclusion of the Preliminary Design Phase or where there is a provision for a guaranteed maximum fee. When paragraph 5.1.1.6 is used, paragraph 5.2.3 may also be used to cover special arrangements with respect to the times of payment.

5. Paragraph 5.1.2—Payment for Additional Services (See Commentary, paragraph 12). Space has been provided in paragraph 5.1.2.1 through 5.1.2.4 for different rates of compensation for different types of Additional Services. Any inapplicable paragraph should be crossed out and initials inserted in the margin by both parties. If one method of compensation is to apply to all Additional Services, be certain that the cross references are correctly adjusted.

6. Paragraph 5.3.2 contemplates the identification of the key personnel in the Engineer's organization who are to be assigned to the Project. (See Commentary, paragraph 12 as to the proper meaning of the term "principals.") In developing the factor for the payroll cost method of compensation, bear in mind that paragraph 5.3.2 is set up so that the factor is applied to the salary, wages and fringe benefits of all personnel, and payroll costs of principals (whether they be a corporate officer at a fixed salary or a partner with a drawing account who shares in the profits) are to be itemized. In lieu of the detailed accounting required to substantiate the amount paid for customary and statutory benefits of personnel, a percentage of salaries and wages may be agreed to in advance and inserted in the blank space at the end of paragraph 5.3.2; otherwise the sentence should be crossed out and initialed by both parties.

7. The blank space in paragraph 5.3.5 should be filled in after consultation with the Owner.

## TABLE OF CONTENTS

	<i>Page No.</i>
IDENTIFICATION OF THE PARTIES AND GENERAL DESCRIPTION OF THE PROJECT .....	1
SECTION 1—BASIC SERVICES OF ENGINEER .....	1
1.1. General .....	1
1.2. Study and Report Phase .....	1
1.3. Preliminary Design Phase .....	2
1.4. Final Design Phase .....	4
1.5. Bidding or Negotiating Phase .....	2
1.6. Construction Phase .....	2
SECTION 2—ADDITIONAL SERVICES OF ENGINEER .....	3
2.1. General .....	3
2.2. Resident Services During Construction .....	3
SECTION 3—OWNER'S RESPONSIBILITIES .....	4
SECTION 4—PERIOD OF SERVICE .....	4
SECTION 5—PAYMENTS TO ENGINEER .....	5
5.1. Methods of Payment for Services and Expenses of Engineer .....	5
5.2. Times of Payment .....	6
5.3. General .....	6
5.3.1. Construction Cost .....	6
5.3.2. Payroll Costs .....	6
5.3.3. Reimbursable Expense .....	6
5.3.4. Late Payment .....	6
5.3.5. Payment on Termination .....	6
SECTION 6—GENERAL CONSIDERATIONS .....	7
6.1. Termination .....	7
6.2. Reuse of Documents .....	7
6.3. Estimates of Cost .....	7
6.4. Arbitration .....	7
6.5. Successors and Assigns .....	8
SECTION 7—SPECIAL PROVISIONS .....	8

This document has important legal consequences; consultation with an attorney is encouraged with respect to its completion or modification.

STANDARD FORM OF AGREEMENT  
BETWEEN  
OWNER AND ENGINEER  
FOR  
PROFESSIONAL SERVICES

THIS IS AN AGREEMENT made as of \_\_\_\_\_ day of \_\_\_\_\_

in the year Nineteen Hundred and Seventy \_\_\_\_\_ by and between

Medical University of South Carolina

(hereinafter called OWNER) and

Cummings & McCrady, Inc.,

Architects - Engineers

(hereinafter called ENGINEER).

OWNER intends to engage mechanical engineering services to augment its own capabilities for a period of one year,

(hereinafter called the Project).

OWNER and ENGINEER in consideration of their mutual covenants herein agree in respect of the performance of professional engineering services by ENGINEER and the payment for those services by OWNER, as set forth below.

ENGINEER shall serve as OWNER's professional engineering representative in those phases of the Project to which this Agreement applies, and will give consultation and advice to OWNER during the performance of his services.

SECTION 1—BASIC SERVICES OF ENGINEER

1.1. General.

1.1.1. ENGINEER shall perform professional services as hereinafter stated which include normal ~~civil, structural, mechanical and electrical engineering services and normal architectural services incidental thereto.~~ mechanical engineering services incidental thereto.

1.2. Study and Report Phase.

After written authorization to proceed, ENGINEER shall:

1.2.1. Consult with OWNER to determine his requirements for the Project and review available data.

~~1.2.2. Advise OWNER as to the necessity of his providing or obtaining from others data or services of the types described in paragraph 3.5, and act as OWNER's representative in connection with any such services.~~

1.2.3. Provide special analyses of OWNER's needs, planning surveys, site evaluations and comparative studies of prospective sites and solutions.

1.2.4. Provide general economic analysis of OWNER's requirements applicable to various alternatives.

1.2.5. Prepare a Report with appropriate exhibits indicating clearly the considerations involved and the alternative solutions available to OWNER, and setting forth ENGINEER's findings and recommendations with opinions of probable costs.

1.2.6. Furnish five copies of the Report and present and review it in person with OWNER.

### 1.3. Preliminary Design Phase. (where applicable)

After written authorization to proceed with the Preliminary Design Phase, ENGINEER shall:

1.3.1. In consultation with OWNER and on the basis of the accepted Report, determine the scope of the Project.

1.3.2. Prepare preliminary design documents consisting of final design criteria, preliminary drawings and outline specifications.

1.3.3. Based on the information contained in the preliminary design documents, submit a revised opinion of probable cost for the Project including Construction Cost, contingencies, compensation for all professionals and consultants, costs of land, rights-of-way and compensation for or damages to properties and interest and financing charges (all of which are hereinafter called "Project Costs").

1.3.4. Furnish five copies of the above preliminary design documents and present and review them in person with OWNER.

### 1.4. Final Design Phase. (where applicable)

After written authorization to proceed with the Final Design Phase, ENGINEER shall:

1.4.1. On the basis of the accepted preliminary design documents prepare for incorporation in the Contract Documents, final drawings to show the character and scope of the work to be performed by contractors on the Project (hereinafter called "Drawings"), and Specifications.

1.4.2. Furnish to OWNER such documents and design data as may be required for, and assist in the preparation of, the required documents so that OWNER may obtain approvals of such governmental authorities as have jurisdiction over design criteria applicable to the Project, and assist in obtaining such approvals by participating in submissions to and negotiations with appropriate authorities.

1.4.3. Advise OWNER of any adjustments to his latest opinion of probable Project Cost caused by changes in scope, design requirements or Construction Costs and furnish a revised opinion of probable Project Cost based on the Drawings and Specifications.

1.4.4. Prepare bid forms, notice to bidders, instructions to bidders, general conditions and supplementary conditions, and assist in the preparation of other related documents.

1.4.5. Furnish five copies of the above documents and present and review them in person with OWNER.

### 1.5. Bidding or Negotiating Phase. (where applicable)

After written authorization to proceed with the Bidding or Negotiating Phase, ENGINEER shall:

1.5.1. Assist OWNER in obtaining bids or negotiating proposals for each separate prime contract for construction or equipment.

1.5.2. Consult with and advise OWNER as to the acceptability of subcontractors and other persons and organizations proposed by the prime contractor(s) (hereinafter called "Contractor(s)") for those portions of the work as to which such acceptability is required by the Contract Documents.

1.5.3. Consult with and advise OWNER as to the acceptability of substitute materials and equipment proposed by

Contractor(s) when substitution is permitted by the Contract Documents.

1.5.4. Assist OWNER in evaluating bids or proposals and in assembling and awarding contracts.

### 1.6. Construction Phase.

During the Construction Phase ENGINEER shall:

~~1.6.1. Consult with and advise OWNER and act as his representative as provided in Articles 1 through 17, inclusive, of the Standard General Conditions of the Construction Contract, National Society of Professional Engineers document 1910-8, 1974 edition; the extent and limitations of the duties, responsibilities and authority of ENGINEER as assigned in said Standard General Conditions shall not be modified without ENGINEER's written consent; all of OWNER's instructions to Contractor(s) will be issued through ENGINEER who will have authority to act on behalf of OWNER to the extent provided in said Standard General Conditions except as otherwise provided in writing.~~

~~1.6.2. Make periodic visits to the site to observe as an experienced and qualified design professional the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the Contract Documents; he shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of work; he shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by Contractor(s) or the safety precautions and programs incident to the work of Contractor(s). His efforts will be directed toward providing assurance for OWNER that the completed Project will conform to the Contract Documents, but he shall not be responsible for the failure of Contractor(s) to perform the construction work in accordance with the Contract Documents. During such visits and on the basis of his on-site observations he shall keep OWNER informed of the progress of the work, shall endeavor to guard OWNER against defects and deficiencies in the work of Contractor(s) and may disapprove or reject work as failing to conform to the Contract Documents.~~

1.6.3. Review and approve Shop Drawings (as that term is defined in the aforesaid Standard General Conditions) and samples, the results of tests and inspections and other data which any Contractor is required to submit, but only for conformance with the design concept of the Project and compliance with the information given in the Contract Documents; determine the acceptability of substitute materials and equipment proposed by Contractor(s); and receive and review (for general content as required by the Specifications) maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection which are to be assembled by Contractor(s) in accordance with the Contract Documents.

~~1.6.4. Issue all instructions of OWNER to Contractor(s); prepare routine change orders as required; he may, as OWNER's representative, require special inspection or testing of the work; he shall act as interpreter of the requirements of the Contract Documents and judge of the performance thereunder by the parties thereto and shall make decisions on all claims of OWNER and Contractor(s) relating to the execution and progress of the work and all other matters and questions related thereto; but ENGINEER shall not be liable for the results of any such interpretations or decisions rendered by him in good faith.~~

~~1.6.5. Based on his on-site observations as an experienced and qualified design professional and on his review of Contractor(s) applications for payment and the accom-~~

paying data and schedules, determine the amounts owing to Contractor(s) and approve in writing payments to Contractor(s) in such amounts; such approvals of payment will constitute a representation to OWNER, based on such observations and review, that the work has progressed to the point indicated and that, to the best of his knowledge, information and belief, the quality of the work is in accordance with the Contract Documents (subject to an evaluation of the work as a functioning Project upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any qualifications stated in his approval), but by approving an application for payment ENGINEER will not be deemed to have represented that he has made any examination to determine how or for what purposes any Contractor has used the moneys paid on account of the Contract Price, or that title to any of the Contractor(s)' work, materials or equipment has passed to OWNER free and clear of any lien, claims, security interests or encumbrances.

~~If requested by the Owner,~~  
1.6.6. Conduct an inspection to determine if the Project is substantially complete and a final inspection to determine if the Project has been completed in accordance with the Contract Documents and if each Contractor has fulfilled all of his obligations thereunder so that ENGINEER may approve, in writing, final payment to each Contractor.

1.6.7. ENGINEER shall not be responsible for the acts or omissions of any Contractor, any subcontractor or any of the Contractor(s)' or subcontractors' agents or employees or any other persons (except his own employees and agents) at the Project site or otherwise performing any of the work of the Project.

## SECTION 2—ADDITIONAL SERVICES OF ENGINEER

### 2.1. General.

If authorized in writing by OWNER, ENGINEER shall furnish or obtain from others Additional Services of the following types which are not considered normal or customary Basic Services; these will be paid for by OWNER as indicated in Section 5.

2.1.1. Preparation of applications and supporting documents for governmental grants, loans or advances in connection with the Project; preparation or review of environmental assessments and impact statements; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.

2.1.2. Services to make measured drawings of or to investigate existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by OWNER.

2.1.3. Services resulting from significant changes in general scope of the Project or its design including, but not limited to, changes in size, complexity, OWNER's schedule, or character of construction; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are due to causes beyond ENGINEER's control.

2.1.4. Providing renderings or models for OWNER's use.

2.1.5. Preparing documents for alternate bids requested by OWNER for work which is not executed or documents for out-of-sequence work.

2.1.6. Investigations involving detailed consideration of

operations, maintenance and overhead expenses; and the preparation of rate schedules, earnings and expense statements, feasibility studies, appraisals and valuations; detailed quantity surveys of material, equipment and labor; and audits or inventories required in connection with construction performed by OWNER.

2.1.7. Furnishing the services of special consultants for other than the normal civil, structural, mechanical and electrical engineering and normal architectural design incidental thereto, such as consultants for interior design, selection of furniture and furnishings, communications, acoustics, kitchens and landscaping.

~~2.1.8. Services resulting from the involvement of more than one separate prime contract for construction or for equipment than are contemplated by paragraphs 5.1.1.2 or 5.1.1.4.~~

~~2.1.9. Services in connection with change orders to reflect changes requested by OWNER if the resulting change in compensation for Basic Services is not commensurate with the additional services rendered and services resulting from significant delays, changes or price increases occurring as a direct or indirect result of material, equipment or energy shortages.~~

2.1.10. Services during out-of-town travel required of ENGINEER other than visits to the Project site as required by Section 1.

2.1.11. Preparing for OWNER, on request, a set of reproducible record prints of Drawings showing those changes made during the construction process, based on the marked-up prints, drawings and other data furnished by Contractor(s) to ENGINEER and which ENGINEER considers significant.

2.1.12. Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction, (2) a significant amount of defective or neglected work of any Contractor, (3) prolongation of the contract time of any prime contract by more than sixty days, (4) acceleration of the work schedule involving services beyond normal working hours, and (5) default by any Contractor.

2.1.13. Preparation of operating and maintenance manuals; extensive assistance in the utilization of any equipment or system (such as initial start-up, testing, adjusting and balancing); and training personnel for operation and maintenance.

2.1.14. Services after completion of the Construction Phase, such as inspections during any guarantee period and reporting observed discrepancies under guarantees called for in any contract for the Project.

2.1.15. Preparing to serve or serving as a consultant or witness for OWNER in any litigation, public hearing or other legal or administrative proceeding involving the Project.

2.1.16. Additional services in connection with the Project, including services normally furnished by OWNER and services not otherwise provided for in this Agreement.

### 2.2. Resident Services During Construction.

2.2.1. If requested by OWNER or recommended by ENGINEER and agreed to in writing by the other, a Resident Project Representative and assistants will be furnished and will act as directed by ENGINEER in order to provide more extensive representation at the Project site during the Construction Phase. Such services will be paid for by OWNER as indicated in paragraph 5.1.2.4.

2.2.2. The duties and responsibilities and the limitations on the authority of the Resident Project Representative and assistants will be set forth in Exhibit A which is to be identified, attached to and made a part of this Agreement before such services begin.

2.2.3. Through more extensive on-site observations of the work in progress and field checks of materials and equipment by the Resident Project Representative (if furnished) and assistants, ENGINEER shall endeavor to provide further protection for OWNER against defects and deficiencies in the work, but the furnishing of such resident Project representation will not make ENGINEER responsible for construction means, methods, techniques, sequences or procedures or for safety precautions or programs, or for Contractor(s)' failure to perform the construction work in accordance with the Contract Documents.

### SECTION 3—OWNER'S RESPONSIBILITIES

OWNER shall:

3.1. Provide full information as to his requirements for the Project.

3.2. Assist ENGINEER by placing at his disposal all available information pertinent to the Project including previous reports and any other data relative to design and construction of the Project.

3.3. Furnish to ENGINEER, as required by him for performance of his Basic Services, data prepared by or services of others, such as core borings, probings and subsurface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials and equipment; appropriate professional interpretations of all of the foregoing; property, boundary, easement, right-of-way, topographic and utility surveys and property descriptions; zoning and deed restriction; and other special data or consultations not covered in paragraph 2.1; all of which ENGINEER may rely upon in performing his services.

~~3.4. Provide engineering surveys to enable Contractor(s) to proceed with their work.~~

3.5. Guarantee access to and make all provisions for ENGINEER to enter upon public and private property as required for ENGINEER to perform his services.

3.6. Examine all studies, reports, sketches, Drawings, Specifications, proposals and other documents presented by ENGINEER, obtain advice of an attorney, insurance counselor and other consultants as he deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of ENGINEER.

3.7. Pay all costs incident to obtaining bids or proposals from contractors.

3.8. Provide such legal, accounting, independent cost estimating and insurance counseling services as may be required for the Project, and such auditing service as OWNER may require to ascertain how or for what purpose any contractor has used the moneys paid to him under the construction contract.

3.9. Designate in writing a person to act as OWNER's representative with respect to the work to be performed under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define OWNER's policies and decisions with

respect to materials, equipment, elements and systems pertinent to ENGINEER's services.

3.10. Give prompt written notice to ENGINEER whenever OWNER observes or otherwise becomes aware of any defect in the Project.

3.11. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

3.12. Furnish, or direct ENGINEER to provide, necessary Additional Services as stipulated in Section 2 of this Agreement or other services as required.

3.13. Bear all costs incident to compliance with the requirements of this Section 3.

### SECTION 4—PERIOD OF SERVICE

4.1 See page 8

~~4.1 The provisions of 4.2 through 4.8, inclusive, and the various rates of compensation for ENGINEER's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Construction Phase. ENGINEER's obligation to render services hereunder will extend for a period which may reasonably be required for the design, award of contracts and construction of the Project including extra work and required extensions thereto.~~

~~4.2. The services called for in the Study and Report Phase will be completed and the Report submitted within \_\_\_\_\_ calendar days following the authorization to proceed with that phase of services.~~

~~4.3. After acceptance by OWNER of the Report, indicating any specific modifications or changes in scope desired by OWNER, and upon written authorization from OWNER, ENGINEER shall proceed with the performance of the services called for in the Preliminary Design Phase, and shall submit preliminary design documents and a revised opinion of probable Project Cost within \_\_\_\_\_ calendar days following the authorization to proceed with that phase of services.~~

~~4.4. After acceptance by OWNER of the preliminary design documents and revised opinion of probable Project Cost, indicating any specific modifications or changes in scope desired by OWNER, and upon written authorization from OWNER, ENGINEER shall proceed with the performance of the services called for in the Final Design Phase, so as to deliver Contract Documents and a revised opinion of probable Project Cost for all authorized work on the Project within \_\_\_\_\_ calendar days after the authorization to proceed with that phase of services.~~

~~4.5. ENGINEER's services under the Study and Report Phase, Preliminary Design Phase and Final Design Phase shall each be considered complete at the earlier of (1) the date when the submissions for that phase have been accepted by OWNER or (2) thirty days after the date when such submissions are delivered to OWNER for final acceptance, plus such additional time as may be considered reasonable for obtaining approval of governmental authorities having jurisdiction over design-criteria applicable to the Project.~~

~~4.6. After acceptance by OWNER of the Contract Documents and ENGINEER's most recent opinion of probable~~

Project Cost and upon written authorization to proceed, ENGINEER shall proceed with performance of the services called for in the Bidding or Negotiating Phase. This Phase shall terminate and the services to be rendered thereunder shall be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with Contractor(s) (except as may be otherwise required to complete the services called for in paragraph 6.3.2.5).

4.7. The Construction Phase will commence with the execution of the first prime contract to be executed for the work of the Project or any part thereof, and will terminate upon written approval by ENGINEER of final payment on the last prime contract to be completed. Construction Phase services may be rendered at different times in respect of separate prime contracts if the Project involves more than one prime contract.

4.8. In the event that the work of the Project is to be performed under more than one prime contract, OWNER and ENGINEER shall, prior to commencement of the Final Design Phase, develop a schedule for performance of ENGINEER's services during the Final Design, Bidding or Negotiating and Construction Phases in order to sequence and coordinate properly such services as applicable to the work under such separate contracts. This schedule is to be prepared whether or not the work under such contracts is to proceed concurrently and is to be attached as an exhibit to and made a part of this Agreement, and the provisions of paragraphs 4.4 thru 4.6 inclusive, will be modified accordingly.

4.9. If OWNER has requested significant modifications or changes in the scope of the Project, the time of performance of ENGINEER's services shall be adjusted appropriately.

4.10. If OWNER fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, or if the Construction Phase has not commenced within \_\_\_\_\_ calendar days (plus such additional time as may be required to complete the services called for under paragraph 6.3.2.5) after completion of the Final Design Phase, ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement.

4.11. If ENGINEER's services for design or during construction of the Project are delayed or suspended in whole or in part by OWNER for more than three months for reasons beyond ENGINEER's control, ENGINEER shall on written demand to OWNER (but without termination of this Agreement) be paid as provided in paragraph 5.3.5 for the services delayed or suspended. If such delay or suspension extends for more than one year for reasons beyond ENGINEER's control, or if ENGINEER for any reason is required to render services more than one year after Substantial Completion, the various rates of compensation provided for elsewhere in this Agreement shall be subject to renegotiation.

## SECTION 5—PAYMENTS TO ENGINEER

5.1. Methods of Payment for Services and Expenses of ENGINEER. See page 8.

~~5.1.1. Basic Services. OWNER shall pay ENGINEER for Basic Services rendered under Section 1 on one of the following bases (except as otherwise provided in paragraph 5.1.1.b):~~

~~5.1.1.1. Lump Sum. If the work of the entire Project is awarded on the basis of one prime contract, a lump sum fee of \$ \_\_\_\_\_; but, if the prime contract contains cost-plus or incentive savings provisions for the Contractor's basic compensation, a lump sum fee of \$ \_\_\_\_\_.~~

~~or~~

~~5.1.1.2. Lump Sum. If the work of the Project is awarded on the basis of not more than a total of \_\_\_\_\_ separate prime contracts for construction and for equipment, a lump sum fee of \$ \_\_\_\_\_; but, if the prime contracts contain cost-plus or incentive savings provisions for the Contractor's basic compensation, a lump sum fee of \$ \_\_\_\_\_.~~

~~or~~

~~5.1.1.3. Percentage. If the work of the entire Project is awarded on the basis of one prime contract, \_\_\_\_\_% of the Construction Cost; but, if the prime contract contains cost-plus or incentive savings provisions for the Contractor's basic compensation, \_\_\_\_\_% of the Construction Cost.~~

~~or~~

~~5.1.1.4. Percentage. If the work of the Project is awarded on the basis of not more than a total of \_\_\_\_\_ separate prime contracts for construction and for equipment, \_\_\_\_\_% of the Construction Cost; but, if the prime contracts contain cost-plus or incentive savings provisions for the Contractor's basic compensation, \_\_\_\_\_% of the Construction Cost.~~

~~or~~

~~5.1.1.5. Payroll Cost Times a Factor. An amount based on the payroll costs times a factor of \_\_\_\_\_ for services rendered by principals and employees assigned to the Project.~~

~~or~~

~~5.1.1.6. Other Method. (To be used in case none of the above methods of compensation is applicable.)~~

~~(Refer to and attach schedule when applicable.)~~

5.1.2. Additional Services. OWNER shall pay ENGINEER for Additional Services rendered under Section 2 as follows:

~~5.1.2.1. General. For Additional Services rendered under paragraphs 2.1.1 through 2.1.16, inclusive (except services covered by paragraph 2.1.7 and services as a consultant or witness under paragraph 2.1.15), on the basis of payroll costs times a factor of \_\_\_\_\_ for services rendered by principals and employees assigned to the Project.~~

~~5.1.2.2. Special Consultants. For services and reimbursable expenses of special consultants employed by ENGINEER pursuant to paragraphs 2.1.7 or 2.1.16, the amount billed to ENGINEER therefor times a factor of \_\_\_\_\_.~~

~~5.1.2.3. Serving as a Witness. For the services of the principals and employees as consultants or witnesses in any litigation, hearing or proceeding in accordance with paragraph 2.1.15, at the rate of \$ \_\_\_\_\_ per day or any portion thereof (but compensation for time spent in preparing to appear in any such litigation, hearing or proceeding will be on the basis provided in paragraph 5.1.2.1).~~

~~5.1.2.4. Resident Project Services. For resident services during construction furnished under paragraph 2.1.1, on the basis of payroll costs times a factor of \_\_\_\_\_ for services rendered by principals and employees assigned to field offices in connection with resident Project representation.~~

[Delete inapplicable paragraphs and initial]

[Delete inapplicable paragraphs and initial]

~~5.1.3. Reimbursable Expenses. In addition to payments provided for in paragraphs 5.1.1 and 5.1.2, OWNER shall pay ENGINEER the actual costs of all reimbursable expenses incurred in connection with all Basic and Additional Services.~~

~~5.1.4. As used in this paragraph 5.1, the terms "Construction Cost," "payroll costs" and "reimbursable expenses" will have the meanings assigned to them in paragraphs 5.3.1, 5.3.2 and 5.3.3.~~

~~5.2. Times of Payment.~~

~~5.2.1. ENGINEER shall submit monthly statements for Basic and Additional Services rendered and for reimbursable expenses incurred. When compensation is on the basis of a lump sum or percentage of construction cost the statement will be based upon ENGINEER's estimate of the proportion of the total services actually completed at the time of billing. Otherwise, these monthly statements will be based upon ENGINEER's payroll cost times a factor. OWNER shall make prompt monthly payments in response to ENGINEER's monthly statements.~~

~~5.2.2. Where compensation for Basic Services is on the basis of a lump sum or percentage of Construction Cost, OWNER shall, upon conclusion of each phase of Basic Services, pay such additional amount, if any, as may be necessary to bring total compensation paid on account of such phase to the following percentages of total compensation for all phases of Basic Services.~~

Phase	Suggested Range	Insert Actual Percentage and Initial in Margin
Study and Report	( 5-30%)	..... %
Preliminary Design	( 5-30%)	..... %
Final Design	(35-75%)	..... %
Bidding or Negotiating	( 2-10%)	..... %
Construction	(10-20%)	..... %
TOTAL	X	100 %

~~5.2.3. Payments for Basic Services in accordance with paragraph 5.1.1.6 shall be made as follows:  
(Refer to and attach schedule when applicable.)~~

~~5.3. General.~~

~~5.3.1. The construction cost of the entire Project (herein referred to as "Construction Cost") means the total cost of the entire Project to OWNER, but it will not include ENGINEER's compensation and expenses, the cost of land, rights-of-way, or compensation for or damages, to properties unless this Agreement so specifies, nor will it include OWNER's legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with the Project. When Construction Cost is used as a basis for payment it will be based on one of the following sources with precedence in the order listed:~~

~~5.3.1.1. For completed construction the total cost of all work performed as designed or specified by ENGINEER.~~

~~5.3.1.2. For work not constructed, the lowest bona fide bid received from a qualified bidder for such work; or if the work is not bid, the lowest bona fide negotiated proposal for such work.~~

~~5.3.1.3. For work for which no such bid or proposal is received, ENGINEER's most recent opinion of probable Project Cost.~~

~~Labor furnished by OWNER for the Project will be included in the Construction Cost at current market rates~~

~~including a reasonable allowance for overhead and profit. Materials and equipment furnished by OWNER will be included at current market prices except used materials and equipment will be included as if purchased new for the Project. No deduction is to be made from ENGINEER's compensation on account of any penalty, liquidated damages, or other amounts withheld from payments to Contractor(s).~~

~~5.3.2. The payroll costs used as a basis for payment mean the salaries and wages paid to all personnel engaged directly on the Project, including, but not limited to, engineers, architects, surveyors, designers, draftsmen, specification writers, estimators, other technical personnel, stenographers, typists and clerks; plus the cost of customary and statutory benefits including, but not limited to, social security contributions, unemployment, excise and payroll taxes, workmen's compensation, health and retirement benefits, sick leave, vacation and holiday pay applicable thereto. For the purposes of this Agreement, the principals of ENGINEER and their hourly payroll costs are:  
\$18.00~~

~~The amount of customary and statutory benefits of all other personnel will be considered equal to \_\_\_\_\_% of salaries and wages.~~

~~5.3.3. Reimbursable expenses mean the actual expenses incurred directly or indirectly in connection with the Project for transportation and subsistence incidental thereto; obtaining bids or proposals from Contractor(s); furnishing and maintaining field office facilities; subsistence and transportation of Resident Project Representatives and their assistants; toll telephone calls and telegrams; reproduction of reports, Drawings and Specifications, and similar Project-related items in addition to those required under Section 1; computer time including an appropriate charge for previously established programs; and, if authorized in advance by OWNER, overtime work requiring higher than regular rates.~~

~~5.3.4. If OWNER fails to make any payment due ENGINEER for services and expenses within sixty days after receipt of ENGINEER's bill therefor, the amounts due ENGINEER shall include a charge at the rate of 1% per month from said sixtieth day, and in addition ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement until he has been paid in full all amounts due him for services and expenses.~~

~~5.3.5. If this Agreement is terminated by OWNER upon the completion of any phase of the Basic Services, progress payments due ENGINEER for services rendered through such phase shall constitute total payment for such services. If this Agreement is terminated by OWNER during any phase of the Basic Services, ENGINEER will be paid for services rendered during that phase on the basis of payroll costs times a factor of \_\_\_\_\_ for services rendered during that phase to date of termination by principals and employees assigned to the Project. In the event of any termination, ENGINEER will be paid for all unpaid Additional Services and unpaid reimbursable expenses, plus all termination expenses. Termination expenses mean reimbursable expenses directly attributable to termination, which shall include an amount computed as a percentage of total compensation for Basic Services earned by ENGINEER to the date of termination, as follows:~~

- ~~20% if termination occurs after commencement of the Preliminary Design Phase but prior to commencement of the Final Design Phase; or~~
- ~~10% if termination occurs after commencement of the Final Design Phase.~~

109/A

## SECTION 6—GENERAL CONSIDERATIONS

### 6.1. Termination

This Agreement may be terminated by either party upon seven days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

### 6.2. Reuse of Documents.

All documents including Drawings and Specifications furnished by ENGINEER pursuant to this Agreement are instruments of his services in respect of the Project. They are not intended or represented to be suitable for reuse by OWNER or others on extensions of the Project or on any other project. Any reuse without specific written verification or adaptation by ENGINEER will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, and OWNER shall indemnify and hold harmless ENGINEER from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

### 6.3. Estimates of Cost.

6.3.1. Since ENGINEER has no control over the cost of labor, materials or equipment, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions, his opinions of probable Project Cost or Construction Cost provided for herein are to be made on the basis of his experience and qualifications and represent his best judgment as a design professional familiar with the construction industry, but ENGINEER cannot and does not guarantee that proposals, bids or the Construction Cost will not vary from opinions of probable cost prepared by him. If prior to the Bidding or Negotiating Phase OWNER wishes greater assurance as to the Construction Cost he shall employ an independent cost estimator as provided in paragraph 3.8.

6.3.2. If a Construction Cost limit is established as a condition to this Agreement, the following will apply:

6.3.2.1. The acceptance by OWNER at any time during the Basic Services of a revised opinion of probable Project Cost in excess of the then established cost limit will constitute a corresponding increase in the Construction Cost limit.

6.3.2.2. Any Construction Cost limit established by this Agreement will include a bidding contingency of ten percent unless another amount is agreed upon in writing.

6.3.2.3. ENGINEER will be permitted to determine what materials, equipment, component systems and types of construction are to be included in the Drawings and Specifications and to make reasonable adjustments in the scope of the Project to bring it within the cost limit.

6.3.2.4. If the Bidding or Negotiating Phase has not commenced within six months of the completion of the Final Design Phase, the established Construction Cost limit will not be effective or binding on ENGINEER, and OWNER shall consent to an adjustment in such cost limit commensurate with any applicable change in the general level of prices in the construction industry between the date of completion of the Final Design Phase and the date on which proposals or bids are sought.

6.3.2.5. If the lowest bona fide proposal or bid exceeds the established Construction Cost limit, OWNER shall (1) give written approval to increase such cost limit, (2) authorize negotiating or rebidding the Project within a reasonable time, or (3) cooperate in revising the Project scope or quality. In the case of (3), ENGINEER shall, without additional charge, modify the Contract Documents as necessary to bring the Construction Cost within the cost limit. The providing of such service will be the limit of ENGINEER's responsibility in this regard and, having done so, ENGINEER shall be entitled to payment for his services in accordance with this Agreement.

### 6.4. Arbitration

6.4.1. All claims, counter-claims, disputes and other matters in question between the parties hereto arising out of or relating to this Agreement or the breach thereof will be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining, subject to the limitations stated in paragraphs 6.4.3 and 6.4.4 below. This agreement so to arbitrate and any other agreement or consent to arbitrate entered into in accordance therewith as provided below, will be specifically enforceable under the prevailing law of any court having jurisdiction.

6.4.2. Notice of demand for arbitration must be filed in writing with the other parties to this Agreement and with the American Arbitration Association. The demand must be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event may the demand for arbitration be made after the time when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

6.4.3. All demands for arbitration and all answering statements thereto which include any monetary claim must contain a statement that the total sum or value in controversy as alleged by the party making such demand or answering statement is not more than \$200,000 (exclusive of interest and costs). The arbitrators will not have jurisdiction, power or authority to consider, or make findings (except in denial of their own jurisdiction) concerning any claim, counter-claim, dispute or other matter in question where the amount in controversy thereof is more than \$200,000 (exclusive of interest and costs) or to render a monetary award in response thereto against any party which totals more than \$200,000 (exclusive of interest and costs).

6.4.4. No arbitration arising out of, or relating to, this Agreement may include, by consolidation, joinder or in any other manner, any additional party not a party to this Agreement.

6.4.5. By written consent signed by all the parties to this Agreement and containing a specific reference hereto, the limitations and restrictions contained in paragraphs 6.4.3 and 6.4.4 may be waived in whole or in part as to any claim, counter-claim, dispute or other matter specifically described in such consent. No consent to arbitration in respect of a specifically described claim, counter-claim, dispute or other matter in question will constitute consent to arbitrate any other claim, counter-claim, dispute or other matter in question which is not specifically described in such consent or in which the sum or value in controversy exceeds \$200,000 (exclusive of interest and costs) or which is with any party not specifically described therein.

6.4.6. The award rendered by the arbitrators will be final, not subject to appeal and judgment may be entered upon it in any court having jurisdiction thereof.

6.5. Successors and Assigns.

OWNER and ENGINEER each binds himself and his partners, successors, executors, administrators and assigns to the other party of this Agreement and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement; except as above, neither OWNER nor ENGINEER shall

assign, sublet or transfer his interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than OWNER and ENGINEER.

SECTION 7—SPECIAL PROVISIONS

OWNER and ENGINEER agree that this Agreement is subject to the following special provisions which together with the provisions hereof and the exhibits and schedules hereto represent the entire Agreement between OWNER and ENGINEER; they may only be altered, amended or repealed by a duly executed written instrument.

7.1. Engineer's responsibilities.

7.1.1 The Engineer shall be responsible to indemnify and save the Owner harmless from and against all claims and actions and all expenses incidental to defense of any such claims or actions based upon or arising out of errors, omissions or other action of the Engineer.

4.1 The Engineer shall provide the services described in the preceding sections for a period of one (1) year from the effective date this contract. This term shall be extended for the time required to complete assigned tasks which are in progress. However, no new assignments shall be made or undertaken during such an extension of the contract time.

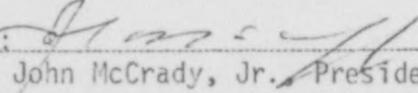
5.1 Owner shall pay Engineer for services rendered under Sections 1 and 2 on amount based on actual payroll costs times a factor of two and two-tenths (2.2) for services rendered by principals and employees working on assignments for the Owner. In addition, the Owner shall pay invoice costs for work by other engaged by the Engineer on the Owner's behalf, times a factor of one and one-tenth (1.1); out-of-town transportation, and lodging, special material or supplies and other costs; all if previously authorized by the Owner at invoice cost.

IN WITNESS WHEREOF the parties hereto have made and executed this Agreement as of the day and year first above written.

OWNER:

ENGINEER:

.....  
.....  
.....

CUMMINGS & McCRADY, INC.  
By:   
John McCrady, Jr. President

This document has important legal consequences; consultation with an attorney is encouraged with respect to its completion or modification.

STANDARD  
FORM OF AGREEMENT  
BETWEEN OWNER AND ENGINEER  
FOR  
PROFESSIONAL SERVICES



*Issued by*

PROFESSIONAL ENGINEERS IN PRIVATE PRACTICE

*A practice division of the*

NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

© 1974, NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS  
2029 K STREET, N.W., WASHINGTON, D.C. 20006

NSPE 1910-1 (1974 Edition)

# Guide Sheet for Completing Standard Form of Agreement Between Owner and Engineer for Professional Services

1. Page 1—Insert proper name of partnership, corporation or governmental body that is the Owner on first page and execution page. Make certain person signing for Owner has authority to do so and that there is an indication of the capacity in which he signs. (See Commentary, paragraph 7.)

2. Page 1—Insert as complete a description of the Project as possible. Include, to the extent known, a description of the land where the Project is to be located, any special requirements as to performance, capacity or function, budgetary limitations and any special source of funds for which the Project must qualify. Identify studies, reports or analyses previously prepared which are being furnished by Owner to Engineer for his guidance, such as reports and studies referred to in paragraph 3.3. Identify other special aspects or peculiarities of the Project. (See Commentary, paragraph 8.)

3. Section 4—Period of Service. This Section has been prepared in recognition of thought expressed in paragraph 4.1 that there will be a continuous period of service through completion of the Construction Phase with timely responses from the Owner to the Engineer's submission and with prompt authority to proceed with each Phase of services after the preceding Phase has been completed. The blank spaces provided in paragraphs 4.2, 4.3 and 4.4 should be filled in recognizing this understanding. The blank space in paragraph 4.10 should be filled in with whatever is considered a reasonable time in the particular Project for the taking of bids or receiving proposals, awarding the contract and starting construction. The three-month and one-year periods provided in paragraph 4.11 may not be appropriate for all Projects and should be modified as circumstances indicate.

4. Paragraph 5.1.1—Methods of Payment for Services (See Commentary, paragraph 12). One of the applicable Methods of Compensation provided in paragraphs 5.1.1.1 through 5.1.1.5 should pertain; otherwise use paragraph 5.1.1.6. Cross out the inapplicable paragraphs and insert initials of both parties opposite the crossing out. When payment is on the basis of a lump sum or a percentage fee, it is customary to provide for higher compensation for the Engineer in a Project involving several prime contracts or in the case of Construction Contracts which contain cost-plus or incentive-savings provisions. Accordingly, blank spaces have been provided in paragraphs 5.1.1.1 through 5.1.1.5. The blank spaces for the number of prime contractors is intended to be filled in with the number normally anticipated for a Project of the type involved, such as a governmentally financed one where the law requires separate prime contracts. Paragraph 2.1.8 is intended to cover an additional number, if any, not anticipated at the time the Engineer makes his fee commitment with the Owner. In filling in the blank spaces with respect to the anticipated extra services due to cost-plus or incentive-compensation arrangements with Contractors, bear in mind the provision of paragraph 3.8 which requires the Owner to furnish auditing services if he wishes to ascertain how or for what purposes the Contractor has used the moneys paid to him under the Construction Contract. Before inserting the factor in paragraphs 5.1.1.5, 5.1.2.1 and 5.1.2.4 review the definition of payroll costs contained in paragraph 5.3.2.

If none of the suggested Methods of Compensation are applicable, paragraph 5.1.1.6 may be used and an appropriately identified exhibit attached to the Agreement. Typical use of paragraph 5.1.1.6 would be in the situation where a percentage fee arrangement is to be converted to a fixed fee at the conclusion of the Preliminary Design Phase or where there is a provision for a guaranteed maximum fee. When paragraph 5.1.1.6 is used, paragraph 5.2.3 may also be used to cover special arrangements with respect to the times of payment.

5. Paragraph 5.1.2—Payment for Additional Services (See Commentary, paragraph 12). Space has been provided in paragraph 5.1.2.1 through 5.1.2.4 for different rates of compensation for different types of Additional Services. Any inapplicable paragraph should be crossed out and initials inserted in the margin by both parties. If one method of compensation is to apply to all Additional Services, be certain that the cross references are correctly adjusted.

6. Paragraph 5.3.2 contemplates the identification of the key personnel in the Engineer's organization who are to be assigned to the Project. (See Commentary, paragraph 12 as to the proper meaning of the term "principals.") In developing the factor for the payroll cost method of compensation, bear in mind that paragraph 5.3.2 is set up so that the factor is applied to the salary, wages and fringe benefits of all personnel, and payroll costs of principals (whether they be a corporate officer at a fixed salary or a partner with a drawing account who shares in the profits) are to be itemized. In lieu of the detailed accounting required to substantiate the amount paid for customary and statutory benefits of personnel, a percentage of salaries and wages may be agreed to in advance and inserted in the blank space at the end of paragraph 5.3.2; otherwise the sentence should be crossed out and initialed by both parties.

7. The blank space in paragraph 5.3.5 should be filled in after consultation with the Owner.

## TABLE OF CONTENTS

	<i>Page No.</i>
IDENTIFICATION OF THE PARTIES AND GENERAL DESCRIPTION OF THE PROJECT .....	1
SECTION 1—BASIC SERVICES OF ENGINEER .....	1
1.1. General .....	1
1.2. Study and Report Phase .....	1
1.3. Preliminary Design Phase .....	2
1.4. Final Design Phase .....	4
1.5. Bidding or Negotiating Phase .....	2
1.6. Construction Phase .....	2
SECTION 2—ADDITIONAL SERVICES OF ENGINEER .....	3
2.1. General .....	3
2.2. Resident Services During Construction .....	3
SECTION 3—OWNER'S RESPONSIBILITIES .....	4
SECTION 4—PERIOD OF SERVICE .....	4
SECTION 5—PAYMENTS TO ENGINEER .....	5
5.1. Methods of Payment for Services and Expenses of Engineer .....	5
5.2. Times of Payment .....	6
5.3. General .....	6
5.3.1. Construction Cost .....	6
5.3.2. Payroll Costs .....	6
5.3.3. Reimbursable Expense .....	6
5.3.4. Late Payment .....	6
5.3.5. Payment on Termination .....	6
SECTION 6—GENERAL CONSIDERATIONS .....	7
6.1. Termination .....	7
6.2. Reuse of Documents .....	7
6.3. Estimates of Cost .....	7
6.4. Arbitration .....	7
6.5. Successors and Assigns .....	8
SECTION 7—SPECIAL PROVISIONS .....	8

This document has important legal consequences; consultation with an attorney is encouraged with respect to its completion or modification.

STANDARD FORM OF AGREEMENT  
BETWEEN  
OWNER AND ENGINEER  
FOR  
PROFESSIONAL SERVICES

THIS IS AN AGREEMENT made as of \_\_\_\_\_ day of \_\_\_\_\_

in the year Nineteen Hundred and Seventy \_\_\_\_\_ by and between

Medical University of South Carolina

(hereinafter called OWNER) and

The Sheridan Corporation

(hereinafter called ENGINEER).

OWNER intends to engage civil and structural engineering services to augment its own capabilities for a period of one year.

(hereinafter called the Project).

OWNER and ENGINEER in consideration of their mutual covenants herein agree in respect of the performance of professional engineering services by ENGINEER and the payment for those services by OWNER, as set forth below.

ENGINEER shall serve as OWNER's professional engineering representative in those phases of the Project to which this Agreement applies, and will give consultation and advice to OWNER during the performance of his services.

SECTION 1—BASIC SERVICES OF ENGINEER

1.1. General.

1.1.1. ENGINEER shall perform professional services as hereinafter stated which include normal civil, structural, mechanical and electrical engineering services and normal architectural services incidental thereto, engineering services incidental thereto.

1.2. Study and Report Phase.

After written authorization to proceed, ENGINEER shall:  
1.2.1. Consult with OWNER to determine his requirements for the Project and review available data.

~~1.2.2. Advise OWNER as to the necessity of his providing or obtaining from others data or services of the types described in paragraph 3.3, and act as OWNER's representative in connection with any such services.~~

1.2.3. Provide special analyses of OWNER's needs, planning surveys, site evaluations and comparative studies of prospective sites and solutions.

1.2.4. Provide general economic analysis of OWNER's requirements applicable to various alternatives.

1.2.5. Prepare a Report with appropriate exhibits indicating clearly the considerations involved and the alternative solutions available to OWNER, and setting forth ENGINEER's findings and recommendations with opinions of probable costs.

1.2.6. Furnish five copies of the Report and present and review it in person with OWNER.

**1.3. Preliminary Design Phase. (where applicable)**  
After written authorization to proceed with the Preliminary Design Phase, ENGINEER shall:

1.3.1. In consultation with OWNER and on the basis of the accepted Report, determine the scope of the Project.

1.3.2. Prepare preliminary design documents consisting of final design criteria, preliminary drawings and outline specifications.

1.3.3. Based on the information contained in the preliminary design documents, submit a revised opinion of probable cost for the Project including Construction Cost, contingencies, compensation for all professionals and consultants, costs of land, rights-of-way and compensation for or damages to properties and interest and financing charges (all of which are hereinafter called "Project Costs").

1.3.4. Furnish five copies of the above preliminary design documents and present and review them in person with OWNER.

**1.4. Final Design Phase. (where applicable)**

After written authorization to proceed with the Final Design Phase, ENGINEER shall:

1.4.1. On the basis of the accepted preliminary design documents prepare for incorporation in the Contract Documents, final drawings to show the character and scope of the work to be performed by contractors on the Project (hereinafter called "Drawings"), and Specifications.

1.4.2. Furnish to OWNER such documents and design data as may be required for, and assist in the preparation of, the required documents so that OWNER may obtain approvals of such governmental authorities as have jurisdiction over design criteria applicable to the Project, and assist in obtaining such approvals by participating in submissions to and negotiations with appropriate authorities.

1.4.3. Advise OWNER of any adjustments to his latest opinion of probable Project Cost caused by changes in scope, design requirements or Construction Costs and furnish a revised opinion of probable Project Cost based on the Drawings and Specifications.

1.4.4. Prepare bid forms, notice to bidders, instructions to bidders, general conditions and supplementary conditions, and assist in the preparation of other related documents.

1.4.5. Furnish five copies of the above documents and present and review them in person with OWNER.

**1.5. Bidding or Negotiating Phase. (where applicable)**

After written authorization to proceed with the Bidding or Negotiating Phase, ENGINEER shall:

1.5.1. Assist OWNER in obtaining bids or negotiating proposals for each separate prime contract for construction or equipment.

1.5.2. Consult with and advise OWNER as to the acceptability of subcontractors and other persons and organizations proposed by the prime contractor(s) (hereinafter called "Contractor(s)") for those portions of the work as to which such acceptability is required by the Contract Documents.

1.5.3. Consult with and advise OWNER as to the acceptability of substitute materials and equipment proposed by

Contractor(s) when substitution is permitted by the Contract Documents.

1.5.4. Assist OWNER in evaluating bids or proposals and in assembling and awarding contracts.

**1.6. Construction Phase.**

During the Construction Phase ENGINEER shall:

~~1.6.1. Consult with and advise OWNER and act as his representative as provided in Articles 1 through 17, inclusive, of the Standard General Conditions of the Construction Contract, National Society of Professional Engineers document 1910-8, 1974 edition; the extent and limitations of the duties, responsibilities and authority of ENGINEER as assigned in said Standard General Conditions shall not be modified without ENGINEER's written consent; all of OWNER's instructions to Contractor(s) will be issued through ENGINEER who will have authority to act on behalf of OWNER to the extent provided in said Standard General Conditions except as otherwise provided in writing.~~

~~1.6.2. Make periodic visits to the site to observe as an experienced and qualified design professional the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the Contract Documents; he shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of work; he shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by Contractor(s) or the safety precautions and programs incident to the work of Contractor(s). His efforts will be directed toward providing assurance for OWNER that the completed Project will conform to the Contract Documents, but he shall not be responsible for the failure of Contractor(s) to perform the construction work in accordance with the Contract Documents. During such visits and on the basis of his on-site observations he shall keep OWNER informed of the progress of the work, shall endeavor to guard OWNER against defects and deficiencies in the work of Contractor(s) and may disapprove or reject work as failing to conform to the Contract Documents.~~

1.6.3. Review and approve Shop Drawings (as that term is defined in the aforesaid Standard General Conditions) and samples, the results of tests and inspections and other data which any Contractor is required to submit, but only for conformance with the design concept of the Project and compliance with the information given in the Contract Documents; determine the acceptability of substitute materials and equipment proposed by Contractor(s); and receive and review (for general content as required by the Specifications) maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection which are to be assembled by Contractor(s) in accordance with the Contract Documents.

~~1.6.4. Issue all instructions of OWNER to Contractor(s); prepare routine change orders as required; he may, as OWNER's representative, require special inspection or testing of the work; he shall act as interpreter of the requirements of the Contract Documents and judge of the performance thereunder by the parties thereto and shall make decisions on all claims of OWNER and Contractor(s) relating to the execution and progress of the work and all other matters and questions related thereto; but ENGINEER shall not be liable for the results of any such interpretations or decisions rendered by him in good faith.~~

~~1.6.5. Based on his on-site observations as an experienced and qualified design professional and on his review of Contractor(s) applications for payment and the accom-~~

paying data and schedules, determine the amounts owing to Contractor(s) and approve in writing payments to Contractor(s) in such amounts; such approvals of payment will constitute a representation to OWNER, based on such observations and review, that the work has progressed to the point indicated and that, to the best of his knowledge, information and belief, the quality of the work is in accordance with the Contract Documents (subject to an evaluation of the work as a functioning Project upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any qualifications stated in his approval), but by approving an application for payment ENGINEER will not be deemed to have represented that he has made any examination to determine how or for what purposes any Contractor has used the moneys paid on account of the Contract Price, or that title to any of the Contractor(s)' work, materials or equipment has passed to OWNER free and clear of any lien, claims, security interests or encumbrances.

~~If requested by the Owner.~~

1.6.6. Conduct an inspection to determine if the Project is substantially complete and a final inspection to determine if the Project has been completed in accordance with the Contract Documents and if each Contractor has fulfilled all of his obligations thereunder so that ENGINEER may approve, in writing, final payment to each Contractor.

1.6.7. ENGINEER shall not be responsible for the acts or omissions of any Contractor, any subcontractor or any of the Contractor(s)' or subcontractors' agents or employees or any other persons (except his own employees and agents) at the Project site or otherwise performing any of the work of the Project.

## SECTION 2—ADDITIONAL SERVICES OF ENGINEER

### 2.1. General.

If authorized in writing by OWNER, ENGINEER shall furnish or obtain from others Additional Services of the following types ~~which are not considered normal or customary Basic Services; these will be paid for by OWNER as indicated in Section 5.~~

2.1.1. Preparation of applications and supporting documents for governmental grants, loans or advances in connection with the Project; preparation or review of environmental assessments and impact statements; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.

2.1.2. Services to make measured drawings of or to investigate existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by OWNER.

2.1.3. Services resulting from significant changes in general scope of the Project or its design including, but not limited to, changes in size, complexity, OWNER's schedule, or character of construction; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are due to causes beyond ENGINEER's control.

2.1.4. Providing renderings or models for OWNER's use.

2.1.5. Preparing documents for alternate bids requested by OWNER for work which is not executed or documents for out-of-sequence work.

2.1.6. Investigations involving detailed consideration of

operations, maintenance and overhead expenses; and the preparation of rate schedules, earnings and expense statements, feasibility studies, appraisals and valuations; detailed quantity surveys of material, equipment and labor; and audits or inventories required in connection with construction performed by OWNER.

2.1.7. Furnishing the services of special consultants for other than the normal civil, structural, mechanical and electrical engineering and normal architectural design incidental thereto, such as consultants ~~for interior design, selection of furniture and furnishings, communications, acoustics, kitchens and landscaping.~~

~~2.1.8. Services resulting from the involvement of more separate prime contracts for construction or for equipment than are contemplated by paragraphs 5.1.1.2 or 5.1.1.4.~~

~~2.1.9. Services in connection with change orders to reflect changes requested by OWNER if the resulting change in compensation for Basic Services is not commensurate with the additional services rendered and services resulting from significant delays, changes or price increases occurring as a direct or indirect result of material, equipment or energy shortages.~~

2.1.10. Services during out-of-town travel required of ENGINEER other than visits to the Project site as required by Section 1.

2.1.11. Preparing for OWNER, on request, a set of reproducible record prints of Drawings showing those changes made during the construction process, based on the marked-up prints, drawings and other data furnished by Contractor(s) to ENGINEER and which ENGINEER considers significant.

2.1.12. Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction, (2) a significant amount of defective or neglected work of any Contractor, (3) prolongation of the contract time of any prime contract by more than sixty days, (4) acceleration of the work schedule involving services beyond normal working hours, and (5) default by any Contractor.

2.1.13. Preparation of operating and maintenance manuals; extensive assistance in the utilization of any equipment or system (such as initial start-up, testing, adjusting and balancing); and training personnel for operation and maintenance.

2.1.14. Services after completion of the Construction Phase, such as inspections during any guarantee period and reporting observed discrepancies under guarantees called for in any contract for the Project.

2.1.15. Preparing to serve or serving as a consultant or witness for OWNER in any litigation, public hearing or other legal or administrative proceeding involving the Project.

2.1.16. Additional services in connection with the Project, including services normally furnished by OWNER and services not otherwise provided for in this Agreement.

### 2.2. Resident Services During Construction.

2.2.1. If requested by OWNER or recommended by ENGINEER and agreed to in writing by the other, a Resident Project Representative and assistants will be furnished and will act as directed by ENGINEER in order to provide more extensive representation at the Project site during the Construction Phase. Such services will be paid for by OWNER as indicated in paragraph 5.1.2.4.

2.2.2. The duties and responsibilities and the limitations on the authority of the Resident Project Representative and assistants will be set forth in Exhibit A which is to be identified, attached to and made a part of this Agreement before such services begin.

2.2.3. Through more extensive on-site observations of the work in progress and field checks of materials and equipment by the Resident Project Representative (if furnished) and assistants, ENGINEER shall endeavor to provide further protection for OWNER against defects and deficiencies in the work, but the furnishing of such resident Project representation will not make ENGINEER responsible for construction means, methods, techniques, sequences or procedures or for safety precautions or programs, or for Contractor(s)' failure to perform the construction work in accordance with the Contract Documents.

### SECTION 3—OWNER'S RESPONSIBILITIES

OWNER shall:

3.1. Provide full information as to his requirements for the Project.

3.2. Assist ENGINEER by placing at his disposal all available information pertinent to the Project including previous reports and any other data relative to design and construction of the Project.

3.3. Furnish to ENGINEER, as required by him for performance of his Basic Services, data prepared by or services of others, such as core borings, probings and sub-surface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials and equipment; appropriate professional interpretations of all of the foregoing; property, boundary, easement, right-of-way, topographic and utility surveys and property descriptions; zoning and deed restriction; and other special data or consultations not covered in paragraph 2.1; all of which ENGINEER may rely upon in performing his services.

~~3.4. Provide engineering surveys to enable Contractor(s) to proceed with their work.~~

3.5. Guarantee access to and make all provisions for ENGINEER to enter upon public and private property as required for ENGINEER to perform his services.

3.6. Examine all studies, reports, sketches, Drawings, Specifications, proposals and other documents presented by ENGINEER, obtain advice of an attorney, insurance counselor and other consultants as he deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of ENGINEER.

3.7. Pay all costs incident to obtaining bids or proposals from contractors.

3.8. Provide such legal, accounting, independent cost estimating and insurance counseling services as may be required for the Project, and such auditing service as OWNER may require to ascertain how or for what purpose any contractor has used the moneys paid to him under the construction contract.

3.9. Designate in writing a person to act as OWNER's representative with respect to the work to be performed under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define OWNER's policies and decisions with

respect to materials, equipment, elements and systems pertinent to ENGINEER's services.

3.10. Give prompt written notice to ENGINEER whenever OWNER observes or otherwise becomes aware of any defect in the Project.

3.11. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

3.12. Furnish, or direct ENGINEER to provide, necessary Additional Services as stipulated in Section 2 of this Agreement or other services as required.

3.13. Bear all costs incident to compliance with the requirements of this Section 3.

### SECTION 4—PERIOD OF SERVICE

~~4.1 See page 8  
4.1 The provisions of 4.2 through 4.8, inclusive, and the various rates of compensation for ENGINEER's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Construction Phase. ENGINEER's obligation to render services hereunder will extend for a period which may reasonably be required for the design, award of contracts and construction of the Project including extra work and required extensions thereto.~~

~~4.2. The services called for in the Study and Report Phase will be completed and the Report submitted within \_\_\_\_\_ calendar days following the authorization to proceed with that phase of services.~~

~~4.3. After acceptance by OWNER of the Report, indicating any specific modifications or changes in scope desired by OWNER, and upon written authorization from OWNER, ENGINEER shall proceed with the performance of the services called for in the Preliminary Design Phase, and shall submit preliminary design documents and a revised opinion of probable Project Cost within \_\_\_\_\_ calendar days following the authorization to proceed with that phase of services.~~

~~4.4. After acceptance by OWNER of the preliminary design documents and revised opinion of probable Project Cost, indicating any specific modifications or changes in scope desired by OWNER, and upon written authorization from OWNER, ENGINEER shall proceed with the performance of the services called for in the Final Design Phase, so as to deliver Contract Documents and a revised opinion of probable Project Cost for all authorized work on the Project within \_\_\_\_\_ calendar days after the authorization to proceed with that phase of services.~~

~~4.5. ENGINEER's services under the Study and Report Phase, Preliminary Design Phase and Final Design Phase shall each be considered complete at the earlier of (1) the date when the submissions for that phase have been accepted by OWNER or (2) thirty days after the date when such submissions are delivered to OWNER for final acceptance, plus such additional time as may be considered reasonable for obtaining approval of governmental authorities having jurisdiction over design criteria applicable to the Project.~~

~~4.6. After acceptance by OWNER of the Contract Documents and ENGINEER's most recent opinion of probable~~

Project Cost and upon written authorization to proceed, ENGINEER shall proceed with performance of the services called for in the Bidding or Negotiating Phase. This Phase shall terminate and the services to be rendered thereunder shall be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with Contractor(s) (except as may be otherwise required to complete the services called for in paragraph 6.3.2.5).

4.7. The Construction Phase will commence with the execution of the first prime contract to be executed for the work of the Project or any part thereof, and will terminate upon written approval by ENGINEER of final payment on the last prime contract to be completed. Construction Phase services may be rendered at different times in respect of separate prime contracts if the Project involves more than one prime contract.

4.8. In the event that the work of the Project is to be performed under more than one prime contract, OWNER and ENGINEER shall, prior to commencement of the Final Design Phase, develop a schedule for performance of ENGINEER's services during the Final Design, Bidding or Negotiating and Construction Phases in order to sequence and coordinate properly such services as applicable to the work under such separate contracts. This schedule is to be prepared whether or not the work under such contracts is to proceed concurrently and is to be attached as an exhibit to and made a part of this Agreement, and the provisions of paragraphs 4.4 thru 4.6 inclusive, will be modified accordingly.

4.9. If OWNER has requested significant modifications or changes in the scope of the Project, the time of performance of ENGINEER's services shall be adjusted appropriately.

4.10. If OWNER fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, or if the Construction Phase has not commenced within \_\_\_\_\_ calendar days (plus such additional time as may be required to complete the services called for under paragraph 6.3.2.5) after completion of the Final Design Phase, ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement.

4.11. If ENGINEER's services for design or during construction of the Project are delayed or suspended in whole or in part by OWNER for more than three months for reasons beyond ENGINEER's control, ENGINEER shall on written demand to OWNER (but without termination of this Agreement) be paid as provided in paragraph 5.3.5 for the services delayed or suspended. If such delay or suspension extends for more than one year for reasons beyond ENGINEER's control, or if ENGINEER for any reason is required to render services more than one year after Substantial Completion, the various rates of compensation provided for elsewhere in this Agreement shall be subject to renegotiation.

## SECTION 5—PAYMENTS TO ENGINEER

5.1. Methods of Payment for Services and Expenses of ENGINEER. See page 8.

5.1.1. *Basic Services.* OWNER shall pay ENGINEER for Basic Services rendered under Section 1 on one of the following bases (except as otherwise provided in paragraph 5.1.1.6):

5.1.1.1. *Lump Sum.* If the work of the entire Project is awarded on the basis of one prime contract, a lump sum fee of \$ \_\_\_\_\_; but, if the prime contract contains cost-plus or incentive savings provisions for the Contractor's basic compensation, a lump sum fee of \$ \_\_\_\_\_

or  
5.1.1.2. *Lump Sum.* If the work of the Project is awarded on the basis of not more than a total of \_\_\_\_\_ separate prime contracts for construction and for equipment, a lump sum fee of \$ \_\_\_\_\_; but, if the prime contracts contain cost-plus or incentive savings provisions for the Contractor's basic compensation, a lump sum fee of \$ \_\_\_\_\_

or  
5.1.1.3. *Percentage.* If the work of the entire Project is awarded on the basis of one prime contract, \_\_\_\_\_% of the Construction Cost; but, if the prime contract contains cost-plus or incentive savings provisions for the Contractor's basic compensation, \_\_\_\_\_% of the Construction Cost.

or  
5.1.1.4. *Percentage.* If the work of the Project is awarded on the basis of not more than a total of \_\_\_\_\_ separate prime contracts for construction and for equipment, \_\_\_\_\_% of the Construction Cost; but, if the prime contracts contain cost-plus or incentive savings provisions for the Contractor's basic compensation, \_\_\_\_\_% of the Construction Cost.

or  
5.1.1.5. *Payroll Cost Times a Factor.* An amount based on the payroll costs times a factor of 2.2 for services rendered by principals and employees assigned to the Project.

or  
5.1.1.6. *Other Method.* (To be used in case none of the above methods of compensation is applicable.)  
(Refer to and attach schedule when applicable.)

5.1.2. *Additional Services.* OWNER shall pay ENGINEER for Additional Services rendered under Section 2 as follows:—

5.1.2.1. *General.* For Additional Services rendered under paragraphs 2.1.1 through 2.1.16, inclusive (except services covered by paragraph 2.1.7 and services as a consultant or witness under paragraph 2.1.15), on the basis of payroll costs times a factor of 1.1 for services rendered by principals and employees assigned to the Project.

5.1.2.2. *Special Consultants.* For services and reimbursable expenses of special consultants employed by ENGINEER pursuant to paragraphs 2.1.7 or 2.1.16, the amount billed to ENGINEER therefor times a factor of 1.2.

5.1.2.3. *Serving as a Witness.* For the services of the principals and employees as consultants or witnesses in any litigation, hearing or proceeding in accordance with paragraph 2.1.15, at the rate of \$ 100 per day or any portion thereof (but compensation for time spent in preparing to appear in any such litigation, hearing or proceeding will be on the basis provided in paragraph 5.1.2.1).

5.1.2.4. *Resident Project Services.* For resident services during construction furnished under paragraph 2.2.1, on the basis of payroll costs times a factor of \_\_\_\_\_ for services rendered by principals and employees assigned to field offices in connection with resident Project representation.

[Delete inapplicable paragraphs and initial]

[Delete inapplicable paragraphs and initial]

~~5.1.3. Reimbursable Expenses. In addition to payments provided for in paragraphs 5.1.1 and 5.1.2, OWNER shall pay ENGINEER the actual costs of all reimbursable expenses incurred in connection with all Basic and Additional Services.~~

~~5.1.4. As used in this paragraph 5.1, the terms "Construction Cost", "payroll costs" and "reimbursable expenses" will have the meanings assigned to them in paragraphs 5.3.1, 5.3.2 and 5.3.3.~~

~~5.2. Times of Payment.~~

~~5.2.1. ENGINEER shall submit monthly statements for Basic and Additional Services rendered and for reimbursable expenses incurred. When compensation is on the basis of a lump sum or percentage of construction cost the statements will be based upon ENGINEER's estimate of the proportion of the total services actually completed at the time of billing. Otherwise, these monthly statements will be based upon ENGINEER's payroll cost times a factor. OWNER shall make prompt monthly payments in response to ENGINEER's monthly statements.~~

~~5.2.2. Where compensation for Basic Services is on the basis of a lump sum or percentage of Construction Cost, OWNER shall, upon conclusion of each phase of Basic Services, pay such additional amount, if any, as may be necessary to bring total compensation paid on account of such phase to the following percentages of total compensation for all phases of Basic Services:~~

<del>Phase</del>	<del>Suggested Range</del>	<del>Insert Actual Percentage and Initial in Margin</del>
<del>Study and Report</del>	<del>( 5-30%)</del>	<del>..... %</del>
<del>Preliminary Design</del>	<del>( 5-30%)</del>	<del>..... %</del>
<del>Final Design</del>	<del>(35-75%)</del>	<del>..... %</del>
<del>Bidding or Negotiating</del>	<del>( 2-10%)</del>	<del>..... %</del>
<del>Construction</del>	<del>(10-20%)</del>	<del>..... %</del>
<del>TOTAL</del>	<del>X</del>	<del>100 %</del>

~~5.2.3. Payments for Basic Services in accordance with paragraph 5.1.4 shall be made as follows:~~

~~(Refer to and attach schedule when applicable.)~~

~~5.3. General.~~

~~5.3.1. The construction cost of the entire Project (herein referred to as "Construction Cost") means the total cost of the entire Project to OWNER, but it will not include ENGINEER's compensation and expenses, the cost of land, rights-of-way, or compensation for or damages to properties unless this Agreement so specifies nor will it include OWNER's legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with the Project. When Construction Cost is used as a basis for payment it will be based on one of the following sources with precedence in the order listed:~~

~~5.3.1.1. For completed construction the total cost of all work performed as designed or specified by ENGINEER.~~

~~5.3.1.2. For work not constructed, the lowest bona fide bid received from a qualified bidder for such work; or if the work is not bid, the lowest bona fide negotiated proposal for such work.~~

~~5.3.1.3. For work for which no such bid or proposal is received, ENGINEER's most recent opinion of probable Project Cost.~~

~~Labor furnished by OWNER for the Project will be included in the Construction Cost at current market rates~~

~~including a reasonable allowance for overhead and profit. Materials and equipment furnished by OWNER will be included at current market prices except used materials and equipment will be included as if purchased new for the Project. No deduction is to be made from ENGINEER's compensation on account of any penalty, liquidated damages, or other amounts withheld from payments to Contractor(s).~~

~~5.3.2. The payroll costs used as a basis for payment mean the salaries and wages paid to all personnel engaged directly on the Project, including, but not limited to, engineers, architects, surveyors, designers, draftsmen, specification writers, estimators, other technical personnel, stenographers, typists and clerks; plus the cost of customary and statutory benefits including, but not limited to, social security contributions, unemployment, excise and payroll taxes, workmen's compensation, health and retirement benefits, sick leave, vacation and holiday pay applicable thereto. For the purposes of this Agreement, the principals of ENGINEER and their hourly payroll costs are:~~

~~\$13,00~~

~~The amount of customary and statutory benefits of all other personnel will be considered equal to .....% of salaries and wages.~~

~~5.3.3. Reimbursable expenses mean the actual expenses incurred directly or indirectly in connection with the Project for: transportation and subsistence incidental thereto; obtaining bids or proposals from Contractor(s); furnishing and maintaining field office facilities; subsistence and transportation of Resident Project Representatives and their assistants; toll telephone calls and telegrams; reproduction of reports, Drawings and Specifications, and similar Project-related items in addition to those required under Section 1; computer time including an appropriate charge for previously established programs; and, if authorized in advance by OWNER, overtime work requiring higher than regular rates.~~

~~5.3.4. If OWNER fails to make any payment due ENGINEER for services and expenses within sixty days after receipt of ENGINEER's bill therefor, the amounts due ENGINEER shall include a charge at the rate of 1% per month from said sixtieth day, and in addition ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement until he has been paid in full all amounts due him for services and expenses.~~

~~5.3.5. If this Agreement is terminated by OWNER, upon the completion of any phase of the Basic Services, progress payments due ENGINEER for services rendered through such phase shall constitute total payment for such services. If this Agreement is terminated by OWNER during any phase of the Basic Services, ENGINEER will be paid for services rendered during that phase on the basis of payroll costs times a factor of ..... for services rendered during that phase to date of termination by principals and employees assigned to the Project. In the event of any termination, ENGINEER will be paid for all unpaid Additional Services and unpaid reimbursable expenses, plus all termination expenses. Termination expenses mean reimbursable expenses directly attributable to termination, which shall include an amount computed as a percentage of total compensation for Basic Services earned by ENGINEER to the date of termination, as follows:~~

~~20% if termination occurs after commencement of the Preliminary Design Phase but prior to commencement of the Final Design Phase; or~~

~~10% if termination occurs after commencement of the Final Design Phase.~~

~~5.1.3. Reimbursable Expenses. In addition to payments provided for in paragraphs 5.1.1 and 5.1.2, OWNER shall pay ENGINEER the actual costs of all reimbursable expenses incurred in connection with all Basic and Additional Services.~~

~~5.1.4. As used in this paragraph 5.1, the terms "Construction Cost," "payroll costs" and "reimbursable expenses" will have the meanings assigned to them in paragraphs 5.3.1, 5.3.2 and 5.3.3.~~

~~5.2. Times of Payment.~~

~~5.2.1. ENGINEER shall submit monthly statements for Basic and Additional Services rendered and for reimbursable expenses incurred. When compensation is on the basis of a lump sum or percentage of construction cost the statements will be based upon ENGINEER's estimate of the proportion of the total services actually completed at the time of billing. Otherwise, these monthly statements will be based upon ENGINEER's payroll cost times a factor. OWNER shall make prompt monthly payments in response to ENGINEER's monthly statements.~~

~~5.2.2. Where compensation for Basic Services is on the basis of a lump sum or percentage of Construction Cost, OWNER shall, upon conclusion of each phase of Basic Services, pay such additional amount, if any, as may be necessary to bring total compensation paid on account of such phase to the following percentages of total compensation for all phases of Basic Services:~~

<del>Phase</del>	<del>Suggested Range</del>	<del>Insert Actual Percentage and Initial in Margin</del>
<del>Study and Report</del>	<del>( 5-30%)</del>	<del>----- %</del>
<del>Preliminary Design</del>	<del>( 5-30%)</del>	<del>----- %</del>
<del>Final Design</del>	<del>(35-75%)</del>	<del>----- %</del>
<del>Bidding or Negotiating</del>	<del>( 2-10%)</del>	<del>----- %</del>
<del>Construction</del>	<del>(10-20%)</del>	<del>----- %</del>
<del>TOTAL</del>	<del>X</del>	<del>100 %</del>

~~5.2.3. Payments for Basic Services in accordance with paragraph 5.1.1.6 shall be made as follows:~~

~~(Refer to and attach schedule when applicable.)~~

~~5.3. General.~~

~~5.3.1. The construction cost of the entire Project (herein referred to as "Construction Cost") means the total cost of the entire Project to OWNER, but it will not include ENGINEER's compensation and expenses, the cost of land, rights-of-way, or compensation for or damages to properties unless this Agreement so specifies, nor will it include OWNER's legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with the Project. When Construction Cost is used as a basis for payment it will be based on one of the following sources with precedence in the order listed:~~

~~5.3.1.1. For completed construction the total cost of all work performed as designed or specified by ENGINEER.~~

~~5.3.1.2. For work not constructed, the lowest bona fide bid received from a qualified bidder for such work; or if the work is not bid, the lowest bona fide negotiated proposal for such work.~~

~~5.3.1.3. For work for which no such bid or proposal is received, ENGINEER's most recent opinion of probable Project Cost.~~

~~Labor furnished by OWNER for the Project will be included in the Construction Cost at current market rates~~

~~including a reasonable allowance for overhead and profit. Materials and equipment furnished by OWNER will be included at current market prices except used materials and equipment will be included as if purchased new for the Project. No deduction is to be made from ENGINEER's compensation on account of any penalty, liquidated damages, or other amounts withheld from payments to Contractor(s).~~

~~5.3.2. The payroll costs used as a basis for payment mean the salaries and wages paid to all personnel engaged directly on the Project, including, but not limited to, engineers, architects, surveyors, designers, draftsmen, specification writers, estimators, other technical personnel, stenographers, typists and clerks; plus the cost of customary and statutory benefits including, but not limited to, social security contributions, unemployment, excise and payroll taxes, workmen's compensation, health and retirement benefits, sick leave, vacation and holiday pay applicable thereto. For the purposes of this Agreement, the principals of ENGINEER and their hourly payroll costs are:~~  
~~\$13.00~~

~~The amount of customary and statutory benefits of all other personnel will be considered equal to \_\_\_\_\_% of salaries and wages.~~

~~5.3.3. Reimbursable expenses mean the actual expenses incurred directly or indirectly in connection with the Project for: transportation and subsistence incidental thereto; obtaining bids or proposals from Contractor(s); furnishing and maintaining field office facilities; subsistence and transportation of Resident Project Representatives and their assistants; toll telephone calls and telegrams; reproduction of reports, Drawings and Specifications, and similar Project-related items in addition to those required under Section 1; computer time including an appropriate charge for previously established programs; and, if authorized in advance by OWNER, overtime work requiring higher than regular rates.~~

~~5.3.4. If OWNER fails to make any payment due ENGINEER for services and expenses within sixty days after receipt of ENGINEER's bill therefor, the amounts due ENGINEER shall include a charge at the rate of 1% per month from said sixtieth day, and in addition ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement until he has been paid in full all amounts due him for services and expenses.~~

~~5.3.5. If this Agreement is terminated by OWNER, upon the completion of any phase of the Basic Services, progress payments due ENGINEER for services rendered through such phase shall constitute total payment for such services. If this Agreement is terminated by OWNER during any phase of the Basic Services, ENGINEER will be paid for services rendered during that phase on the basis of payroll costs times a factor of \_\_\_\_\_ for services rendered during that phase to date of termination by principals and employees assigned to the Project. In the event of any termination, ENGINEER will be paid for all unpaid Additional Services and unpaid reimbursable expenses, plus all termination expenses. Termination expenses mean reimbursable expenses directly attributable to termination, which shall include an amount computed as a percentage of total compensation for Basic Services earned by ENGINEER to the date of termination, as follows:~~

~~20% if termination occurs after commencement of the Preliminary Design Phase but prior to commencement of the Final Design Phase; or~~

~~10% if termination occurs after commencement of the Final Design Phase.~~

## SECTION 6—GENERAL CONSIDERATIONS

### 6.1. Termination

This Agreement may be terminated by either party upon seven days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

### 6.2. Reuse of Documents.

All documents including Drawings and Specifications furnished by ENGINEER pursuant to this Agreement are instruments of his services in respect of the Project. They are not intended or represented to be suitable for reuse by OWNER or others on extensions of the Project or on any other project. Any reuse without specific written verification or adaptation by ENGINEER will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, and OWNER shall indemnify and hold harmless ENGINEER from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

### 6.3. Estimates of Cost.

6.3.1. Since ENGINEER has no control over the cost of labor, materials or equipment, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions, his opinions of probable Project Cost or Construction Cost provided for herein are to be made on the basis of his experience and qualifications and represent his best judgment as a design professional familiar with the construction industry, but ENGINEER cannot and does not guarantee that proposals, bids or the Construction Cost will not vary from opinions of probable cost prepared by him. If prior to the Bidding or Negotiating Phase OWNER wishes greater assurance as to the Construction Cost he shall employ an independent cost estimator as provided in paragraph 3.8.

6.3.2. If a Construction Cost limit is established as a condition to this Agreement, the following will apply:

6.3.2.1. The acceptance by OWNER at any time during the Basic Services of a revised opinion of probable Project Cost in excess of the then established cost limit will constitute a corresponding increase in the Construction Cost limit.

6.3.2.2. Any Construction Cost limit established by this Agreement will include a bidding contingency of ten percent unless another amount is agreed upon in writing.

6.3.2.3. ENGINEER will be permitted to determine what materials, equipment, component systems and types of construction are to be included in the Drawings and Specifications and to make reasonable adjustments in the scope of the Project to bring it within the cost limit.

6.3.2.4. If the Bidding or Negotiating Phase has not commenced within six months of the completion of the Final Design Phase, the established Construction Cost limit will not be effective or binding on ENGINEER, and OWNER shall consent to an adjustment in such cost limit commensurate with any applicable change in the general level of prices in the construction industry between the date of completion of the Final Design Phase and the date on which proposals or bids are sought.

6.3.2.5. If the lowest bona fide proposal or bid exceeds the established Construction Cost limit, OWNER shall (1) give written approval to increase such cost limit, (2) authorize negotiating or rebidding the Project within a reasonable time, or (3) cooperate in revising the Project scope or quality. In the case of (3), ENGINEER shall, without additional charge, modify the Contract Documents as necessary to bring the Construction Cost within the cost limit. The providing of such service will be the limit of ENGINEER's responsibility in this regard and, having done so, ENGINEER shall be entitled to payment for his services in accordance with this Agreement.

### 6.4. Arbitration

6.4.1. All claims, counter-claims, disputes and other matters in question between the parties hereto arising out of or relating to this Agreement or the breach thereof will be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining, subject to the limitations stated in paragraphs 6.4.3 and 6.4.4 below. This agreement so to arbitrate and any other agreement or consent to arbitrate entered into in accordance therewith as provided below, will be specifically enforceable under the prevailing law of any court having jurisdiction.

6.4.2. Notice of demand for arbitration must be filed in writing with the other parties to this Agreement and with the American Arbitration Association. The demand must be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event may the demand for arbitration be made after the time when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

6.4.3. All demands for arbitration and all answering statements thereto which include any monetary claim must contain a statement that the total sum or value in controversy as alleged by the party making such demand or answering statement is not more than \$200,000 (exclusive of interest and costs). The arbitrators will not have jurisdiction, power or authority to consider, or make findings (except in denial of their own jurisdiction) concerning any claim, counter-claim, dispute or other matter in question where the amount in controversy thereof is more than \$200,000 (exclusive of interest and costs) or to render a monetary award in response thereto against any party which totals more than \$200,000 (exclusive of interest and costs).

6.4.4. No arbitration arising out of, or relating to, this Agreement may include, by consolidation, joinder or in any other manner, any additional party not a party to this Agreement.

6.4.5. By written consent signed by all the parties to this Agreement and containing a specific reference hereto, the limitations and restrictions contained in paragraphs 6.4.3 and 6.4.4 may be waived in whole or in part as to any claim, counter-claim, dispute or other matter specifically described in such consent. No consent to arbitration in respect of a specifically described claim, counter-claim, dispute or other matter in question will constitute consent to arbitrate any other claim, counter-claim, dispute or other matter in question which is not specifically described in such consent or in which the sum or value in controversy exceeds \$200,000 (exclusive of interest and costs) or which is with any party not specifically described therein.

6.4.6. The award rendered by the arbitrators will be final, not subject to appeal and judgment may be entered upon it in any court having jurisdiction thereof.

6.5. Successors and Assigns.

OWNER and ENGINEER each binds himself and his partners, successors, executors, administrators and assigns to the other party of this Agreement and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement; except as above, neither OWNER nor ENGINEER shall

assign, sublet or transfer his interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than OWNER and ENGINEER.

SECTION 7—SPECIAL PROVISIONS

OWNER and ENGINEER agree that this Agreement is subject to the following special provisions which together with the provisions hereof and the exhibits and schedules hereto represent the entire Agreement between OWNER and ENGINEER; they may only be altered, amended or repealed by a duly executed written instrument.

7.1. Engineer's responsibilities,

7.1.1. The Engineer shall be responsible to indemnify and save the Owner harmless from and against all claims and actions and all expenses incidental to defense of any such claims or actions based upon or arising out of errors, omissions or other action of the Engineer.

4.1 The Engineer shall provide the services described in the preceding sections for a period of one (1) year from the effective date this contract. This term shall be extended for the time required to complete assigned tasks which are in progress. However, no new assignments shall be made or undertaken during such an extension of the contract time.

5.1 Owner shall pay Engineer for services rendered under Sections 1 and 2 on amount based on actual payroll costs times a factor of two (2) for services rendered by principals and employees working on assignments for the Owner. In addition, the Owner shall pay Engineers' insurance pertaining to Owner's work, invoice costs for work by others engaged by the Engineer on the Owner's behalf, times a factor of one and one tenth (1.1); out-of-town transportation, and lodging, special material or supplies and other costs; all if previously authorized by the Owner at invoice cost.

IN WITNESS WHEREOF the parties hereto have made and executed this Agreement as of the day and year first above written.

OWNER:

ENGINEER:

.....  
.....  
.....

*John C. ... 3-28*  
.....  
.....

A/E ANALYSIS  
FOR  
PROFESSIONAL CONSULTATION SERVICES  
IN THE FIELDS OF ARCHITECTURE, CIVIL  
MECHANICAL AND ELECTRICAL ENGINEERING  
FOR A PERIOD OF ONE YEAR



125



**Oxford Pendasflex**  
CORPORATION

STOCK No. 753 1/3

• • •

MADE IN U.S.A.

L  
C  
E  
L  
L  
I  
H  
C  
R  
V

A/E ANALYSIS

September 9, 1976

FIRM: Carl G. Baker, Architects  
Beaver, Pennsylvania

ESTABLISHED: Not available

PRINCIPAL: Carl G. Baker, AIA

PERSONNEL: Staff of registered architects, architectural  
designers and technicians's assistants

PROJECTS: These are architects whose work has been  
essentially in Pennsylvania. .

A/E ANALYSIS

September 9, 1976

FIRM: Read Barnes, Architect  
Charleston, South Carolina

ESTABLISHED: 1959

PRINCIPAL: Read Barnes, AIA

PERSONNEL: One other architect, one draftsman

PROJECTS: Mr. Barnes is an architect with a well-established  
background in the Charleston area.

A/E ANALYSIS

September 9, 1976

FIRM: Constantine and Constantine, Architects  
Charleston, South Carolina

ESTABLISHED: 1940

PRINCIPALS: Augustus Edison Constantine  
Elliott Augustus Constantine, AIA

PERSONNEL: Not available.

PROJECTS: This is a small company which has been engaged primarily in relatively small projects in the housing, office, church, schools and governmental areas. Remodeled the kitchen in the President's house.

A/E ANALYSIS

September 9, 1976

FIRM: Cummings & McCrady, Architects/Engineers  
Charleston, South Carolina

ESTABLISHED: 1956

PRINCIPAL: John McCrady, Jr.

STAFF: Staff of 21 including two civil engineers, one  
mechanical engineer and one structural engineer

PROJECTS: Cummings & McCrady is the A/E of record on the Univer-  
sity's \$750,000 Quadrangle Renovation Project and the  
\$3.4 million Business Service Building Project. They  
have satisfactorily provided architectural and engi-  
neering services to the University on numerous small  
projects.

A/E ANALYSIS

September 9, 1976

FIRM: J. Harrell Gandy, Architect  
Charleston, South Carolina

ESTABLISHED: 1972

PRINCIPAL: J. Harrell Gandy, AIA

PERSONNEL: Two: one architect and one draftsman

PROJECTS: This company is small. They appear to have done  
a substantial amount of work since its founding  
in 1972.

A/E ANALYSIS

September 9, 1976

FIRM: Gill, Wilkins & Wood  
Florence and Myrtle Beach, South Carolina

ESTABLISHED: 1891

PRINCIPALS: R. I. Wilkins, AIA

PERSONNEL: GWW Architectural-Engineering Collaborative:  
Gill, Wilkins & Wood - Architectural  
Johnson & King - Civil Engineering  
Reed-Shealy & Associates - Mechanical Engineers

PROJECTS: This company should be considered only for architectural work since it engages consultants in all engineering disciplines.

A/E ANALYSIS

September 9, 1976

FIRM: LBC&W SOUTH CAROLINA

ESTABLISHED: 1952

PRINCIPAL: Robert T. Lyles

PERSONNEL: Staff of 88 in Columbia office including  
fifteen architects and twenty engineers.

PROJECTS: LBC&W has in-house capability in all fields.  
However, electrical and mechanical work is  
not really their forte.

A/E ANALYSIS

September 9, 1976

FIRM: Lockwood Greene, Architects/Engineers  
Spartanburg, South Carolina

ESTABLISHED: 1832

PRINCIPALS: W. T. Rucker, BSCE

PERSONNEL: Permanent staff of over 900 in New York, Dallas,  
Atlanta and Spartanburg--primarily architects  
and engineers --offering complete architectural  
and engineering services

PROJECTS: Lockwood Greene's general abilities and experience  
have been well documented to the Medical University  
in the past. No further remarks are considered  
necessary.

A/E ANALYSIS

September 9, 1976

FIRM: Demetrios C. Liollo Architect and Associates Ltd.  
Charleston, South Carolina

ESTABLISHED: 1973

PRINCIPAL: Demetrios C. Liollo, AIA

PERSONNEL: Four architects and one engineer

PROJECTS: Liollo is essentially an architectural company  
which has designed many projects in Charleston  
and the southeast.

A/E ANALYSIS

September 9, 1976

FIRM: Jeffrey Marc Rosenblum  
Charleston, South Carolina

ESTABLISHED: 1971

PRINCIPAL: Jeffry Marc Rosenblum, AIA

PERSONNEL: Four, including two architects

PROJECTS: This company is small but has performed well  
for the Medical University in the past.

A/E ANALYSIS

September 9, 1976

FIRM: J. E. Sirrine Company  
Greenville, South Carolina

ESTABLISHED: 1902

PRINCIPALS: Not available

PERSONNEL: 1200 people at engineering centers in Houston,  
Raleigh and Greenville  
"Full-service" Company--architectural, electrical,  
civil, mechanical and structural engineering

PROJECTS: This company has been particularly strong in textile  
and other manufacturing plant work. They also have  
experience in institutional and health care projects.

L 137

S  
R  
E  
E  
N  
I  
G  
N  
E  
  
L  
I  
A  
I  
C



**Oxford Pendaflex**

STOCK No. 753 1/3

• • •

MADE IN U.S.A.

A/E ANALYSIS

September 9, 1976

FIRM: Consolidated Engineering Services, Inc.  
Charleston, South Carolina

ESTABLISHED:

PRINCIPAL: G. Stuart Turner, P.E.

PERSONNEL: Capabilities in Civil, Electrical and Mechanical  
Engineering

PROJECTS: This is a relatively new company which seems to  
be a confederation of a number of engineers--most  
employed full time in various other companies--who  
make themselves available to handle portions of  
specific projects. Mr. Turner is on a full-time  
basis.

A/E ANALYSIS

September 9, 1976

FIRM: Cummings & McCrady, Architects/Engineers  
Charleston, South Carolina

ESTABLISHED: 1956

PRINCIPAL: John McCrady, Jr.

STAFF: Staff of 21 including two civil engineers, one  
mechanical engineer and one structural engineer

PROJECTS: Cummings & McCrady is the A/E of record on the Univer-  
sity's \$750,000 Quadrangle Renovation Project and the  
\$3.4 million Business Service Building Project. They  
have satisfactorily provided architectural and engi-  
neering services to the University on numerous small  
projects.

A/E ANALYSIS

September 9, 1976

FIRM: George A. Z. Johnson, Jr., Inc.  
Charleston, South Carolina

ESTABLISHED: 1974

PRINCIPAL: George A. Z. Johnson, Jr., P.E. and L.S.

PERSONNEL: Number of Staff not available  
Specialization in engineering for land  
development, including storm drainage,  
sewers, roads, environmental

PROJECTS: Mr. Johnson was formerly a principal in Sigma  
Engineers. In 1974 he established a separate  
company. His area of expertise is land deve-  
lopment, surveys, drainage, roads and waste  
disposal.

A/E ANALYSIS

September 9, 1976

FIRM: LBC&W SOUTH CAROLINA

ESTABLISHED: 1952

PRINCIPAL: Robert T. Lyles

PERSONNEL: Staff of 88 in Columbia office including  
fifteen architects and twenty engineers.

PROJECTS: LBC&W has in-house capability in all fields.  
However, electrical and mechanical work is  
not really their forte.

A/E ANALYSIS

September 9, 1976

FIRM: Lockwood Greene, Architects/Engineers  
Spartanburg, South Carolina

ESTABLISHED: 1832

PRINCIPALS: W. T. Rucker, BSCE

PERSONNEL: Permanent staff of over 900 in New York, Dallas,  
Atlanta and Spartanburg--primarily architects  
and engineers --offering complete architectural  
and engineering services

PROJECTS: Lockwood Greene's general abilities and experience  
have been well documented to the Medical University  
in the past. No further remarks are considered  
necessary.

A/E ANALYSIS

September 9, 1976

FIRM:	G. E. Lohr Company <u>with</u> Charleston, South Carolina	Hensley-Schmidt, Inc., Consultants Chattanooga, Tennessee
ESTABLISHED:	1974	1963
PRINCIPALS:	G. E. Lohr, PE/AIP	J. W. Johnson, Jr., Chattanooga J. F. Bork, Jr., Atlanta
PERSONNEL:	Staff of seven including two Civil Engineers	Chattanooga--staff of 160 Atlanta--staff of 83 (including Civil, Electrical and Mechanical engineers)
PROJECTS:	G. E. Lohr Company is basically a civil engineering company with primary experience in developmental, drainage, waste disposal and survey work.	

A/E ANALYSIS

September 9, 1976

FIRM: The Sheridan Corporation, Engineers  
Charleston, South Carolina

ESTABLISHED: 1961

PRINCIPAL: John C. Sheridan, III

PERSONNEL: Two Civil Engineers, two Structural Engineers,  
two draftsmen

PROJECTS: This firm has handled the structural design of many  
major structures in the southeast as a consultant  
to either the Southern Division Naval Facilities,  
other governmental agencies or to architectural firms.

A/E ANALYSIS

September 9, 1976

FIRM: Sigma Engineers, Inc.  
Charleston, South Carolina

ESTABLISHED: 1962

PRINCIPAL: Harold J. LeaMond

PERSONNEL: Five engineers, five technicians and fifteen  
others

PROJECTS: Has done a great amount of work in the following  
areas: surveys; water, sewer and drainage design;  
master planning and site development.

A/E ANALYSIS

September 9, 1976

FIRM: J. E. Serrine Company  
Greenville, South Carolina

ESTABLISHED: 1902

PRINCIPALS: Not available

PERSONNEL: 1200 people at engineering centers in Houston,  
Raleigh and Greenville  
"Full-service" Company--architectural, electrical,  
civil, mechanical and structural engineering

PROJECTS: This company has been particularly strong in textile  
and other manufacturing plant work. They also have  
experience in institutional and health care projects.

257



**Oxford Pendasflex**  
CORPORATION

STOCK No. 753 1/3

• • •

MADE IN U.S.A.

SCREENING  
ELECTRIC  
CELL

A/E ANALYSIS

September 9, 1976

FIRM: Consolidated Engineering Services, Inc.  
Charleston, South Carolina

ESTABLISHED:

PRINCIPAL: G. Stuart Turner, P.E.

PERSONNEL: Capabilities in Civil, Electrical and Mechanical  
Engineering

PROJECTS: This is a relatively new company which seems to  
be a confederation of a number of engineers--most  
employed full time in various other companies--who  
make themselves available to handle portions of  
specific projects. Mr. Turner is on a full-time  
basis.

A/E ANALYSIS

September 9, 1976

FIRM:	G. E. Lohr Company <u>with</u> Charleston, South Carolina	Hensley-Schmidt, Inc., Consultants Chattanooga, Tennessee
ESTABLISHED:	1974	1963
PRINCIPALS:	G. E. Lohr, PE/AIP	J. W. Johnson, Jr., Chattanooga J. F. Bork, Jr., Atlanta
PERSONNEL:	Staff of seven including two Civil Engineers	Chattanooga--staff of 160 Atlanta--staff of 83 (including Civil, Electrical and Mechanical engineers)
PROJECTS:	G. E. Lohr Company is basically a civil engineering company with primary experience in developmental, drainage, waste disposal and survey work.	

A/E ANALYSIS

September 9, 1976

FIRM: LBC&W SOUTH CAROLINA

ESTABLISHED: 1952

PRINCIPAL: Robert T. Lyles

PERSONNEL: Staff of 88 in Columbia office including fifteen architects and twenty engineers.

PROJECTS: LBC&W has in-house capability in all fields. However, electrical and mechanical work is not really their forte.

A/E ANALYSIS

September 9, 1976

FIRM: Lockwood Greene, Architects/Engineers  
Spartanburg, South Carolina

ESTABLISHED: 1832

PRINCIPALS: W. T. Rucker, BSCE

PERSONNEL: Permanent staff of over 900 in New York, Dallas,  
Atlanta and Spartanburg--primarily architects  
and engineers --offering complete architectural  
and engineering services

PROJECTS: Lockwood Greene's general abilities and experience  
have been well documented to the Medical University  
in the past. No further remarks are considered  
necessary.

A/E ANALYSIS

September 9, 1976

FIRM: Owens and Associates, Inc.  
Charleston, South Carolina

ESTABLISHED: 1976

PRINCIPAL: Coleman C. Owens, Jr., P.E.

PERSONNEL: One Mechanical Engineer, one Electrical Engineer  
(Associate Degree in Electrical Engineering),  
one draftsman

PROJECTS: Participated in numerous military, institutional  
and commercial building projects as employees of  
Lucas & Stubbs.

A/E ANALYSIS

September 9, 1976

FIRM: Poplin Engineers, Inc.  
Charleston, South Carolina

ESTABLISHED: 1961

PRINCIPAL: Clyde B. Poplin, Jr., P.E.

PERSONNEL: Number of employees not available.  
Engaged in both mechanical and electrical  
engineering work

PROJECTS: This company has been doing mechanical and  
electrical engineering for over 15 years.  
Their major field is mechanical, but they  
have capability in electrical work.

A/E ANALYSIS

September 9, 1976

FIRM: George B. Rast, Consulting Engineer  
Charleston, South Carolina

ESTABLISHED: 1969

PRINCIPAL: George B. Rast, P.E.

PERSONNEL: Staff of eleven

PROJECTS: This company has grown significantly since it was formed in 1969. Their primary field was electrical, but they have expanded into the mechanical area.

A/E ANALYSIS

September 9, 1976

FIRM: J. E. Serrine Company  
Greenville, South Carolina

ESTABLISHED: 1902

PRINCIPALS: Not available

PERSONNEL: 1200 people at engineering centers in Houston,  
Raleigh and Greenville  
"Full-service" Company--architectural, electrical,  
civil, mechanical and structural engineering

PROJECTS: This company has been particularly strong in textile  
and other manufacturing plant work. They also have  
experience in institutional and health care projects.

155

M  
E  
C  
H  
A  
N  
I  
C  
A  
L  
  
E  
N  
G  
I  
N  
E  
E  
R  
S

A/E ANALYSIS

September 9, 1976

FIRM: Consolidated Engineering Services, Inc.  
Charleston, South Carolina

ESTABLISHED:

PRINCIPAL: G. Stuart Turner, P.E.

PERSONNEL: Capabilities in Civil, Electrical and Mechanical  
Engineering

PROJECTS: This is a relatively new company which seems to  
be a confederation of a number of engineers--most  
employed full time in various other companies--who  
make themselves available to handle portions of  
specific projects. Mr. Turner is on a full-time  
basis.

A/E ANALYSIS

September 9, 1976

FIRM: Cummings & McCrady, Architects/Engineers  
Charleston, South Carolina

ESTABLISHED: 1956

PRINCIPAL: John McCrady, Jr.

STAFF: Staff of 21 including two civil engineers, one  
mechanical engineer and one structural engineer

PROJECTS: Cummings & McCrady is the A/E of record on the University's \$750,000 Quadrangle Renovation Project and the \$3.4 million Business Service Building Project. They have satisfactorily provided architectural and engineering services to the University on numerous small projects.

A/E ANALYSIS

September 9, 1976

FIRM:	G. E. Lohr Company <u>with</u> Charleston, South Carolina	Hensley-Schmidt, Inc., Consultants Chattanooga, Tennessee
ESTABLISHED:	1974	1963
PRINCIPALS:	G. E. Lohr, PE/AIP	J. W. Johnson, Jr., Chattanooga J. F. Bork, Jr., Atlanta
PERSONNEL:	Staff of seven including two Civil Engineers	Chattanooga--staff of 160 Atlanta--staff of 83 (including Civil, Electrical and Mechanical engineers)
PROJECTS:	G. E. Lohr Company is basically a civil engineering company with primary experience in developmental, drainage, waste disposal and survey work.	

A/E ANALYSIS

September 9, 1976

FIRM: LBC&W SOUTH CAROLINA

ESTABLISHED: 1952

PRINCIPAL: Robert T. Lyles

PERSONNEL: Staff of 88 in Columbia office including  
fifteen architects and twenty engineers.

PROJECTS: LBC&W has in-house capability in all fields.  
However, electrical and mechanical work is  
not really their forte.

A/E ANALYSIS

September 9, 1976

FIRM: Owens and Associates, Inc.  
Charleston, South Carolina

ESTABLISHED: 1976

PRINCIPAL: Coleman C. Owens, Jr., P.E.

PERSONNEL: One Mechanical Engineer, one Electrical Engineer  
(Associate Degree in Electrical Engineering),  
one draftsman

PROJECTS: Participated in numerous military, institutional  
and commercial building projects as employees of  
Lucas & Stubbs.

A/E ANALYSIS

September 9, 1976

FIRM: Poplin Engineers, Inc.  
Charleston, South Carolina

ESTABLISHED: 1961

PRINCIPAL: Clyde B. Poplin, Jr., P.E.

PERSONNEL: Number of employees not available.  
Engaged in both mechanical and electrical  
engineering work

PROJECTS: This company has been doing mechanical and  
electrical engineering for over 15 years.  
Their major field is mechanical, but they  
have capability in electrical work.

A/E ANALYSIS

September 9, 1976

FIRM: George B. Rast, Consulting Engineer  
Charleston, South Carolina

ESTABLISHED: 1969

PRINCIPAL: George B. Rast, P.E.

PERSONNEL: Staff of eleven

PROJECTS: This company has grown significantly since it was formed in 1969. Their primary field was electrical, but they have expanded into the mechanical area.

1. 163

A/E ANALYSIS

September 9, 1976

FIRM: J. E. Sirrine Company  
Greenville, South Carolina

ESTABLISHED: 1902

PRINCIPALS: Not available

PERSONNEL: 1200 people at engineering centers in Houston,  
Raleigh and Greenville  
"Full-service" Company--architectural, electrical,  
civil, mechanical and structural engineering

PROJECTS: This company has been particularly strong in textile  
and other manufacturing plant work. They also have  
experience in institutional and health care projects.

EXHIBIT III  
2/15/77

2041



South Carolina  
Department of Social Services

R. Archie Ellis  
Commissioner

February 9, 1977

Mr. William Putnam  
State Administrator  
Wade Hampton Office Building  
Columbia, S. C. 29201

APPROVED  
FEB 15 1977  
Budget + Control Board  
W. McJinnis

Attention: Mr. McGiss

Dear Mr. Putnam:

The Department of Social Services, Medical Assistance Division, is charged with performing medical review in all nursing care facilities and mental hospitals consistent with Federal Regulations 45 CFR 250.23 and 45 CFR 250.24. The Medical Assistance Division is further charged with providing Utilization Review and Control of seventeen (17) covered services consistent with Federal Regulations 45 CFR 250.18.

The Medical Assistance Division employs a Medical Review Team headed by a licensed physician and including registered nurses and medical social workers. Their responsibility is to perform medical review on all of the participating nursing facilities and mental hospitals. This service must be in compliance with Federal Regulations to prevent a noncompliance financial penalty against the Medicaid Program. A performance report is submitted to the HEW Regional Office confirming the audits carried out in this area. Further, the Regional Office performs annual on-site field audits to confirm reports submitted by our Agency.

The South Carolina Medical Care Foundation has proposed through the Professional Standard Review Organization (PSRO) to carry out the above function, maintain compliance with Federal Regulation, and submit required reports at a proposed annual cost of \$200,000. This contract function will be matched on a Federal basis of 75%. We request your approval for us to pursue with actual contract drafts, execution, and implementation of this function under the South Carolina Medical Care Foundation.

*Now covers hospitals  
want to extend to  
cover nursing homes  
& mental health.*

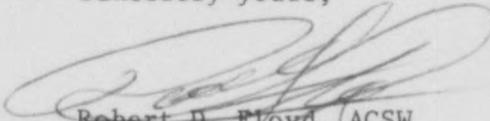


Mr. William Putnam  
February 9, 1977  
Page 2

The approval to pursue medical review by the South Carolina Medical Care Foundation will then provide the Medical Assistance Division with the necessary resources to pursue utilization review, and program integrity of all seventeen (17) covered services. The staff would then be redirected to carry out the necessary function that has not been pursued on an indepth basis in compliance as related to Federal Regulations 45 CFR 250.18. During Fiscal Year 76, one registered nurse performed the type review proposed and denied a total of \$106,133 in services that were unnecessary or not covered by the South Carolina State Plan. In addition, this proposal would also enable the South Carolina Department of Social Services to carry out several proposals made in the Legislative Audit Council study. These functions would be matched at a 75-25 basis.

We ask that you give consideration to the above proposal to enable us to implement within 90 days from the proposed contract with the South Carolina Medical Care Foundation.

Sincerely yours,



Robert D. Floyd, ACSW  
Interim Commissioner

RDF/McOSt

STATE BUDGET AND CONTROL BOARD

POLL OF 2/10, 1977

EXHIBIT IV

2/15/77

POLL ITEM NUMBER 4

Agency:

Various

Subject: Consultant Services Contracts:

(1) DIVISION OF ADMINISTRATION

(a) Consultant: Oak Ridge Associated Universities Purpose: To prepare and present to high school students a program explaining the energy crisis and why it exists. Program known as "Energy Today and Tomorrow." Maximum Dollars: \$67,000 in FY 77-78 Source of Funds: 100% private and Federal.

(b) Consultant: State Development Board Purpose: To prepare Industrial Land Availability Study covering 2/3 of State. Maximum Dollars: \$20,000 Source of Funds 2/3 Federal; 1/3 State.

(2) HIGHWAY DEPARTMENT

Consultant: Roy Jorgensen Associates, Inc. Purpose: To prepare self-instructional maintenance and safety training courses for maintenance personnel. Maximum Dollars: \$26,300 Source of Funds: 100% Federal.

(3) PARKS, RECREATION & TOURISM

Consultant: USC Institute of Archeology and Anthropology Purpose: To perform archeological and historical research of historic site at Long Bluff State Park. Maximum Dollars: \$24,958 Source of Funds: 100% State.

Board Action Requested:

Approve, pursuant to proviso in 1976-77 Appropriation Act (Part I, Section 13, pp. 44-45).

Vote Of Board Member: (Please indicate by initialing appropriate line below.)

\_\_\_\_\_ I approve of the above action.

\_\_\_\_\_ I disapprove of the above action.

\_\_\_\_\_ Hold for regular meeting.

Attachments:

EXHIBIT V  
2/15/77



STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
DIVISION OF MOTOR VEHICLE MANAGEMENT  
P. O. BOX 633  
COLUMBIA, S. C. 29202

ALLAN J. SPENCE  
DIRECTOR  
PHONE (803) 758-7818

BUDGET AND CONTROL BOARD  
AGENDA ITEMS

February 10, 1977

Mr. Allan J. Spence, Director, Division of Motor Vehicle Management, desires to appear before the Budget and Control Board regarding the vehicle purchases listed below:

1. S.C. Department of Youth Services (SCDYS). SCDYS desires to purchase the following vehicles:
  - A. One (1) Plymouth Gran Fury as a replacement vehicle for the Director. In addition to the options approved by the Board, SCDYS desires to add an FM radio and a vinyl top at a total additional cost of approximately \$183.00

Recommendation: Approval of unit purchase. However, disapproval of the requested additional options. Since these items do not effect the utility of the vehicle and the resale will only be enhanced by approximately \$25.00, it would not be economically feasible.

- B. Four (4) fifteen passenger maxi-vans as fleet additions for use by new juvenile homes now in operation or soon to be opened.

Recommendation: Approval. The requested units are to fill additional requirements and are of the type best suited for the intended use. Agency certifies that there are no units on hand that could fill this requirement. Please refer to enclosures (1), (2), (3), and (4).

2. S.C. Department of Corrections (SCDC). SCDC request permission to purchase one (1) fifteen (15) passenger maxi-van as a fleet addition to be used to transport Employment Program participants to and from the job site.

Recommendation: Approval. This is an additional requirement brought about by an increase in program participation. Please refer to enclosure (5).

3. S.C. Department of Mental Health (SCDMH). SCDMH request permission to purchase one (1) twelve (12) passenger van as a fleet addition. The unit is to be equipped as specified by the state contract except for the addition of rear area air conditioning unit at an additional



STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
DIVISION OF MOTOR VEHICLE MANAGEMENT  
P. O. BOX 633  
COLUMBIA, S.C. 29202

ALLAN J. SPENCE  
DIRECTOR  
PHONE (803) 758-7814

BUDGET AND CONTROL BOARD  
AGENDA ITEMS

EXHIBIT V  
2/15/77

February 10, 1977

Mr. Allan J. Spence, Director, Division of Motor Vehicle Management, desires to appear before the Budget and Control Board regarding the vehicle purchases listed below:

1. S.C. Department of Youth Services (SCDYS). SCDYS desires to purchase the following vehicles:
  - A. One (1) Plymouth Gran Fury as a replacement vehicle for the Director. In addition to the options approved by the Board, SCDYS desires to add an FM radio and a vinyl top at a total additional cost of approximately \$183.00

Recommendation: Approval of unit purchase. However, disapproval of the requested additional options. Since these items do not effect the utility of the vehicle and the resale will only be enhanced by approximately \$25.00, it would not be economically feasible.

- B. Four (4) fifteen passenger maxi-vans as fleet additions for use by new juvenile homes now in operation or soon to be opened.

Recommendation: Approval. The requested units are to fill additional requirements and are of the type best suited for the intended use. Agency certifies that there are no units on hand that could fill this requirement. Please refer to enclosures (1), (2), (3), and (4).

2. S.C. Department of Corrections (SCDC). SCDC request permission to purchase one (1) fifteen (15) passenger maxi-van as a fleet addition to be used to transport Employment Program participants to and from the job site.

Recommendation: Approval. This is an additional requirement brought about by an increase in program participation. Please refer to enclosure (5).

3. S.C. Department of Mental Health (SCDMH). SCDMH request permission to purchase one (1) twelve (12) passenger van as a fleet addition. The unit is to be equipped as specified by the state contract except for the addition of rear area air conditioning unit at an additional

BUDGET AND CONTROL BOARD  
AGENDA ITEMS  
February 10, 1977

cost of approximately \$397.40.

Recommendation: Approval except the portion pertaining to the rear area air conditioning. The standard unit is sufficient to fill the needs as described in the vehicle request.

4. Clemson University (CU). CU desires to purchase one (1) intermediate size sedan as a fleet addition to be used by the Baruch Forest Science Institute at Georgetown.

Recommendation: Approval. The additional requirement was brought about by the addition of personnel and general expansion of programs. Please refer to enclosure (6).

JUSTIFICATION FOR VANS

The DSO grant was awarded to Department of Youth Services, Youth Bureau Division, 11/3/75 from LEAA, but actual implementation was 1/1/76.

This grant was phased in over a period of two (2) years.

We presently have two (2) group homes opened and they are located in Summerville and the Shannondora in West Columbia. The reason for these two (2) vans not being ordered earlier, the contract ran out and we had to wait for the new contracts.

The other two group homes to open are Charleston Boy's Home, approximate opening date is 3/77 and the Greenville Girl's Home to open 6/77. These homes will probably be opened by the time we receive the vans.

The staff has been using their own private vehicles and will continue to do so until the vehicles are delivered. This will and is causing a strain on the travel monies that have been allotted to these four (4) group homes.

This grant was awarded in the amount of \$1,500,000 and these vans are included in the budget of this grant. Also, included in the budget is approximately \$4,000 to be used for gas and oil, etc.

JUSTIFICATION FOR VANS

The DSO grant was awarded to Department of Youth Services, Youth Bureau Division, 11/3/75 from LEAA, but actual implementation was 1/1/76.

This grant was phased in over a period of two (2) years.

We presently have two (2) group homes opened and they are located in Summerville and the Shannondora in West Columbia. The reason for these two (2) vans not being ordered earlier, the contract ran out and we had to wait for the new contracts.

The other two group homes to open are Charleston Boy's Home, approximate opening date is 3/77 and the Greenville Girl's Home to open 6/77. These homes will probably be opened by the time we receive the vans.

The staff has been using their own private vehicles and will continue to do so until the vehicles are delivered. This will and is causing a strain on the travel monies that have been allotted to these four (4) group homes.

This grant was awarded in the amount of \$1,500,000 and these vans are included in the budget of this grant. Also, included in the budget is approximately \$4,000 to be used for gas and oil, etc.

### JUSTIFICATION FOR VANS

The DSO grant was awarded to Department of Youth Services, Youth Bureau Division, 11/3/75 from LEAA, but actual implementation was 1/1/76.

This grant was phased in over a period of two (2) years.

We presently have two (2) group homes opened and they are located in Summerville and the Shannondora in West Columbia. The reason for these two (2) vans not being ordered earlier, the contract ran out and we had to wait for the new contracts.

The other two group homes to open are Charleston Boy's Home, approximate opening date is 3/77 and the Greenville Girl's Home to open 6/77. These homes will probably be opened by the time we receive the vans.

The staff has been using their own private vehicles and will continue to do so until the vehicles are delivered. This will and is causing a strain on the travel monies that have been allotted to these four (4) group homes.

This grant was awarded in the amount of \$1,500,000 and these vans are included in the budget of this grant. Also, included in the budget is approximately \$4,000 to be used for gas and oil, etc.

JUSTIFICATION FOR VANS

The DSO grant was awarded to Department of Youth Services, Youth Bureau Division, 11/3/75 from LEAA, but actual implementation was 1/1/76.

This grant was phased in over a period of two (2) years.

We presently have two (2) group homes opened and they are located in Summerville and the Shannondora in West Columbia. The reason for these two (2) vans not being ordered earlier, the contract ran out and we had to wait for the new contracts.

The other two group homes to open are Charleston Boy's Home, approximate opening date is 3/77 and the Greenville Girl's Home to open 6/77. These homes will probably be opened by the time we receive the vans.

The staff has been using their own private vehicles and will continue to do so until the vehicles are delivered. This will and is causing a strain on the travel monies that have been allotted to these four (4) group homes.

This grant was awarded in the amount of \$1,500,000 and these vans are included in the budget of this grant. Also, included in the budget is approximately \$4,000 to be used for gas and oil, etc.



south carolina  
department of corrections

P.O. BOX 766/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29202  
TELEPHONE 758-6444  
WILLIAM D. LEEKE, Commissioner

RECEIVED  
JAN 25 AM 9 55  
COMMUNICATIONS SECTION

January 10, 1977

Mr. Allan J. Spence, Director  
Division of Motor Vehicle Management  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Allan:

We are requesting permission to purchase an additional vehicle for use to transport Employment Program participants to and from the Daniel Construction Company. Payment for this vehicle will be from Federal Funds provided in a grant for this project. The vehicle is needed due to the increase in the number of participants in this program.

Your assistance in obtaining permission to purchase this vehicle will be appreciated.

Yours very truly,

*Bill*  
William D. Leeke

WDL:fes

Attachments

Req. #5014  
DMVM-6-75

174

BOARD OF  
CORRECTIONS

W. M. CROMLEY, JR.  
Chairman  
Saluda, S. C.

MRS. LOUIS E. CONDON  
Vice Chairman  
Mt. Pleasant, S. C.

CLARENCE E. WATKINS  
Secretary  
Camden, S. C.

NORMAN KIRKLAND  
Member  
Bamberg, S. C.

CHARLES C. MOORE  
Member  
Spartanburg, S. C.

E. N. ZEIGLER  
Member  
Florence, S. C.

GOV. JAMES B. EDWARDS, Member, Ex-Officio, Columbia, S. C.

ENCLOSURE (5)

Item 9:

This unit is needed for off-site transportation for Institute personnel stationed at Georgetown, S. C. The vehicle will be used for travel between Georgetown and Clemson and throughout the state for research and educational purposes associated with the Institute's programs.

The Institute currently has only one sedan available for off-site travel. This other unit was purchased in 1974 when the Institute had only two faculty members. The new unit is a part of planned program expansion and will be used by all Institute personnel which currently is five faculty members and eighteen classified personnel.

175

ENCLOSURE (6)

EXHIBIT VI  
2/15/77

STATE BUDGET AND CONTROL BOARD  
DIVISION OF GENERAL SERVICES  
AGENDA

I. Printing Equipment

February 15, 1977

- A. The Criminal Justice Academy requests approval to purchase a Challenge Three Spindle paper drilling machine model EH-3A with drills, blocks, etc., approximate cost of \$2600.00. This equipment is necessary to prepare printed materials for looseleaf manuals for classroom instruction and exercises for all courses at the training academy. (Approximately 182 reams of paper is required per month.) The drilling has been done previously by transporting the materials to other agencies and borrowing their equipment. Purchase of this machine would save on manpower and production time. No additional personnel will be required. It is recommended that the Board approve purchase of this equipment.
- B. The University of South Carolina requests approval to purchase an AB Dick Offset Press Model 360 -- a repossessed unit with new machine warranty-- approximate cost of \$4,800.00 installed. This unit would replace one that is 10-12 years old. A new unit lists for \$7,830.00. This will be used in the USC print shop. It is recommended that the Board approve purchase of this equipment.
- C. The University of South Carolina requests approval to purchase a Challenge Model 193" paper cutter, approximate cost \$850.00. This equipment will be used in the Russell House Quick Copy print shop for printing materials for student organizations on campus and replaces one that is inoperable as parts are no longer available. It is recommended that the Board approve purchase of this equipment.
- D. Vocational Rehabilitation Department requests approval to purchase an AB Dick Model III Platemaker, approximate cost of \$950.00. This equipment will be used in their Greenwood Workshop for production training and contract services in preparing clients for competitive employment and as an income producer for the facility. It is recommended that the Board approve the purchase of this equipment.

All of the above requests and their justification have been reviewed by Mr. Charles Moore, State Printing Officer, and he concurs with our recommendation.

EXHIBIT VII  
2/15/77

BUDGET AND CONTROL BOARD

RESOLUTION

WHEREAS, the Budget and Control Board previously appointed a committee to study the feasibility of a central payroll/personnel system for State Government and

WHEREAS, this committee has now determined that such a system is not only feasible but highly desirable and

WHEREAS, the Offices of the Comptroller General and the State Treasurer and the various Divisions of the Budget and Control Board will be directly and vitally connected with the development of such a system

BE IT THEREFORE RESOLVED, that the Budget and Control Board hereby endorses the undertaking of immediate steps for the ultimate implementation of a central payroll/personnel system and directs all of its staff to give total cooperation to the Comptroller General and State Treasurer in accomplishing this objective.

February 15, 1977

MCI

EXHIBIT VIII  
2/15/77



STATE OF SOUTH CAROLINA  
Office of The Lieutenant Governor

POST OFFICE BOX 142  
COLUMBIA 29202

W. BRANTLEY HARVEY, JR.  
LIEUTENANT GOVERNOR

TELEPHONE  
803-758-3304

February 22, 1977

Mr. William T. Putnam  
State Auditor  
Post Office Box 11333  
Columbia, South Carolina 29211

Dear Bill:

Thank you for your letter of February 15 enclosing the Budget and Control Board's recommendations for Capital Improvement Bonds. This information has been presented to the Senate.

Sincerely,

*Brantley Harvey*  
W. BRANTLEY HARVEY, JR.

WBHJr/bs



EXHIBIT VIII  
2/15/77

STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR  
P. O. BOX 11333  
COLUMBIA  
29211

WILLIAM T. PUTNAM  
STATE AUDITOR

TELEPHONE  
(803) 758-3106

February 15, 1977

The Honorable Rex L. Carter  
Speaker of the House of Representatives  
The Statehouse  
Columbia, South Carolina

Dear Mr. Speaker:

In accordance with the provisions of Act 237, Acts of 1975, the Budget and Control Board herewith respectfully submits its recommendations for approval of capital projects which will require the issuance of Capital Improvement Bonds prior to June 30, 1978.

In recommending the Capital Improvement projects, the Budget and Control Board has, with the exception of planning money, confined itself to projects which can be started within one year and which have a degree of urgency. Because of this, the Board may find it desirable to ask special authorization from the General Assembly to submit a second recommendation during the legislative session of 1978.

It seems appropriate to call attention to two omissions from the recommended list, and to furnish an explanation of the absence of the projects in question.

a. The request of the Department of Mental Health contained funding for "Village B" and "Village C." One can be financed through the issuance of Capital Improvement Bonds to be repaid from patient fees. The other can be partially financed in this manner. Budget and Control Board members are sympathetic with these projects but took note of the fact that planning funds had been previously provided for both. Planning is still incomplete and it is felt that further funding should await more complete details from the studies for which monies have been provided.

b. Although a substantial request was submitted by the Board of Technical and Comprehensive Education, no recommendation for funding has been made by the Budget and Control Board. Members of the Board feel strongly that the original concept of local funding for capital projects for technical education centers should be continued. If this procedure proves to be inadequate, a plan similar to those now in effect in most State colleges and universities should be developed to fund construction projects from student fees.

The Honorable Rex L. Carter  
February 15, 1977  
Page 2

The issuance of Capital Improvement Bonds as recommended herein, along with all other outstanding and proposed general obligations of the State which are included in the proposed Constitutional limit, will require a debt service of approximately 6.5 percent of General Fund revenues during the fiscal year 1978-79. As the debt limitation will presumably be 7 percent, further approvals must be severely restricted.

Yours very truly,

William T. Putnam, Secretary  
Budget and Control Board

WTP:sc

Attachment

*XC: Sen. Roddey*



STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR  
P.O. BOX 11333  
COLUMBIA  
29211

WILLIAM T. PUTNAM  
STATE AUDITOR

TELEPHONE  
(803) 758-3106

February 15, 1977

The Honorable W. Brantley Harvey  
President of the Senate  
The Statehouse  
Columbia, South Carolina

Dear Mr. President:

In accordance with the provisions of Act 237, Acts of 1975, the Budget and Control Board herewith respectfully submits its recommendations for approval of capital projects which will require the issuance of Capital Improvement Bonds prior to June 30, 1978.

In recommending the Capital Improvement projects, the Budget and Control Board has, with the exception of planning money, confined itself to projects which can be started within one year and which have a degree of urgency. Because of this, the Board may find it desirable to ask special authorization from the General Assembly to submit a second recommendation during the legislative session of 1978.

It seems appropriate to call attention to two omissions from the recommended list, and to furnish an explanation of the absence of the projects in question.

a. The request of the Department of Mental Health contained funding for "Village B" and "Village C." One can be financed through the issuance of Capital Improvement Bonds to be repaid from patient fees. The other can be partially financed in this manner. Budget and Control Board members are sympathetic with these projects but took note of the fact that planning funds had been previously provided for both. Planning is still incomplete and it is felt that further funding should await more complete details from the studies for which monies have been provided.

b. Although a substantial request was submitted by the Board of Technical and Comprehensive Education, no recommendation for funding has been made by the Budget and Control Board. Members of the Board feel strongly that the original concept of local funding for capital projects for technical education centers should be continued. If this procedure proves to be inadequate, a plan similar to those now in effect in most State colleges and universities should be developed to fund construction projects from student fees.

The Honorable W. Brantley Harvey  
February 15, 1977  
Page 2

The issuance of Capital Improvement Bonds as recommended herein, along with all other outstanding and proposed general obligations of the State which are included in the proposed Constitutional limit, will require a debt service of approximately 6.5 percent of General Fund revenues during the fiscal year 1978-79. As the debt limitation will presumably be 7 percent, further approvals must be severely restricted.

Yours very truly,

William T. Putnam, Secretary  
Budget and Control Board

WTP:sc

Attachment

XC: *Sam Roddey*

CAPITAL IMPROVEMENT BONDS

BUDGET AND CONTROL BOARD RECOMMENDATIONS

A. Release of Prior Funding

1. Adjutant General	
a. Replace Armory Heating Systems	90 000
2. Parks, Recreation and Tourism	
a. Upgrading of sewage facilities	225 000
Provided, That of the amounts remaining and available to the Dept. of Parks, Recreation and Tourism under the provisions of Act 1377, Acts of 1968, as amended, the amount of \$225,000 may be expended for the upgrading of sewage facilities in any of the various State Parks.	
3. Dept. of Mental Retardation	
a. Whitten Village - Steam Plant Expansion	83 000
4. College of Charleston	
a. Educational Equipment	836 400
Provided, That of the amounts remaining and available to the College of Charleston under the provisions of Act 1377, Acts of 1968, as amended, the amount of \$836,400 may be expended for Educational Equipment.	
Total Release of Prior Funding	<u>1 234 400</u>

B. New Projects

1. Adjutant General	
a. Armory Construction - Winnsboro	157 300
b. Armory Construction - Lyman	156 100
c. Armory Construction - Marion	158 200
d. Armory Construction - Kingstree	161 200
e. Maintenance Shop - Hemingway	2 000
f. Roof Replacement and Armory Repair	290 000
g. Architectural & Engineering Studies	41 122
2. South Carolina State	
a. Boiler Replacement	300 000
3. Medical University	
a. Hospital Renovations	1 000 000
4. Archives and History	
a. Heating/Cooling System	45 000
5. Mental Retardation	
a. Whitten Village - Improvements and Renovations	1 587 000
b. Midlands Center - Improvements	200 000
c. Pee Dee Center - New Dormitory and Improvements	2 500 000
Provided, That the amounts shown above shall be provided through the issuance of Capital Improvement Bonds under the authority of Act 1377, Acts of 1968, to the extent possible under the provisions of Act 1087, Acts of 1970	

6. The Citadel	
a. Capers Hall Renovation and Additions	2 600 000
7. Clemson University - PSA	
a. Pee Dee Experiment Station - Planning	250 000
8. Francis Marion College	
a. Fine Arts Building - Planning	125 000
9. Lander College	
a. Learning Center - Planning	125 000
10. Dept. of Education - Vocational Education	
a. Equipment for Vocational Schools under construction	600 000
11. State Law Enforcement Division	
a. Building for Criminal Justice Information and Communication System	<u>300 000</u>
Total New Projects	<u>\$10 597 922</u>

February 15, 1977

CAPITAL IMPROVEMENT BONDS

BUDGET AND CONTROL BOARD RECOMMENDATIONS

A. Release of Prior Funding

1. Adjutant General	
a. Replace Armory Heating Systems	90 000
2. Parks, Recreation and Tourism	
a. Upgrading of sewage facilities	225 000
Provided, That of the amounts remaining and available to the Dept of Parks, Recreation and Tourism under the provisions of Act 1377, Acts of 1968, as amended, the amount of \$225,000 may be expended for the upgrading of sewage facilities in any of the various State Parks.	
3. Dept. of Mental Retardation	
a. Whitten Village - Steam Plant Expansion	83 000
4. College of Charleston	
a. Educational Equipment	836 400
Provided, That of the amounts remaining and available to the College of Charleston under the provisions of Act 1377, Acts of 1968, as amended, the amount of \$836,400 may be expended for Educational Equipment.	
Total Release of Prior Funding	<u>1 234 400</u>

B. New Projects

1. Adjutant General	
a. Armory Construction - Winnsboro	157 300
b. Armory Construction - Lyman	156 100
c. Armory Construction - Marion	158 200
d. Armory Construction - Kingstree	161 200
e. Maintenance Shop - Hemingway	2 000
f. Roof Replacement and Armory Repair	290 000
g. Architectural & Engineering Studies	41 122
2. South Carolina State	
a. Boiler Replacement	300 000
3. Medical University	
a. Hospital Renovations	1 000 000
4. Archives and History	
a. Heating/Cooling System	45 000
5. Mental Retardation	
a. Whitten Village - Improvements and Renovations	1 587 000
b. Midlands Center - Improvements	200 000
c. Pee Dee Center - New Dormitory and Improvements	2 500 000
Provided, That the amounts shown above shall be provided through the issuance of Capital Improvement Bonds under the authority of Act 1377, Acts of 1968, to the extent possible under the provisions of Act 1087, Acts of 1970	

6. The Citadel	
a. Capers Hall Renovation and Additions	2 600 000
7. Clemson University - PSA	
a. Pee Dee Experiment Station - Planning	250 000
8. Francis Marion College	
a. Fine Arts Building - Planning	125 000
9. Lander College	
a. Learning Center - Planning	125 000
10. Dept. of Education - Vocational Education	
a. Equipment for Vocational Schools under construction	600 000
11. State Law Enforcement Division	
a. Building for Criminal Justice Information and Communication System	<u>300 000</u>
Total New Projects	<u><u>\$10 597 922</u></u>

February 15, 1977

CAPITAL IMPROVEMENT BONDS

BUDGET AND CONTROL BOARD RECOMMENDATIONS

New Projects for Further Consideration 2/15/77

1. State Law Enforcement Division		
OK a. Building for Criminal Justice Information and Communication System	\$	300 000
2. Budget and Control Board		
X a. For Employment Security Commission Building site		300 000
X b. Acquisition of 2221 Devine Street Property		2 350 000
X c. Acquisition of New South Life Insurance Company Headquarters Property		1 200 000
X d. For payment of Sinking Fund notes on properties acquired previously (1001 Assembly Street and 1423-25 Victoria Street)		<u>270 510</u>
Total, For Further Consideration		<u>\$ 4 420 510</u>

ESTIMATED DEBT SERVICE

2/1/77

(THOSE OBLIGATIONS CURRENTLY RESTRICTED BY LIMITATION)

		<u>1977-78</u>	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>
Current Debt Service		51 734 912	50 034 925	48 339 112	46 075 625	44 839 112	43 022 275	39 025 100	38 282 050
Capital Improvement Bonds - Issue of 3/77 \$45,000,000 @ 5%	P	3 000 000	3 000 000	3 000 000	3 000 000	3 000 000	3 000 000	3 000 000	3 000 000
	I	2 250 000	2 100 000	1 950 000	1 800 000	1 650 000	1 500 000	1 350 000	1 200 000
School Bonds - Issue of 3/77 \$15,600,000 @ 5%	P	1 120 000	1 120 000	1 120 000	1 120 000	1 120 000	1 120 000	1 120 000	1 120 000
	I	<u>780 000</u>	724 000	668 000	612 000	556 000	500 000	440 000	388 000
Capital Improvement Bonds - Issue of 10/77 \$65,000,000 @ 5%	P		4 340 000	4 340 000	4 340 000	4 340 000	4 340 000	4 340 000	4 340 000
	I		3 250 000	3 033 000	2 816 000	2 599 000	2 382 000	2 165 000	1 948 000
School Bonds - Issue of 10/77 \$14,000,000 @ 5%	P		1 080 000	1 080 000	1 080 000	1 080 000	1 080 000	1 080 000	1 080 000
	I		<u>700 000</u>	646 000	592 000	538 000	484 000	430 000	376 000
School Bonds - Issue of 10/78 \$7,000,000 @ 5 1/2%	P			584 000	584 000	584 000	584 000	584 000	584 000
	I			<u>367 500</u>	<u>336 840</u>	<u>306 180</u>	<u>275 520</u>	<u>244 860</u>	<u>214 200</u>
Total Current and Estimated Debt Service		<u>58 884 912</u>	<u>66 348 925</u>	<u>65 127 612</u>	<u>62 356 465</u>	<u>60 612 292</u>	<u>58 287 795</u>	<u>53 778 950</u>	<u>52 532 250</u>
General Fund Revenue Estimates ("Regular Sources")		<sup>76-77</sup> <u>1 045 843 212</u>	<sup>77-78</sup> <u>1 155 336 141</u>	<sup>+10% →</sup> <u>1 270 869 755</u>	<u>1 397 956 730</u>	<u>1 537 752 403</u>	<u>1 691 527 643</u>	<u>1 860 680 407</u>	<u>2 046 748 448</u>
Debt Service as Percent of General Fund Revenue Estimates		5.6	5.7	5.1	4.5	3.9	3.4	2.9	2.6

**ALTERNATE: STARTING WITH G. F. REVENUES FOR NEXT PRECEDING FISCAL YEAR (ACTUAL):**

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
FOR NEXT PRECEDING FISCAL YEAR (ACTUAL):		914 743 684	1 045 843 212	1 155 336 141	1 270 869 755	1 397 956 730	1 537 752 403	1 691 527 643	1 860 680 407	
DEBT SERVICE AS % OF G. F. REVENUES		6.4	6.3	5.6	4.9	4.3	3.8	3.2	2.8	

EXHIBIT IX  
2/15/77

McNAIR, KONDUROS, CORLEY, SINGLETARY & DIBBLE

ATTORNEYS AND COUNSELORS AT LAW

ROBERT E. McNAIR  
JAMES S. KONDUROS  
O. WAYNE CORLEY  
E. McLEOD SINGLETARY  
ROBERT W. DIBBLE, JR.  
  
DANIEL R. McLEOD, JR.  
M. CRAIG GARNER, JR.  
BRENTON D. JEFFCOAT  
THEODORE J. HOPKINS, JR.  
M. JOHN BOWEN, JR.

SUITE 1820, BANKERS TRUST TOWER  
POST OFFICE BOX 11895  
CAPITOL STATION  
COLUMBIA, SOUTH CAROLINA 29211  
803-799-9800

HILTON HEAD OFFICE  
108 SAPELO BUILDING  
ISLAND OFFICE PARK  
POST OFFICE BOX 5914  
HILTON HEAD ISLAND, S.C.  
29928  
803-785-5169  
RICHARD S. WOODS

February 1, 1977

*+ Resolution*

The Honorable William T. Putnam  
State Auditor  
Wade Hampton State Office Building  
Columbia, South Carolina 29201

RE: \$3,750,000 FIRST MORTGAGE HOSPITAL  
REVENUE BONDS, SERIES A (HUMANA OF  
SOUTH CAROLINA, INC. PROJECT OF  
DARLINGTON COUNTY, SOUTH CAROLINA)

Dear Bill:

On December 16, 1976, the Budget and Control Board approved a Petition of Darlington County and its request to issue the above captioned bonds.

As stated in paragraph 5(f) of the Petition of Darlington County, the bonds were to be dated November 1, 1976, and principal was to be due on November 1 in the years 1977 through 1991.

The bonds will now be dated March 1, 1977, and the principal will be due March 1, 1978 through 1992.

I would appreciate your presenting the enclosed Resolution at and ask the Budget and Control Board to approve the change of the maturity date of the bonds.

Should you have any questions, don't hesitate to call me, and I am

Sincerely,

McNAIR, KONDUROS, CORLEY,  
SINGLETARY & DIBBLE

By: O. Wayne Corley

OWC/eas  
Enclosures

Board approved the  
issue at its meeting on  
12/14/76 subject to a  
favorable review of up-dated  
financial information by  
the State Auditor's Office.

WAm  
2/15/77

189-A

AGENDA ITEM NUMBER 9

(2)

of 10.96 acres of land for \$1,521,727.

property authorized for purchase by Board on Insurance Reserve Funds. Represents the portion (Boston.)

189-B

EXHIBIT IX  
2/15/77

RESOLUTION

STATE OF SOUTH CAROLINA BUDGET AND CONTROL BOARD

WHEREAS, the County Council of Darlington County (the "County Board") did on December 6, 1976, pursuant to Act No. 379 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1973 (the Hospital Revenue Bond Act), as amended (the "Act"), petition the State Budget and Control Board of South Carolina (the "State Board") seeking approval of an issue of \$3,750,000 First Mortgage Hospital Revenue Bonds, Series A (Humana of South Carolina, Inc. Project of Darlington County, South Carolina) (the "Bonds"), and

WHEREAS, the State Board on December 17, 1976, approved the issuance of the Bonds, and

WHEREAS, paragraph 5(f) of the County Board's Petition, a copy of which is attached as Exhibit A, provides "The proposed Lease between the County Board and the Hospital Agency will unconditionally obligate the Hospital Agency to pay rent in an amount adequate to provide for the principal and interest payments on the bonds which mature on November 1, as follows:

<u>November 1</u>	<u>Principal Amount</u>
1977	\$145,000
1978	155,000
1979	165,000
1980	180,000
1981	195,000
1982	210,000
1983	225,000
1984	240,000
1985	260,000
1986	280,000
1987	300,000
1988	320,000
1989	340,000
1990	370,000
1991	365,000"

and

WHEREAS, the County Board has now advised the State Board that the Bonds will be dated March 1 rather than November 1 and references to November 1 in paragraph 5(f) of the Petition should be changed to March 1, and paragraph 5(f) will be amended to read as follows: "The proposed Lease between the County Board and the Hospital Agency will unconditionally obligate the Hospital Agency to pay rent in an amount adequate to provide for the principal and interest payments on the bonds which mature on March 1, as follows:

<u>March 1</u>	<u>Principal Amount</u>
1978	\$145,000
1979	155,000
1980	165,000
1981	180,000
1982	195,000
1983	210,000
1984	225,000
1985	240,000
1986	260,000
1987	280,000
1988	300,000
1989	320,000
1990	340,000
1991	370,000
1992	365,000"

WHEREAS, the County Board requests approval by the State Board of this change in its Petition,

NOW, THEREFORE, BE IT RESOLVED, BY THE STATE BUDGET AND CONTROL BOARD IN MEETING DULY ASSEMBLED, that the request of the County Board in changing the date of the bonds to March 1, 1977, and the principal maturing on March 1 in the years 1978 to 1992 is approved.



FOR MOTION

5

AGAINST MOTION

0

The Chairman thereupon declared the Resolution unanimately adopted, and the original thereof has been duly entered into the permanent records of the minutes of said Board, in my custody as its Secretary.

William T. Lutnam  
Secretary

February 16, 1977

STATE OF SOUTH CAROLINA    )  
                                   )  
 COUNTY OF DARLINGTON        )

TO THE STATE BUDGET AND CONTROL  
 BOARD OF SOUTH CAROLINA

PETITION

The Petition of the County Council of Darlington County (the "County Board"), pursuant to Act No. 379 of the Acts and Joint Resolution of the General Assembly of the State of South Carolina, Regular Session of 1973 (The Hospital Revenue Bond Act), as amended, (the "Act") respectfully shows:

1. The County Council is the governing body of Darlington County as established under Act No. 283 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1975, as amended, and as such it is the "County Board" referred to in the Act.

2. The Act authorizes and empowers the County Board if it shall comply with the provisions set forth in the Act, to promote the public health and welfare by providing for the financing, refinancing, acquiring, enlarging, improving, constructing, equipping, and providing of hospital facilities to serve the people of the State and to make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities; to lease the same; and to finance the acquisition of the same through the issuance of bonds payable from and secured by a pledge of the revenues to be derived from the leasing of such land, buildings, equipment and furnishings and other improvements.

3. The County Board has agreed with Humana of South Carolina, Inc., a South Carolina corporation (the "Hospital Agency"), that the County Board will undertake to finance the acquisition, construction and equipping of new hospital facilities comprising a 52 bed acute care general hospital to be located in the City of Darlington, Darlington County to be constructed and equipped by the Hospital Agency through the issuance of First Mortgage Hospital Revenue Bonds pursuant to the Act. In this connection the County Board has agreed to accept a conveyance of the approximately 18-acre parcel of land on which the hospital is to be constructed (said land, hospital buildings and equipment being hereinafter referred to as the "hospital facilities"), and the County Board has agreed to issue Three Million Seven Hundred Fifty Thousand Dollars (\$3,750,000) Darlington County, First Mortgage Hospital Revenue Bonds, Series A, pursuant to the Act in order to finance the acquisition, construction and equipping of the hospital facilities which, when completed, will constitute a new general hospital.

4. The County Board is advised by the Hospital Agency that the cost of acquiring the said land, including land improvements, is approximately \$100,000, the cost of constructing and equipping the said hospital, including construction contingency, is approximately \$2,700,000; interest during construction is approximately \$490,000; and that therefore, in order to finance the hospital facilities, including the costs and charges incident to the issuance and sale of the bonds hereinafter described, it will be necessary that the County Board issue Three Million Seven Hundred Fifty Thousand Dollars (\$3,750,000) Darlington County First Mortgage Hospital Revenue Bonds, Series A (Humana of South Carolina, Inc. Project) (the "bonds").

5. For the reasons set forth above and hereafter disclosed, the County Board has found and determined that:

(a) There is a need for the hospital facilities in the area in which the hospital facilities are to be located.

(b) The Hospital Agency is financially responsible and capable of fulfilling its obligations under the lease agreement, including the obligations to make the payments required thereunder, to operate, repair and maintain at its own expense the hospital facilities and to discharge such other responsibilities as may be imposed under the lease agreement.

(c) Adequate provision has been made for the payment of the principal of and the interest on the bonds and any necessary reserves therefor and for the operation, repair and maintenance of the hospital facilities at the expense of the Hospital Agency.

(d) The public facilities, including utilities, and public services necessary for the hospital facilities will be made available.

(e) By reason of undertaking the Project no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing power.

(f) The proposed Lease between the County Board and the Hospital Agency will unconditionally obligate the Hospital Agency to pay rent in an amount adequate to provide for the principal and interest payments on the Bonds which mature on November 1, as follows:

<u>November 1</u>	<u>Principal Amount</u>
1977	\$145,000.00
1978	155,000.00
1979	165,000.00
1980	180,000.00
1981	195,000.00
1982	210,000.00
1983	225,000.00
1984	240,000.00
1985	260,000.00
1986	280,000.00
1987	300,000.00
1988	320,000.00
1989	340,000.00
1990	370,000.00
1991	365,000.00

(g) The performance of all of the Hospital Agency's obligations under the said Lease, including the payment of the principal of, premium, if any, and interest on the bonds will be unconditionally guaranteed by Humana Inc., a Delaware corporation (hereinafter referred to as the "Guarantor").

(h) The "Guarantor" is a corporation with a well established credit and, therefore, it is unnecessary to establish reserve funds for the payment of such principal and interest.

5. For the reasons set forth above and hereafter disclosed, the County Board has found and determined that:

(a) There is a need for the hospital facilities in the area in which the hospital facilities are to be located.

(b) The Hospital Agency is financially responsible and capable of fulfilling its obligations under the lease agreement, including the obligations to make the payments required thereunder, to operate, repair and maintain at its own expense the hospital facilities and to discharge such other responsibilities as may be imposed under the lease agreement.

(c) Adequate provision has been made for the payment of the principal of and the interest on the bonds and any necessary reserves therefor and for the operation, repair and maintenance of the hospital facilities at the expense of the Hospital Agency.

(d) The public facilities, including utilities, and public services necessary for the hospital facilities will be made available.

(e) By reason of undertaking the Project no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing power.

(f) The proposed Lease between the County Board and the Hospital Agency will unconditionally obligate the Hospital Agency to pay rent in an amount adequate to provide for the principal and interest payments on the Bonds which mature on November 1, as follows:

<u>November 1</u>	<u>Principal Amount</u>
1977	\$145,000.00
1978	155,000.00
1979	165,000.00
1980	180,000.00
1981	195,000.00
1982	210,000.00
1983	225,000.00
1984	240,000.00
1985	260,000.00
1986	280,000.00
1987	300,000.00
1988	320,000.00
1989	340,000.00
1990	370,000.00
1991	365,000.00

(g) The performance of all of the Hospital Agency's obligations under the said Lease, including the payment of the principal of, premium, if any, and interest on the bonds will be unconditionally guaranteed by Humana Inc., a Delaware corporation (hereinafter referred to as the "Guarantor").

(h) The "Guarantor" is a corporation with a well established credit and, therefore, it is unnecessary to establish reserve funds for the payment of such principal and interest.

(i) The terms of the Lease will require the Hospital Agency to effect the completion of the hospital facilities if the proceeds of the bonds prove insufficient and to pay the costs of maintaining the hospital facilities in good repair and the cost of keeping the hospital facilities properly insured.

6. Pursuant to Section 32-798.18 of the Act, the County Board sets forth the following information:

(a) The hospital facilities to be undertaken consists of land, building, furnishings, equipment and other improvements which will be necessary for and part of, a new 52 bed acute care general hospital, to be financed by the issuance of the bonds.

(b) The South Carolina Department of Health and Environmental Control (the "State Board of Health") has taken the following action in connection with the hospital facilities:

The State Board of Health on September 25, 1975, issued its Certificate of Need to Humana Inc. for the construction of the hospital facilities (Project No. SC-F-150).

(c) The cost of the hospital facilities is approximately Three Million Seven Hundred Fifty Thousand Dollars (\$3,750,000) including construction cost, cost of equipment and furnishings, interest during construction, cost of land, financing costs and all other expenses to be incurred in connection therewith.

7. The proposed Lease will provide, among other things, the following:

(a) To finance the cost of the acquisition, construction and equipping of the hospital facilities, the County will issue \$3,750,000 of Darlington County First Mortgage Hospital Revenue Bonds, Series A (Humana of South Carolina, Inc. Project). All bonds will be secured by a pledge of the rents to be paid by the Hospital Agency and will be further secured by a Mortgage and Trust Indenture, as authorized by Section 6 of the Act, to a bank yet to be named as Trustee, and the obligations of the Hospital Agency under the said Lease will be unconditionally guaranteed by the Guarantor.

(b) The proceeds derived from the sale of the bonds will be deposited with the Trustee and will be withdrawn on requisition of the Hospital Agency and the County and applied for the payment of costs incident to the acquisition, construction and equipping of the hospital facilities, and the issuance of the bonds.

(c) The Lease will contain a specific provision by which the Hospital Agency will unconditionally agree to make payments to Darlington County, to any School District in Darlington County, and to all other political units in which the hospital facilities are situated, in lieu of taxes, in such amounts as would result from taxes levied on the hospital facilities by Darlington County, by any such School District, and by said political units if the hospital facilities were owned by the Hospital Agency, but with appropriate reductions similar to the tax reductions, if any, which would be afforded the Hospital Agency were it the owner of the hospital facilities.

(d) The Lease contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing power.

(e) The Lease will contain a specific provision pursuant to which the Hospital Agency will pledge and assign to the Trustee the Gross Receipts derived from the hospital facilities as further security for the payment of rental by the Hospital Agency.

(f) The Guarantor will enter into an agreement (the "Guaranty Agreement") with the Trustee pursuant to which the Guarantor will unconditionally guarantee the performance of all of the obligations of the Company under the said Lease, including the payment of the principal of, premium, if any, and interest on the bonds.

8. The proposed Mortgage and Trust Indenture is in conventional form and constitutes a foreclosable mortgage upon the hospital facilities. Included in the granting clause of the mortgage will be:

(a) All real and personal property, and interests therein, acquired or to be acquired for the hospital facilities.

(b) The right, title and interest of the County in the Lease.

(c) All rentals and revenues derived by the County under the Lease, except those payments to be made in lieu of taxes or by way of indemnification.

The Indenture makes provision for the issuance of Three Million Seven Hundred Fifty Thousand Dollars (\$3,750,000) of bonds to be secured thereunder. It provides for the payment and redemption of bonds, the establishment of a Bond Fund into which the proceeds of rents payable by the Hospital Agency are placed, and the use of said fund for the payment of the bonds. It imposes upon the Hospital Agency the obligation to pay, in addition to the moneys required for the payment of the principal and interest of the bonds, all other costs and expenses resulting from the execution and delivery of the Indenture and the issuance of the bonds pursuant thereto.

9. The proposed Lease and Guaranty Agreement and the proposed Mortgage and Trust Indenture (draft copies of which are included herewith) will be in the form used in the issuance of Hospital Revenue Bonds.

10. The feasibility study and report prepared by the Hospital Agency with respect to the hospital facilities ( a copy of which is included herewith) demonstrates that the hospital facilities and the proposed financing thereof is economically feasible.

Upon the basis of the foregoing, the County Board respectfully prays:

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it do, thereafter, and as

soon as practicable, make its independent investigation of the hospital facilities and the terms and provisions of the Lease, Guaranty Agreement and the Mortgage and Trust Indenture, as it deems advisable, and that thereafter, the said State Board make a finding that the proposed hospital facilities will promote the purpose of the Act and that it is reasonably anticipated to effect such result, and such further finding, on the basis of the feasibility study and report, that the proposed financing is economically feasible, and on the basis of such finding, that it does approve the hospital facilities, including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking, and give published notice of its approval in the manner set forth in Section 18 of the Act.

Dated 12-6, 1976.

Respectfully submitted,

(SEAL)

DARLINGTON COUNTY, SOUTH CAROLINA

By

*Alfred Willis*

Chairman, County Council of  
Darlington County

Attest:

*Billie S. Norwood*  
Clerk, County Council of Dar-  
lington County

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

I, the undersigned, Clerk of the County Council, of Darlington County, Darlington, South Carolina, DO HEREBY CERTIFY:

That the foregoing is a true, correct and verbatim copy of the Ordinance finally adopted by the said County Council at a duly called regularly held meeting at which all members attended and remained throughout on 12-6, 1976.

The Ordinance was introduced by Harold S. King. The Ordinance was read at three public meetings of the County Council on three separate days 11-1, 1976, 11-15, 1976 and 12-6, 1976 with an interval of not less than seven days between the second and third readings. The proceedings of the County Council were recorded and the Ordinance as adopted by the County Council was compiled, indexed, codified, published by title and made available to public inspection at the office of the Clerk of the County Council. The Clerk has maintained a permanent record of the Ordinance as adopted and has furnished a copy of such record to the clerk of court for filing in that office.

A public hearing with respect to the adoption of the Ordinance was held on 12-6, 1976, upon not less than fifteen days notice, in the form attached hereto, of the time and place of such hearing published on 11-18, 1976, in the News and Press, a newspaper of general circulation in Darlington County.

That the said Ordinance is in full force and effect and has not been modified, amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of the said County this 6 day of Dec., A.D., 1976.

(SEAL)

Billie S. Norwood  
Clerk, County Council of  
Darlington County

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

I, the undersigned, Clerk of the County Council, of Darlington County, Darlington, South Carolina, DO HEREBY CERTIFY:

That the foregoing is a true, correct and verbatim copy of the Ordinance finally adopted by the said County Council at a duly called regularly held meeting at which all members attended and remained throughout on 12-6, 1976.

The Ordinance was introduced by Harold S. King. The Ordinance was read at three public meetings of the County Council on three separate days 11-1, 1976, 11-15, 1976 and 12-6, 1976 with an interval of not less than seven days between the second and third readings. The proceedings of the County Council were recorded and the Ordinance as adopted by the County Council was compiled, indexed, codified, published by title and made available to public inspection at the office of the Clerk of the County Council. The Clerk has maintained a permanent record of the Ordinance as adopted and has furnished a copy of such record to the clerk of court for filing in that office.

A public hearing with respect to the adoption of the Ordinance was held on 12-6, 1976, upon not less than fifteen days notice, in the form attached hereto, of the time and place of such hearing published on 11-18, 1976, in the News and Press, a newspaper of general circulation in Darlington County.

That the said Ordinance is in full force and effect and has not been modified, amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of the said County this 6 day of Dec., A.D., 1976.

(SEAL)

Billie S. Norwood  
Clerk, County Council of  
Darlington County

A BILL

TO AMEND SECTION 50-101, CODE OF LAWS OF SOUTH CAROLINA, 1962, RELATING TO NEPOTISM, SO AS TO FURTHER PROVIDE THEREFOR.

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

Section 50-101, Code of Laws of South Carolina, 1962, as amended, is further amended to read as follows:

Section 1. Members of an immediate family, as hereinafter defined, may not be employed concurrently within any one agency of State government if such employment will result in an employee being in the chain of command under a member of his or her immediate family. If an employee is promoted to a position that has the effect of placing a member of his or her immediate family in the chain of command under him or her, effort shall be made to place the employee in a comparable position in another organizational unit, or the agency head may request an exception from the State Budget and Control Board.

Section 2. Employment of close relatives may be permitted in strictly emergency situations for temporary periods of time, normally not to exceed thirty calendar days, or for some longer period with the approval of the State Budget and Control Board in cases where other qualified applicants are not available for an essential task.

Section 3. Exceptions to Section I of this Act may be made only by the State Budget and Control Board.

Section 4. Immediate family shall include wife, husband, mother, father, sister, brother, son, daughter, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandmother, grandfather, granddaughter, grandson, step-mother, step-father, step-son and step-daughter.

Section 5. All agencies, authorities, boards, bureaus, commissions, committees, councils, departments, divisions, offices and educational institutions of State government shall operate hereunder. The provisions of this Act shall not apply to members, officers and employees of the General Assembly.

Section 6. All employment situations in effect prior to July 1, 1977, shall not be affected by this Act.

Section 7. Section 50-101 of the Code of Laws is repealed.

Section 8. This Act shall take effect July 1, 1977.

HOLIDAYS

A BILL

TO AMEND SECTION 64-151.2, CODE OF LAWS OF SOUTH CAROLINA, 1962, RELATING TO HOLIDAYS, AS AMENDED, AND ADD SECTION 64-153.1 TO PROVIDE FOR HOLIDAYS FALLING ON SATURDAYS.

BE IT ENACTED by the General Assembly of the State of South Carolina:

Section 1. Section 64-151.2 of the 1962 Code is amended to read as follows:

"Section 64-151.2. A State employee who is required to work on a legal holiday shall be given compensatory time at the convenience of the agency in which employed within ninety days of such holiday, except employees of agencies following academic schedules. Employees following academic schedules who are required to work on a legal holiday shall be given compensatory time off at the convenience of the agency in which employed within one year from the date of the holiday. - Employees who do not work a normal Monday through Friday workweek shall receive no more nor any fewer number of holidays than those employees who work the normal Monday through Friday workweek. All State employees whose positions are non-exempt as defined by the Fair Labor Standards Act and who are not allowed to take compensatory leave, earned for working on a legal holiday, within the ninety day period or the one year period in the case of employees who follow academic schedules, shall be compensated for the holiday by the employing agency, at the straight hourly pay rate of the employee, no later than the second regular pay period following the last day of the time period prescribed in which compensatory time off must be given."

Section 2. Add Section 64-153.1.

"Section 64-153.1. Whenever any of the legal holidays specified in Section 64-151 fall upon Saturday, the preceding Friday shall be granted to State employees as a day off in place of the Saturday holiday.

Section 3. This act shall take effect on July 1, 1977.

SICK LEAVEA BILL

TO AMEND ACT IIII OF 1974, RELATING TO SICK LEAVE FOR STATE EMPLOYEES, SO THAT THE ACT SHALL ALLOW ACCUMULATION OF SICK LEAVE BEYOND 90 DAYS AND TO PROVIDE FOR CARRY OVER OF 90 DAYS FROM ONE CALENDAR YEAR TO THE NEXT, AND TO PROVIDE THAT PERSONNEL RECORDS COMING UNDER THE PROVISIONS OF THIS ACT SHALL BE SUBJECT TO AUDIT BY THE BUDGET AND CONTROL BOARD.

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

SECTION 1. The provisions of this act shall apply to all State agencies, departments and institutions and shall be administered by each such agency, department and institution pursuant to regulations adopted by the State Budget and Control Board. The sick leave records of all agencies, departments and institutions coming under the provisions of this act shall be subject to audit by the Budget and Control Board.

SECTION 2. All permanent full-time State employees shall be entitled to fifteen days sick leave per year with pay. Sick leave may be accumulated, but not more than ninety days can be carried over from one calendar year to the next. The department or agency head is authorized to advance up to fifteen days of additional sick leave in extenuating circumstances upon approval of the State Budget and Control Board. All permanent part-time and hourly employees shall be entitled to sick leave prorated on the basis of fifteen days per year subject to a prorated maximum accumulation. In the event an employee transfers from one State agency to another,

the sick leave balance shall also be transferred. All employees who were employed prior to January 1, 1969, shall be entitled to retroactive sick leave not exceeding ninety days; provided, they have the requisite prior service as provided by this section and such leave has not been consumed pursuant to the then existing policy of any agency; provided, further, that any employee who has accumulated unused sick leave in excess of ninety days pursuant to the then existing policy of any agency shall not lose such excess but may not accumulate sick leave in excess of the provisions of this act after January 1, 1969. The State Budget and Control Board, through the Division of Personnel, shall promulgate such rules and regulations in accordance with law as may be necessary to administer the provisions hereof, including the power to define the use of sick leave.

SECTION 3. This act shall take effect July 1, 1977.

GRIEVANCESACT #1025

TO AMEND ACT 1025 OF 1974 RELATING TO STATE GRIEVANCE PROCEDURES TO PROVIDE THAT ALLEGED DISCRIMINATION SHALL BE THE ONLY GROUNDS ON WHICH CLASSIFICATION AND PROMOTION MAY BE APPEALED; TWO ALTERNATE MEMBERS BE APPOINTED TO SERVE ON THE STATE EMPLOYEE GRIEVANCE COMMITTEE; THE STATE PERSONNEL DIRECTOR OR HIS DESIGNEE SHALL MEET WITH BOTH PARTIES TO ATTEMPT TO VOLUNTARILY RESOLVE A GRIEVANCE BEFORE FORWARDING TO THE STATE EMPLOYEE GRIEVANCE COMMITTEE.

BE IT ENACTED by the General Assembly of the State of South Carolina:

Section 2 of Act 1025, 1974, is amended to read:

"Section 2. Each agency and department of State government shall establish an employee grievance procedure within such agency or department, which shall be reduced to writing and be approved by the State Personnel Director. A copy of the approved grievance procedure plan shall be furnished and explained to each employee of the agency or department concerned. The plan shall provide that the department or agency shall act on a grievance within forty-five days. Failure to act positively within such period will be considered an adverse decision which the employee may appeal. No employee shall be disciplined or otherwise prejudiced in employment for exercising rights under the plan, and department and agency heads shall encourage the use of the plan in the resolution of grievances arising in the course of public employment. As used in this section, grievances may include dismissals, suspensions, involuntary transfers, layoffs, reductions in pay, and demotions. Compensation shall not be deemed a proper subject for consideration under the grievance procedure except as it applies to alleged inequities within a particular agency or department. Classification and promotion shall be deemed proper subjects for consideration only as they relate to alleged discrimination based upon race, creed, color, national origin, sex or age.

Section 3 of Act 1025, 1974, is amended to read:

"Section 3. There is hereby created the State Employee Grievance Committee constituted and appointed as hereinafter provided. Permanent State employees who have completed six months of satisfactory service shall have the right to appeal to the State Employee Grievance Committee any grievances involving those issues specified in Section 2, after all administrative remedies to secure acceptable adjudication within their own agency or department have been exhausted. Appeals to the committee shall be initiated as provided for in Section 4.

The State Employee Grievance Committee shall consist of seven members who shall be appointed by the State Budget and Control Board to serve for terms of three years. Appointments shall follow the overlapping schedule now in effect. In addition to the regular seven members, there shall also be appointed four alternate members to serve for three year terms. Any interim appointment to replace a member who resigns or otherwise ceases to be a member of the committee prior to the completion of the term shall be for the duration of the unexpired term. Any member may be reappointed for succeeding terms at the discretion of the State Budget and Control Board.

All members of the State Employee Grievance Committee shall be selected on a broadly representative basis from among the career service or appointed personnel of the several State agencies, with the provision that whenever a grievance comes before the committee initiated by or involving an employee of an agency of which a committee member also is an employee, such member shall be disqualified from participating in the hearing.

Committee members will receive their regular pay for the time they are required to be away from their regular assignments. They will be reimbursed for meals and lodging and, when using their personal automobiles for necessary committee business, they will be paid mileage as provided by law.

The committee shall select its own chairman from among its members. The chairman

shall serve as the presiding officer at all hearings but may designate some other member to serve as presiding officer in his/her absence.

A quorum shall consist of at least five committee members, and no hearing may be held without a quorum.

The presiding officer will have control of the proceedings and will take whatever action is necessary to insure an equitable, orderly and expeditious hearing. Parties will abide by the presiding officer's decisions, except when a committee member objects to a decision to accept evidence, in which case the majority vote of the committee will govern.

The committee shall have the authority to issue subpoenas for files, records, and papers pertinent to any investigation; to determine the order of testimony and the appearance of witnesses; to call additional witnesses; to subpoena witnesses; to make such rules and regulations as may be necessary to carry out the provisions of this act; and to secure the services of a recording secretary at its discretion.

The committee shall, within twenty days after hearing an appeal make its findings and decisions and report such findings and decisions to the State Budget and Control Board. Unless the State Budget and Control Board takes action to reject a decision made by the committee within fifteen days, the decision of the State Employee Grievance Committee shall be transmitted by the State Budget and Control Board to the employee, the employing agency and the State Personnel Division and shall be final. If however, the State Budget and Control Board rejects the decision of the committee, the board shall make its own decision without further hearing at its next regular meeting or within ten days, whichever comes first, and that decision shall be final with copies transmitted to the employee, the employing agency and the State Personnel Division. The agency-respondent in the appeal will be bound by the final decision and will take action immediately to

implement its obligation under the decision."

Section 4 of Act 1025, 1974, is amended to read:

"Section 4. A State employee who wishes to appeal the decision of the agency or departmental grievance procedure to the State Employee Grievance Committee shall file a request for such an appeal within ten days of receipt of the decision from the agency or department head. The request shall be filed directly with the State Personnel Director by the employee.

The State Personnel Director shall assemble all records, reports and documentation of the earlier hearings on the grievance and review the case to ascertain that there has been full compliance with the established grievance policies, procedures and regulations within the agency or department involved and determine whether the action is grievable to the State Committee. Before the grievance is forwarded to the committee, the State Personnel Director or his designee shall meet with both sides of the issue and try to resolve the grievance on a voluntary basis. If that is not possible, then the State Personnel Director shall forward to the chairman of the State Employee Grievance Committee those requests that are determined to be in order. Upon being advised by the chairman of the committee as to the date and time when the committee shall meet, the State Personnel Director shall notify all parties concerned of the date, time and place of the hearing and request their presence.

The State Personnel Division shall arrange for the reproduction of pertinent records and papers and distribute copies to the members of the committee prior to the date of the hearing. The State Personnel Director or designated alternate shall attend all hearings of the committee to render advice on or interpretation of applicable laws, policies and regulations. The State Personnel Director shall provide to the committee from the resources of the State Personnel Division such administrative and clerical services as may be required."

Act 1025 of 1974 is amended to add Section 4A, which shall read as follows:

"Section 4A. The following groups of employees shall be exempt from the provisions of this act:

1. Members, officers and employees of the General Assembly;
2. Executive assistants, administrative assistants and secretaries on the Governor's immediate staff;
3. Officers elected by popular vote and persons appointed to fill vacancies in such offices;
4. Supreme Court Justices and Circuit Court Judges, referees, receivers, jurors, and masters of equity;
5. Members of boards, commissions, councils, advisory councils, and committees compensated on a per diem basis;
6. All inmate help in all charitable, penal and correctional institutions, residents of rehabilitation facilities, and students employed in institutions of learning;
7. Part-time professional personnel engaged in consultant services without administrative duties and personnel employed for less than ninety working days per year;
8. Those agency, institution or division heads appointed by the Governor;
9. Employees of the Public Service Authority, State Ports Authority, and the Public Railways Commission."

Section 5. This act shall take effect on July 1, 1977.