

MINUTES OF
Budget and
Control Board
Meeting

August 19, 1977

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Assistant to State Auditor William A. McInnis and State Personnel Division Director Jack S. Mullins on this date completed a poll begun on August 16, 1977 of the following Budget and Control Board members on the items of business described below:

Governor James B. Edwards (through Executive Assistant
Pettiss)
Mr. Grady L. Patterson, Jr. (through secretary Dunn)
Mr. Earle E. Morris, Jr. (through secretary Abston)
Senator Rembert C. Dennis
Representative Tom G. Mangum

DIVISION OF GENERAL SERVICES - SCHOOL BUS LIABILITY INSURANCE

CONTRACT - As a follow-up to the Board's initial consideration of this matter at its July 27, 1977 meeting, Division of General Services Director Furman McEachern and Chief Insurance Commissioner John W. Lindsay have submitted a joint letter in which they recommend that the Budget and Control Board accept the bid of Nationwide Insurance for coverage of the State's 6,500 school buses. They point out in this letter that the Nationwide Insurance bid was the lowest bid which met the specifications set forth when bids were called for; that acceptance of the American Southern non-specification bid could possibly give rise to a legal cause of action on the part of Nationwide which had received no notification in advance that non-specification bids would be considered or even accepted; and that American Southern, which currently insures most of the State automobile fleet, has advised the Division of General Services that it appears that rate increases must be granted in that program in the immediate future if the company is to continue its coverage. Mr. McEachern also supplied a letter from Mr. J. Tom Grier, of Grier & Company, Inc., consultants to the Division of General Services on insurance matters, in which Mr. Grier supports acceptance of the Nationwide

Insurance bid.

After being advised of these recommendations by the Division of General Services, the Department of Insurance and the Insurance Consultant to the Division of General Services, the Board members polled voted unanimously to award the school bus liability insurance contract to Nationwide Insurance which had bid an annual average of \$134.76 per bus over a three year period.

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

STATE EMPLOYEE GRIEVANCE COMMITTEE - SAM C. WEST, JR., GRIEVANT -

Budget and Control Board members had previously been provided with a copy of the record in the case of Sam C. West, Jr., grievant, versus the Department of Youth Services relating to Mr. West's termination of employment by that Department. The State Employee Grievance Committee recommended that Mr. West be reinstated with back pay, benefits and seniority beginning March 7, 1977.

After considering the matter, the Budget and Control Board voted unanimously to reject the recommendation of the State Employee Grievance Committee. Code Section 8-17-30 of the Grievance Procedure provides that, if the Board rejects the decision of the Committee, the Board shall make its own decision without further hearing at its regular meeting or within ten days, whichever comes first.

A copy of the case records has been retained in these files and is identified as Exhibit II.