

MINUTES OF
Budget and
Control Board
Meeting

March 1, 1979

MINUTES OF BUDGET AND CONTROL BOARD MEETING

MARCH 1, 1979 2:00 P. M.

The Budget and Control Board met at 2:00 p.m. on Thursday, March 1, 1979 in the Governor's Conference Room with the following members in attendance:

Governor Richard W. Riley
Mr. Grady L. Patterson, Jr.
Senator Rembert C. Dennis
Representative Tom G. Mangum

Also attending were Executive Director William T. Putnam; Governor's Executive Assistant for Management and Finance Katherine M. Clarke; State Auditor Edgar A. Vaughn, Jr., and staff members Burr, McPherson and Oliver; Personnel Division Director Jack S. Mullins; Planning Division Director P. C. Smith; Assistant General Services Division Director Rudy Counts; Representative T. W. Edwards; Board Secretary William A. McInnis and Donna K. Williams.

BLUE AGENDA - All items on the Blue Agenda, which are identified as such in these minutes, were approved upon a motion by Mr. Patterson.

THE CITADEL - A&E SELECTION APPROVAL REQUEST (BLUE AGENDA ITEM 1) - Colonel James O. Baker by letter advised the Board that the following firms, listed in preference order, have been selected for the Utilities Building Addition project (#H09-006):

<u>Firm</u>	<u>Location</u>	<u>Reported State Work in Prior Two Years</u>
(1) Demetrios Liollio	Charleston	\$ -0-
(2) Cummings and McCrady	Charleston	\$ 1,750,000
(3) Lockwood Greene	Spartanburg	\$ 286,000 plus \$17,725 fees

After being advised that the required selection procedure had been followed, upon a motion by Mr. Patterson, the Budget and Control Board approved

the selection of Demetrios Liollio for the referenced project, as requested by The Citadel.

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

DEPARTMENT OF CORRECTIONS AND DSS - WAIVER OF MANDATORY RETIREMENT

(BLUE AGENDA ITEM 2) - Department of Corrections Commissioner William D. Leeke requested Board permission to extend the employment of Correctional Officer William R. Hagan, who will attain age 71 on August 20, 1979, for one year beyond that date.

DSS Commissioner Virgil L. Conrad requested Board permission to extend the employment of Public Assistance Supervisor Kathryn F. Livingston for one year beyond November 16, 1978, the date on which she attained age 70.

Upon a motion by Mr. Patterson, the Budget and Control Board approved both of the referenced requests.

Information relating to these matters has been retained in these files and is identified as Exhibit II.

DHEC AND WILDLIFE AND MARINE RESOURCES - CONSULTANT SERVICES CONTRACTS

(BLUE AGENDA ITEM 3) - Upon a motion by Mr. Patterson, the Budget and Control Board approved the following consultant services contracts:

(a) A Department of Health and Environmental Control contract with O. Marion Burton, M.D., consultant; Maximum Dollars: \$14,500; Time Period: 10/1/78 - 9/30/79; Purpose: Provide following services to Appalachia I Maternal and Child Care Project: (1) clinician services in pediatric clinics; (2) newborn exams on all infants born to project enrollees; (3) episodic care to project enrollees; and (4) medical consultation to staff as required.

(b) A Wildlife and Marine Resources Department contract with Mr. Lacy L. Gaddy, consultant; Maximum Dollars: \$13,000, 100% State (at \$11 per hour); starting on February 26, 1979; Purpose: Coordinate and conduct all field inves-

tigations of study entitled "Barrier Island Recreational Carrying Capacity" which will include Capers Island, Bull Island, Kiawah Island and others.

Information relating to these matters has been retained in these files and is identified as Exhibit III.

MINUTES OF PREVIOUS MEETINGS - Draft versions of the minutes of the meeting held on February 13, 1979 and of a poll dated February 21, 1979 previously had been furnished to members.

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Budget and Control Board approved the referenced minutes as written.

RETIREMENT DIVISION - CONSULTANT ACTUARY REPORT - Retirement System Director Purvis W. Collins, accompanied by Consulting Actuary Hugh Gillespie of Buck Consultants, appeared before the Board on this matter. Mr. Collins prefaced Mr. Gillespie's report by noting that it is customary following each valuation of the condition of the Retirement System for the actuary to report the results of that valuation to the Board. Mr. Collins also indicated that the second issue to be discussed at the present meeting is the matter of providing for future cost-of-living increases for retirees. He also made reference to the current consideration by the General Assembly of a bill to change the vesting period for the Police Officers Retirement System.

Mr. Gillespie of Buck Consultants, Inc., then distributed a packet of four items and emphasized that all of his comments at this time pertain to the South Carolina Retirement System which covers state employees and public school teachers. He then called the Board's attention to the first of the handouts which presented a summary of the principal results of the June 30, 1978 valuation. He called particular attention to the following: (1) a 23.8% increase in the number of active members from June 30, 1973 to June 30, 1978; (2) an 82.5% increase in earnable compensation of members in that same period (from \$687,665,741 to \$1,255,175,095); (3) a 65.1% increase in the number of retired

members and beneficiaries (from 12,087 at June 30, 1973 to 19,960 at June 30, 1978); (4) a 159.1% increase in annual pension payments (from \$23,175,725 in 1973 to \$60,048,573 in 1978) which represented a 56.9% increase in the average pension per recipient (or from \$1,917 in 1973 to \$3,008 in 1978); (5) a 51.8% increase in the unfunded accrued liability (from \$293,741,394 to \$445,770,567 in the period); and (6) a drop from 40 to 23.5 years in the remaining funding period for the unfunded accrued liability of the System.

Mr. Gillespie called particular attention to the dramatic increase in earnable compensation of members (82.5% in the period) which accompanied a 23.8% increase in the number of members, a circumstance he attributed to inflation and to what he described as unfavorable salary experience.

Mr. Gillespie also noted that, in 1973, provision had been made for five cost-of-living increases and that the System is now down to one which is to begin July 1, 1979 and which will extend the remaining funding period for the unfunded accrued liability to 26.5 years from the 23.5 years at June 30, 1978.

Mr. Gillespie concluded this portion of his presentation by expressing the opinion that the System basically is in sound shape and that it is working on an "even keel."

Mr. Gillespie then noted that the proposal under consideration to liberalize the vesting period, if not funded by additional appropriations, would have the effect of extending the remaining funding period by about one-half year or to 27 years.

He emphasized that the System, in effect, is "running out of gas" for providing additional cost-of-living increases and he expressed the view that this matter is the single largest problem currently facing the System. Mr. Gillespie then reviewed the other handout materials which showed the effects of a continuation of post-retirement cost-of-living increases without additional funding. Mr. Gillespie then suggested that the Board consider authorizing a

special, one-time effort beyond the regular annual evaluation made by his firm so as to provide a projection of the condition of the System over time.

In response to Representative Mangum's query on the remaining funding period, Mr. Gillespie noted that it had stayed at 23.5 years at the end of 1977 and of 1978 because of unfavorable salary experience which he interpreted as salaries greater than had been anticipated which were not accompanied by significant increases in System membership (Mr. Gillespie's figures indicated that the number of active members increased from 130,680 at June 30, 1977 to 133,832 at June 30, 1978). He also noted that these unfavorable features are offset to some extent by the investment earnings of the System which he indicated were somewhat over 7% of book value and about 8% on market value.

In the ensuing discussion, Mr. Gillespie expressed the view that the growth of the work force covered by the System is slowing down and that over the next 15 years a rapid increase in the retirement rolls can be anticipated. He also expressed the view that a 30-year funding period for any unfunded accrued liabilities is a desirable limitation and he advised Governor Riley that the proposed liberalization of the vesting period under consideration, if not accompanied by an addition to the 6.8% contribution rate, would add about one-half year to the funding period of the unfunded accrued liability.

Mr. Gillespie recommended that valuation projections be undertaken taking into account such factors as changes in the work force to determine points of impact in the future. He expressed the view that pressures to continue future cost-of-living increases will be experienced and he urged the Board to put these benefits on a funded or partially-funded basis. He explained also that the valuation projections he is proposing would be like a moving picture in contrast to the regular snapshot valuation. Mr. Gillespie estimated that the cost of these projections would be about \$40,000 of which phase 1, representing the basic calculations, would cost about \$30,000, leaving some \$10,000 available

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for responding to additional questions which very likely will arise in the process of completing the phase 1 effort.

In the ensuing discussion, in response to questions from Governor Riley, Mr. Gillespie indicated that the proposed projection study would identify options available to the Board for meeting the staggering costs of continuing the annual 4% cost-of-living increases for retirees and would help structure the options available to the Board. Senator Dennis observed that Mr. Collins is likely to be bombarded with questions on whether or not the 4% increases would be continued starting in July of 1980 and after that time and Mr. Gillespie indicated that the decision point would be focused on what is to happen as of July of 1980.

Governor Riley requested Mr. Gillespie to submit his study proposal in writing while indicating that he is perplexed as to why a projection at this time would be of value in view of the fact that the central question is considered each year.

Following this discussion, the report and proposal of Mr. Gillespie were received as information.

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

BUDGET AND CONTROL BOARD - CAPITAL IMPROVEMENT BOND RECOMMENDATIONS -

Executive Director Putnam distributed information which showed that some \$357.5 million of Capital Improvement Bond authorizations had been requested and which listed \$52,755,272 of that amount which the Board staff recommends that the Board recommend to the General Assembly. Also distributed by Mr. Putnam was a summary of staff comments on the requests and recommendations relating to each agency.

Mr. Putnam indicated that some \$305 million of Capital Improvement Bonds currently are outstanding and that an additional \$182 million of these

Bonds presently are authorized but have not yet been issued. He also pointed out that since the inception of the Capital Improvement Bond category in 1968 about \$598 million of those Bonds have been authorized of which about \$395 million had been distributed to the agencies and institutions involved. He also noted that total General Obligation Bonds outstanding presently are in the range of \$532 million with an additional \$214 million authorized but not yet issued. He concluded his preliminary comments by assuring the Board that the General Obligation debt presently outstanding is well within the constitutional limitation on debt service and that approval of the amount recommended would still leave the State well within that 7% limitation.

Mr. Putnam then began an agency by agency review of requests and recommendations.

In the course of Mr. Putnam's comments on the Adjutant General's Office requests and recommendations, Governor Riley expressed his general feeling that the Board and the State should be very careful on capital items. Governor Riley expressed concern about the inclusion of funds for planning in the bond recommendations and indicated that financing these sorts of activities by means of the Supplemental Appropriation Bill appeals to him. Mr. Putnam stated that he had no problem whatever with that approach while pointing out that the concept of providing planning money before authorizing an entire project is one the Joint Bond Committee appears to favor. Mr. Patterson and Senator Dennis expressed agreement with the idea of financing planning studies for permanent improvements from any surplus funds which might be available but Senator Dennis noted that there will be times when surplus monies will not be available for these purposes.

Senator Dennis noted, in response to Mr. Putnam's comments on the Adjutant General's Office, that Berkeley is the only County in the State presently which does not have a National Guard Armory.

Governor Riley further urged that the approach of capitalizing all

costs relating to a project at one time be taken and expressed the view that a piece-meal approval approach is not in the best interests of the State. He also expressed the view that when approval is given to a project that approval should be for the whole project rather than just to the planning portion of it.

Representative Mangum expressed his reluctance to approve a project before the costs of it are known and Senator Dennis requested that State Engineer John McPherson comment on this question.

State Engineer McPherson indicated that the planning studies under discussion include master planning efforts and beyond to the design development stage and that these represent approximately 30% of the usual architectural and engineering fee. Mr. McPherson expressed the view that some agencies can develop their own programs while others depend upon architectural and engineering firms to perform this task. Mr. McPherson expressed the view that providing planning money is a very desirable system. In response to Governor Riley's question about situations in which the 30% fee had been paid but the overall project did not materialize, Mr. McPherson noted the Educational Television Commission Headquarters project as being an illustration of that sort of situation.

Mr. Patterson observed that planning monies enable the agencies and the Board and the General Assembly to get to a point where the decision on whether or not to go ahead with any particular project can be made on a more reliable basis and he noted that the overall system established by the General Assembly has had positive effects.

In response to Governor Riley's question about where the decision-making on facilities resides, Mr. Putnam indicated that the primary justification for facilities rests with agencies and that if the Budget and Control Board approves planning monies for any project the Board presumably has given tacit approval of the need for the facility to be planned and Senator Dennis expressed the view that when the Budget and Control Board approves projects it has

approved their feasibility.

Executive Director Putnam then continued his review of staff comments on agency requests and called attention to the \$7,515,000 included in the staff recommendations for the Division of General Services. He noted that no planning funds are requested for the additional State office building in the North Complex which is included in the staff recommendations at a cost of \$6.5 million. He indicated that the proposed building would be a twin of the existing North Tower Building occupied by the Department of Social Services and that the State, at no cost, can use the plans of the existing North Tower for the proposed twin. Mr. Putnam noted that two other projects presently are pending which may be brought to the Board at some future time.

In response to Senator Dennis' question about how near the building program of the Division of General Services is to meeting current needs, Mr. Rudy Counts indicated that after the completion of the Dennis Building now under construction and the proposed North Complex Building between 200,000 and 300,000 square feet of space would still be rented by State agencies in the Columbia area.

With respect to requests of colleges and universities, Mr. Putnam called the Board's attention to the last page of the staff recommendations which presented other recommendations for certain of these institutions. This last page included six projects on which the Commission on Higher Education had deferred action because the projects did not meet the pressing local need requirement of the Lake Act. Also included in these other staff recommendations was a \$750,000 item for the renovation of Sarrine Hall at Clemson University. This basic project had been approved by the Commission on Higher Education but this supplemental request had not been formally acted on by that Commission.

Governor Riley indicated his intention to vote against anything not approved by the Commission on Higher Education.

Following this discussion, upon a motion by Senator Dennis, seconded by Mr. Patterson, the Budget and Control Board approved those projects included in the staff recommendations which the Commission on Higher Education has approved and carried over those projects listed as other staff recommendations pending further consultations with staff of the Commission on Higher Education.

Mr. Putnam continued his review by noting that the requests by the State Board for Technical and Comprehensive Education had not been submitted to the Commission on Higher Education although the Lake Act apparently requires CHE approval of such projects which have not previously been approved by the State Board for Technical and Comprehensive Education.

Mr. Putnam recommended that the first priority request by the State Board for Technical and Comprehensive Education for equipment be handled in the Supplemental Appropriation Bill and it appeared that the Board agreed with that recommendation. Mr. Putnam further indicated that there are at least two situations in this request on which understandings of various types apparently exist. One of these relates to a Resolution adopted by the State TEC Board requesting \$4,000,000 as a reimbursement of costs associated with the relocation of the Palmer College Campus in Charleston. A second similar situation noted by Mr. Putnam relates to a request for \$1.1 million for a second shop/classroom facility at the Airport Campus of Midlands TEC. He indicated that the staff had made no recommendation on these items because of the mitigating circumstances.

Senator Dennis called the Board's attention to an agreement signed by the former Executive Director of TEC which acknowledged the understanding that the relocation of the Palmer College Campus in Charleston would not be a local cost and he indicated his intention to ask the Board to take into consideration this prior agreement. Senator Dennis also asked that the \$4,000,000 request relating to Trident Technical College be pursued with the Commission on Higher Education.

Following a brief discussion on Vocational Education enrollment trends and utilization of existing facilities, upon a motion by Representative Mangum, seconded by Mr. Patterson, the Budget and Control Board carried over to its meeting scheduled for March 13 the consideration of the Department of Education request for vocational school expansion funds and approved the staff recommendation for \$600,000 for a school bus maintenance shop in Lexington County.

With regard to the request for \$20,000 by the Opportunity School, Mr. Putnam advised the Board that a proviso is being prepared authorizing the School to use the balance remaining from prior bond authorizations for this purpose and the Board agreed with that approach.

Upon a motion by Senator Dennis, the Budget and Control Board authorized the School for the Deaf and the Blind to use \$195,000 of fees collected to provide an athletic field complex and approved the staff recommendation of \$60,000 for the planning of a Vocational Education facility.

The Budget and Control Board without objection approved the staff recommendation for \$45,000 for the airconditioning of records storage areas of the Department of Archives and History.

Mr. Putnam then indicated that the staff had recommended \$62,000 for the planning of a State Museum and noted that this is the sort of situation where \$62,000 for planning would be a good investment in that museums can be built for practically nothing or for practically anything. Governor Riley expressed the view that the decision involved in this case is not whether or not \$62,000 should be made available for planning but whether or not a museum is to be built and that taking any other approach is a poor way to run a shop.

Upon a motion by Mr. Patterson, the Budget and Control Board without objection approved the use of paying patient fees by the Department of Mental Health to provide access for handicapped persons, the first priority item of

that Department.

Mr. Putnam then noted that the General Assembly last year had authorized the Department of Mental Health to undertake four studies relating to various facility needs of the Department of Mental Health. These studies include examinations of facilities at Crafts-Farrow and at the State Hospital to determine the feasibility of renovations needed to meet current standards; another involving a long-term care facility and the fourth involving a recreational complex at State Hospital. Mr. Putnam reported that these studies are now in process but that, pending their completion, the costs of the renovations and/or new facilities is not sufficiently defined for purposes of making a recommendation to the General Assembly. He indicated that some or all of these studies will be completed by April and suggested that the decision on these projects be delayed until that time.

The Budget and Control Board indicated no objection to the staff recommendation of \$1,280,000 for the Department of Mental Retardation which includes funds for a fire alarm system and sprinkler system at Whitten Village and for 48 beds in community residences.

Mr. Putnam and Mr. McInnis continued the review of staff recommendations at the conclusion of which the Budget and Control Board, upon a motion by Mr. Patterson, seconded by Senator Dennis, approved the staff recommendations as listed except for those items discussed separately and on which other actions are indicated.

Following a further discussion, upon a motion by Senator Dennis, seconded by Mr. Patterson, the Budget and Control Board approved the inclusion of the planning items and certain other items to be identified by Governor Riley and Mr. Putnam in the Supplemental Appropriation Bill.

Upon a motion by Senator Dennis, the Budget and Control Board agreed to review this matter again at its meeting on March 13 and to finalize its

recommendations at that time.

Governor Riley requested that in the future State Engineer McPherson provide an estimate of the total cost of projects for which planning monies are indicated.

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

DEPARTMENT OF LABOR - POSITION ABOVE NUMBER AUTHORIZED - Upon a motion by Senator Dennis, seconded by Mr. Patterson, the Budget and Control Board approved an additional Labor Inspector, grade 21, position to be funded from State funds, as requested by the Department of Labor.

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

EXECUTIVE SESSION - Executive Director Putnam announced that one grievance case had been proposed for consideration in Executive Session. In addition, Mr. Putnam advised the Board that one contractual matter had been proposed as an addition to the Executive Session agenda.

Upon a motion by Representative Mangum, seconded by Mr. Patterson, the additional item suggested by Mr. Putnam was added to the agenda for consideration in Executive Session and the Budget and Control Board agreed to consider these matters in Executive Session whereupon Governor Riley declared the meeting to be in Executive Session.

RATIFICATION OF EXECUTIVE SESSION ACTIONS - Following the Board's consideration of Executive Session items, the meeting was opened and the following actions taken by the Board in Executive Session were ratified without objection:

(1) After a review of the record, received as information the findings and decision of the State Employee Grievance Committee in a case involving the Department of Mental Health; and

(2) Discussed and received legal advice on a pending contractual matter

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involving the University of South Carolina but took no formal action on that matter.

The meeting was adjourned at 5:35 p.m.

(Secretary's Note: In compliance with Section 9 of Act 593 of 1978, the Freedom of Information Act, public notice of and the agenda for this meeting were posted on bulletin boards in the Office of the Governor's press secretary in the State House and near the Board secretary's office in the Wade Hampton Building on February 27, 1979.)

STATE BUDGET AND CONTROL BOARD

BLUE AGENDA

EXHIBIT I
3/1/79

MEETING OF March 1, 1979

ITEM NUMBER 1

Agency: The Citadel

Subject: A&E Selection Approval Request

Colonel James O. Baker advises that the following firms, listed in preference order, have been selected for the Utilities Building Addition (Project #H09-006):

<u>Firm</u>	<u>Location</u>	<u>Reported State Work in Prior Two Years</u>
(1) Demetrios Liollo	Charleston	\$ -0-
(2) Cummings and McCrady	Charleston	\$ 1,750,000
(3) Lockwood Greene	Spartanburg	\$ 286,000 plus \$17,725 fees

The required selection procedure has been followed.

Board Action Requested:

Approve the selection of Demetrios Liollo for the referenced project.

Staff Comment:

Attachments:

Baker 2/14/79 letter plus attachments

THE CITADEL
THE MILITARY COLLEGE OF SOUTH CAROLINA
CHARLESTON, S. C. 29409

OFFICE OF
THE STAFF ENGINEER

14 February 1979

RECEIVED
FEB 20 1979

SI C BUDGET AND
CONTROL BOARD

Mr. John A. McPherson, Jr.
Chief Engineer
State Budget and Control Board
Post Office Box 11333
Columbia, South Carolina 29211

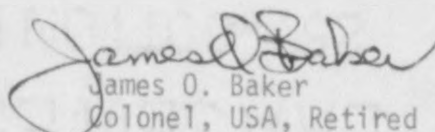
RE: AE Contract Utilities Building Addition
Project # H09-006

Dear John:

Attached is a copy of correspondence sent by "Interagency Mail to
Columbia" on 29 January 1979.

Anything you can do to obtain Budget and Control Board approval at
an early date will be appreciated.

Sincerely,


James O. Baker
Colonel, USA, Retired

JOB:rb

INCL:a/s

29 January 1979

RECEIVED
FEB 20 1979

S. C. BUDGET AND
CONTROL BOARD

Mr. John A. McPherson, Jr.
Chief Engineer
State Budget and Control Board
Post Office Box 11333
Columbia, South Carolina 29211

RE: AE Contract Utilities Building Addition
Project # H09-006

Dear Mr. McPherson:

Inclosed is a copy of a proposed contract with Demetrios C. Liollio and Associates, Charleston, South Carolina for services on subject project.

A copy of newspaper request for submission of resumes of qualifications is attached at Inclosure #2.

Firms that responded, in order of preference are:

1. Demetrios Liollio - Charleston, SC
2. Cummings and McCrady - Charleston, SC
3. Lockwood Greene - Spartanburg, SC
4. Constantine and Constantine - Charleston, SC
5. Jeffrey Rosenblum - Charleston, SC
6. Lucas and Stubbs - Charleston, SC
7. J. Harrell Gandy - Charleston, SC
8. David Parrott - Charleston, SC
9. Gresham and Smith - Nashville, Tennessee and Charleston, SC

The first six firms were interviewed. Consideration was given to the contracts firms have executed on state work in the two years prior to the date this project was advertised.

Liollio and Associates was selected in this case on the basis of professional qualifications, experience on similar projects and availability.

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A list of all firms responding with their state work contracts in the past two years is at Inclosure #3.

A list of AE contracts awarded by The Citadel in the past three years is at Inclosure #4.

Request State Budget and Control Board approval of attached contract.

Sincerely,

JAMES A. IRMSLEY, JR.
Major General, USA, Retired
Vice President for Administration
and Finance

JAGJR:rb

4 INCLOSURES: a/s

THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document B141

Standard Form of Agreement Between Owner and Architect

1977 EDITION

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

AGREEMENT

made as of the TWENTY FIVE day of JANUARY in the year of Nineteen
Hundred and SEVENTY NINE

BETWEEN the Owner: THE CITADEL
THE MILITARY COLLEGE OF SOUTH CAROLINA
CHARLESTON, SOUTH CAROLINA

and the Architect: DEMETRIOS C. LIOLLIO, AIA ARCHITECTS & ASSOCIATES LTD.
CHARLESTON, SOUTH CAROLINA

For the following Project: ADDITION TO THE UTILITIES BUILDING, THE CITADEL,
(Include detailed description of Project location and scope.) CHARLESTON, SOUTH CAROLINA

(SEE ATTACHED SCOPE OF A/E WORK, Page 1 of 1)

The Owner and the Architect agree as set forth below.

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B141-1977 1

Incl #1

SCOPE OF A/E WORK - UTILITIES BUILDING ADDITION

Changes contemplated in present Building:

- 1) Add 1,000 square feet office space, preferably, a 2nd floor over existing offices; alternatively, in present electric shop or add on - front or rear.
- 2) Convert Electric Shop to maintenance supplies store room. Open door into utility room.
- 3) Convert 4,800 square feet of warehouse to Print Shop (Air Conditioned) with handicapped access. Female-Male Rest Rooms.
- 4) Bring existing Paint Shop to OSHA Standards.
- 5) Relocate gasoline storage and add one pump (to provide for regular and unleaded gasoline).
- 6) Relocate student wash area and grease rack between Yacht Club and parking lot.

Addition to include:

Approximate Square Feet

1) Cadet Warehouse -----	12,000
2) Carpenter Shop with dust collection system -----	3,500
3) Machine Shop with welding area -----	3,000
4) Paint Shop with storage -----	1,300
5) Electric/Air Conditioning Shop -----	1,200
6) Increase Warehouse -----	3,000
7) Employee Lock/Washroom with heat pump -----	600
8) Equipment Room -----	400
9) Add Offices -----	1,000
	<hr/> 26,000

Each shop will contain 150 square feet foreman's office with through-the-wall heat pump.

Cadet Warehouse - 300 square feet office with heat pump

Entire addition to have continuous, covered, pick-up truck level, covered loading dock. Exception is cadet warehouse which will have one line hand truck level loading dock and one pick-up truck level dock.

Preserve sufficient solid ground to south and west of addition and existing building to allow for a 16 feet roadway (lane) from Grier Avenue (Boathouse and Deas Hall) to Dunnemann Avenue property.

Addition to conform to existing building in design and quality.

TERMS AND CONDITIONS OF AGREEMENT BETWEEN OWNER AND ARCHITECT

ARTICLE 1

ARCHITECT'S SERVICES AND RESPONSIBILITIES

BASIC SERVICES

The Architect's Basic Services consist of the five phases described in Paragraphs 1.1 through 1.5 and include normal structural, mechanical and electrical engineering services and any other services included in Article 15 as part of Basic Services.

1.1 SCHEMATIC DESIGN PHASE

1.1.1 The Architect shall review the program furnished by the Owner to ascertain the requirements of the Project and shall review the understanding of such requirements with the Owner.

1.1.2 The Architect shall provide a preliminary evaluation of the program and the Project budget requirements, each in terms of the other, subject to the limitations set forth in Subparagraph 3.2.1.

1.1.3 The Architect shall review with the Owner alternative approaches to design and construction of the Project.

1.1.4 Based on the mutually agreed upon program and Project budget requirements, the Architect shall prepare, for approval by the Owner, Schematic Design Documents consisting of drawings and other documents illustrating the scale and relationship of Project components.

1.1.5 The Architect shall submit to the Owner a Statement of Probable Construction Cost based on current area, volume or other unit costs.

1.2 DESIGN DEVELOPMENT PHASE

1.2.1 Based on the approved Schematic Design Documents and any adjustments authorized by the Owner in the program or Project budget, the Architect shall prepare, for approval by the Owner, Design Development Documents consisting of drawings and other documents to fix and describe the size and character of the entire Project as to architectural, structural, mechanical and electrical systems, materials and such other elements as may be appropriate.

1.2.2 The Architect shall submit to the Owner a further Statement of Probable Construction Cost.

1.3 CONSTRUCTION DOCUMENTS PHASE

1.3.1 Based on the approved Design Development Documents and any further adjustments in the scope or quality of the Project or in the Project budget authorized by the Owner, the Architect shall prepare, for approval by the Owner, Construction Documents consisting of Drawings and Specifications setting forth in detail the requirements for the construction of the Project.

1.3.2 The Architect shall assist the Owner in the preparation of the necessary bidding information, bidding forms, the Conditions of the Contract, and the form of Agreement between the Owner and the Contractor.

1.3.3 The Architect shall advise the Owner of any adjust-

ments to previous Statements of Probable Construction Cost indicated by changes in requirements or general market conditions.

1.3.4 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

1.4 BIDDING OR NEGOTIATION PHASE

1.4.1 The Architect, following the Owner's approval of the Construction Documents and of the latest Statement of Probable Construction Cost, shall assist the Owner in obtaining bids or negotiated proposals, and assist in awarding and preparing contracts for construction.

1.5 CONSTRUCTION PHASE—ADMINISTRATION OF THE CONSTRUCTION CONTRACT

1.5.1 The Construction Phase will commence with the award of the Contract for Construction and, together with the Architect's obligation to provide Basic Services under this Agreement, will terminate when final payment to the Contractor is due, or in the absence of a final Certificate for Payment or of such due date, sixty days after the Date of Substantial Completion of the Work, whichever occurs first.

1.5.2 Unless otherwise provided in this Agreement and incorporated in the Contract Documents, the Architect shall provide administration of the Contract for Construction as set forth below and in the edition of AIA Document A201, General Conditions of the Contract for Construction, current as of the date of this Agreement.

1.5.3 The Architect shall be a representative of the Owner during the Construction Phase, and shall advise and consult with the Owner. Instructions to the Contractor shall be forwarded through the Architect. The Architect shall have authority to act on behalf of the Owner only to the extent provided in the Contract Documents unless otherwise modified by written instrument in accordance with Subparagraph 1.5.16.

1.5.4 The Architect shall visit the site at intervals appropriate to the stage of construction or as otherwise agreed by the Architect in writing to become generally familiar with the progress and quality of the Work and to determine in general if the Work is proceeding in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. On the basis of such on-site observations as an architect, the Architect shall keep the Owner informed of the progress and quality of the Work, and shall endeavor to guard the Owner against defects and deficiencies in the Work of the Contractor.

1.5.5 The Architect shall not have control or charge of and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, for the acts or omissions of the Contractor, Sub-

contractors or any other persons performing any of the Work, or for the failure of any of them to carry out the Work in accordance with the Contract Documents.

1.5.6 The Architect shall at all times have access to the Work wherever it is in preparation or progress.

1.5.7 The Architect shall determine the amounts owing to the Contractor based on observations at the site and on evaluations of the Contractor's Applications for Payment, and shall issue Certificates for Payment in such amounts, as provided in the Contract Documents.

1.5.8 The issuance of a Certificate for Payment shall constitute a representation by the Architect to the Owner, based on the Architect's observations at the site as provided in Subparagraph 1.5.4 and on the data comprising the Contractor's Application for Payment, that the Work has progressed to the point indicated; that, to the best of the Architect's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents (subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to the results of any subsequent tests required by or performed under the Contract Documents, to minor deviations from the Contract Documents correctable prior to completion, and to any specific qualifications stated in the Certificate for Payment); and that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment shall not be a representation that the Architect has made any examination to ascertain how and for what purpose the Contractor has used the moneys paid on account of the Contract Sum.

1.5.9 The Architect shall be the interpreter of the requirements of the Contract Documents and the judge of the performance thereunder by both the Owner and Contractor. The Architect shall render interpretations necessary for the proper execution or progress of the Work with reasonable promptness on written request of either the Owner or the Contractor, and shall render written decisions, within a reasonable time, on all claims, disputes and other matters in question between the Owner and the Contractor relating to the execution or progress of the Work or the interpretation of the Contract Documents.

1.5.10 Interpretations and decisions of the Architect shall be consistent with the intent of and reasonably inferable from the Contract Documents and shall be in written or graphic form. In the capacity of interpreter and judge, the Architect shall endeavor to secure faithful performance by both the Owner and the Contractor, shall not show partiality to either, and shall not be liable for the result of any interpretation or decision rendered in good faith in such capacity.

1.5.11 The Architect's decisions in matters relating to artistic effect shall be final if consistent with the intent of the Contract Documents. The Architect's decisions on any other claims, disputes or other matters, including those in question between the Owner and the Contractor, shall be subject to arbitration as provided in this Agreement and in the Contract Documents.

1.5.12 The Architect shall have authority to reject Work which does not conform to the Contract Documents. Whenever, in the Architect's reasonable opinion, it is

necessary or advisable for the implementation of the intent of the Contract Documents, the Architect will have authority to require special inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not such Work be then fabricated, installed or completed.

1.5.13 The Architect shall review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for conformance with the design concept of the Work and with the information given in the Contract Documents. Such action shall be taken with reasonable promptness so as to cause no delay. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

1.5.14 The Architect shall prepare Change Orders for the Owner's approval and execution in accordance with the Contract Documents, and shall have authority to order minor changes in the Work not involving an adjustment in the Contract Sum or an extension of the Contract Time which are not inconsistent with the intent of the Contract Documents.

1.5.15 The Architect shall conduct inspections to determine the Dates of Substantial Completion and final completion, shall receive and forward to the Owner for the Owner's review written warranties and related documents required by the Contract Documents and assembled by the Contractor, and shall issue a final Certificate for Payment.

1.5.16 The extent of the duties, responsibilities and limitations of authority of the Architect as the Owner's representative during construction shall not be modified or extended without written consent of the Owner, the Contractor and the Architect.

1.6 PROJECT REPRESENTATION BEYOND BASIC SERVICES

1.6.1 If the Owner and Architect agree that more extensive representation at the site than is described in Paragraph 1.5 shall be provided, the Architect shall provide one or more Project Representatives to assist the Architect in carrying out such responsibilities at the site.

1.6.2 Such Project Representatives shall be selected, employed and directed by the Architect, and the Architect shall be compensated therefor as mutually agreed between the Owner and the Architect as set forth in an exhibit appended to this Agreement, which shall describe the duties, responsibilities and limitations of authority of such Project Representatives.

1.6.3 Through the observations by such Project Representatives, the Architect shall endeavor to provide further protection for the Owner against defects and deficiencies in the Work, but the furnishing of such project representation shall not modify the rights, responsibilities or obligations of the Architect as described in Paragraph 1.5.

1.7 ADDITIONAL SERVICES

The following Services are not included in Basic Services unless so identified in Article 15. They shall be provided if authorized or confirmed in writing by the Owner, and they shall be paid for by the Owner as provided in this Agreement, in addition to the compensation for Basic Services.

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

1.7.2 Providing financial feasibility or other special studies.

1.7.3 Providing planning surveys, site evaluations, environmental studies or comparative studies of prospective sites, and preparing special surveys, studies and submissions required for approvals of governmental authorities or others having jurisdiction over the Project.

1.7.4 Providing services relative to future facilities, systems and equipment which are not intended to be constructed during the Construction Phase.

1.7.5 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.

1.7.6 Preparing documents of alternate, separate or sequential bids or providing extra services in connection with bidding, negotiation or construction prior to the completion of the Construction Documents Phase, when requested by the Owner.

1.7.7 Providing coordination of Work performed by separate contractors or by the Owner's own forces.

1.7.8 Providing services in connection with the work of a construction manager or separate consultants retained by the Owner.

1.7.9 Providing Detailed Estimates of Construction Cost, analyses of owning and operating costs, or detailed quantity surveys or inventories of material, equipment and labor.

1.7.10 Providing interior design and other similar services required for or in connection with the selection, procurement or installation of furniture, furnishings and related equipment.

1.7.11 Providing services for planning tenant or rental spaces.

1.7.12 Making revisions in Drawings, Specifications or other documents when such revisions are inconsistent with written approvals or instructions previously given, are required by the enactment or revision of codes, laws or regulations subsequent to the preparation of such documents or are due to other causes not solely within the control of the Architect.

1.7.13 Preparing Drawings, Specifications and supporting data and providing other services in connection with Change Orders to the extent that the adjustment in the Basic Compensation resulting from the adjusted Construction Cost is not commensurate with the services required of the Architect, provided such Change Orders are required by causes not solely within the control of the Architect.

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

1.7.15 Providing consultation concerning replacement of any Work damaged by fire or other cause during construction, and furnishing services as may be required in connection with the replacement of such Work.

1.7.16 Providing services made necessary by the default of the Contractor, or by major defects or deficiencies in the Work of the Contractor, or by failure of performance of either the Owner or Contractor under the Contract for Construction.

1.7.17 Preparing a set of reproducible record drawings showing significant changes in the Work made during construction based on marked-up prints, drawings and other data furnished by the Contractor to the Architect.

1.7.18 Providing extensive assistance in the utilization of any equipment or system such as initial start-up or testing, adjusting and balancing, preparation of operation and maintenance manuals, training personnel for operation and maintenance, and consultation during operation.

1.7.19 Providing services after issuance to the Owner of the final Certificate for Payment, or in the absence of a final Certificate for Payment, more than sixty days after the Date of Substantial Completion of the Work.

1.7.20 Preparing to serve or serving as an expert witness in connection with any public hearing, arbitration proceeding or legal proceeding.

1.7.21 Providing services of consultants for other than the normal architectural, structural, mechanical and electrical engineering services for the Project.

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

1.8 TIME

1.8.1 The Architect shall perform Basic and Additional Services as expeditiously as is consistent with professional skill and care and the orderly progress of the Work. Upon request of the Owner, the Architect shall submit for the Owner's approval, a schedule for the performance of the Architect's services which shall be adjusted as required as the Project proceeds, and shall include allowances for periods of time required for the Owner's review and approval of submissions and for approvals of authorities having jurisdiction over the Project. This schedule, when approved by the Owner, shall not, except for reasonable cause, be exceeded by the Architect.

ARTICLE 2

THE OWNER'S RESPONSIBILITIES

2.1 The Owner shall provide full information regarding requirements for the Project including a program, which shall set forth the Owner's design objectives, constraints and criteria, including space requirements and relationships, flexibility and expandability, special equipment and systems and site requirements.

2.2 If the Owner provides a budget for the Project it shall include contingencies for bidding, changes in the Work during construction, and other costs which are the responsibility of the Owner, including those described in this Article 2 and in Subparagraph 3.1.2. The Owner shall, at the request of the Architect, provide a statement of funds available for the Project, and their source.

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

2.4 The Owner shall furnish a legal description and a certified land survey of the site, giving, as applicable, grades and lines of streets, alleys, pavements and adjoining property; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and complete data pertaining to existing buildings, other improvements and trees; and full information concerning available service and utility lines both public and private, above and below grade, including inverts and depths.

2.5 The Owner shall furnish the services of soil engineers or other consultants when such services are deemed necessary by the Architect. Such services shall include test borings, test pits, soil bearing values, percolation tests, air and water pollution tests, ground corrosion and resistivity tests, including necessary operations for determining subsoil, air and water conditions, with reports and appropriate professional recommendations.

2.6 The Owner shall furnish structural, mechanical, chemical and other laboratory tests, inspections and reports as required by law or the Contract Documents.

2.7 The Owner shall furnish all legal, accounting and insurance counseling services as may be necessary at any time for the Project, including such auditing services as the Owner may require to verify the Contractor's Applications for Payment or to ascertain how or for what purposes the Contractor uses the moneys paid by or on behalf of the Owner.

2.8 The services, information, surveys and reports required by Paragraphs 2.4 through 2.7 inclusive shall be furnished at the Owner's expense, and the Architect shall be entitled to rely upon the accuracy and completeness thereof.

2.9 If the Owner observes or otherwise becomes aware of any fault or defect in the Project or nonconformance with the Contract Documents, prompt written notice thereof shall be given by the Owner to the Architect.

2.10 The Owner shall furnish required information and services and shall render approvals and decisions as expeditiously as necessary for the orderly progress of the Architect's services and of the Work.

ARTICLE 3

CONSTRUCTION COST

3.1 DEFINITION

3.1.1 The Construction Cost shall be the total cost or estimated cost to the Owner of all elements of the Project designed or specified by the Architect.

3.1.2 The Construction Cost shall include at current market rates, including a reasonable allowance for overhead and profit, the cost of labor and materials furnished by the Owner and any equipment which has been de-

signed, specified, selected or specially provided for by the Architect.

3.1.3 Construction Cost does not include the compensation of the Architect and the Architect's consultants, the cost of the land, rights-of-way, or other costs which are the responsibility of the Owner as provided in Article 2.

3.2 RESPONSIBILITY FOR CONSTRUCTION COST

3.2.1 Evaluations of the Owner's Project budget, Statements of Probable Construction Cost and Detailed Estimates of Construction Cost, if any, prepared by the Architect, represent the Architect's best judgment as a design professional familiar with the construction industry. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials or equipment, over the Contractor's methods of determining bid prices, or over competitive bidding, market or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Project budget proposed, established or approved by the Owner, if any, or from any Statement of Probable Construction Cost or other cost estimate or evaluation prepared by the Architect.

3.2.2 No fixed limit of Construction Cost shall be established as a condition of this Agreement by the furnishing, proposal or establishment of a Project budget under Subparagraph 1.1.2 or Paragraph 2.2 or otherwise, unless such fixed limit has been agreed upon in writing and signed by the parties hereto. If such a fixed limit has been established, the Architect shall be permitted to include contingencies for design, bidding and price escalation, to determine what materials, equipment, component systems and types of construction are to be included in the Contract Documents, to make reasonable adjustments in the scope of the Project and to include in the Contract Documents alternate bids to adjust the Construction Cost to the fixed limit. Any such fixed limit shall be increased in the amount of any increase in the Contract Sum occurring after execution of the Contract for Construction.

3.2.3 If the Bidding or Negotiation Phase has not commenced within three months after the Architect submits the Construction Documents to the Owner, any Project budget or fixed limit of Construction Cost shall be adjusted to reflect any change in the general level of prices in the construction industry between the date of submission of the Construction Documents to the Owner and the date on which proposals are sought.

3.2.4 If a Project budget or fixed limit of Construction Cost (adjusted as provided in Subparagraph 3.2.3) is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall (1) give written approval of an increase in such fixed limit, (2) authorize rebidding or renegotiating of the Project within a reasonable time, (3) if the Project is abandoned, terminate in accordance with Paragraph 10.2, or (4) cooperate in revising the Project scope and quality as required to reduce the Construction Cost. In the case of (4), provided a fixed limit of Construction Cost has been established as a condition of this Agreement, the Architect, without additional charge, shall modify the Drawings and Specifications as necessary to comply

with the fixed limit. The providing of such service shall be the limit of the Architect's responsibility arising from the establishment of such fixed limit, and having done so, the Architect shall be entitled to compensation for all services performed, in accordance with this Agreement, whether or not the Construction Phase is commenced.

ARTICLE 4

DIRECT PERSONNEL EXPENSE

4.1 Direct Personnel Expense is defined as the direct salaries of all the Architect's personnel engaged on the Project, and the portion of the cost of their mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, pensions and similar contributions and benefits.

ARTICLE 5

REIMBURSABLE EXPENSES

5.1 Reimbursable Expenses are in addition to the Compensation for Basic and Additional Services and include actual expenditures made by the Architect and the Architect's employees and consultants in the interest of the Project for the expenses listed in the following Subparagraphs:

5.1.1 Expense of transportation in connection with the Project; living expenses in connection with out-of-town travel; long distance communications, and fees paid for securing approval of authorities having jurisdiction over the Project.

5.1.2 Expense of reproductions, postage and handling of Drawings, Specifications and other documents, excluding reproductions for the office use of the Architect and the Architect's consultants.

5.1.3 Expense of data processing and photographic production techniques when used in connection with Additional Services.

5.1.4 If authorized in advance by the Owner, expense of overtime work requiring higher than regular rates.

5.1.5 Expense of renderings, models and mock-ups requested by the Owner.

5.1.6 Expense of any additional insurance coverage or limits, including professional liability insurance, requested by the Owner in excess of that normally carried by the Architect and the Architect's consultants.

ARTICLE 6

PAYMENTS TO THE ARCHITECT

6.1 PAYMENTS ON ACCOUNT OF BASIC SERVICES

6.1.1 An initial payment as set forth in Paragraph 14.1 is the minimum payment under this Agreement.

6.1.2 Subsequent payments for Basic Services shall be made monthly and shall be in proportion to services performed within each Phase of services, on the basis set forth in Article 14.

6.1.3 If and to the extent that the Contract Time initially established in the Contract for Construction is exceeded

or extended through no fault of the Architect, compensation for any Basic Services required for such extended period of Administration of the Construction Contract shall be computed as set forth in Paragraph 14.4 for Additional Services.

6.1.4 When compensation is based on a percentage of Construction Cost, and any portions of the Project are deleted or otherwise not constructed, compensation for such portions of the Project shall be payable to the extent services are performed on such portions, in accordance with the schedule set forth in Subparagraph 14.2.2, based on (1) the lowest bona fide bid or negotiated proposal or, (2) if no such bid or proposal is received, the most recent Statement of Probable Construction Cost or Detailed Estimate of Construction Cost for such portions of the Project.

6.2 PAYMENTS ON ACCOUNT OF ADDITIONAL SERVICES

6.2.1 Payments on account of the Architect's Additional Services as defined in Paragraph 1.7 and for Reimbursable Expenses as defined in Article 5 shall be made monthly upon presentation of the Architect's statement of services rendered or expenses incurred.

6.3 PAYMENTS WITHHELD

6.3.1 No deductions shall be made from the Architect's compensation on account of penalty, liquidated damages or other sums withheld from payments to contractors, or on account of the cost of changes in the Work other than those for which the Architect is held legally liable.

6.4 PROJECT SUSPENSION OR TERMINATION

6.4.1 If the Project is suspended or abandoned in whole or in part for more than three months, the Architect shall be compensated for all services performed prior to receipt of written notice from the Owner of such suspension or abandonment, together with Reimbursable Expenses then due and all Termination Expenses as defined in Paragraph 10.4. If the Project is resumed after being suspended for more than three months, the Architect's compensation shall be equitably adjusted.

ARTICLE 7

ARCHITECT'S ACCOUNTING RECORDS

7.1 Records of Reimbursable Expenses and expenses pertaining to Additional Services and services performed on the basis of a Multiple of Direct Personnel Expense shall be kept on the basis of generally accepted accounting principles and shall be available to the Owner or the Owner's authorized representative at mutually convenient times.

ARTICLE 8

OWNERSHIP AND USE OF DOCUMENTS

8.1 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. The Owner shall be permitted to retain copies, including reproducible copies, of Drawings and Specifications for information and reference in connection with the Owner's use and occupancy of the Project. The Drawings and Specifications shall not be used by the Owner on

other projects, for additions to this Project, or for completion of this Project by others provided the Architect is not in default under this Agreement, except by agreement in writing and with appropriate compensation to the Architect.

8.2 Submission or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's rights.

ARTICLE 9

ARBITRATION

9.1 All claims, disputes and other matters in question between the parties to this Agreement, arising out of or relating to this Agreement or the breach thereof, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining unless the parties mutually agree otherwise. No arbitration, arising out of or relating to this Agreement, shall include, by consolidation, joinder or in any other manner, any additional person not a party to this Agreement except by written consent containing a specific reference to this Agreement and signed by the Architect, the Owner, and any other person sought to be joined. Any consent to arbitration involving an additional person or persons shall not constitute consent to arbitration of any dispute not described therein or with any person not named or described therein. This Agreement to arbitrate and any agreement to arbitrate with an additional person or persons duly consented to by the parties to this Agreement shall be specifically enforceable under the prevailing arbitration law.

9.2 Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association. The demand shall be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event shall the demand for arbitration be made after the date 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.

9.3 The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

ARTICLE 10

TERMINATION OF AGREEMENT

10.1 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.

10.2 This Agreement may be terminated by the Owner upon at least seven days' written notice to the Architect in the event that the Project is permanently abandoned.

10.3 In the event of termination not the fault of the Architect, the Architect shall be compensated for all services performed to termination date, together with Reimbursable Expenses then due and all Termination Expenses as defined in Paragraph 10.4.

10.4 Termination Expenses include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount computed as a percentage of the total Basic and Additional Compensation earned to the time of termination, as follows:

- .1 20 percent if termination occurs during the Schematic Design Phase; or
- .2 10 percent if termination occurs during the Design Development Phase; or
- .3 5 percent if termination occurs during any subsequent phase.

ARTICLE 11

MISCELLANEOUS PROVISIONS

11.1 Unless otherwise specified, this Agreement shall be governed by the law of the principal place of business of the Architect.

11.2 Terms in this Agreement shall have the same meaning as those in AIA Document A201, General Conditions of the Contract for Construction, current as of the date of this Agreement.

11.3 As between the parties to this Agreement: as to all acts or failures to act by either party to this Agreement, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the relevant Date of Substantial Completion of the Work, and as to any acts or failures to act occurring after the relevant Date of Substantial Completion, not later than the date of issuance of the final Certificate for Payment.

11.4 The Owner and the Architect waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages covered by any property insurance during construction as set forth in the edition of AIA Document A201, General Conditions, current as of the date of this Agreement. The Owner and the Architect each shall require appropriate similar waivers from their contractors, consultants and agents.

ARTICLE 12

SUCCESSORS AND ASSIGNS

12.1 The Owner and the Architect, respectively, bind themselves, their partners, successors, assigns 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 any interest in this Agreement without the written consent of the other.

ARTICLE 13

EXTENT OF AGREEMENT

13.1 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.

14.4 COMPENSATION FOR ADDITIONAL SERVICES

- 14.4.1 FOR ADDITIONAL SERVICES OF THE ARCHITECT, as described in Paragraph 1.7, and any other services included in Article 15 as part of Additional Services, but excluding Additional Services of consultants, Compensation shall be computed as follows:

(Here insert basis of compensation, including rates and/or multiples of Direct Personnel Expense for Principals and employees, and identify Principals and classify employees, if required. Identify specific services to which particular methods of compensation apply, if necessary.)

PRINCIPALS TO PARTICIPATE IN THIS PROJECT:

DEMETRIOS C. LIOLLIO, AIA, PRESIDENT

RAYMOND G. LARKIN II, P.E., VICE PRESIDENT

NOTE:

GEORGE B. RAST & ASSOCIATES, CONSULTANT ENGINEERS WILL PROVIDE SERVICES
FOR ELECTRICAL AND MECHANICAL

ROBERT A. SHOOLBRED, P.E., WILL COLLABORATE WITH R. G. LARKIN II, P.E.
FOR STRUCTURAL ENGINEERING

ALL OTHER PROFESSIONALS (ARCHITECTS AND ENGINEERS) ARE DENOTED AS STAFF MEMBERS.

ALL OTHERS ARE REFERRED TO AS "ASSISTANTS" - "DRAFTSMEN" - "SPECIFICATIONS
WRITER" - "CLERICAL INCLUDING BOOKKEEPING", ETC. ARE CLASSIFIED AS
EMPLOYEES PERFORMING SERVICES IN THE CAPACITY INDICATED.

SEE ATTACHED "FEE STRUCTURE" FOR DETAIL INFORMATION, PAGES 1 OF 3 THROUGH
3 OF 3 INCLUSIVE.

- 14.4.2 FOR ADDITIONAL SERVICES OF CONSULTANTS, including additional structural, mechanical and electrical engineering services and those provided under Subparagraph 1.7.21 or identified in Article 15 as part of Additional Services, a multiple of ONE POINT ONE (1.1) times the amounts billed to the Architect for such services.

(Identify specific types of consultants in Article 15, if required.)

- 14.5 FOR REIMBURSABLE EXPENSES, as described in Article 5, and any other items included in Article 15 as Reimbursable Expenses, a multiple of ONE POINT ONE (1.1) times the amounts expended by the Architect, the Architect's employees and consultants in the interest of the Project.

- 14.6 Payments due the Architect and unpaid under this Agreement shall bear interest from the date payment is due at the rate entered below, or in the absence thereof, at the legal rate prevailing at the principal place of business of the Architect.

(Here insert any rate of interest agreed upon.)

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Architect's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Specific legal advice should be obtained with respect to deletion, modification, or other requirements such as written disclosures or waivers.)

- 14.7 The Owner and the Architect agree in accordance with the Terms and Conditions of this Agreement that:

- 14.7.1 IF THE SCOPE of the Project or of the Architect's Services is changed materially, the amounts of compensation shall be equitably adjusted.

- 14.7.2 IF THE SERVICES covered by this Agreement have not been completed within TWO AND ONE-HALF (2-1/2) YEARS INCLUDING CONSTRUCTION PHASE
~~XXXXXX~~ of the date hereof, through no fault of the Architect, the amounts of compensation, rates and multiples set forth herein shall be equitably adjusted.

ARTICLE 15

OTHER CONDITIONS OR SERVICES

PLEASE SEE ATTACHED (FIVE PAGES)

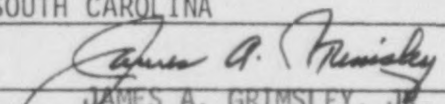
This Agreement entered into as of the day and year first written above.

OWNER
BOARD OF VISITORS

THE CITADEL, THE MILITARY COLLEGE

OF SOUTH CAROLINA


BY


JAMES A. GRIMSLEY, JR.
Major General, USA, Retired
Vice President for Administration
and Finance

ARCHITECT
DEMETRIOS C. LIOLLIO, AIA ARCHITECTS

& ASSOCIATES LTD.

BY


President
SOUTH CAROLINA REG. NO. 547

ARTICLE 15

OTHER CONDITIONS OR SERVICES

In the TERMS AND CONDITIONS OF AGREEMENT BETWEEN OWNER AND ARCHITECT AND/OR ENGINEER add to or delete from as follows:

15.1 GENERAL:

"Where the word "ARCHITECT" appears in the TERMS AND CONDITIONS OF AGREEMENT BETWEEN OWNER AND ARCHITECT substitute therefor: "ARCHITECT and/or ENGINEER."

15.2 ARTICLE I - ARCHITECT AND/OR ENGINEER'S SERVICES AND RESPONSIBILITY:

Add the following subparagraph:

"1.1.5.1 Upon completion of the Schematic Design Phase, the Schematic Design Documents, including Probable Construction Cost shall be submitted to the Owner and State Engineer, and the Owner will approve the Probable Construction Cost in writing."

15.2.2 "1.2 Delete in its entirety and substitute therefor the following:

"1.2 DESIGN DEVELOPMENT PHASE

"1.2.1 Based on the Schematic Design Documents and any adjustments in the program or project budget, the Owner shall instruct the Architect, in writing, to prepare the Design Development Documents.

"1.2.2 Design Development Documents shall include sufficient material to delineate the scope of Project and to indicate the general design of the Project. Design Development Document, consisting of Drawing, Outline Specifications, Probable Construction Cost, and any other material or document necessary to prepare the Design Development Documents shall contain all architectural and/or engineering skills.

"1.2.3 Design Development Documents shall include but are not limited to the following:

"1.2.3.1 DRAWINGS:

(a) Existing topographic features and improvements affecting or relating to the proposed work. Indicate revisions to be made to existing topographic features and improvements such as grading, construction of drainage facilities, etc. Where drainage facilities are to be provided, indicate direction of flow and point of discharge by appropriate symbol or notes.

(b) Double-line drawings showing developed floor plans, proposed finished floor elevations, floor and roof framing, typical wall section, exterior elevations showing proposed floor-to-floor heights and basic details of any unusual features of construction.

(c) Basic information necessary to establish space requirements and functional arrangement.

(d) Functional layout of mechanical, electrical and electronic features, special equipment, plumbing and heating to include, where applicable:

(1) Location of evaporative coolers and/or air conditioning units.

(2) General scale layout of equipment, heater and/or boiler rooms showing space requirements and auxiliary equipment proposed.

(3) Location and approximate size of special equipment to be installed such as compressors, generators, transformers, electronic equipment racks, consoles, panels, distributing frames, hoists, cranes, etc.

(e) Location, dimension, sections, areas and capacities, as applicable to parking areas, access roads, driveways, walks, etc.

(f) Location and size of existing or proposed sanitary sewers, water mains, gas mains and electrical service in the vicinity of the proposed buildings. Size and location of transformers. Elevations of gravity lines. Location of proposed building connections with notations showing which of the necessary utility extensions or connections beyond the 5-foot building line will be provided.

(g) Provide simplified schematic electrical diagrams for each electronic or instrumentation system to show that the required system functions are being provided.

"1.2.3.2 Outline Specifications and Probable Construction Cost shall be developed to a uniform level, reflecting the material, trades, mechanical and electrical system, and specialties required to reflect the Project as a whole.

"1.2.4 Upon completion of Design Development Phase, the Design Development Documents, including Outline Specifications and Probable Construction Cost shall be submitted to the Owner and State Engineer, and the Owner will approve the Probable Construction Cost in writing."

15.2.3 Add the following subparagraph:

"1.3.4.1 Prior to advertising for bids for construction, the Architect and/or Engineer shall submit the Construction Documents and Probable Construction Cost and shall obtain written approval of the Probable Construction Cost from the Owner..

"1.3.4.2 Submission of the Construction Documents and Probable Construction Documents and Probable Construction Cost to the Owner and State Engineer and the approval of the Probable Construction Cost shall not relieve the Architect and/or Engineer of any responsibility for design deficiencies, omission or errors."

Add the following subparagraphs:

- 15.2.4 "1.5.4.1 Periodic visit by the ARCHITECT and/or ENGINEER may vary with the progress of the work and other conditions, but shall average not less than one visit by the ARCHITECT and/or ENGINEER or his representative to the project per week during the course of construction. The ARCHITECT and/or ENGINEER shall submit to the OWNER a written report of his periodic visit, at least once a month, of his findings and progress of the project.

"1.5.4.1.2 Should the CONTRACTOR fall behind in his construction schedule by more than four weeks, the ARCHITECT and/or ENGINEER shall notify the OWNER in writing."

- 15.2.5 1.5.9 Delete in its entirety and substitute therefor the following:

"1.5.9 The ARCHITECT and/or ENGINEER shall be the interpreter of the requirements of the CONTRACT DOCUMENTS and judge of the performance thereunder by both the OWNER and the CONTRACTOR. The ARCHITECT and/or ENGINEER shall render written interpretations necessary for the proper execution or progress of the work within fifteen days on written request of either the OWNER or the CONTRACTOR, unless such interpretation can only be made after testing, in which case an interpretation must be rendered within fifteen days after completion of such test, and shall render written decisions, within fifteen days, on all claims, disputes and other matters in question between the OWNER and the CONTRACTOR relating to the execution or progress of the work or the interpretation of the CONTRACT DOCUMENTS."

- 15.2.6 Add the following subparagraph:

"1.5.14.1 Where a Change Order is required due to field adjustment, design deficiency omission or error, the Change Order shall be prepared at no cost to the Owner."

- 15.2.7 Add the following Subparagraphs:

"1.5.17 Upon completion of the CONSTRUCTION PHASE, the ARCHITECT and/or ENGINEER shall correct the original drawing to "record drawings" showing all significant changes in the Work made during construction. Such changes to the drawings shall be made in a professional manner, and drawings shall be stamped and signed by the ARCHITECT and/or ENGINEER as said drawings being "record drawings", based on marked-up prints, drawings and other data furnished by the CONTRACTOR and/or representative of the OWNER and/or ARCHITECT and/or ENGINEER.

"1.5.18 One month prior to the expiration of the one-year warranty period as called for in the CONSTRUCTION DOCUMENTS, the ARCHITECT and/or ENGINEER shall inspect the project for any deficiencies that may have developed under the one-year warranty. Upon completion of inspection a written report shall be furnished to the OWNER, the STATE ENGINEER and the CONTRACTOR, and the ARCHITECT and/or ENGINEER shall assist the OWNER in taking necessary action to see that the deficiencies are corrected."

15.2.8 1.7.17 Delete this Subparagraph in its entirety.

15.3 ARTICLE 2 - THE OWNER'S RESPONSIBILITY:

15.3.1 2.4 First line following Owner delete "shall furnish" and substitute therefor the following:

"will furnish, if requested, by the ARCHITECT and/or ENGINEER."

15.4 ARTICLE 3 - CONSTRUCTION COST:

15.4.1 Add the following Subparagraph:

"3.1.3.1 Compensation to the ARCHITECT and/or ENGINEER shall be as set forth in Article 14. When compensation is based on "Percentage of Construction Cost" the establishing of the percentage shall be the amount of the Construction Contract awarded. Once established, the same percentage figure shall apply to any recomputation of fee occasioned by Change Order, and only Change Orders that increase the contract amount shall be used in recomputation. Where a Change Order is required because of field adjustments, design deficiencies, omission or errors, the amount of that Change Order shall not apply toward computation of ARCHITECT and/or ENGINEER'S compensation".

15.4.2 Add the following Subparagraph:

"3.2.2.1 Fixed limit of Construction Cost shall be the Probable Construction Cost as defined in Subparagraph 1.3.4.1".

15.4.3 6.1.3 Delete in its entirety and substitute therefor the following:

"6.1.3 If the Contract Time initially established in the Construction Contract is exceeded by more than thirty days through no fault of the ARCHITECT and/or ENGINEER, compensation for Basic Services performed by Principals, employees and professional consultants required to complete the Administration of the Construction Contract beyond the thirtieth day shall be computed as set forth in Paragraph 14.4.1 and 14.4.2 for Additional Services. No additional services by the ARCHITECT and/or ENGINEER in connection with semi-final and final inspection."

15.5 ARTICLE 8: OWNERSHIP OF DOCUMENTS:

15.5.1 ARTICLE 8: Delete in its entirety and substitute therefor new ARTICLE 8 as follows:

"ARTICLE 8: OWNERSHIP OF DOCUMENTS".

8.1 The Owner shall have unlimited rights in the ownership of all drawings, designs, specifications, notes and other work developed in the performance of the AGREEMENT, including the right to use same on any other Owner's projects without additional cost to the Owner, and with respect thereto the ARCHITECT and/or ENGINEER agrees to and does hereby grant to the Owner a royalty-free

license to all such data which he may cover by copyright and to all designs as to which he may assert any rights or establish any claim under the design patent or copyright laws.

"8.2 In the case of future reuse of the documents the Owner reserves the right to negotiate with the ARCHITECT and/or ENGINEER for compensation for the acceptance of any professional liability."

"8.3 In the event the Owner does not exercise the option to negotiate with the ARCHITECT and/or ENGINEER FOR THE Architect's and/or Engineer's acceptance of any professional liability, it is understood that the ARCHITECT and/or ENGINEER is no longer liable in the reuse of the documents.

15.6 ARTICLE 9 - ARBITRATION

Delete ARTICLE 9 in its entirety.

15.7 ARTICLE 10 - TERMINATION OF AGREEMENT

15.7.1 10.3 Fourth line following "Expense" change comma "," to period "." and delete rest of sentence.

15.7.2 10.4 Delete in its entirety.

15.8 ARTICLE 11 - MISCELLANEOUS PROVISIONS

15.8.1 11.1 Second line following "laws of" delete remaining of sentence and substitute therefor the following:

"-----South Carolina."

15.9 ARTICLE 14 - BASIS OF COMPENSATION

15.9.1 14.6 Delete in its entirety and substitute therefor the following:

"14.6 Payment due the ARCHITECT and/or ENGINEER under this Agreement shall bear interest at six percent per annum commencing forty-five days after date of billing."

ARTICLE 14
BASIS OF COMPENSATION

The Owner shall compensate the Architect for the Scope of Services provided, in accordance with Article 6, Payments to the Architect, and the other Terms and Conditions of this Agreement, as follows:

- 14.1 AN INITIAL PAYMENT of NONE REQUIRED dollars (\$)
shall be made upon execution of this Agreement and credited to the Owner's account as follows:

14.2 BASIC COMPENSATION

- 14.2.1 FOR BASIC SERVICES, as described in Paragraphs 1.1 through 1.5, and any other services included in Article 15 as part of Basic Services, Basic Compensation shall be computed as follows:

(Here insert basis of compensation, including fixed amounts, multiples or percentages, and identify Phases to which particular methods of compensation apply, if necessary.)

THE FEE IS BASED ON A "STIPULATED SUM" NOT TO EXCEED EIGHTY THREE THOUSAND NINE HUNDRED THIRTY NINE AND NO/100 DOLLARS (\$83,939.00)

THIS "STIPULATED SUM" INCLUDES THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00) REIMBURSABLE FEE FOR OWNER PROCURED SERVICES OF SOIL INVESTIGATION.

- 14.2.2 Where compensation is based on a Stipulated Sum or Percentage of Construction Cost, payments for Basic Services shall be made as provided in Subparagraph 6.1.2, so that Basic Compensation for each Phase shall equal the following percentages of the total Basic Compensation payable:

(Include any additional Phases as appropriate.)

(SITE SURVEY AND SOIL INVESTIGATION INCLUDED)			
Schematic Design Phase:	\$10,345.00	percent (%)
Design Development Phase:	\$11,235.00	percent (%)
Construction Documents Phase:	\$40,282.00	percent (%)
Bidding or Negotiation Phase:	\$ 4,500.00	percent (%)
Construction Phase:	\$17,577.00	percent (%)
	<u>\$83,939.00</u>		

- 14.3 FOR PROJECT REPRESENTATION BEYOND BASIC SERVICES, as described in Paragraph 1.6, Compensation shall be computed separately in accordance with Subparagraph 1.6.2.

FEE STRUCTURE FOR UTILITIES BUILDING ADDITION
THE CITADEL
CHARLESTON, S. C.

JANUARY 19, 1979

I. SITE SURVEY:

A. SURVEY OF EXISTING FACILITIES TO BE EFFECTED BY CHANGES:

ENGINEER & ASSISTANT:

TIME 2½ DAYS	-THREE TRIPS = 60 MILES @ 15¢ =	9.00	
	-ENGINEER - 21½ HOURS @ \$14.00 =	300.00	
	-ASSISTANT - 23½ HOURS @ \$ 6.00 =	140.00	
			449.00

B. SITE INVESTIGATION - THE STUDY OF LAND
AND SURROUNDINGS DURING PROCESS OF ALL
DOCUMENTS

ARCHITECT/ENGINEER

TIME 3 DAYS	-SIX TRIPS = 120 MILES @ 15¢ =	18.00	
	-ENGINEER (P) 21½ HRS. @ \$14.00=	300.00	
	-ARCHITECT(P) 20 HRS. @ \$15.00=	300.00	
			618.00
			1,067.00
			X 2.1
			2,240.00

II. SCHEMATIC DESIGN PHASE:

A. PROGRAMMING OUTLINE SPECIFICATIONS,
DRAFTING

*ARCHITECT-ENGINEER-DRAFTSMEN-
*SPECIFICATIONS WRITER

TIME 2 WEEKS	-ARCHITECT(P) 23 HRS. @ \$15.00=	1,350.00	
	-ENGINEER (P) 17 HRS. @ \$14.00=	240.00	
	-DRAFTSMEN 93½ HRS. @ \$ 6.00=	560.00	
	-SPEC WRITER(P) 68½ HRS. @ \$14.00=	960.00	
	-REPRODUCTION	= 250.00	
	-CLERICAL (DIRECT)	= 71.00	
			2,431.00
			X 2.1
			5,105.00

B. SOIL INVESTIGATION

3,000.00
8,105.00

*PROBABLE COST ESTIMATES BY
ARCHITECTS-ENGINEERS

III. DESIGN DEVELOPMENT PHASE:

A. DEVELOPMENT OF PRELIMINARY DRAWINGS

ARCHITECT-ENGINEER-DRAFTSMEN-
 SPECIFICATIONS WRITER

TIME 3 WEEKS	*-ARCHITECT(P+S)	168 HRS. @ \$10.00	=1,680.00	
	*-ENGINEER (P+S)	112 HRS. @ \$10.00	=1,120.00	
	-DRAFTSMEN	140 HRS. @ \$ 6.00	= 840.00	
	-SPEC WRITER	69 HRS. @ \$14.00	= 960.00	
	-REPRODUCTION		= 500.00	
	-CLERICAL (DIRECT)		= 250.00	
				5,350.00
				X 2.1
				<hr/>
				11,235.00

IV. CONSTRUCTION DOCUMENT & BIDDING PHASE:

A. DEVELOPMENT OF CONSTRUCTION DOCUMENTS

ARCHITECT-ENGINEER-DRAFTSMEN-
 SPECIFICATIONS WRITER-CLERICAL (DIRECT)
 -REPRODUCTION

TIME 8½ WEEKS	*-ARCHITECT(P+S)	208 HRS. @ \$10.00	=2,080.00	
	*-ENGINEER/S	388 HRS. @ \$ 8.50	=3,300.00	
	*-ENGINEER/M/E	LUMP SUM	=8,000.00	
	*-ENGINEER/C	86 HRS. @ \$14.00	=1,200.00	
	-DRAFTSMEN	574 HRS. @ \$ 6.00	=3,445.00	
	-SPEC WRITER	136 HRS. @ \$14.00	=1,900.00	
	-REPRODUCTION		=1,200.00	
	-CLERICAL (DIRECT)		= 200.00	
				21,325.00
				X 2.1
				<hr/>
				44,782.00

*PROBABLE COST ESTIMATES BY
 ARCHITECTS-ENGINEERS

V. CONSTRUCTION PHASE:

A. REVIEWING OF WORK:
 (3 TRIPS/WEEK/3 HOURS)

ARCHITECT-ENGINEER-FIELD REPRESENTATIVE

-A/E(S)(SHOP DRAWINGS):	122 HRS. @ \$ 8.50 =	1,040.00	
-A/E(S)(CONSULTATION) :	122 HRS. @ \$ 8.50 =	1,040.00	
-A/E(P)(CERTIFICATIONS):	37 HRS. @ \$14.00 =	520.00	
-A/E(P)FIELD(S)	37 HRS. @ \$14.00 =	520.00	
-FIELD REPRESENTATIVE & RECORD DOCUMENTS	600 HRS. @ \$ 8.00 =	4,800.00	
**--TRIPS(150 x 20 MILES = 300 @ 15¢	=	450.00	
			8,370.00
			X 2.1
			<hr/> 17,577.00 <hr/>
GRAND TOTAL PROPOSAL -----			83,939.00

** INCLUDES ONE YEAR INSPECTION

P = PRINCIPAL ARCHITECT - \$15.00 PER HOUR

P = PRINCIPAL ENGINEER - \$14.00 PER HOUR

S = STAFF ARCHITECT OR ENGINEER - \$8.50 PER HOUR

ALL OTHER EMPLOYEES AS NOTED

2.1 = MULTIPLE FACTOR - 100% INDIRECT COST PLUS
 10% PROFIT ON DIRECT COST



The News and Courier



CHARLESTON EVENING POST

State of South Carolina

County of Charleston

Personally appeared before me

the undersigned advertising Clerk of the
above indicated newspaper(s), 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(s)

on the following day(s):

OCTOBER 1, 2, 1978

at a cost of \$ 22.40

Acct. #16060

Subscribed and sworn to

before me this 12th day

of OCTOBER

A.D. 19 78

L. G. Weeks

Frank W. Peltier

NOTARY PUBLIC, S.C.

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

ARCHITECT-ENGINEER

QUALIFICATION REQUEST

The Director of Physical Plant, The Citadel, Charleston, South Carolina 29409 will receive resumes of qualifications from Architect-Engineers interested in providing services for the design of an addition to the utilities building, The Citadel.

28,000 square foot addition, with covered loading docks, will include trades shops, a warehouse and an air conditioned print shop. Concrete block construction is to be compatible with existing structure.

Firms submitting resume of qualifications shall include a list of all contracts, including construction cost, the firm has executed on state work in the past two years.

Resumes must be received in the Director of Physical Plant's Office within 15 days of this advertisement.

INCL 2

Firms Responding to Advertisement with Contracts Executed
on State Work in the Past Two Years

1. Demetrios Liollio and Associates - Charleston, SC

None

2. Cummings and McCrady - Charleston, SC

October 1978, Multiple Handicapped Nursing Facility
Coastal Center, Ladson, SC - \$1,500,000 (est)

December 1978, Coward Dining Hall Renovations, The Citadel
\$250,000 (est)

3. Lockwood Greene - Spartanburg, SC

	Fee	Construction Cost
The Citadel, Summerall Chapel	\$8,000	\$123,000
S.C. State Development Board Industrial Resources Data Collection	2,000	Research Project
S.C. School for Deaf and Blind Fire Alarm System	12,000	163,000
Medical University of SC Controlled Data Process Center	15,725	Study Only

4. Constantine and Constantine - Charleston, SC

None

5. Jeffrey Rosenblum - Charleston, SC

None

6. Lucas and Stubbs - Charleston, SC

Not Submitted

7. J. Harrell Gandy - Charleston, SC

1977 - National Guard Organizational Maintenance Shop,
Mt. Pleasant, SC \$200,000

Firms w/State Work for Past Two Years
1/29/79
Page Two

8. David Parrott - Charleston, SC

None

9. Gresham and Smith - Nashville, Tennessee and Charleston, SC

None

AE Contracts Awarded by The Citadel in the Last Three Years

1. January 1977, Lucas and Stubbs, Charleston, SC
Update Master Plan - \$31,895 (Fee)
2. December 1977, George Rast and Associates, Charleston, SC
Study of Heat Systems, Faculty Quarters - \$3,500 (Fee)
3. July 1978, Lockwood Greene, Spartanburg, SC
Design Repairs for Daniel Library and McAlister Field
House Roofs - \$9,000 (Fee)
4. August 1978, G. Robert George and Associates, Charleston, SC
Design all-weather surface for 400 meter track - \$2,485 (Fee)
5. December 1978, George Rast and Associates, Charleston, SC
Family Housing Heating/Air Conditioning - \$400,000 (est)
6. December 1978, Cummings and McCrady, Charleston, SC
Coward Dining Hall Renovation - \$250,000 (est)

EXHIBIT II

3/1/79

STATE BUDGET AND CONTROL BOARD

BLUE AGENDA

MEETING OF March 1, 1979

ITEM NUMBER 2

Agency: (a) Department of Corrections
(b) Department of Social Services

Subject: Waiver of Mandatory Retirement

- (a) The Department of Corrections requests permission to extend the employment of Correctional Officer William R. Hagan, who will attain age 71 on August 20, 1979, for one year beyond that date.
- (b) The Department of Social Services requests permission to extend the employment of Public Assistance Supervisor Kathryn F. Livingston for one year beyond November 16, 1978, the date on which she attained age 70.

Board Action Requested:

Approve request (a) and (b).

Staff Comment:

Attachments:

- (a) Leeke 2/9/79 letter to Putnam;
- (b) Conrad 1/30/79 letter to Vaughn; and
- (c) Copy of Code Section 9-1-1530.



10-1
south carolina
department of corrections **RECEIVED**

P.O. BOX 21787/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29221
TELEPHONE (803) 758-6444
WILLIAM D. LEEKE, Commissioner

FEB 13 1979

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

February 9, 1979

Mr. William T. Putman
State Auditor
Office of State Auditor
Post Office Box 11333
Columbia, South Carolina 29201

REFERENCE: Waiver of Mandatory Retirement - William R. Hagan

Dear Mr. Putman:

It is respectfully requested that the matter of waiving the mandatory retirement age on behalf of Mr. William R. Hagan, Correctional Officer with the South Carolina Department of Corrections, be brought to the attention of the Budget and Control Board at the next scheduled meeting.

Mr. Hagan will be seventy-one (71) years of age on August 20, 1979. His job performance has not been affected by his advancing age and I am assured that his general health remains stable. It is understood that a waiver may only be granted on a year to year basis until the age of 72, and only after he has completed a physical examination by our agency physician.

The approval of this request will be greatly appreciated. If I may answer further questions concerning this matter, please advise.

With kind personal regards, I remain,

Sincerely,

William D. Leeke

WDL/rl 4/1

cc: The Honorable Richard Riley, Chairman State
Budget and Control Board
The Honorable Grady L. Patterson, Jr.
The Honorable Earle B. Morris
The Honorable Rembert C. Dennis
The Honorable Tom G. Mangum, Chairman
Ways and Means Committee
Mr. George Martin, Manning Correctional Institution

BOARD OF
CORRECTIONS

CLARENCE E. WATKINS
Chairman
Camden, S.C.

EUGENE N. ZEIGLER
Vice Chairman
Florence, S.C.

NORMAN KIRKLAND
Secretary
Barnburg, S.C.

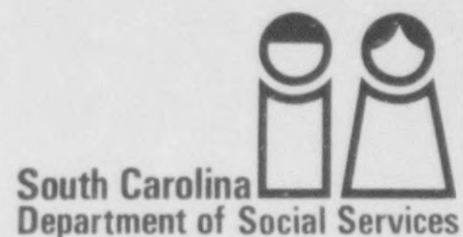
CHARLES C. MOORE
Member
Spartanburg, S.C.

W.M. CROMLEY, JR.
Member
Sahade, S.C.

BETTY M. CONDON
Member
Mt. Pleasant, S.C.

GOV. RICHARD W. RILEY, Member, Ex Officio, Columbia, S.C.

VIRGIL L. CONRAD
COMMISSIONER



January 30, 1979

Mr. Edgar A. Vaughn
Secretary, Budget and Control Board
Room 205, Wade Hampton Office Building
P. O. Box 11333
Columbia, South Carolina 29211

Dear Mr. Vaughn:

This Agency respectfully requests that the S. C. Budget and Control Board approve the retention of our employee, Mrs. Kathryn F. Livingston, SSN 250-70-3785, for an additional year beyond her seventieth birthday.

Mrs. Livingston has been employed with this Agency since September 9, 1970, and is presently employed as a Public Assistance Supervisor in our Allendale County office. She has been a good employee and functions as a much younger person might although she reached her seventieth birthday on November 16, 1978. She is fully qualified to continue performing her duties and her immediate supervisor, Miss Adeline Kearse, Allendale County Director, recommends her retention without reservation.

I appreciate your assistance in this matter.

Sincerely yours,

Virgil L. Conrad
Commissioner

VLC:gbfc



RECEIVED

FEB 13 1979

STATE AUDITOR'S OFFICE
DIVISION OF ADMINISTRATION

ATTORNEY GENERAL'S OPINIONS

Absent statutory authority, a State retirement before age 70. 1974-75 Op agency may not require mandatory re- Att'y Gen, No 4181, p 235.

§ 9-1-1530. Employees shall be retired at age seventy.

Any employee in service who has attained the age of seventy years shall be retired forthwith, except that:

(1) With the approval of his employer he may remain in service until the end of the year following the date on which he attains the age of seventy years;

(2) With the approval of his employer and the Board he may, upon his request therefor, be continued in service for a period of one year following each such request until such employee has reached the age of seventy-two years; and

(3) With the approval of his employer, upon his request therefor, be continued in service for such period of time as may be necessary for such employee to qualify for coverage under the old age and survivors insurance provision of Title II of the Federal Social Security Act, as amended.

It shall be mandatory for any employee or teacher whether or not appointed and regardless of whether or not a member of the South Carolina Retirement System to retire no later than the end of the fiscal year in which he reaches his seventy-second birthday.

This section shall not apply to any person holding an elective office.

This section shall take effect July 1, 1969. *Provided, however,* no person affected by the provisions of this section shall be required to retire prior to July 1, 1971.

Provided, however, that excepting constitutional offices, this section shall not apply to appointive offices receiving per diem or travel allowances as total compensation or to employees of the State Court System when such court employees are employed on a part-time basis.

HISTORY: 1978 Act No. 404 § 1, eff Feb. 14, 1978.

Effect of Amendments—

The 1978 amendment struck the proviso at the end of the section and inserted in its place a proviso exempting persons employed part-time in the state court system from the provisions of the section.

CASE NOTES

Power of University of South Carolina to lower retirement age to 65 from state mandatory retirement age of 70 is issue for state to determine, and where constitutional issues presented by plaintiff seeking to enjoin enforcement of this rule are dependent upon the state issue, and issue is novel to

STATE BUDGET AND CONTROL BOARD

BLUE AGENDA

EXHIBIT III
3/1/79

MEETING OF March 1, 1979

ITEM NUMBER 3

Agency: (a) Health and Environmental Control
(b) Wildlife & Marine Resources

Subject: Consultant Services Contracts

(a) DHEC

Consultant: O. Marion Burton, M.D.

Maximum Dollars: \$14,500

Time Period: 10/1/78 - 9/30/79

Purpose: Provide following services to Appalachia I Maternal and Child Care Project: (1) clinician services in pediatric clinics; (2) newborn exams on all infants born to project enrollees; (3) episodic care to project enrollees; and (4) medical consultation to staff as required.

(b) Wildlife and Marine Resources

Consultant: Mr. Lacy L. Gaddy

Maximum Dollars: \$13,000, 100% State (at \$11 per hour)

Time Period: 2/26/79 -

Purpose: Coordinate and conduct all field investigations of study entitled "Barrier Island Recreational Carrying Capacity" which will include Capers Island, Bull Island, Kiawah Island and others.

Board Action Requested:

Approve

Staff Comment:

Attachments:

Report on Consultants forms

STATE BUDGET AND CONTROL BOARD

BLUE AGENDA

MEETING OF March 1, 1979

ITEM NUMBER 3

Agency: (a) Health and Environmental Control
(b) Wildlife & Marine Resources

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Maximum Dollars: \$13,000, 100% State (at \$11 per hour)

Time Period: 2/26/79 -

Purpose: Coordinate and conduct all field investigations of study entitled "Barrier Island Recreational Carrying Capacity" which will include Capers Island, Bull Island, Kiawah Island and others.

Board Action Requested:

Approve

Staff Comment:

Attachments:

Report on Consultants forms

STATE AUDITOR'S OFFICE

REPORT ON CONSULTANTS

Name of State Agency: Department of Health and Environmental Control

Date of Report: Feb. 6, 1979 Prepared by: Lucy Deaton

Name of Consultant or Firm: O. Marion Burton, M.D.

Address of Consultant or Firm: 600 Fant Street, Anderson, S.C.

Terms of Consultant Contract:

Beginning Date: 10-1-78 Ending Date 9-30-79

Rate of Pay: \$ * per ; Maximum under this contract: \$ EST. \$14,500
not applicable

Source of Funds: (%); (%); (%).

Purpose or Goal of Consultant:

Provide following services to Appalachia I Maternal and Child Care Project:

- 1) Clinician services in pediatric clinics
- 2) Newborn exams on all infants born to project enrollees
- 3) Episodic care to project enrollees
- 4) Medical consultation to project staff as required

Was this Individual or Firm Selected through the Submission of Bids or Proposals?

Yes No XX

If yes, How many Bids or Proposals were Received?

*\$35.00 per hour for clinic services (EST. 22 HOURS PER MONTH)
\$415. per month for newborn exams, episodic care in office or hospital, medical
consultation re pediatrics.

STATE AUDITOR'S OFFICE

REPORT ON CONSULTANTS

Name of State Agency: S.C. Wildlife & Marine Resources Dept.

Date of Report: 2/12 Prepared by: Ned Pendarvis

Name of Consultant or Firm: Mr. Lacy L. Gaddy

Address of Consultant or Firm: 204 E. Huron Ave., Folly Beach, S.C.

Terms of Consultant Contract:

Beginning Date: 2/26/79 Ending Date: _____

Rate of Pay: \$11.00/hr. not to exceed \$13,000.00

100% State Funds

Purpose or Goal of Consultant:

Consultant will coordinate and conduct all field investigations of study entitled "Barrier Island Recreational Carrying Capacity" study will include Capers Island, Bull Island, Kiawah Island and others. Consultant will collect data on botanical elements and wildlife.

Was this Individual or Firm Selected through the Submission of Bids or Proposals?

Yes _____ No X

If yes, How many Bids or Proposals were Received? _____

EXHIBIT IV

3/1/79

BUCK
CONSULTANTS

Buck Consultants, Inc., is one of the nation's largest employee benefits consulting organizations. Established in 1916, Buck is headquartered in New York and has branch offices in Atlanta, Chicago, Pittsburgh and Washington, D.C. GBB Associates, Ltd., is based in Toronto and serves Canadian clients.

Buck Consultants, Inc.
George B. Buck Consulting Actuaries, Inc.
Buck Pension Fund Services, Inc.
GBB Associates, Ltd.
Two Pennsylvania Plaza
New York, New York 10001
212 | 279-4400

Among the many services provided to clients are:

- ☐ Actuarial consulting services
 - Valuation
 - Plan design
 - Assistance in labor negotiations
 - Governmental filings
 - Benefit calculations
- ☐ Defined contribution plan design and financing
- ☐ International benefit consulting
- ☐ Group health and welfare benefits consulting
- ☐ Communication of benefits to employees
- ☐ Investment supervisory services
- ☐ Forecasting and planning services
- ☐ Multiemployer plan consulting
- ☐ Financial consulting
- ☐ Plan administration and recordkeeping
- ☐ Tax and regulatory compliance
- ☐ Computer program leasing
- ☐ Research and management information services

EXHIBIT IV
3/1/79

SOUTH CAROLINA RETIREMENT SYSTEM
SUMMARY OF PRINCIPAL RESULTS
JUNE 30, 1978 VALUATION

ITEM	VALUATION DATE			PERCENTAGE INCREASE IN ITEM FROM 6/30/73 TO 6/30/78
	6/30/78	6/30/77	6/30/73	
Number of Active Members*	133,832	130,680	108,095	23.8%
Earnable Compensation of Members	\$1,255,175,095	\$1,135,652,176	\$ 687,665,741	82.5
Average Compensation of Members	\$ 9,379	\$ 8,690	\$ 6,362	47.4
Number of Retired Members and Beneficiaries	19,960	18,562	12,087	65.1
Annual Pensions	\$ 60,048,573	\$ 51,622,424	\$ 23,175,725	159.1
Average Pension per Recipient	\$ 3,008	\$ 2,781	\$ 1,917	56.9
Assets for Valuation Purposes	\$1,363,722,408	\$1,199,823,028	\$ 699,357,843	95.0
Unfunded Accrued Liability (UAL)	\$ 445,770,567	\$ 408,089,380	\$ 293,741,394	51.8
Remaining Funding Period	23-1/2 years	23-1/2 years	40 years	-
UAL Includes CPI Increases funded through	7/1/78 (1 increase)	7/1/78 (2 increases)	7/1/77 (5 increases)	-
Ratio of Assets to Accrued Liability	75.4%	74.6%	70.4%	7.1
State Contribution Rate for Retirement Benefits	6.80%	6.80%	6.50%	4.6

*Excludes active members not on payroll

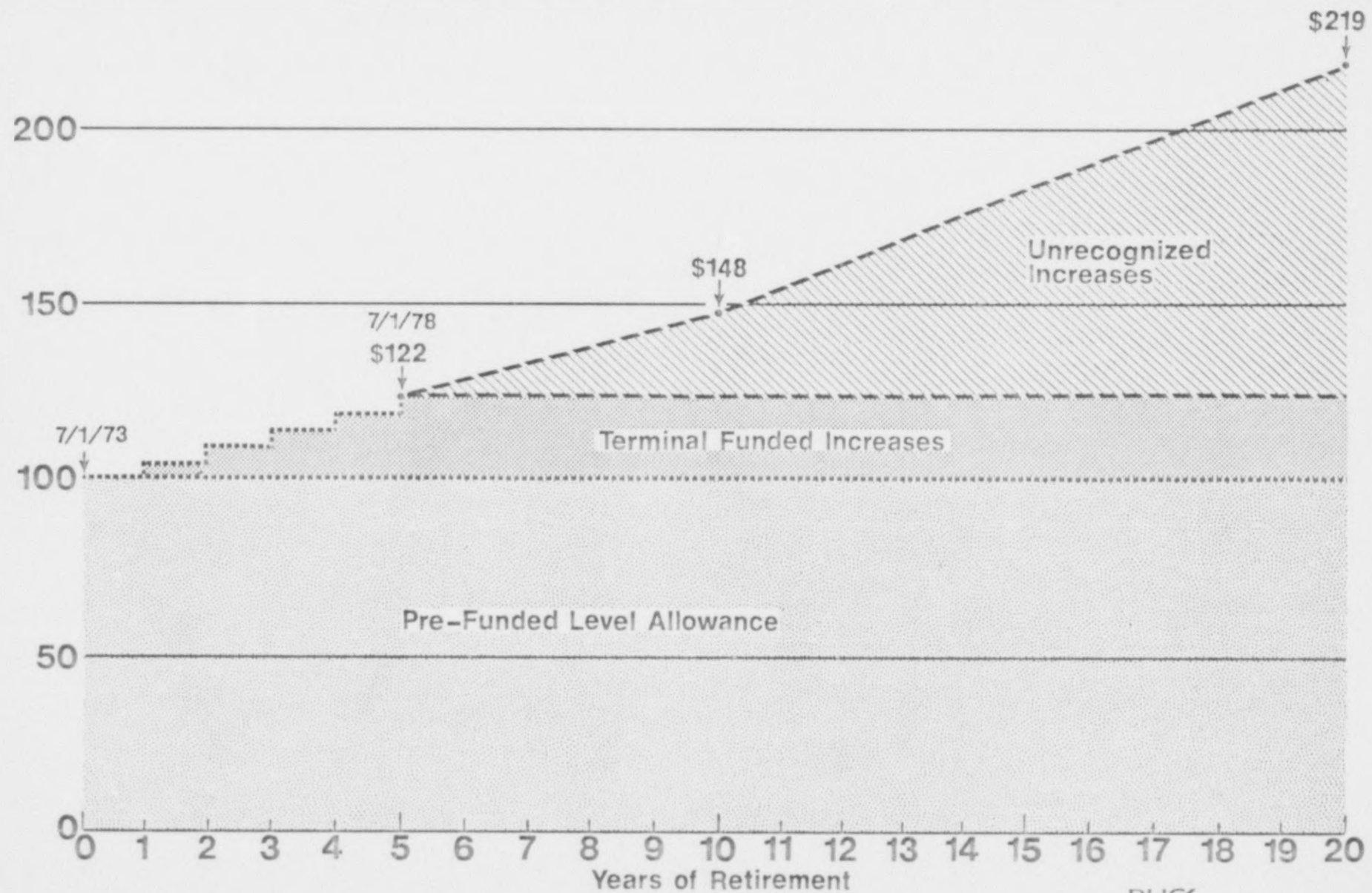
March 1, 1979

South Carolina Retirement System

Post-Retirement Increases

monthly retirement allowance

\$250



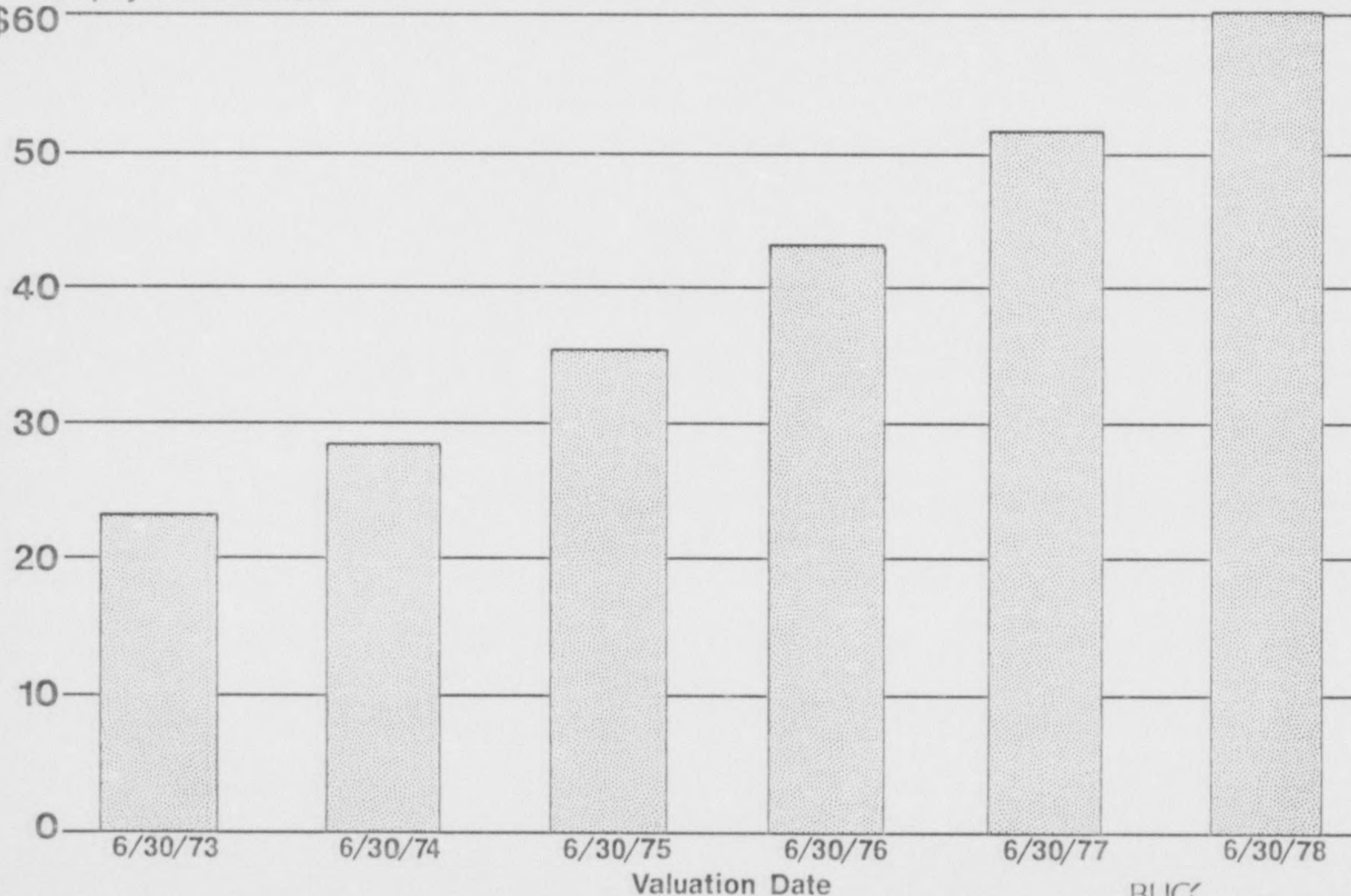
BUCK
CONSULTANTS

South Carolina Retirement System

40	39	36	28	23 $\frac{1}{2}$	23 $\frac{1}{2}$	Accrued Liability Liquidation Period
5	5	4	3	2	1	No. of Funded Future Increases

retired payroll in millions

\$60



BUCK
CONSULTANTS

SOUTH CAROLINA RETIREMENT SYSTEM

REGULAR VALUATIONS*

- . SNAPSHOT USING PRESENT
ACTIVE AND RETIRED GROUPS
- . PRESENT PLAN BENEFITS
(LIMITED POST-RETIREMENT CPI)
- . CONSERVATIVE ASSUMPTIONS
- . ONE INVESTMENT RETURN ASSUMPTION
- . NON-INFLATIONARY ECONOMIC
ASSUMPTIONS

PROJECTIONS**

- . MOVING PICTURE USING PROJECTED
ACTIVE AND RETIRED GROUPS
- . PRESENT PLAN BENEFITS AND
ANTICIPATED IMPROVEMENTS
(INCLUDING FULL POST-RETIREMENT CPI)
- . REALISTIC ASSUMPTIONS
- . RANGE OF INVESTMENT RETURNS
POSSIBLE
- . INFLATION RECOGNIZED IN ASSUMPTIONS

* USED FOR FUNDING, ACCOUNTING, AND DISCLOSURE PURPOSES.

** USED FOR STATE PLANNING PURPOSES.

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION AGENDA

EXHIBIT VI

MEETING OF March 1, 1979

ITEM NUMBER

4

3/1/79

Agency: Department of Labor

Subject: Position Above Number Authorized

Board Action Requested:

Staff Comment:

Attachments:

FINANCE DIVISION
BUDGET DEVELOPMENT

Code No. R36

Agency Department of Labor

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 1 new positions at Columbia, South Carolina

as follows:

<u>No.</u> <u>Positions</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class</u> <u>Code</u>	<u>Est.</u> <u>Annual</u> <u>Salary</u>	<u>Source of Funds (Percent)</u>		
					<u>State</u>	<u>Federal</u>	<u>Other</u>
1	Labor Inspector	21	7026	\$10,906	100%		

☐ Recommend Approval

☐ Recommend Disapproval

State Budget Analyst

Date

Budget Section Director/Asst. Dir.

Date



STATE OF SOUTH CAROLINA

DEPARTMENT OF LABOR
COLUMBIA, S. C. 29211

EDGAR L. MCGOWAN
Commissioner

February 20, 1979

The Honorable Rembert C. Dennis
Chairman, Senate Finance Committee
State House
Box 142
Columbia, South Carolina 29202

Dear Senator Dennis:

I am requesting an additional position as Labor Inspector and an additional \$5,637 State funds for fiscal year 1978-79. These funds should be placed in the following accounts:

	<u>Account Number</u>	<u>Amount</u>
R3624000000	1106-3068	\$3,775
R3690080000	1106-3121	622
R3624000000	1106-3069	1,200
R3624000000	1106-3070	40
Total		<u>\$5,637</u>

An additional \$17,834 will be needed to fund the position for fiscal year 1979-80. These funds should be shown in our 1979-80 budget request as follows:

	<u>Budget Code</u>	<u>Amount</u>
R3655000000	20102	\$12,264
R3655000000	61300	2,030
R3655000000	20202	2,700
R3655000000	20203	720
R3655000000	20312	120
Total		<u>\$17,834</u>

Respectfully requested,

Edgar L. McGowan

Edgar L. McGowan

lmt
cc: Preston T. Cantrell
Margaret Reynolds

RECEIVED

FEB 22 1979

STATE AUDITOR'S OFFICE
BUDGET DIVISION

COPY



STATE OF SOUTH CAROLINA

DEPARTMENT OF LABOR
COLUMBIA, S. C. 29211

EDGAR L. MCGOWAN
Commissioner

February 20, 1979

The Honorable Richard W. Riley
Governor, State of South Carolina
Chairman, Budget and Control Board
State House
Box 11450
Columbia, South Carolina 29211

Dear Governor Riley:

I am requesting an additional position as Labor Inspector. Necessary state funds for fiscal year 1978-79 and 1979-80 have been promised.

Respectfully requested.

A handwritten signature in cursive script, appearing to read "Edgar L. McGowan".

Edgar L. McGowan

lmt

cc: Grady L. Patterson, Jr., Treasurer
Earle E. Morris, Jr., Comptroller
Senator Roubert C. Dennis
Representative Tom C. Mangum
William T. Putman, Executive Director,
Budget & Control Board
Preston T. Cantrell

COPY