

MINUTES OF BUDGET AND CONTROL BOARD MEETING

SEPTEMBER 12 1974

On August 22, 1974, the University of South Carolina received bids on the construction of an addition to Russell House. This project was initially approved by the Budget and Control Board in July, 1973 at an estimated total project cost of \$3,000,000. On the basis of the bids, it has now been proposed that the total approved cost of the project be increased from \$3,000,000 to \$4,200,000.

It is proposed that the additional \$1,200,000 be obtained by increasing the Plant Improvement Bonds by \$800,000 and by using \$400,000 of cash accumulated in the Reserve Fund for Plant Improvement Bonds.

Officials of the University of South Carolina advised that the bids would expire prior to the September 25 meeting of the Budget and Control Board and that attempts to have these bids extended had failed. Therefore, it was requested that each Board member be polled for his approval of the proposed action.

In a letter dated September 12, 1974, Mr. P. C. Smith outlined the request of the University of South Carolina and asked for an indication from each Board member as to his feeling in this matter.

The request of the University of South Carolina was unanimously approved.

A copy of the request of the University and the votes of the various Board members have been retained in these files and are identified as Exhibit I.



CC: Mr. B. A. Daetwyler
Mr. W. S. Turbeville
Mr. L. P. Hamilton

UNIVERSITY OF SOUTH CAROLINA
COLUMBIA, S. C. 29208

DIVISION OF BUSINESS AFFAIRS

September 3, 1974

State Budget and Control Board
P. O. Box 11333
Columbia, South Carolina 29211

Attention: Mr. P. C. Smith

SUBJECT: Russell House Addition #3 (Project 27-92)

Gentlemen:

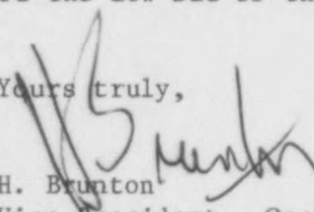
Attached to this letter are three statements:

1. Form E-2, tabulation of bid results of August 22, 1974.*
2. Form E-11, increasing the project budget from \$3,000,000 to \$4,200,000.
3. Bond calculation showing the ability of the University to finance the increased budget.

The present \$3,000,000 project budget was approved in July 1973. Several months ago it became obvious that the budget would be insufficient for the building and the University Trustees authorized an interim increase in the total project.

Considering the current escalation of construction costs, the University feels that the bids are as good as we could anticipate and the two lowest bids were remarkably close. Since the Student Union Addition is acutely needed to serve the present student body of the University, since the bids appear satisfactory and since the University has the capacity within the Plant Improvement Bonds to finance the project, the University respectfully requests permission to increase the project to \$4,200,000 and to award the low bid to the Tandy Construction Company.

Yours truly,


H. Brunton
Vice President - Operations

HB/mf
Enclosures

*The following additional material is being sent directly to Mr. L. P. Hamilton, Chief Engineer:

Proof of Advertisement
Certified Bid Tabulation
Low Bid Proposal
Bid Bond

745



CC: Vice President H. Brunton
Vice President B. A. Daetwyler

UNIVERSITY OF SOUTH CAROLINA

COLUMBIA, S. C. 29208

PRESIDENT OF THE UNIVERSITY

September 12, 1974

The State Budget and Control Board
P. O. Box 11333
Columbia, South Carolina 29211

SUBJECT: Russell House Addition No. 3 (Project 27-92)

Gentlemen:

The above project is the third and hopefully the last addition to Russell House, the University's Student Union. The addition includes a thousand seat divisible ballroom, several meeting rooms, a relocated Campus Shop and a complete new major entrance and lobby. At the current time, Russell House is so crowded that a private house and other facilities are being used as temporary annexes. The addition is therefore critically needed to add the new space and to allow a complete reshuffling within the existing structure.

The Budget and Control Board more than a year ago approved a project budget of \$3,000,000. This was the maximum bonding ability at that time under Plant Improvement Bonds (University Bonds backed by student fees). As the architectural work progressed, it became obvious that the budget would have to be increased if we were to provide all the facilities that were needed. Accordingly, the University initiated a change in the bond legislation that would allow a larger project. On August 22, 1974, bids were opened with the following results:

Tandy Construction Company*	\$3,734,000
M. B. Kahn Construction Company	3,770,890
Congaree Construction Company	3,921,000
Charles J. Craig Construction Company	4,202,459

In order to accept the low bid and build and equip the addition, the project needs to be raised from \$3,000,000 to \$4,200,000. The University has provided material to the Budget Office showing that it has Plant Improvement Bond capacity to finance a \$4,200,000 project. We would therefore like permission to both increase the project budget and to award the construction bid to the low bidder.

The next meeting of the Budget and Control Board will not be until September 25th, which is after the thirty-day period during which we are supposed to accept or reject bids. We have tried to get a postponement from the contractor but he has run into great difficulty of holding subcontractor price quotations in the present period of rapidly increasing prices. Accordingly, the University respectfully requests that our request be considered immediately.

Yours truly,

W. H. Patterson

*Subsidiary of McDevitt, Street and Company, Charlotte, North Carolina



STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR

P. O. BOX 11333

COLUMBIA

29211

P. C. SMITH
STATE AUDITOR

TELEPHONE
(803) 758-3106

September 12, 1974

TO MEMBERS OF THE BUDGET AND CONTROL BOARD

Gentlemen:

On August 22 the University received bids on the construction of an addition to Russell House. This project was initially approved by the Budget and Control Board in July 1973, at an estimated total project cost of \$3,000,000. During the course of architectural development, it became apparent that the cost would exceed the initial estimated cost of \$3,000,000, and legislation was obtained to increase the bond authorization for this and other projects. On the basis of bids received on August 22, it is now proposed that the total approved cost of the project be increased from the original \$3,000,000 to \$4,200,000.

The additional \$1,200,000 would be obtained by the issuance of \$800,000 of the additional bonds authorized and referred to above, and \$400,000 of cash accumulated in the Reserve Fund for this particular category of bonds (Plant Improvement Bonds).

Attached is a letter addressed to you from Dr. Patterson explaining the urgency of this situation and his request to us that we submit the question of increasing the amount approved for the project to you at this time rather than waiting until the meeting scheduled for September 25.

Increasing construction costs are almost daily occurrences. Except for the concern for the effect of inflation in this instance, we see no other basis for possibly disapproving the request.

Please indicate your position with respect to this matter in the form below and return one copy to us for the Board's files.

Very truly yours,

P. C. Smith
State Auditor

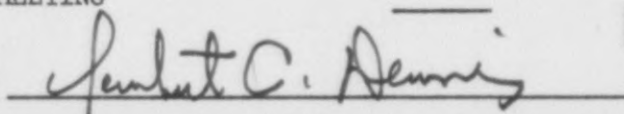
PCS:dr
Enclosure

I APPROVE

I DISAPPROVE

HOLD FOR NEXT BOARD MEETING

(Signed)



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STATE OF SOUTH CAROLINA
OFFICE OF THE STATE AUDITOR
P. O. BOX 11333
COLUMBIA
29211

P. C. SMITH
STATE AUDITOR

RECEIVED
SEP 16 1974
GOVERNOR'S OFFICE

TELEPHONE
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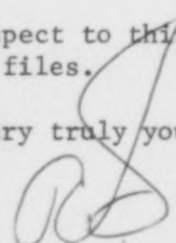
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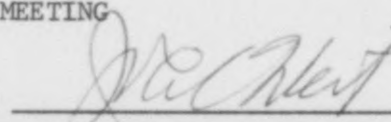

P. C. Smith
State Auditor

PCS:dr
Enclosure

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748

HOUSE OF REPRESENTATIVES
STATE OF SOUTH CAROLINA

STATE HOUSE
COLUMBIA, SOUTH CAROLINA

FROM THE DESK OF:

F. JULIAN LeaMOND
MEMBER FROM CHARLESTON COUNTY

16 Sept. 1974

Mr. Pat:

When I spoke to Mrs. Reynolds this morning it was my feeling that a matter of this magnitude should be considered at a regular Board meeting. However, after additional consideration I have changed my position to approving the increase in the bond issue to \$4,200,000.

See you on the 25th.

Julian

749

COPY



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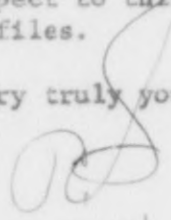
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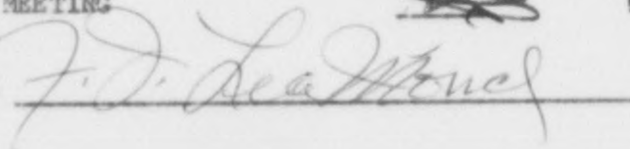
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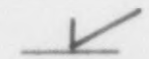

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HOLD FOR NEXT BOARD MEETING

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 750



CC: Vice President H. Brunton
Vice President B. A. Daetwyler

UNIVERSITY OF SOUTH CAROLINA

COLUMBIA, S. C. 29208

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September 12, 1974

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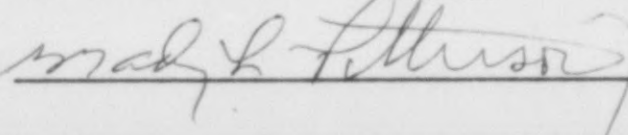
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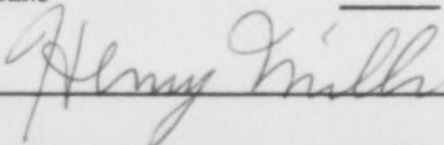
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