

MINUTES

STATE BUILDING COMMISSION MEETING

AUGUST 19, 2010

The State Building Commission met this day at 11:00 a.m. in House Hearing Room 30 of the Legislative Plaza, Nashville, Tennessee, with the following State Building Commission members and Departments present.

11:17 a.m.	Department of Transportation	Commissioner Gerald Nicely
11:18 a.m.	Department of Children's Services	Commissioner Viola Miller
11:20 a.m.	Department of Mental Health and Developmental Disabilities	Deputy Commissioner Bob Grunow
11:21 a.m.	Department of Education	Deputy Commissioner Bruce Opie
11:22 a.m.	Tennessee Wildlife Resources Agency	Dwight Hensley
11:24 a.m.	Military Department	Colonel Bill Wenzler
11:28 a.m.	University of Tennessee	Dr. Jan Simek
11:32 a.m.	Tennessee Board of Regents	Chancellor Charles Manning
11:35 a.m.	Department of Environment and Conservation	Assistant Commissioner Larry Lance
11:41 a.m.	Division of Intellectual Disabilities Services	
11:42 a.m.	Department of Finance and Administration	
12:13 p.m.	State Building Commission	

STATE BUILDING COMMISSION MEMBERS PRESENT

Ron Ramsey, Lieutenant Governor
Kent Williams, Speaker of the House of Representatives
Dave Goetz, Commissioner, Department of Finance and Administration
Justin Wilson, Comptroller of the Treasury
David Lillard, State Treasurer
Tre Hargett, Secretary of State

STATE BUILDING COMMISSION MEMBERS ABSENT

Governor Phil Bredesen

OTHERS PRESENT

Alan Robertson, Acting State Architect
Georgia Martin, State Architect's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Joy Harris, Treasurer's Office
Jonathan Rummel, Secretary of State's Office
Terry Mason, Comptroller's Office

David Thurman, Legislative Budget Office
Dick Tracy, Tennessee Board of Regents
Diane Uhler, Tennessee Board of Regents
John Carr, Finance and Administration
Felenceo Hill, Department of Finance and Administration
George Criss, University of Tennessee
Robbi Stivers, University of Tennessee
Charles Peccolo, University of Tennessee
Murray Crow, Department of Environment and Conservation
Scott Boelscher, THEC
Brad Bishop, Military Department
Steve Plane, Faithful + Gould
Paul Wood, Faithful + Gould
Ted Martinez, Department of Children's Services
Matt Ingham, Real Property Administration
Jim Dixey, Real Property Administration
John Carr, Department of Finance and Administration
Cindy Liddell, Comptroller's Office
Cleve Salmon, Real Property Administration
Jarrett Landrum, Department of Mental Health and Developmental Disabilities
Will Owen, Griggs & Maloney, Inc.
John Gromos, Turner
Martha Nichols, Department of Finance and Administration
Tom Sterritt, Department of General Services
David Primeau, Department of General Services
Laura Waynick, QE2
George Hyfantis, QE2
Penny Stafford-DiPiazza, Real Property Administration
Dottie Hagood, Real Property Administration
Susan Kimbro, Real Property Administration
Valerie Law, Real Property Administration
Paul Degges, Department of Transportation
Alan Durham, Department of Transportation
Carl Manka, Tennessee Board of Regents
George Brummett, Division of Intellectual Disabilities Services
Doug Freeman, Real Property Administration

Lieutenant Governor Ramsey called the meeting to order at 11:17 a.m. and requested action on the following matters as presented by Acting State Architect Alan Robertson.

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DEPARTMENT OF TRANSPORTATION

11:17 a.m.

Commissioner Gerald Nicely requested action on the following matter.

Region 2 - Hamilton County, Tennessee

- 1) Approved a request for a revision in funding from \$2,600,000.00 to \$2,811,000.00 (\$211,000.00 increase) and approved a grant in the amount of \$211,000.00 to the Tennessee American Water Company, Chattanooga, to reimburse for actual cost of the design and installation of an 8" water line at the **I-24 Tiftonia Welcome Center**, Hamilton County, cost not to exceed the grant amount.

Revised Estimated Project Cost:	\$2,811,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
ARRA Funds (F)	\$2,279,000.00	\$ 0.00	\$2,279,000.00
Blind Services (O)	160,000.00	0.00	160,000.00
State Highway Funds (A)	161,000.00	0.00	161,000.00
Plant Construction Funds (A)	0.00	211,000.00	211,000.00
TOTAL	\$2,600,000.00	\$211,000.00	\$2,811,000.00
SBC Project No.	242/010-01-2009		

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DEPARTMENT OF CHILDREN'S SERVICES

11:18 a.m.

Commissioner Viola Miller requested action on the following matters.

Line Item Appropriations

- 1) Approved the following project with the selection of a designer referred to the Subcommittee, with authority to act.
 - A. **Taft Youth Development Center (Bledsoe County)**
(Fence Replacement)
Estimated Project Cost: \$340,000.00
Source of Funding: 10/11 Current Funds-Capital Maint. (A)
SBC Project No. 144/005-01-2010
Designer required

Statewide

- 1) Approved a request to employ an **Engineering Consultant** to assist the Department with professional design services from October 1, 2010 through September 30, 2011, with the selection referred to the Subcommittee, with authority to act.
 - A. **Engineering Consultant**
Estimated Project Cost: \$25,000.00
Source of Funding: Current Funds-Major Maintenance (A)
SBC Project No. 144/000-01-2010

DEPARTMENT OF MENTAL HEALTH AND
DEVELOPMENTAL DISABILITIES

11:20 a.m.

Deputy Commissioner Bob Grunow requested action on the following matters.

Line Item Appropriation

- 1) Approved the following project with the selection of a designer referred to the Subcommittee, with authority to act.

A. Lakeshore Mental Health Institute (Knox County)

(Chota Building Reroof)

Estimated Project Cost: \$150,000.00

Source of Funding: 10/11 Current Funds-Capital Maint (A)

SBC Project No. 344/005-01-2010

Designer required

Statewide

- 1) Approved a request to employ the following **Architectural Consultants** to assist the Department with professional design services from October 1, 2010 through September 30, 2011, with the selections referred to the Subcommittee, with authority to act.

A. West Tennessee

Estimated Project Cost: \$15,000.00

Source of Funding: Current Funds-Major Maint (A)

SBC Project No. 344/000-01-2010

B. Middle Tennessee

Estimated Project Cost: \$15,000.00

Source of Funding: Current Funds-Major Maintenance (A)

SBC Project No. 344/000-02-2010

C. East Tennessee

Estimated Project Cost: \$15,000.00

Source of Funding: Current Funds-Major Maintenance (A)

SBC Project No. 344/000-03-2010

DEPARTMENT OF EDUCATION

11:21 a.m.

Deputy Commissioner Bruce Opie requested action on the following matters.

Line Item Appropriations

- 1) Approved the following projects with the selection of designers referred to the Subcommittee, with authority to act.

A. West Tennessee School for the Deaf (Madison County)

(Security & Access Updates)

Estimated Project Cost: \$540,000.00

Source of Funding:

10/11 Current Funds-Capital Outlay (A) \$ 90,000.00

10 G.O. Bonds-Capital Outlay (A) \$450,000.00

SBC Project No. 168/009-01-2010

Designer required

B. Tennessee School for the Blind (Davidson County)

(Emergency Notification System)

Estimated Project Cost: \$200,000.00

Source of Funding: 10/11 Current Funds-Capital Maint (A)

SBC Project No. 168/005-01-2010

Designer required

C. Alvin C. York Agricultural Institute (Fentress County)

(CTE Building Upgrades)

Estimated Project Cost: \$210,000.00

Source of Funding: 10/11 Current Funds-Capital Maint (A)

SBC Project No. 168/001-01-2010

Designer required

Statewide

- 1) Approved a request to employ the following **Architectural Consultants** to assist the Department with professional design services from October 1, 2010 through September 30, 2011, with the selections referred to the Subcommittee, with authority to act.

A. Middle Tennessee

Estimated Project Cost: \$20,000.00

Source of Funding: Current Funds-Major Maintenance (A)

SBC Project No. 162/000-01-2010

- B. East Tennessee**
Estimated Project Cost: \$40,000.00
Source of Funding: Current Funds-Major Maintenance (A)
SBC Project No. 162/000-02-2010

Discussion of Bids

- 1) **Tennessee School for the Blind**
(Building 11 Upgrades)
SBC Project No. 168/005-02-2008
Bid date: August 12, 2010
SBC Action: Bids within target; no action required

TENNESSEE WILDLIFE RESOURCES AGENCY

11:22 a.m.

Dwight Hensley, Chief of Engineering Services, requested action on the following matter.

Region 4 – Carter County, Tennessee

- 1) Approved a request to allocate remaining line-item funding of \$290,000.00 for preplanning a new **Fish Hatchery Facility** at Elizabethton, Carter County, Tennessee.

Estimated Project Cost:	\$16,850,000.00		
Revised Estimated Planning Cost:	\$ 800,000.00		
<u>Source of Planning Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
09/10 Current Funds-Capital Outlay (A)	\$510,000.00	\$290,000.00	\$800,000.00
<i>SBC Project No.</i>	<i>220/020-05-2009</i>		

MILITARY DEPARTMENT

11:24 a.m.

Colonel Bill Wenzler requested action on the following matters.

Line Item Appropriations

1) Approved the following projects with the selection of designers referred to the Subcommittee, with authority to act.

A. Maryville Readiness Center (Blount County)

(Reroof and Facility Update)

Estimated Project Cost: \$610,000.00

Source of Funding:

10/11 Current Funds-Capital Maint. (A) \$305,000.00

Federal Funds (NGB) (F) \$305,000.00

SBC Project No. 361/060-01-2010

Designer required

B. Jackson Readiness Center (Madison County)

(Facility Update)

Estimated Project Cost: \$1,520,000.00

Source of Funding:

10/11 Current Funds-Capital Maint. (A) \$760,000.00

Federal Funds (NGB) (F) \$760,000.00

SBC Project No. 361/042-01-2010

Designer required

C. Cookeville Readiness Center (Putnam County)

(Reroof and Facility Update)

Estimated Project Cost: \$580,000.00

Source of Funding:

10/11 Current Funds-Capital Maint. (A) \$290,000.00

Federal Funds (NGB) (F) \$290,000.00

SBC Project No. 361/015-01-2010

Designer required

D. Bolivar Readiness Center (Hardeman County)

(Reroof and Facility Update)

Estimated Project Cost: \$530,000.00

Source of Funding:

10/11 Current Funds-Capital Maint. (A) \$265,000.00

Federal Funds (NGB) (F) \$265,000.00

SBC Project No. 361/004-01-2010

Designer required

- E. Lawrenceburg Readiness Center (Lawrence County)**
 (Reroof and Facility Update)
Estimated Project Cost: \$790,000.00
Source of Funding:
 10/11 Current Funds-Capital Maint. (A) \$395,000.00
 Federal Funds (NGB) (F) \$395,000.00
SBC Project No. 361/049-01-2010
Designer required

Volunteer Training Site, Smyrna, Rutherford County, Tennessee

- 1) Approved a revision in the estimated project cost from \$21,978,253.00 to \$22,457,373.00 (\$479,120.00 increase), a revision in planning funds from \$1,194,773.00 to \$1,133,373.00 (\$61,400.00 decrease) and approval to use Commissioning Services for **USPFO Offices and Warehouse at Volunteer Training Site, Smyrna, Tennessee.**

Revised Estimated Project Cost:	\$22,457,373.00		
Revised Estimated Planning Cost:	\$ 1,133,373.00		
<u>Source of Planning Funding:</u>	<u>Original</u>	<u>Decrease</u>	<u>Revised</u>
Federal Funds (NGB) (F)	\$1,194,773.00	(\$61,400.00)	\$1,133,373.00
<i>SBC Project No.</i>	<i>361/079-01-2008</i>		

Alcoa Readiness Center, Blount County, Tennessee

- 1) Approved a revision in funding from \$333,333.00 to \$432,102.00 (\$98,769.00 increase) for **HVAC Repairs** at Alcoa Readiness Center, Blount County, and authorization to award a contract to Interstate Mechanical Contractors, Knoxville, in the amount of \$331,000.00 based on bids received August 4, 2010.

Revised Estimated Project Cost:	\$432,102.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
Federal Funds (ARRA) (F)	\$250,000.00	\$ 0.00	\$250,000.00
02/03 Current Funds-Capital Maint (R)	83,333.00	0.00	83,333.00
Federal Funds (NGB) (F)	0.00	74,077.00	74,077.00
00/01 Current Funds-Capital Maint (R)	0.00	<u>24,692.00</u>	<u>24,692.00</u>
TOTAL	\$333,333.00	\$98,769.00	\$432,102.00
<i>SBC Project No.</i>	<i>361/102-01-2009</i>		

Statewide

- 1) Approved a revision in funding from \$50,000.00 to \$65,000.00 (\$15,000.00 increase) for **Architectural/Civil/ Structural Engineering Consultant** statewide.

Revised Estimated Project Cost:	\$65,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
Federal Funds (NGB) (F)	\$50,000.00	\$15,000.00	\$65,000.00
<i>SBC Project No.</i>	<i>361/000-01-2009</i>		

- 2) Approved a request to employ the following **Consultants** to assist the Department with professional design services from October 1, 2010 through September 30, 2011, with the selections referred to the Subcommittee, with authority to act.

A. Architectural / Civil / Structural

Estimated Project Cost: \$75,000.00
Source of Funding: Federal Funds (NGB) (F)
SBC Project No. 361/000-01-2010

B. Mechanical / Electrical

Estimated Project Cost: \$50,000.00
Source of Funding: Federal Funds (NGB) (F)
SBC Project No. 361/000-02-2010

C. Environmental

Estimated Project Cost: \$75,000.00
Source of Funding: Federal Funds (NGB) (F)
SBC Project No. 361/000-03-2010

D. Master Planning

Estimated Project Cost: \$75,000.00
Source of Funding: Federal Funds (NGB) (F)
SBC Project No. 361/000-04-2010

E. Roofing

Estimated Project Cost: \$30,000.00
Source of Funding: Federal Funds (NGB) (F)
SBC Project No. 361/000-05-2010

Discussion of Bids

- 1) **Dresden**
 (Reroof & Waterproofing)
 SBC Project No. 361/022-01-2009
 Bid date: 18 August 2010
 SBC Action: Bid date changed; no action required

UNIVERSITY OF TENNESSEE

11:28 a.m.

Dr. Jan Simek requested action on the following matters.

University of Tennessee, Knoxville, Tennessee

- 1) Approved a revision in scope and funding from \$1,750,000.00 to \$2,750,000.00 (\$1,000,000.00 increase) to include work on the Conference Center Building on a project for **Masonry Repairs** at the University of Tennessee, Knoxville, Tennessee.

Revised Estimated Project Cost:	\$2,750,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
04/05 Current Funds-Capital Maint (A)	\$ 50,000.00	\$ 0.00	\$ 50,000.00
04 G.O. Bonds-Capital Maint (A)	1,700,000.00	0.00	1,700,000.00
02 G.O. Bonds-Capital Maint (R)	0.00	394,466.50	394,466.50
04 G.O. Bonds-Capital Maint (R)	0.00	605,533.50	605,533.50
TOTAL	\$1,750,000.00	\$1,000,000.00	\$2,750,000.00
SBC Project No.	540/009-10-2004		

- 2) Dr. Simek presented a request for approval of a revision in funding from \$250,000.00 to \$500,000.00 (\$250,000.00 increase) for **Master Plan Update** at the University of Tennessee at Knoxville, Tennessee. Comptroller Wilson questioned the timing of the request. Dr Simek responded that the revision was already in process as they found the need to expand it. After discussion, the Commission approved the request as presented.

Revised Estimated Project Cost:	\$500,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
Operating Funds (A)	\$250,000.00	\$250,000.00	\$500,000.00
SBC Project No.	540/009-28-2005		

- 3) Referred to the Subcommittee, with authority to act, a discussion of bids received on August 12, 2010 for **Forensic Academy** at The University of Tennessee, Knoxville.

SBC No. 540/009-27-2007

University Of Tennessee Health Science Center, Memphis, Tennessee

- 1) Approved a request to utilize an Alternative Delivery Method and Commissioning Services on a project for **Pharmacy Building (6th Floor Completion)** at the University of Tennessee Health Science Center, Memphis, Tennessee.

Estimated Project Cost:	\$57,100,000.00
<u>Source of Funding:</u>	
04 G.O. Bonds-Capital Outlay (A)	\$40,800,000.00
04/05 Current Funds-Capital Outlay (A)	\$ 2,000,000.00
06 G.O. Bonds-Capital Outlay (A)	\$ 6,800,000.00
Grant Funds (Plough Foundation) (O)	\$ 4,500,000.00
Reserve Funds (R)	\$ 3,000,000.00
<i>SBC Project No.</i>	<i>540/013-03-2004</i>

Statewide – University of Tennessee System

- 1) Approved a request for a revision in source of funding for the following projects from ARRA Funds (F) to 2011 State Nonrecurring Funds:

THE UNIVERSITY OF TENNESSEE, KNOXVILLE

A. Chilled Water Plant Control Upgrades

Estimated Project Cost:	\$ 6,100,000.00		
<u>Source of Funding:</u>			
	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$6,100,000.00	(\$5,662,500.00)	\$ 437,500.00
2011 State (A)	0.00	5,662,500.00	5,662,500.00
TOTAL	\$6,100,000.00	\$ 0.00	\$6,100,000.00
<i>SBC Project No.</i>	<i>540/009-05-2010</i>		

B. Alumni Memorial & HPER Buildings Roof Replacement

Estimated Project Cost:	\$ 1,350,000.00		
<u>Source of Funding:</u>			
	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$1,350,000.00	(\$1,242,700.00)	\$ 107,300.00
2011 State (A)	0.00	1,242,700.00	1,242,700.00
TOTAL	\$1,350,000.00	\$ 0.00	\$1,350,000.00
<i>SBC Project No.</i>	<i>540/009-06-2010</i>		

C. Austin Peay & Alumni Memorial Systems Improvements

Estimated Project Cost:	\$ 4,500,000.00		
<u>Source of Funding:</u>			
	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$4,500,000.00	(\$4,171,600.00)	\$ 328,400.00
2011 State (A)	0.00	4,171,600.00	4,171,600.00
TOTAL	\$4,500,000.00	\$ 0.00	\$4,500,000.00
<i>SBC Project No.</i>	<i>540/009-07-2010</i>		

D. NimBios Renovations-Walters/Hesler/Dabney			
Estimated Project Cost:	\$ 500,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$500,000.00	(\$265,000.00)	\$235,000.00
2011 State (A)	0.00	265,000.00	265,000.00
TOTAL	\$500,000.00	\$ 0.00	\$500,000.00
SBC Project No.	540/009-08-2010		
E. Communication/Student Services Renovations			
Estimated Project Cost:	\$ 375,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$375,000.00	(\$229,500.00)	\$145,500.00
2011 State (A)	0.00	229,500.00	229,500.00
TOTAL	\$375,000.00	\$ 0.00	\$375,000.00
SBC Project No.	540/009-09-2010		
F. Perkins Chem Lab & Storage			
Estimated Project Cost:	\$ 300,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$300,000.00	(\$272,400.00)	\$ 27,600.00
2011 State (A)	0.00	272,400.00	272,400.00
TOTAL	\$300,000.00	\$ 0.00	\$300,000.00
SBC Project No.	540/009-10-2010		
G. Jessie Harris Nutrition Renovation			
Estimated Project Cost:	\$ 1,600,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$1,600,000.00	(\$1,600,000.00)	\$ 0.00
2011 State (A)	0.00	1,600,000.00	1,600,000.00
TOTAL	\$1,600,000.00	\$ 0.00	\$1,600,000.00
SBC Project No.	540/009-11-2010		
H. Law College Improvements			
Estimated Project Cost:	\$ 750,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$750,000.00	(\$750,000.00)	\$ 0.00
2011 State (A)	0.00	750,000.00	750,000.00
TOTAL	\$750,000.00	\$ 0.00	\$750,000.00
SBC Project No.	540/009-12-2010		
I. Stokely Management G2/G4 Classroom Upgrades			
Estimated Project Cost:	\$ 200,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$200,000.00	(\$200,000.00)	\$ 0.00
2011 State (A)	0.00	200,000.00	200,000.00
TOTAL	\$200,000.00	\$ 0.00	\$200,000.00
SBC Project No.	540/009-13-2010		

J. Department of Music Equipment

Estimated Project Cost:	\$ 750,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$750,000.00	(\$750,000.00)	\$ 0.00
2011 State (A)	0.00	750,000.00	750,000.00
TOTAL	\$750,000.00	\$ 0.00	\$750,000.00
SBC Project No.	540/00914-2010		

K. Morgan Hall Suite 125 Renovations

Estimated Project Cost:	\$ 130,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$130,000.00	(\$130,000.00)	\$ 0.00
2011 State (A)	0.00	130,000.00	130,000.00
TOTAL	\$130,000.00	\$ 0.00	\$130,000.00
SBC Project No.	540/009-15-2010		

L. Clarence Brown Theatre Fly System Improvements

Estimated Project Cost:	\$ 400,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$400,000.00	(\$400,000.00)	\$ 0.00
2011 State (A)	0.00	400,000.00	400,000.00
TOTAL	\$400,000.00	\$ 0.00	\$400,000.00
SBC Project No.	540/009-16-2010		

M. Buehler Lab Renovation

Estimated Project Cost:	\$ 3,750,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$3,750,000.00	(\$3,750,000.00)	\$ 0.00
2011 State (A)	0.00	3,750,000.00	3,750,000.00
TOTAL	\$3,750,000.00	\$ 0.00	\$3,750,000.00
SBC Project No.	540/009-17-2010		

N. HPER Exercise & Sport Leisure Studies Upgrade

Estimated Project Cost:	\$ 260,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$260,000.00	(\$260,000.00)	\$ 0.00
2011 State (A)	0.00	260,000.00	260,000.00
TOTAL	\$260,000.00	\$ 0.00	\$260,000.00
SBC Project No.	540/009-18-2010		

O. College of Nursing Improvements

Estimated Project Cost:	\$ 200,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$200,000.00	(\$200,000.00)	\$ 0.00
2011 State (A)	0.00	200,000.00	200,000.00
TOTAL	\$200,000.00	\$ 0.00	\$200,000.00
SBC Project No.	540/009-19-2010		

P. Architecture Studio Upgrades

Estimated Project Cost:	\$ 450,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$450,000.00	(\$450,000.00)	\$ 0.00
2011 State (A)	0.00	450,000.00	450,000.00
TOTAL	\$450,000.00	\$ 0.00	\$450,000.00
SBC Project No.	540/009-20-2010		

Q. Clarence Brown Theatre System Improvements

Estimated Project Cost:	\$ 150,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$150,000.00	(\$150,000.00)	\$ 0.00
2011 State (A)	0.00	150,000.00	150,000.00
TOTAL	\$150,000.00	\$ 0.00	\$150,000.00
SBC Project No.	540/009-21-2010		

R. Libraries Improvements

Estimated Project Cost:	\$ 3,575,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$3,575,000.00	(\$3,060,000.00)	\$ 515,000.00
2011 State (A)	0.00	3,060,000.00	3,060,000.00
TOTAL	\$3,575,000.00	\$ 0.00	\$3,575,000.00
SBC Project No.	540/009-22-2010		

S. Visitors Center Office of Admissions Improvements

Estimated Project Cost:	\$ 500,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$500,000.00	(\$500,000.00)	\$ 0.00
2011 State (A)	0.00	500,000.00	500,000.00
TOTAL	\$500,000.00	\$ 0.00	\$500,000.00
SBC Project No.	540/009-23-2010		

T. Henson Hall System Improvements

Estimated Project Cost:	\$ 1,000,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$1,000,000.00	(\$1,000,000.00)	\$ 0.00
2011 State (A)	0.00	1,000,000.00	1,000,000.00
TOTAL	\$1,000,000.00	\$ 0.00	\$1,000,000.00
SBC Project No.	540/009-24-2010		

U. Window Replacement in Dabney/Buehler and Physics

Estimated Project Cost:	\$ 1,000,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$1,000,000.00	(\$1,000,000.00)	\$ 0.00
2011 State (A)	0.00	1,000,000.00	1,000,000.00
TOTAL	\$1,000,000.00	\$ 0.00	\$1,000,000.00
SBC Project No.	540/009-25-2010		

V. Classroom Improvements

Estimated Project Cost:	\$ 1,500,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$1,500,000.00	(\$1,500,000.00)	\$ 0.00
2011 State (A)	0.00	1,500,000.00	1,500,000.00
TOTAL	\$1,500,000.00	\$ 0.00	\$1,500,000.00
SBC Project No.	540/009-26-2010		

THE UNIVERSITY OF TENNESSEE – CHATTANOOGA

A. Fire Alarm Systemsp

Estimated Project Cost:	\$ 200,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$200,000.00	(\$20,000.00)	\$180,000.00
2011 State (A)	0.00	20,000.00	20,000.00
TOTAL	\$200,000.00	\$ 0.00	\$200,000.00
SBC Project No.	540/005-01-2010		

B. Academic Math Mall

Estimated Project Cost:	\$ 400,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$400,000.00	(\$400,000.00)	\$ 0.00
2011 State (A)	0.00	400,000.00	400,000.00
TOTAL	\$400,000.00	\$ 0.00	\$400,000.00
SBC Project No.	540/005-02-2010		

C. Restroom Upgrades

Estimated Project Cost:	\$ 600,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Change</u>	<u>Revised</u>
ARRA Funds (F)	\$600,000.00	(\$355,000.00)	\$245,000.00
2011 State (A)	0.00	355,000.00	355,000.00
TOTAL	\$600,000.00	\$ 0.00	\$600,000.00
SBC Project No.	540/005-09-2010		

TENNESSEE BOARD OF REGENTS

11:32 a.m.

Chancellor Charles Manning requested action on the following matters.

University of Memphis, Memphis, Tennessee

- 1) Approved a revision in scope and funding from \$850,000.00 to \$1,050,000.00 (\$200,000.00 increase) to include work on Rawls Hall on a project for **Several Buildings Exterior Repairs** at University of Memphis, Memphis, Tennessee.

Revised Estimated Project Cost:	\$1,050,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
Campus Auxiliary (housing) (O)	\$850,000.00	\$200,000.00	\$1,050,000.00
<i>SBC Project No.</i>	<i>166/007-11-2009</i>		

- 2) Approved a request to allocate funding and authorization to proceed with a project for **Robison Hall Renovation** at the University of Memphis in Memphis, Tennessee.

Estimated Project Cost:	\$4,850,000.00
<u>Source of Funding:</u>	
Campus Plant Funds (A)	\$ 300,000.00
2011 State Funds (A)*	\$4,550,000.00
<i>SBC Project No.</i>	<i>166/007-13-2009</i>

Nashville State Community College, Nashville, Tennessee

- 1) Approved a revision in funding from \$14,130,000.00 to \$14,382,629.64 (a \$252,629.64 increase) for **Community College Renovations** at Nashville State Community College, Nashville, Tennessee.

Revised Estimated Project Cost:	\$14,382,629.64		
<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
07/08 Current Funds-Capital Outlay (A)	\$ 730,000.00	\$ 0.00	\$ 730,000.00
06/07 Current Funds-Capital Outlay (A)	700,000.00	0.00	700,000.00
07 G.O. Bonds-Capital Outlay (A)	12,700,000.00	0.00	12,700,000.00
Insurance Proceeds (O)	0.00	<u>252,629.64</u>	<u>252,629.64</u>
TOTAL	\$14,130,000.00	\$252,629.64	\$14,382,629.64
<i>SBC Project No.</i>	<i>166/034-02-2007</i>		

Pellissippi State Community College, Knoxville, Tennessee

- 1) Approved a revision in funding from \$340,000.00 to \$380,000.00 (\$40,000.00 increase) for **Magnolia Campus Reroofing** at Pellissippi State Community College in Knoxville, and authorization to award a Construction Contract to Henley Roofing Company, Inc. in the amount of \$303,740.00 based upon the base bid and three alternates received July 14, 2010.

Revised Estimated Project Cost:	\$380,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
ARRA Funds (F)	\$340,000.00	\$ 0.00	\$340,000.00
Campus Plant funds (A)	0.00	40,000.00	40,000.00
TOTAL	\$340,000.00	\$40,000.00	\$380,000.00
SBC Project No.	166/032-02-2009		

Southwest Tennessee Community College, Memphis, Tennessee

- 1) Approved a revision in funding from \$600,000.00 to \$900,000.00 (a \$300,000.00 increase) for **Culinary Lab Renovation** at Southwest Tennessee Community College in Memphis, and authorization to award a construction contract to Barnes & Brower, Inc. in the amount of \$716,421.00 based upon the base bid and three alternates received July 14, 2010.

Revised Estimated Project Cost:	\$900,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
Campus Plant Funds (A)	\$600,000.00	\$300,000.00	\$900,000.00
SBC Project No.	166/033-01-2008		

Roane State Community College, Harriman, Tennessee

- 1) Approved a revision in funding from \$725,000.00 to \$875,000.00 (\$150,000.00 increase) for **Science Labs Modernization** at Roane State Community College, Harriman, and authorization to award a contract to BB Contracting Company, LLC, in the amount of \$698,000.00 based upon the base bid and one alternate received August 11, 2010.

Revised Estimated Project Cost:	\$875,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
ARRA Funds (F)	\$725,000.00	\$ 0.00	\$725,000.00
2011 State Funds (A)	0.00	150,000.00	150,000.00
TOTAL	\$725,000.00	\$150,000.00	\$875,000.00
SBC Project No.	166/027-01-2010		

Discussion of Bids

- 1) **Austin Peay State University, Clarksville**
 (Baseball Practice Building Installation)
 SBC Project No. 166/003-01-2010
 Bid date: 08-11-2010
 SBC Action: Bids within target; no action required

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

11:35 a.m.

Assistant Commissioner Larry Lance requested action on the following matters.

Line Item Appropriations

- 1) Approved the following project with the selection of a designer referred to the Subcommittee, with authority to act.

A. Pickwick Landing State Park (Hardin County)

(Marina Upgrade)

Estimated Project Cost: \$3,430,000.00

Source of Funding: 10/11 Current Funds-Capital Maint (A)

SBC Project No. 126/079-01-2010

Designer required

- 2) Approved a revision in the estimated project cost from \$1,150,000.00 to \$1,200,000.00 (\$50,000.00 increase), allocation of funding and authorization to proceed with a project for **Fisherman Cabins Improvement** at Fall Creek Falls State Park, Van Buren County, Tennessee.

Revised Estimated Project Cost: \$1,200,000.00

Source of Funding: 10/11 Current Funds-Capital Maint (A)

SBC Project No. 126/036-01-2008

Statewide

- 1) Approved a request to employ the following **Consultants** to assist the Department with professional design services from October 1, 2010 through September 30, 2011, with the selections referred to the Subcommittee, with authority to act.

A. Architectural Consultant

Estimated Project Cost: \$100,000.00

Source of Funding: Current Funds-Major Maintenance (A)

SBC Project No. 126/000-01-2010

B. Engineering Consultant

Estimated Project Cost: \$100,000.00

Source of Funding: Current Funds-Major Maintenance (A)

SBC Project No. 126/000-02-2010

- 2) Approved a request to employ an **Architectural Consultant** to assist the Tennessee Historical Commission with professional design services from October 1, 2010 through September 30, 2011, with the selection referred to the Subcommittee, with authority to act.

A. Architectural Consultant

Estimated Project Cost: \$25,000.00
Source of Funding: Current Funds-Major Maintenance (A)
SBC Project No. 160/000-01-2010

Bicentennial Mall State Park, Davidson County, Tennessee

- 1) Assistant Commissioner Lance read a report of the ongoing electrical repair work at the Bicentennial Mall due to the May flooding.

A major portion of Bicentennial Mall State Park was submerged for four days from backwater of the Cumberland River. The majority of the park's primary high voltage electrical supply was submerged as well as two primary electrical mechanical rooms. All electrical transformers, primary switches, breaker boxes and breakers, as well as wiring, wall outlets, wall switches and underground electrical feeds through the majority of the park had to be replaced. Primary electrical supply was restored to the park on July 30th. Electrical restoration was performed by contractors through State Wide Contract and all work was reviewed by the Division of Risk Management by their claims adjusters prior to authorization. The primary electrical work is approaching completion with secondary electrical work still underway to provide power to all the areas of the park. The majority of the surface lighting and wiring in the sidewalks throughout the park will have to be replaced and is in progress.

The park office/visitor center was flooded with approximately two ft of water. The entire structure had to be gutted and cleaned in preparation for new wiring, new paint, carpet, office furnishings, and equipment. The majority of the repairs and the replacement of equipment and furnishings within the park office was also performed through Statewide Contract. The park staff is not back in the office yet but should be in their facility in the near future.

For around a week, the sunken amphitheater became a reflecting pool for the state capitol due to it being filled with flood water. The sump pumps that normally keep the water pumped out of the amphitheater will have to be replaced at a cost of just under \$39,000 due to being burned out from continuous use during the flooding.

The fountains representing the many Tennessee Rivers will have to be totally renovated. The control room for the fountains is underground and was totally submerged for several days. The fountain renovation will not be performed through statewide contract due to it being a specialty repair. The estimate for the renovation is \$250,000 and will be completed through the capital project process. The McNairy Springs fountain as well as the WWII Memorial are out of service and will be included in the fountain project.

All of the irrigation system controls will have to be replaced throughout the park. This work is underway and is expected to be in the \$10,000- \$15,000 price range. On a good note, the Carillons have been inspected and tested since restoration of power and they have been declared to be in good working order.

Total Flood Related expenses incurred at Bicentennial Mall through July 31st is just under \$370,000. These expenses, as well as expenses yet to be incurred are all being reimbursed through insurance provided by Department of Treasury, Division of Risk Management. We would like to recognize the staff at Risk Management for their assistance, spirit of cooperation and the extra efforts they made to keep the recovery efforts at Bicentennial Mall State park moving forward. We would also like to mention that the staff at Bicentennial Mall has kept the park open to the public with minimal interruption during the entire recovery period.

Treasurer Lillard thanked him for the report. He asked what the timeline was for repair of the fountains and was told "hopefully, by next summer".

* * * * *

DIVISION OF INTELLECTUAL DISABILITIES SERVICES

11:41 a.m.

Line Item Appropriation

- 1) Approved the following project with the selection of a designer referred to the Subcommittee, with authority to act.

A. Greene Valley Developmental Center (Greene County)

(Window Replacement for Cottages)

Estimated Project Cost: \$500,000.00

Source of Funding:

10/11 Current Funds-Capital Maint. (A) \$ 50,000.00

10 G.O. Bonds-Capital Maint. (A) \$450,000.00

SBC Project No. 344/007-01-2010

Designer required

Statewide

- 1) Approved a request to employ an **Engineering Consultant** to assist the Division with professional design services from October 1, 2010 through September 30, 2011, with the selection referred to the Subcommittee, with authority to act.

A. Engineering Consultant

Estimated Project Cost: \$25,000.00

Source of Funding: Current Funds-Major Maintenance (A)

SBC Project No. 346/000-01-2010

DEPARTMENT OF FINANCE AND ADMINISTRATION

11:42 a.m.

Line Item Appropriations

1) Approved the following projects with the selection of designers referred to the Subcommittee, with authority to act.

A. Tennessee Performing Arts Center (Davidson County)

(Maintenance Grant)

Estimated Project Cost: \$300,000.00

Source of Funding: 10/11 Current Funds-Capital Maint (A)

SBC Project No. 529/075-01-2010

B. Ladies Hermitage Association (Davidson County)

(Restoration Grant)

Estimated Project Cost: \$85,600.00

Source of Funding: 10/11 Current Funds-Capital Maint (A)

SBC Project No. 529/000-05-2010

C. Piedmont Gas Building (Davidson County)

(Building Repairs, Phase 2)

Estimated Project Cost: \$1,500,000.00

Source of Funding: Facilities Revolving Fund (Reserves)

SBC Project No. 529/012-01-2010

Designer required

D. Clover Bottom Complex (Davidson County)

(Sewer Line Replacement)

Estimated Project Cost: \$1,000,000.00

Source of Funding: Facilities Revolving Fund (Reserves)

SBC Project No. 529/000-06-2010

Designer required

2) Approved a request for a revision in funding for the following projects:

A. Environmental Services - Statewide

Revised Estimated Project Cost: \$7,050,000.00

<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
08/09 Current Funds-Capital Maint (A)	\$1,000,000.00	\$ 0.00	\$1,000,000.00
09/10 Current Funds-Capital Maint (A)	1,200,000.00	0.00	1,200,000.00
TDOT / FRF / Misc (O)	2,200,000.00	1,450,000.00	3,650,000.00
10/11 Current Funds-Capital Maint (A)	<u>0.00</u>	<u>1,200,000.00</u>	<u>1,200,000.00</u>
TOTAL	\$4,400,000.00	\$2,650,000.00	\$7,050,000.00

SBC Project No. 529/000-03-2008

B. National Civil Rights Museum (Shelby County)

(Maintenance Grant)

Revised Estimated Project Cost: \$600,000.00

<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
09/10 Current Funds-Capital Maint (A)	\$300,000.00	\$ 0.00	\$300,000.00
10/11 Current Funds-Capital Maint (A)	<u>0.00</u>	<u>300,000.00</u>	<u>300,000.00</u>
TOTAL	\$300,000.00	\$300,000.00	\$600,000.00

SBC Project No. 160/020-01-2009

National Civil Rights Museum, Memphis, Tennessee

- 1) Mr. Robertson presented the annual **Facilities Assessment Report** in accordance with the Lease Agreement between the State and the Lorraine Civil Rights Museum Foundation. The Commission accepted the report as presented.

SBC Project No. 529/000-16-1998

Statewide

- 1) Approved a request to employ **Consultants** to assist Real Property Administration with professional design services from October 1, 2010 through September 30, 2011, with the selections referred to the Subcommittee, with authority to act.

Estimated Project Cost: \$450,000.00

Source of Funding:

Facilities Revolving Fund (O)	150,000.00
Current Funds-Major Maintenance (A)	200,000.00
Various Departmental Funds (O)	100,000.00

SBC Project No. 529/000-07-2010

Statewide

- 1) Mr. Robertson distributed an addendum requesting approval to reconsider and rescind action taken on April 8, 2010 to award a contract to Faithful + Gould, and instead, accept the proposal and award a contract to the second best evaluated proposer, PB Americas, to provide the **Statewide Management Assistance** services. He stated that Steve Plane and Paul Wood with Faithful + Gould, were in the audience and had requested to be heard. The Commission recognized Paul Wood, CEO, who read the following statement:

We're here today because we are customer focused and you are our customer and we were shocked by the notice of cancellation but even more disappointed that you may be a dissatisfied customer. We appreciate the opportunity to share our perspective.

All of the feedback we have received over the life of the contract, regarding the level of service, quality, and customer relationship has been very positive. We thought we had a very

happy customer receiving the high level of service we expect to provide. We never thought or had reason to think that we were breaching our contractual obligations when we honored our customer's request to fill positions. Notwithstanding the education requirements for the positions we always thought we provided the most appropriate people to perform the service. Even since the investigation and audits there has been no indication that the services provided were unsatisfactory. When a concern was raised, we fully cooperated. Every staffing issue that has been presented as a basis for now rejecting our contract was fully known by the State when it awarded the contract in April. It is particularly hard to understand how the rejection is based on the failure to comply with education requirements in the old contract, but are not now important enough to be included in the new contract. We still believe our contract proposal was, and continues to be, the best value for the State. We received the highest score on Approach and an even score with PB Americas on Qualifications and Experience when the State was fully aware of the qualifications issues from the past. We respectfully request your consideration to retain Faithful + Gould as your service provider on this contract.

Lieutenant Governor Ramsey asked about the 7-day review process and when it would start. Mr. Robertson responded that it would start tomorrow and that he had discussed it with the Attorney General's Office, pending the outcome of this meeting. He added that he has yet to receive a formal protest. Lieutenant Governor Ramsey clarified that their next step would then be to submit a formal protest within seven days, beginning August 20, and the review process would start after that, which Mr. Robertson confirmed. Treasurer Lillard requested that the documents relating to this matter be made a part of the record. Commissioner Goetz made a motion to rescind action on the prior approval of the contract with Faithful + Gould and award a contract to PB Americas to provide the Statewide Management Assistance services. The motion was seconded, and passed without objection.

Estimated Project Cost:	\$850,000.00
<u>Source of Funding:</u>	06/07 Current Funds-Capital Maint (A)
<i>SBC Project No.</i>	529/000-05-2008



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285

DAVE GOETZ
COMMISSIONER

To: Members of the State Building Commission

From: M.D. Goetz, Jr. *M.D. Goetz, Jr.*

Date: August 12, 2010

Re: SBC No. 529/000-05-2008—Statewide Management Assistance Contract

At its April 8, 2010 meeting, the State Building Commission approved awarding the statewide management assistance services contract to Faithful + Gould, Inc. (F&G). Investigations have been conducted by auditors from the Department of Finance and Administration and the Tennessee Board of Regents, which were coordinated with the Division of State Audit in the Comptroller of the Treasury's office. As a result, we are recommending that the State Building Commission reject F&G's proposal, and instead accept the proposal of PB Americas to provide the statewide management assistance services.

This recommendation is based on F&G's conduct in the performance of a previous construction management assistance services contract in effect from 2005 through July, 2010. The contract was designated as a "Master Contract" from which State agencies could obtain the services of construction services professionals. The contract required F&G to provide consultant personnel who met a set of qualifications specified in the contract such as education and experience. The Management Assistance Performance Specification of the Contract provides in Section B, Required Services, that: "The Consultant shall be required to provide personnel who meet the following minimum qualifications and fulfill the services as described."

Allegations were received that F&G had provided services, and received payment for services, rendered by personnel who did not meet the required qualifications. An investigation of F&G personnel paid for by Finance and Administration was conducted by F&A's internal auditors. An investigation of F&G Personnel paid for by the Tennessee Board of Regents [TBR] was conducted by TBR's internal auditors.

The Finance and Administration audit revealed that F&G received payment for the services of nine individuals who were found not to meet contract qualifications and were the subject of over \$2 million in invoices. For example, the contract specifications for the position of Project Schedule Facilitator 2 required a person knowledgeable in Critical Path Method scheduling and proficient in the use of Primavera and Microsoft Project

Scheduling software. The position required four years scheduling experience, three of which were to be specifically in the construction field. The persons for whom invoices were paid for this position included three individuals whose resumes do not reveal the required computer knowledge or any construction experience. Investigators were informed that these persons performed clerical work rather than the skilled scheduling work that the State paid for. The contract specifications provided that the State will not reimburse the contractor "for clerical or secretarial support at field locations"¹ F&A paid over \$295,000 in invoices for these individuals. The usual monthly invoice between August 2005 and May 2008 was \$8,810. In addition, the State paid over \$550,000 for the services of three Project Administrators who were required to have a bachelor's degree in architecture, engineering or a related field. Their resumes do not indicate they held such degrees. Invoices for services rendered without proper qualification were submitted from 2005 through at least 2009. This audit report is included as Attachment A.

The Tennessee Board of Regents audit revealed that F&G received payment for the services of at least four individuals who were found not to meet contract qualifications and were the subject of over \$1 million in invoices. Invoices for services rendered without proper qualifications were submitted from 2005 through early 2010. This Audit Report is included as Attachment B.

A further investigation of F&G found that the company had hired a consultant who was registered as its lobbyist at the time to serve as its "principle contact with the State" for the purposes of "business development" throughout the duration of the contract as well as other consulting services. The compensation was a flat fee plus a percentage of F&G billings to the State. The Audit Report reflects payments to this consultant of over \$1 million (See Audit Report, Attachment C). This conduct could constitute a violation of Tennessee Code Annotated Section 3-6-304(k) which prohibits an employer of a lobbyist from paying, or a lobbyist from soliciting or accepting any fee, compensation, or bonus for lobbying "wherein the amount of the fee, compensation, or bonus is contingent upon achievement of an outcome deemed to be successful for the employer."

In light of the pervasive nature of this conduct and the significant costs to the State, we do not consider it in the best interests of the State that Faithful & Gould be awarded this contract. Of the four evaluated proposers, PB Americas had a total score of 89.518, second to F&G's 95.664. A chart detailing the total scores for this procurement is included as Attachment D. For your further information, I have also included as Attachment E, a letter dated July 23, 2010 that Faithful & Gould sent to me in reference to the payment issues in which they oppose our recommendation to not go forward with the contract award.

¹ Section G of Contract Attachment B, Management Assistance Performance Specification, provides that:

The State shall supply clerical support for Consultant positions located within the State's Nashville offices only as availability permits. The support level will be dependent upon State agency workload and other factors. Consultant should consider this when developing rates for Proposal.

The State shall not pay for administrative secretarial support other than as described above, nor shall the State reimburse Consultant for clerical or secretarial support at field locations. If clerical and/or secretarial support is required at field locations, then the cost for this support must be included within the rates quoted for the required contracted services.

If additional clerical and/or secretarial support is deemed necessary, this cost shall be included within the rates for basic services proposed by the Consultant.



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF INTERNAL AUDIT & CONSULTING SERVICES
WILLIAM R. SNODGRASS TENNESSEE TOWER, 12TH FLOOR
312 EIGHTH AVENUE NORTH
NASHVILLE, TN 37243
PHONE: (615) 741-4892 FAX: (615) 532-1892

DAVE GOETZ
COMMISSIONER

MEMORANDUM

TO: Dave Goetz, Commissioner
Mike Morrow, Deputy Commissioner

CC: Glen McKay, State Audit Assistant Director

FROM: Ronald Maupin, Director of the Office of Audit and Consulting Services

DATE: July 26, 2010

RE: Review of Hanscomb, Inc./Faithful & Gould Contract

Overview

A review was performed by the Department of Finance and Administration's Office of Internal Audit (OIA) regarding the Hanscomb/Faithful & Gould (F&G) contract. This review was conducted as a result of an allegation received by OIA regarding a Department of Finance and Administration's (F&A), Division of Real Property Administration (RPA) employee knowingly allowing a F&G employee not qualified for the contract position to be hired and operate in this capacity. Once the allegation was substantiated, an analysis was performed on all F&G contract employees billed by F&G to F&A under this contract to determine if they met the minimum qualifications under the terms of the contract.

RPA awarded the management assistance (construction) contract to Hanscomb Inc. with a term of February 1, 2005 to January 31, 2008 which included an option for a two year extension which was exercised. The scope of services was for the contractor to provide project management services for capital maintenance, new construction, and renovation projects authorized by the State Building Commission. The contract provides for seven position types to fulfill various responsibilities to meet the scope of services of the contract. An amendment in 2008 was executed to change the name of the company to

“Faithful + Gould.” The contract administrator for this contract was Mr. Steve Westerman, former Director of Capital Project Management for RPA.

Analysis of Contract Payments for Consultant Employees

OIA requested and obtained the resume of Ms. Susan Proffitt, the employee alleged as unqualified, from F&G to compare her qualifications to the requirements of the Project Schedule Facilitator position as defined in the contract. It was determined Ms. Proffitt did not meet the minimum qualifications for the position in the contract. Based on this information, OIA extended the testwork to review the qualifications of all F&G employees utilized under the term of the contract. OIA determined 24 individuals filled 26 contract positions. OIA requested and obtained the resumes for the 23 remaining F&G employees from F&G and compared them to the requirements for the positions as defined in the contract. In total, OIA identified nine of 24 individuals (38%) filling eleven of 26 positions (42%) which did not meet the minimum qualifications as defined in the contract. Payments to F&G for the time period of February 1, 2005, to June 30, 2009, for the nine individuals who did not meet the minimum position requirements totaled \$2,177,186.89 (38% of the \$5,676,671.30 paid to F&G during this same time period). Attachment A to this report details the nine consultant employees in question.

Interviews

Mr. Westerman was interviewed on May 28, 2009, June 16, 2009, and July 8, 2009. Mr. Westerman had been the Director of Capital Project Management position for approximately five years and in RPA for approximately 19 years.

In the initial interviews, Mr. Westerman stated he reviewed the resumes and interviewed each person proposed by F&G before providing his approval of F&G hiring them to work under this contract. In addition, Mr. Westerman stated he was responsible for approving F&G invoices. Mr. Westerman was asked specifically about the hiring of seven of the nine individuals denoted on Attachment A. The remaining two F&G employees were discovered after Mr. Westerman left state employment.

Jeff Raith worked in the position of Field Representative 2, Project Administrator and Project Manger from November 2005 through December 2008, but did not meet the job qualifications as defined in the contract for any of the three positions held under this contract. Mr. Raith was not qualified for these positions as he did not have a Bachelors Degree or a license in the fields of architecture, engineering or related field. Mr. Westerman stated he recalled interviewing him, reviewing his resume, and approving his hire. Mr. Westerman stated he did not recall any reservations about his qualifications.

Thomas Little worked in the position of Program Administrator from June 2005 to December 2006, but did not meet the job qualifications as defined in the contract. Mr. Little did not hold a Bachelors Degree as required. Mr. Westerman stated he recalled interviewing him, reviewing his resume and approving his hire. Mr. Westerman stated he

Review of Hanscomb, Inc./Faithful & Gould Contract

July 26, 2010

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recalled he might not have had the right education the position required, but he thought his experience with the construction of correctional facilities was very valuable and substituted for the educational requirement. Mr. Westerman stated it was very hard to find the perfect match from a limited pool to select from and he did have some reservations about his educational qualifications, but thought he was a great fit.

Thomas Ellis worked in the position of Project Administrator from March 2008 to June 2009, but did not meet the job qualifications as defined in the contract. Mr. Ellis did not hold a Bachelors Degree as required. Mr. Westerman stated he did not interview him, but did review his resume. In addition, Mr. Westerman stated he did approve this hire. Mr. Westerman stated he recalled Mr. Ellis might not have met the education requirement, but was very experienced in his respective trade.

Samathia Flynn worked in the position of Project Schedule Facilitator 2 from March 2006 to February 2007, but did not meet the job qualifications as defined in the contract. Ms. Flynn did not have the required experience for this position. Mr. Westerman stated he did not recall interviewing her, reviewing her resume, or approving her hire.

Ricky Benson worked in the position of Project Administrator from November 2006 through February 2008, but did not meet the job qualifications as defined in the contract. Mr. Benson did not hold a Bachelors Degree as required. Mr. Westerman stated he did not interview him, but did review his resume. In addition, Mr. Westerman stated he did approve this hire. Mr. Westerman stated he recalled Mr. Benson might have not met the education requirement, but was very experienced in his respective trade

Shannon Hounshel worked in the position of Project Administrator from March 2007 to June 2009, but did not meet the job qualifications as defined in the contract. Mr. Hounshel did not hold a Bachelors Degree as required. Mr. Westerman stated he did not interview him, but assumed he reviewed his resume but was unsure. In addition, Mr. Westerman stated he did approve this hire. Mr. Westerman stated he recalled he might have not met the education requirement, but was very experienced in his respective trade.

Susan Proffitt worked in the position of Project Schedule Facilitator from March 2007 through June 2008, but did not meet the job qualifications as defined in the contract. Ms. Profit did not have the required experience for this position. Mr. Westerman stated he vaguely recalls her name, but could not recall the hiring details of Ms. Proffitt. After OIA provided Mr. Westerman the resume of Ms. Proffitt, Mr. Westerman acknowledged Ms. Proffitt did not meet the qualifications for the contract position she had filled. In addition, Mr. Westerman stated he recalled the person hired for this position was an odd fit, but was performing the duties as defined in the contract.

Danielle Branstetter worked in the position of Project Schedule Facilitator from July 2005 to March 2006, but did not meet the job qualifications as defined in the contract. Ms. Branstetter did not have the required amount of experience.

Review of Hanscomb, Inc./Faithful & Gould Contract

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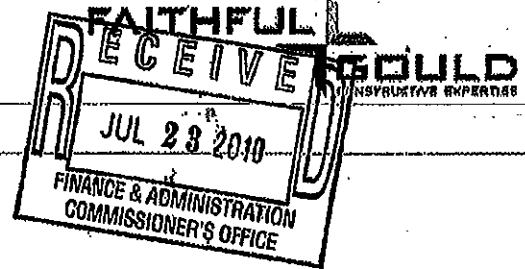
Ron Sabelhaus worked in the position of Project Manager from November 2005 to June 2009, but did not meet the job qualifications as defined in the contract. Mr. Sabelhaus did not have the required license in architecture, engineering or related technical field.

Conclusion

The allegation of an unqualified F&G employee performing services under this contract was substantiated. Furthermore, eight additional F&G RPA contract employees were determined unqualified for the positions held under this contract. In addition, OIA determined the former RPA Director of Capital Project Management was aware of, allowed, and/or approved unqualified contractors to perform work under this contract.

Recommendation

The Deputy Commissioner of the Department of Finance and Administration should assess the amounts paid for unqualified contractors and determine the appropriate actions to be taken to recoup any questioned costs.



July 23, 2010

State of Tennessee
Department of Finance and Administration
Mr. David Goetz, Commissioner
1st Floor State Capital Building
Nashville, TN 37243

Re: Management Assistance Contract (No. 529/000-09-2003)

Dear Commissioner Goetz,

As you are aware, Faithful & Gould ("F&G"), as successor to Hanscomb, Inc., has been performing under a Management Assistance Contract with the State of Tennessee since February 2005. We have enjoyed an excellent working relationship with the various state employees with whom we have had an opportunity to work and understand that the level of service we have provided has been acknowledged to be excellent. We have continued to work under an extension to that contract since it originally expired in January 2008.

An RFP for a new contract (No. 529/000-05-2008) was distributed in June 2009. F&G's proposal received the top rating and the award of the new contract to F&G was approved at a meeting of the State Building Commission on April 8, 2010. Contract documents were sent from the State's Department of Finance and Administration by letter dated April 12, 2010. We understand that one bid protest was filed but was summarily rejected. The contract documents were promptly signed and returned by F&G. Since that time, the State has not signed the documents and the future performance of the contract has been in a state of limbo.

On July 8, 2010, F&G received a call requesting a personal meeting the next day in Tennessee with the Department of Finance and Administration to discuss the contract. We were not advised in any more detail regarding the purpose of the meeting or the matters to be discussed. Upon arrival, we were informed that the purpose of the meeting was to inform us that the Department of Finance and Administration had decided to abandon the new contract with F&G and seek a new contractor. While we appreciate the courtesy of conveying this message in person, we were (and continue to be) shocked and surprised by the decision. The purpose of this letter is to set forth our understanding of the reasoning behind, as conveyed, the decision, to provide our response and respectfully request that the State Building Commission continue to honor the contract that it awarded to F&G on April 8, 2010.

At the July 8 meeting, we were informed that the Department had completed its audit of the prior contract, which apparently revealed numerous instances of F&G's failure to perform under the previous contract. We requested a copy of the audit, but were informed that it was only in draft form and could not be shared until it was finalized and made public. Without actually reviewing the audit, it is hard for us to fully respond to the allegations resulting in the decision to terminate our contract. We understand; however, that all of the alleged violations relate to the use of employees that did not meet the requirements of the contract and, as a result, overcharging of these employees occurred. Each of these instances occurred more than a year ago and was previously and fully addressed at the time. Ronald Maupin, a director of the Office of Audit and Consulting Services, sent a letter to F&G on September 8, 2009, confirming F&G's position on the alleged violations. That letter generally captures F&G's position, which is clarified in the historical narrative as follows:

When the original contract was awarded back in 2005, F&G intended to comply fully with all of the requirements of the contract. F&G promptly began interviewing for qualified candidates to fill the various positions. With a strong economy and demand for services at the time, however, it became apparent that the applicant pool was not what was expected. The State had numerous jobs that needed to move ahead and did not want to be delayed filling the positions. F&G worked with several of the State's designated representatives on the contract, to identify qualified and acceptable candidates to fill the positions. These State employees participated in the interview and hiring process, reviewing resumes and participating in interviews. In the case of each position for which we were hiring, F&G selected the applicant that was the most qualified to do the required work with the fully informed consent and approval of the State's representative. For example, in a case where a position required a Bachelors Degree, if we could not identify a qualified candidate with a Bachelors Degree, we may have agreed with a state representative to hire someone who had adequate practical experience. In all respects, F&G was dealing in good faith with its customer's duly authorized representative to provide the best level of service and customer support available under the contract. F&G also objects to the notion that F&G overcharged for the under-qualified individuals. F&G billed at the agreed rate for the particular position, and there does not seem to be any debate that the persons hired performed satisfactorily. In other words, the State received a high quality service and full value for the amount it paid to F&G. The notion that F&G was hiring less qualified applicants for the purpose of earning more margin on the contract is simply false.

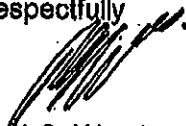
Notwithstanding F&G's view that we were fully complying with the contract, we cooperated fully with the inquiries and suggestions of the State's auditors in 2009. The resumes requested by and provided to the auditors were the same resumes that were initially reviewed and approved by the State when the positions were filled. By this time, the State representatives that participated in the interview and hiring process were no longer employed by the State, so unfortunately they were not available to confirm our description of the hiring process. Admittedly, we also did not demand written confirmations or instructions from these representatives as we viewed the hiring decisions more as a reasonable response to the customer's requests than a technical contractual amendment. At the time of the 2009 inquiry, only two of the seven allegedly under-qualified employees were still working for F&G. Upon receipt of notice from the State that those employees were no longer required or permitted to work on the contract, we let them go. When we were informed that the invoices submitted for these individuals were overstated, we accepted the reduced amounts paid by the State.

We are not aware of any additional instances since the 2009 inquiry where there have been problems with candidate qualifications or the amount of charges. As part of the bidding process for the new contract, we have been working with the State to identify acceptable candidates. The State should be fully comfortable with our hiring practices. Moreover, the State Building Commission was fully aware of the history of the projects and the inquiries in 2009 when it awarded the new contract to F&G on April 8, 2010. Furthermore we cannot understand how the alleged audit findings have any bearing on the future performance of this contract given the State has removed the qualifications in questions from the new contract. In the absence of additional problems or concerns subsequent to the first half of 2009, it is difficult for us to understand the radical change of position taken by the Department of Finance and Administration. If the decision was based on additional information or alleged problems, we would like to be informed of them and given an opportunity to respond.

F&G takes pride in the quality of services it provides and in obtaining a high level of customer satisfaction. We are particularly proud of the positive comments we have received from the State of Tennessee regarding the quality of service provided under the original contract. We can appreciate that all of our customers expect to receive full value for the dollars we are paid. We also understand the importance of the public's trust when spending taxpayer dollars. That is why it is important to F&G that this matter be clarified. We want to avail ourselves of every opportunity to assure the State of Tennessee of our good-faith performance under the original contract and our desire and ability to perform under the contract awarded in April 2010.

F&G wants to continue to perform under the contract awarded in April by the State Building Commission. All of the reasons that made our bid the best bid still exist. We welcome the opportunity to address any and all concerns raised in the audit or that may otherwise be the basis for not awarding that contract. If the Department of Finance and Administration proceeds to ask the State Building Commission to reverse its prior action, we would like the opportunity to address the Commission.

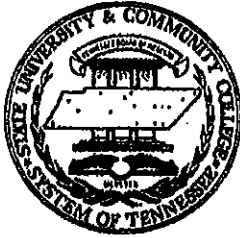
Respectfully



Paul G. Wood
President and CEO

cc: J. Alan Robertson, A.I.A.
Acting State Architect
Office of the State Architect

Mike Morrow
Deputy Commissioner
Tennessee Department of Finance and Administration



Tennessee Board of Regents

1415 Murfreesboro Road - Suite 350 - Nashville, Tennessee 37217-2833
(615) 366-4400 FAX (615) 366-4464

MEMORANDUM

To: Christine Modisher, General Counsel

From: Tammy Gourley, Director of System-wide Internal Audit

Date: April 28, 2010

Subject: Review of Hanscomb, Inc./Faithful and Gould Consultant Employee Payments

Overview of Contract

At your request, I am transmitting our analysis of consultant employee labor costs under the Hanscomb, Inc./Faithful and Gould (Faithful and Gould) contract. We have reviewed payments made by the Tennessee Board of Regents (TBR) to this contractor, who provided construction management services for the period January 2005 through January 2010. This review was based on concerns presented to the TBR, Offices of General Counsel and System-wide Internal Audit on December 8, 2009, by staff of the Comptroller of the Treasury, Division of State Audit and the State Department of Finance and Administration, Office of Internal Audit. The concerns presented to us about the contract were that some of the individuals placed into positions identified in the contract did not meet the job qualifications specified in the contract.

The contract was awarded to Hanscomb, Inc. by TBR on January 18, 2005, upon completion of the contract bidding process. The contract initially covered the period January 18, 2005 through January 18, 2008 and included a provision for a two year extension, which was accepted, extending the contract through January 18, 2010. An amendment to the contract in 2008 indicated a name change for the contractor from Hanscomb, Inc. to Faithful and Gould. TBR contracted with Heery International for construction management services from September 22, 1995 until the Faithful and Gould contract was awarded. The contract is currently managed for TBR by Keith Robinson, Director of Construction Management, in the Office of Facilities Development.

Austin Peay State University • East Tennessee State University • Middle Tennessee State University • Tennessee State University
Tennessee Tech University • University of Memphis • Chattanooga State Technical Community College
Cleveland State Community College • Columbia State Community College • Dyerburg State Community College
Jackson State Community College • Motlow State Community College • Pellissippi State Technical Community College
Roane State Community College • Southwest Tennessee Community College • Volunteer State Community College
Walters State Community College • Nashville State Technical Community College • Northeast State Technical Community College
The Tennessee Technology Centers

Analysis of Contract Payments for Consultant Employees

We reviewed all contract payments to Faithful and Gould from January 18, 2005 to January 31, 2010. During this period, TBR paid Faithful and Gould \$4,659,482.90 for consultant employees under section C.3 of the contract, representing payments for 14 individuals that were placed in 19 different positions. Of these 19 positions, we identified four individuals that did not meet the requirements for the position as specified in the contract and another individual where we believe it is not clear whether she met the requirements specified in the contract. Payments to Faithful and Gould for the periods of time the four consultant employees failed to meet the position requirements totaled \$1,347,994.31 and payments for the period of time the fifth consultant employee may not have met the position requirements totaled \$138,822.94. Attachment A to this memorandum includes the details regarding the five consultant employees in question.

Interviews

Additionally, we interviewed relevant TBR staff and the onsite Faithful and Gould representative to identify the process used to place individuals into the consultant employee positions specified in the contract. These interviews are summarized below.

Keith Robinson, TBR Director of Construction Management

Keith Robertson, TBR Director of Construction Management, was interviewed on January 13, 2010 and February 23, 2010. Mr. Robertson was appointed Director of Construction Management on September 1, 2005. He stated that once a need was established for a position to be filled under the contract, Faithful and Gould was notified. He stated Faithful and Gould provided a candidate and that any interviews were conducted by Faithful and Gould and not by TBR staff. He indicated that he or his predecessors would accept the person presented to them by Faithful and Gould. He said that including himself there had been three people in his position since the start of the contract. Neither of the previous directors currently works for TBR.

Jerry Preston, Former TBR Executive Director of Facilities Development

Jerry Preston, Former TBR Executive Director of Facilities Development, was interviewed on February 4, 2010. Mr. Preston was in this position from March 1, 1995 until he retired on June 30, 2009. He indicated that he had final approval for placing a consultant employee under the contract, but said that reviews of qualifications or resumes were performed by the Director of Construction Management and/or Faithful and Gould staff. Mr. Preston said that a person was selected for a position prior to his involvement and his approval was a formality. He stated that he never reviewed resumes or conducted interviews of anyone placed under the contract and that he relied on Faithful and Gould to provide quality people.

Matt Gwinn, Faithful and Gould Program Administrator

Matt Gwinn, Program Administrator for Faithful and Gould, was interviewed on February 16, 2010. Mr. Gwinn said that when TBR made a request to fill a position, he submitted the request to Faithful and Gould Human Resources, who provided him a list of candidates that he narrowed down to one. He said he then presented that person to the Director of Construction Management as the person to fill that position. Five consultant employees who did not meet the job specifications in the contract were discussed with Mr. Gwinn.

Ed Asci worked in the position of Project Administrator from August 2006 through January 2010, but did not meet the job specifications in the contract. The position required a Bachelors Degree in architecture, engineering or a related field, but Mr. Asci did not have a degree. Mr. Gwinn said that Mr. Asci was already performing the work of a Project Administrator in his position as Project Schedule Facilitator 2 before he was moved into the position of Project Administrator. Mr. Gwinn indicated that he did not review Mr. Asci's qualifications at the time Mr. Asci changed positions since he was already working in another position under the contract.

Craig Eubanks worked in the position of Owner's Field Representative 2 from February 2005 through January 2010, but did not meet the job specifications in the contract. This position required a Bachelors Degree in architecture, engineering or a related field, but Mr. Eubanks had only an Associate's Degree in Architectural Engineering. Mr. Gwinn indicated that Craig Eubanks was working under the prior Heery International contract and began work on the Faithful and Gould contract doing the same work. He said there was no discussion of qualifications by Faithful and Gould or TBR at that time.

Steven Morris worked in the position of Project Manager from March 2007 through May 2009, but did not meet the job specifications in the contract. The position required a license in architecture or engineering but Mr. Morris did not have such a license. Mr. Gwinn indicated that there was no discussion at Faithful and Gould or TBR regarding Mr. Morris not having a license in architecture or engineering when he was hired. Mr. Gwinn stated that he had worked with Mr. Morris in the past and contacted him about the position.

Tammy Ray worked in the position of Program Controls Coordinator from July 2009 through January 2010, but for the first three months of this period she did not meet the job specifications in the contract. The position required 36 months experience in the construction industry but she had only 33 months experience at the time she was placed in the position. Mr. Gwinn stated that Ms. Ray had prior construction experience with her husband's electrical contracting company. Ms. Ray's resume was reviewed with Mr. Gwinn during the interview and the experience with her husband's company was not documented. Mr. Gwinn stated he believed it was on the resume.

Patricia Whitlock worked in the position of Project Manager from March 2006 to February 2007, but it is not clear whether she met the job specifications in the contract. The position required a licensed professional in architecture, engineering or a related technical field along

with six years of construction industry experience and three years of management experience. Ms. Whitlock did not hold a license in a specified field and management experience was not indicated on her resume. Ms. Whitlock was a Registered Interior Designer and Mr. Gwinn said that Jerry Preston accepted Ms. Whitlock's registration as an interior designer as adequate qualifications. Mr. Gwinn stated that he believed registration was the same as license in Tennessee and that a Registered Interior Designer would be a related technical field as indicated in the qualifications. A subsequent review of the qualifications for becoming a Registered Interior Designer in Tennessee indicates the process is similar to licensing for other fields. However, it remains unclear whether Ms. Whitlock had sufficient management experience and whether the degree field of interior design met the intent of the contract specifications of a "related technical field" for the purposes of fulfilling the duties of this position, and whether she had sufficient management experience intended by the job specifications.

Conclusion

Four of 19 consultant employees placed into positions by Faithful and Gould did not meet the contractual job specifications for these positions. For an additional consultant employee, it is unclear whether the individual's degree area and management experience met the contractual job specifications for the position in which she was placed. TBR management has indicated that the individuals placed in these positions performed satisfactory work.

STATE BUILDING COMMISSION

MINUTES OF MEETING OF STATE BUILDING COMMISSION

- 1) Mr. Robertson requested approval of the Minutes of the State Building Commission meeting held on July 8, 2010 based on the following revisions made to the **Solar Farm** project in Haywood County. The Commission approved the Minutes, including the modification below:

SOLAR FARM, HAYWOOD COUNTY, TENNESSEE

Mr. Robertson presented a request for approval to contract with Signal Energy of Chattanooga, the best-evaluated proposer based on the RFP process for services for design/build of West Tennessee **Solar Farm** in Haywood County, and associated Utility System Impact Study. Paula Flowers, with the University of Tennessee Research Foundation, was recognized and provided a summary of the project and opened for questions. Comptroller Wilson asked where the State is on obtaining Federal Department of Energy, NEPA finding of no significant impact for this project. Ms. Flowers stated that the draft environmental assessment is 90% ready and dependent upon approval of the award to provide the preliminary design information in the report that will be released for public review and public hearings to be held in Brownsville. Ms. Flowers clarified that they could not procure the equipment, perform site preparation or complete installation on the site until DOE issues a finding of no significant impact. Comptroller Wilson asked the cost of the proposal by Signal Energy. Ms. Flowers stated the base cost for the initial installation of 5 megawatts is \$20,501,205. Ms. Flowers stated the cost data will be provided to staff. Comptroller Wilson asked about the financial capacity of Signal Energy. Ms. Flowers stated that Signal Energy is a subsidiary of Parent Company EMJ who is fully guaranteeing the entire project.

A discussion ensued regarding the degree of participation of local subcontractors on the project. Ben Fisher, Signal Energy, responded that every phase, except for some specialty disciplines, will be done by Tennessee firms. Secretary Hargett discussed the lack of West Tennessee firms being involved with professional services on the project. Ms. Flowers responded there were West Tennessee design firms that participated in the RFP process. Treasurer Lillard asked what the preliminary schedule is for the installation. Ms. Flowers stated that if everything moves along as planned and NEPA issues a finding of no significant impact, installation of modules should begin in October 2010 and completed by the first part of 2011. Comptroller Wilson requested the Commission members be notified if the October installation schedule slides past December 2010. Speaker Williams commented that he was glad to see Signal is diversifying and taking bids all over the state. After further discussion, the Commission approved the request as presented.

Estimated Project Cost:	\$31,000,000.00
<u>Source of Funding:</u>	Federal Funds (ARRA) (F)
<i>SBC Project No.</i>	<i>540/000-01-2010</i>

Treasurer Lillard made a statement regarding action taken on July 8 by the SBC relative to the Solar Farm project. He said after the project was approved, he understood that there was some type of internal inquiry or discussion in regard to the grading of the proposals for the RFP. He wanted to note on the record for everyone who brings matters before the Commission in the future, if there is any type of inquiry, bid protest or investigation, the applicant should make the Commission aware of it. He said it may, in the end, not be a material matter, but it needs to be disclosed to the Commission. He said he hopes the State Architect will take steps to make sure that everyone who comes before the Commission is reminded of that. Comptroller Wilson said it was his understanding that the internal auditor raised questions about the bidding process and this was not disclosed to this Commission at the time. He said it was resolved and that the bidding was appropriate, but legitimate questions were raised. He said that if this happens again, he will view it as an act of bad faith. He stated, when serious issues are raised, regardless of how they're resolved, they should be disclosed to the Commission.

REPORT OF CHANGE ORDERS RESULTING IN CUMULATIVE CHANGE ORDER COSTS TO EXCEED 10% OF BASE CONTRACT AMOUNT

- 1) **I-24 Tiftonia Welcome Center**
(Replacement)
Change Order No. 3
Contract Amount: \$1,961,000.00
Change Order Amount: \$174,584.54
Change Order Percent: 8.9
Cumulative Percent 17.49
SBC Project No. 242/010-01-2009

- 2) **I-24 Tiftonia Welcome Center**
(Replacement)
Change Order No. 4
Contract Amount \$1,961,000.00
Change Order Amount: \$15,532.30
Change Order Percent: .79
Cumulative Percent 18.29
SBC Project No. 242/010-01-2009

- 3) **Austin Peay State University**
(Underground Electrical Update)
Change Order No. 1
Contract Amount: \$919,702.00
Change Order Amount: \$130,153.59
Change Order Percent: 14.15
Cumulative Percent 14.15
SBC Project No. 166/003-03-2009

- 4) **University of Memphis**
(Recreation & Fitness Renovations)
Change Order No. 7
Contract Amount: \$479,000.00
Change Order Amount: \$7,901.04
Change Order Percent: 1.65
Cumulative Percent 21.06
SBC Project No. 166/007-03-2000

- 5) **Middle Tennessee State University**
(Tucker Theatre Renovations)
Change Order No. 2
Contract Amount: \$1,278,900.00
Change Order Amount: \$139,145.97
Change Order Percent: 10.88
Cumulative Percent 12.35
SBC Project No. 166/009-03-2009

- 6) **Middle Tennessee State University**
(Tucker Theatre Renovations)
Change Order No. 3
Contract Amount: \$1,278,900.00
Change Order Amount: \$2,273.31
Change Order Percent: 0.18
Cumulative Percent 12.53
SBC Project No. 166/009-03-2009

DESIGNER SELECTION LIST

- 1) Approved referring the designer selections to the Executive Subcommittee, with authority to act.

EXECUTIVE SUB-COMMITTEE REPORT

- 1) Report received of final action taken at the State Building Commission Executive Subcommittee meeting held on May 24, 2010.

There being no further business, the meeting adjourned at 12:15 p.m.

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration