



## South Carolina Commission on Higher Education

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Mr. Rodney A. Smolla  
Mr. Guy C. Tarrant, CCIM  
Mr. Hood Temple  
The Honorable Lewis R. Vaughn

Dr. Garrison Walters, Executive Director

**TO:** Mr. Guy Tarrant, Chair, and Members of the Committee on Finance & Facilities

**FROM:** Mr. Gary S. Glenn, Director of Finance, Facilities, & MIS

**SUBJECT:** Committee Meeting, October 6

**DATE:** September 28, 2011

A meeting of the Committee is scheduled to be held in the Commission's Main Conference Room at 1122 Lady Street, Suite 300 at 9:45 a.m. on Thursday, October 6. Please note the change in time. The agenda and materials for the meeting are enclosed.

If you have any questions about the materials, please contact me at (803) 737-2155. We look forward to meeting with you on October 6.

*Enclosures*

**AGENDA**

COMMITTEE ON FINANCE & FACILITIES

OCTOBER 6, 2011

9:45 A.M.

MAIN CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1122 LADY STREET, SUITE 300

COLUMBIA, SC 29201

1. **Introductions**
2. **Minutes of September 1 Meeting**
3. **Interim Capital Projects**
  - A. **University of South Carolina Columbia**
    - i. **Indoor Practice Facility Construction (Phase I)**  
*- establish pre-design*
  - B. **Medical University of South Carolina**
    - i. **College of Nursing Interior Renovation (Phase I)**  
*- establish pre-design*
4. **Other Business**
  - A. **Discussion of Staff Authority for Interim Capital Projects**
  - B. **List of Capital Projects & Leases Processed by Staff for September 2011**  
**(For Information, No Action Required)**

**MINUTES**

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION  
COMMITTEE ON FINANCE AND FACILITIES  
SEPTEMBER 1, 2011  
9:30 A.M.  
MAIN CONFERENCE ROOM  
SC COMMISSION ON HIGHER EDUCATION  
1122 LADY STREET, SUITE 300  
COLUMBIA, SC 29201

**Committee Members Present**  
Chairman Guy Tarrant (phone)  
Ms. Natasha Hanna  
Mr. Bill Scarborough  
Mr. Hood Temple  
Mr. Lewis Vaughn

Mr. Jeff Lamberson  
Ms. Angie Leidinger  
Mr. John Malmrose  
Ms. Beth McInnis  
Mr. Tom Quasney  
Mr. Robert Ricketts  
Mr. Charles Shawver  
Mr. Adam Taylor

**Guests Present**  
Ms. Donna Collins  
Dr. Anthony Coyne  
Mr. Henry Giles  
Mr. Anand Gramopadhye  
Mr. Derek Gruner  
Mr. Rick Kelley

**Staff Present**  
Mr. Gary Glenn  
Ms. Courtney Blake  
Ms. Julie Carullo  
Mr. Jason Cone

For the record, notification of the meeting was made to the public as required by the Freedom of Information Act.

**I. Call to Order**

Chairman Tarrant called the meeting to order at 9:40 a.m. Ms. Blake introduced guests in attendance.

The following matters were considered:

**II. Approval of Minutes of Meeting on August 10, 2011**

A motion was made (Scarborough), seconded (Temple), and carried to approve the minutes of the August 10, 2011 meeting.

**III. Interim Capital Projects**

The following projects were presented and discussed:

- A.) Clemson University
  - i. Littlejohn Coliseum Annex Addition

Mr. Glenn presented the project stating that the request is for Phase I (pre-design). He noted that the project will construct a 65,000 SF annex to Littlejohn Coliseum. The annex will provide a practice facility for the men's and women's intercollegiate basketball programs while efficiently enabling daily interaction between coaches and student athletes. The annex will include two practice gyms and offices for coaches. Mr. Glenn added that the project was not

included in the institution's FY 2011-12 CPIP year one because it has arisen within the Athletic Department as a priority in the last five months. He explained that pre-design was submitted at 2.75% of the total budget instead of the JBRC limit of 1.5% because schematic design is challenging. The existing annex was developed through an extensive design effort involving some of the best designers in the country. Adding onto the annex will be equally challenging and will require numerous iterations.

Mr. Robert Ricketts, from Clemson University, explained that there are site issues associated with this project because the Coliseum is surrounded by hills. In an effort to avoid duplicating services, multiple locations are being considered. Commissioner Temple applauded the institution for being thorough with A&E services to save time and money on the backend.

With no further questions, it was moved (Vaughn), seconded (Temple), and voted to approve the Clemson University project as proposed.

ii. Freeman Hall Expansion

Mr. Glenn presented the project stating that the request is for Phase II (construction). He noted that the project will add 24,000 SF of office and classroom space to Freeman Hall. Additional space is required to continue to offer the appropriate services to students, faculty, and staff and to allow the program to be nationally competitive. Mr. Glenn added that the project was not included in the institution's FY 2011-12 CPIP year one. It has become a top priority in response to significant programmatic growth. Mr. Glenn noted that the project is being partially funded with operating revenue derived from an online Master of Engineering in Industrial Engineering Program focused on Capital Projects Supply Chain.

At Mr. Glenn's invitation, Ms. Angie Leidinger, from Clemson University, stated that the University has done significant campus planning the past year and a half. The result is a ten year plan for programs and facilities. She noted that the FY 2011-12 CPIP year one did not reflect this planning but will be included in the University's CPIP going forward.

With no further questions, it was moved (Temple), seconded (Scarborough), and voted to approve the Clemson University project as proposed.

B.) University of South Carolina Columbia

i. Darla Moore School of Business Construction

Mr. Glenn presented the project stating that the request is to increase the budget and revise scope. He noted that with a private donation of \$15M, the project will modify the new Darla Moore School of Business to support programmatic and facility needs. Modifications to the original scope include an open floor plan at street level, additional lighting shafts, and a natural roof which will employ and demonstrate a construction technique that is both sustainable and energy efficient and is an illustration of sustainable business practice which is the focus of the school's curriculum. In addition, the food service program will be increased and a 3,700 SF conference center will be added on level two to support events, lectures, and seated dinners for up to 200 guests.

Mr. Jeff Lamberson, from The University of South Carolina, commented on the building stating that it will be constructed LEED Platinum. He noted that the facility is not just a building; it is also a teaching tool.

With no further questions, it was moved (Vaughn), seconded (Temple), and voted to approve the University of South Carolina Columbia project as proposed.

C.) Spartanburg Community College  
i. Spartanburg Downtown Campus

Mr. Glenn presented the project stating that the request is for Phase II (construction). He noted that the project will renovate all three floors of the Evans Building. Renovations will include demolition and re-configuration of spaces for classrooms, science labs, administration, faculty and staff areas. Structural enhancements will be required for the auditorium and gym areas. There will also be renovations to upgrade HVAC, electrical and lighting systems for energy savings and conservation measures. Mr. Glenn added that the project was included in the institution's FY 2011-12 CPIP year one as priority number one; however, the total project budget has increased by \$1,590,601 since CPIP submission causing the project to be brought back to the Committee and Commission for approval.

Mr. Glenn asked Mr. Henry Giles, from Spartanburg Community College, to comment on the funding sources. Mr. Giles stated that \$2.9M is from private funds, \$2.4M from College Plant Funds, \$3.6M from Spartanburg County, and \$1.5M from the City of Spartanburg. He added that 150 parking spaces have been made available from the City. Commissioner Temple commended the collaboration with Spartanburg County and the City of Spartanburg.

With no further questions, it was moved (Temple), seconded (Vaughn), and voted to approve the Spartanburg Community College project as proposed.

#### **IV. Other Business**

Mr. Glenn noted at the Finance and Facilities Committee meeting on August 10, 2011 the Committee approved the Medical University of South Carolina (MUSC) Uninterruptable Power Supply Project, but had a few unanswered questions. Mr. John Malmrose, from Medical University of South Carolina, apologized for not being present at last month's meeting and answered questions.

Commissioner Vaughn was concerned that the original design of the center did not include a proper backup system with battery power to keep operations running during a power outage. He asked if the backup system will be in a separate location from the data center and if there will be a backup battery system put into place. Mr. Malmrose explained that The Data Center currently has a single Uninterruptable Power System (UPS) with immediate battery power to keep operations running during a loss of normal power and a transfer to emergency generator power. This UPS has served the University well for several years. What they did not realize until recently was that there are several single points of failure internal to that UPS. They became aware of those single points of failure as a result of a forensic study initiated after two internal UPS failures within the past six months. The University is purchasing and installing a second UPS as a back-up for the current one. They now know either UPS can fail, but the likelihood of both UPS's failing at the same time would be extremely small. The University is entirely too dependent upon electronic means not to provide a back up to the existing UPS for the reasons outlined in the project justification.

Commissioner Scarborough noted that half the project is funded with Clinical Revenue and wanted to know if that revenue will continue to be used for maintenance. Mr. Malmrose confirmed that the University shares the costs for data center support and improvements 50/50 with the hospital.

Mr. Glenn requested and the Committee agreed to carry over to the October 6, 2011 meeting the discussion of staff authority for interim capital projects.

The list of Capital Projects & Leases processed by staff for August 2011 was presented for information.

With no further business, Chairman Tarrant adjourned the meeting at 10:30 a.m.

Respectfully submitted,

Courtney W. Blake  
Recorder

*\*Attachments are not included in this mailing but will be filed with the permanent record of these minutes and are available for review upon request.*

**DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION**

October 6, 2011

**UNIVERSITY OF SOUTH CAROLINA COLUMBIA**

**PROJECT NAME:** Indoor Practice Facility Construction (Phase I)  
**REQUESTED ACTION:** Establish Pre-design  
**REQUESTED ACTION AMOUNT:** \$210,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b><u>Project Budget</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Professional Service Fees	\$0	\$210,000	\$210,000
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$210,000</i></b>	<b><i>\$210,000</i></b>

<b><u>Source of Funds</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Athletic Operating Funds	\$0	\$210,000	\$210,000
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$210,000</i></b>	<b><i>\$210,000</i></b>

**DESCRIPTION:**

The University requests approval to establish a project to construct an 86,000 SF indoor football practice facility located at the west end of the former Farmer's Market site. The proposed building will house a full size football field with support facilities such as restrooms, storage, and offices. The facility will provide practice space in inclement weather as well as serve as an important recruiting tool. When the facility is not being used for football, it will be available for use by other University teams.

This project was not included in the institution's FY 2011-12 CIP year one because it recently became a high priority. The total projected budget is \$14M.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A – New Construction

**ANNUAL OPERATING COSTS/SAVINGS:**

The project is not expected to generate additional operating costs at this time.

**RECOMMENDATION:**

Staff recommends approval of this project as proposed.

**MEDICAL UNIVERSITY OF SOUTH CAROLINA**

**PROJECT NAME:** College of Nursing Interior Renovation (Phase I)  
**REQUESTED ACTION:** Establish Pre-design  
**REQUESTED ACTION AMOUNT:** \$120,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b>Project Budget</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Professional Service Fees	\$0	\$120,000	\$120,000
<b>Total</b>	<b>\$0</b>	<b>\$120,000</b>	<b>\$120,000</b>

<b>Source of Funds</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Institutional Capital Project Fund	\$0	\$120,000	\$120,000
<b>Total</b>	<b>\$0</b>	<b>\$120,000</b>	<b>\$120,000</b>

**DESCRIPTION:**

The University requests approval to establish a project to renovate 36,000 SF in the College of Nursing Building. The interior floor space will be demolished and reconfigured to meet the current needs of the College. A student services area and separate computer lounge, as well as additional conference room, multipurpose rooms and offices will be incorporated. Renovations will also include the replacement of HVAC, plumbing, electrical, and fire alarm distribution systems on each floor. A new fire sprinkler system will be installed, and the building's roof and crawl space piping will be replaced along with the elevators.

The College of Nursing building is a five-story structure constructed in 1956 and designed initially as a nursing dormitory. The use of this building changed over the years into office and classroom space. Remnants of the original dormitory, such as shared bathrooms between rooms, still exist. With the exception of the Simulation Laboratory on the first floor, this building has received no substantial renovation since its construction. Because of this, deterioration has occurred with the plumbing, and the heating and air systems are compromised. The lack of efficient space and the condition of the building's infrastructure systems threaten the growth of the College.

This project was not included in the institution's FY 2011-12 CPIP year one because funding was not identified at the time of submission. The total projected budget is \$8M.

**E&G MAINTENANCE NEEDS REDUCTION:**

The project will alleviate a portion of the \$3,605,887 in existing maintenance needs.

**ANNUAL OPERATING COSTS/SAVINGS:**

The project is not expected to generate additional operating costs at this time.

**RECOMMENDATION:**

Staff recommends approval of this project as proposed.

**DISCUSSION OF STAFF AUTHORITY FOR INTERIM CAPITAL PROJECTS**

October 6, 2011

Previous Finance & Facilities Committees have delegated authority to the staff to approve interim capital projects up to \$500,000 or increases up to \$500,000 or 10 percent of the total budget, whichever is greater, where the change does not have a material effect on scope, funding source, etc.

This authority was established prior to the two-phase approval process adopted by the Joint Bond Review Committee (JBRC) in November 2007. The two-phase process requires institutions to establish projects so that Phase 1 is for pre-design services and Phase 2 is for construction/project completion. In most cases, Phase 1 approvals do not exceed \$500,000, and, as such, have been approved by staff under the aforementioned authority and have been transmitted to the Committee and Commission as information through inclusion on the monthly staff approvals list. However, an internal operating policy has been adopted that takes any Phase 1 request that is \$75,000 or more to the Committee for approval as these projects would result in a \$5M or more total project budget.

The Committee has taken several steps and supported several initiatives focused on expediting capital project approvals. Staff approvals of the majority of Phase 1 requests are an example of those initiatives. Each Phase 2 request has been brought before the Committee and Commission where the decision to allow the institution to proceed to Phase 2 has received separate consideration. In cases where the cost is significant, the Committee has approved both Phase 1 and Phase 2 for a single project, which slows down the approval process.

**PROPOSED REQUESTED ACTION**

The Committee is asked to formally authorize staff to bring to the Committee **all** interim project Phase 1 requests with full documentation in the form and format used to support Year 1 CPIP approvals. When Phase 2 is subsequently requested and there is no material deviation of project scope or funding source, staff would approve and transmit the advancing of Phase 2 to the Committee and Commission as information through inclusion on the monthly staff approvals list.

**DISCUSSION OF STAFF AUTHORITY FOR LEASES**

October 6, 2011

Previous Finance & Facilities Committees have delegated authority to the staff to approve leases with a term of three or more months in a single fiscal year and a total annual cost from \$25,000 up to and including \$100,000.

Pursuant to SC Code of Regulations 19-447.1000, a standard lease is now defined as that which commits less than \$1M in a five year period.

**PROPOSED REQUESTED ACTION**

In an effort to align CHE's authority with that of the Budget & Control Board, the Committee is asked to formally authorize staff to approve leases up to and including \$1 M in a five year period.

Staff recommends that these revisions would take effect upon action of the Committee and Commission and would remain in effect until specifically revoked.

**INFORMATION ITEM**

**Capital Projects & Leases Processed by Staff**  
**September 2011**

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
8/25/2011	New	Piedmont TC	Abbeville County Center Land Purchase <sup>1</sup>	establish (environmental study)	\$0	\$20,000
9/7/2011	6071	USC Columbia	Horizon I First Floor Laboratory Upfit <sup>2</sup>	increase budget, revise scope	\$245,000	\$4,345,000
9/7/2011	9605	The Citadel	Daniel Library Building Envelope Renovation <sup>3</sup>	change source of funds	\$0	\$906,748
9/7/2011	9642	College of Charleston	Hungry Cougar Renovation & Expansion <sup>4</sup>	revise scope	\$0	\$1,900,000
9/7/2011	9936	Midlands TC	LET Building HVAC Replacement	close project	\$0	\$600,000
9/7/2011	9957	Midlands TC	Campus Accelerator Northeast Campus	decrease budget	(\$334,345)	\$4,665,655
9/7/2011	9979	Midlands TC	Lexington Hall Addition	decrease budget	(\$88,761)	\$2,661,239
9/7/2011	6032	Piedmont TC	Multipurpose Renovation Project <sup>5</sup>	cancel project	(\$10,500)	\$0
9/8/2011	6006	Central Carolina TC	Building 600 Renovations <sup>6</sup>	change source of funds	\$0	\$1,000,000
9/19/2011	6022	Tri-County TC	Welding/HVAC Building Renovation <sup>7</sup>	change source of funds	\$0	\$2,987,000
9/26/2011	9927	USC Columbia	Norfolk Southern Property Acquisition/Donation	decrease budget, close project	(\$5)	\$0
9/26/2011	6026	USC Columbia	SCDOT Acquisition	decrease budget, close project	(\$1)	\$0
9/26/2011	6088	USC Columbia	Softball Stadium Construction <sup>8</sup>	establish construction budget	\$7,880,000	\$8,000,000
9/26/2011	9816	MUSC	Quad F Building Cooling Tower Replacement <sup>9</sup>	increase budget	\$150,000	\$450,000
9/28/2011	9618	College of Charleston	69 Coming Street Renovations	close project	\$0	\$128,374
9/28/2011	New	SC State	Health, Wellness, and Conference Complex <sup>8</sup>	establish pre-design	\$0	\$270,000

<sup>1</sup>See supporting narrative.

<sup>2</sup>Increase budget and revise scope to fund work that was not included in the original contract award. The additional work includes finishing of laboratory shell spaces and providing a third fire control area.

<sup>3</sup>Change source of funds by reducing E&G Student Fees by \$873,448 and increasing Gifts by \$873,448.

<sup>4</sup>Due to higher than expected construction bids, the scope is being revised to remove the conversion of an adjacent office into a sandwich stop and the reconfigured/refurbished outdoor seating.

<sup>5</sup>Cancel project due to implementation of HEEPA 2011. Total estimated cost for renovations is \$700,000.

<sup>6</sup>Change source of funds by reducing Local College Funds by \$316.50 and increasing Transferred Tuition and Fees by \$316.50. The revision in funding source is needed in order to draw down available capital project funds from the College's State Treasurer account.

<sup>7</sup>Change source of funds by reducing Federal ARRA Funds by \$1,180,968.42, increasing Local Funds by \$1,132,231.71, and adding Institutional Capital Project Funds of \$48,736.71.

<sup>8</sup>Approved by CHE on May 26, 2011 as part of CPIP FY 2011-12.

<sup>9</sup>Increase budget due to a cost differential between the original estimate for the cooling tower and the current up-to-date manufacturer quote.

**FOR INFORMATION – PROJECT ESTABLISHMENTS PROCESSED BY STAFF  
FOR SEPTEMBER 2011**

*Note: At the June, 2008 meeting, the Finance & Facilities Committee clarified staff authority for processing institutional requests to establish capital projects. Accordingly, the following summary is presented as information.*

**PIEDMONT TECHNICAL COLLEGE**

**PROJECT NAME:** Abbeville County Center Land Purchase (Phase I)  
**REQUESTED ACTION:** Establish Environmental Study  
**REQUESTED ACTION AMOUNT:** \$20,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b><u>Project Budget</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Professional Service Fees	\$0	\$20,000	\$20,000
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$20,000</i></b>	<b><i>\$20,000</i></b>

<b><u>Source of Funds</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Local	\$0	\$20,000	\$20,000
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$20,000</i></b>	<b><i>\$20,000</i></b>

**DESCRIPTION:**

The College requests approval to establish a project to purchase ten acres from Piedmont Technical College Foundation. The land will allow for future expansion with the construction of the Abbeville County Center. The existing Center consists of multiple mobile classrooms totaling 5,600 SF which is not conducive to growth.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A – Land Purchase

**ANNUAL OPERATING COSTS/SAVINGS:**

The project is not expected to generate additional operating costs at this time.