STATE BUILDING COMMISSION

GUIDELINES FOR ACCEPTANCE OF COMPLETED "IN-PLACE" CONSTRUCTION PROJECTS

AS GIFTS

The purpose of these guidelines is to establish the conditions precedent for approval by the State Building Commission (SBC) of gift projects that are to be constructed, erected, installed, etc. on land owned or leased by the State, and such gift or gifts are to become the property of the State.

Background

Due to the ability of private Donors to utilize volunteer labor, accept materials at reduced or no cost, as well as eliminate some of the administrative costs normally associated with State projects, Donors are able to provide improvements more economically and, in some instances, more quickly than if provided by the State's delivery system. This ability by the Donor allows the State to receive benefits that would otherwise not be available or would have to be funded from State funding sources to meet the State's need.

Procedure

Pursuant to the SBC's authority to approve and supervise all projects involving public or private funds in which the State has an interest granted in TCA 4-15-1 02(a)(I ), the following criteria shall apply:

1. The SBC must be presented documentation from the Donee (State governing entity) that the proposed gift will be a needed asset to the State. The State agency will present the funding strategy including source of funds for operations and maintenance of the completed project.

2. The SBC must be presented with documentation from the requesting agency or department that the project cannot be accomplished by competitive processes and the reasons therefor.

3. All plans and specifications must be approved by the SBC in accordance with Item 3 of the State Building Commission Policy & Procedures, relating to project reviews.

4. Donor must assure compliance with all applicable federal, state, and local laws and requirements.

5. The following protections to the State must be provided by the Donor unless waived by the SBC:

a) Sufficient protection that the project will be completed and that the State will not be subject to liens or claims by material suppliers or workmen.

For projects valued at $100,000 or more this protection must be provided in the form of a contract bond executed on the SBC standard contract bond form in an amount of no less than 100% of the estimated value of the project.

b) Sufficient property insurance if project involves existing State improvements.

c) Indemnification of the State by the Donor or third party, as determined by the SBC, against damage claims incurred incident to the delivery of the project. For projects in excess of $100,000 value, this must take the form of liability insurance and workmen 's compensation at a level no less than the amount and limits required on general SBC projects.

d) Sufficient protection against losses due to fire, theft, acts of God, nature, etc. For projects in excess of $100,000 value, this must take the form of Builders Risk Insurance in amounts no less than that required on general SBC projects.

<SBC policy on Gift Construction enacted at 23 Mar 98 ESC>