



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

BEVERLY EAVES PERDUE
GOVERNOR

CHARLES E. PERUSSE
STATE BUDGET DIRECTOR

October 11, 2010

MEMORANDUM

TO: Senator Marc Basnight, President Pro-Tempore of the Senate
Representative Joe Hackney, Speaker of the House of Representatives

FROM: Jennifer Hoffmann, Asst State Budget Officer for Infrastructure

SUBJECT: Consultation on the Reallocation of 2009 Repair and Renovation two-
Thirds Bonds

Section 27.5(a) of S.L. 2009-451 requires OSBM to consult with the Joint Legislative Commission on Governmental Operation (Gov Ops) prior to the allocation or reallocation of 2009 R&R Two-Thirds Bonds.

Department of Health and Human Services (DHHS) – Murdoch HVAC (\$100,000)

In September 2010, the Department of Health and Human Services requested approval to transfer \$100,000 in 2009 R&R bond funds from one project, *Chiller Replacement* at Governor Morehead School(GMS), to another project *Vocational Enterprise HVAC* at the Murdoch Center.

The bids to replace the HVAC at the Murdoch Center came in higher than originally estimated and sufficient funds remain in the completed chiller replacement project at GMS to cover the higher bid. DHHS was able to realize savings at GMS by designing the project in house thus avoiding design fees and getting a very good construction price due to market conditions. Funds will be transferred after consultation with Gov Ops.

North Carolina National Guard – Roof Repairs (\$20,000)

In September 2010, the NC National Guard requested approval to transfer \$20,000 in 2009 R&R bond funds from one roof project, *Murphy Armory Roof Replacement*, to another roof project *Tarboro Armory Roof Replacement*. The bids for both projects have been received and the savings from the Murphy project will be transferred to the Tarboro project to cover the cost of bid after the Gov Ops consultation requirement has been met.

cc: Charles Perusse
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