



FISCAL YEAR 2012 ANNUAL REPORT



*The Richard B. Russell Special Collections Library
University of Georgia*

**GEORGIA STATE FINANCING
AND INVESTMENT COMMISSION**

TABLE OF CONTENTS



GSFIC team members, from left, Regional Quality Assurance Manager Rick Dockrey, Senior Contract Compliance Specialist Charles Abney and Project Manager Wes Berry review plans at Kennesaw State University.

COMMISSION MEMBERS	2
MISSION, VISION & CORE VALUES	3
YEAR IN REVIEW	4
CONSTRUCTION DIVISION REPORT.....	8
CONSTRUCTION FEATURE STORIES	13
FINANCING AND INVESTMENT DIVISION REPORT	16
STRATEGIC INITIATIVES	28

COMMISSION MEMBERS

GOVERNOR NATHAN DEAL

Chairman

CASEY CAGLE

Lt. Governor
Vice-Chairman

RUSSELL W. HINTON

State Auditor
Secretary and Treasurer

DAVID RALSTON

Speaker of the House of Representatives

SAMUEL S. OLENS

Attorney General

GARY W. BLACK

Commissioner, Department of Agriculture

STEVE MCCOY

State Treasurer

STEVE STANCIL

Director, Construction Division
Executive Secretary

SUSAN H. RIDLEY

Director, Financing and Investment Division

INTRODUCTION

The Georgia State Financing and Investment Commission (GSFIC), created by Constitutional Amendment in 1972, is responsible for the proper application of proceeds from general obligation debt and the issuance of all public debt by the State. No agency or authority can incur debt or employ other financial or investment advisory counsel without Commission approval. The Commission consists of the Financing and Investment Division and the Construction Division.

The Financing and Investment Division is responsible for the issuance of general obligation bonds, the review of state authority debt financing, and the investment and accounting of all general obligation bond proceeds. Investment earnings support the operations of the Commission and enable the Division to retire state debt prior to maturity. The Division also prepares the State's Debt Management Plan and monitors agency expenditures of bond proceeds for compliance with federal tax regulations. In 2006, the legislature created the Georgia Higher Education Facilities Authority (GHEFA). GHEFA is attached to GSFIC for administration purposes and staffed by the Financing and Investment Division.

The Construction Division provides all of the support services for the Commission and is responsible for disbursing bond proceeds and for managing capital outlay projects funded, all or in part, with bond proceeds.

The Construction Division also provides the following services for State Agencies:

- ADA Compliance Assistance
- Procurement Services
- Construction Services
- Design Review Services

MISSION, VISION & CORE VALUES

The Georgia State Financing and Investment Commission core values are dedicated to continuous quality improvement in all of its activities. The GSFIC staff reviewed its Mission and Value Statements in FY2011 and has adopted the following:

MISSION

Building Georgia's future by providing financial and construction management with the highest level of customer service, integrity, fairness and efficiency.

VISION

To be the State's premier resource for financial and construction management services.

CORE VALUES

- Excellence
- Leadership
- Fairness
- Stewardship

YEAR-IN-REVIEW

Core functions of the Georgia State Financing and Investment Commission include the issuance and management of state general obligation and state authority debt, and providing construction management services for capital improvement projects.

FINANCING AND INVESTMENT DIVISION

During Fiscal Year 2012, the Commission, on behalf of the State, issued general obligation bonds totaling \$803,615,000 to fund capital projects. In addition, the Commission issued advance refunding general obligation bonds totaling \$719,465,000 which refunded \$760,670,000 of then outstanding general obligation bonds, which will save the State's taxpayers \$32,185,709 over the remaining life of the bonds. The Commission also provided additional Fiscal Year 2012 debt service savings to the State by utilizing bond issue premium to pay off \$76,740,000 of existing debt.

Authority bonds approved by the Commission include the \$112,600,000 refunding of the Georgia World Congress Center Series 2000 Revenue Bonds (Domed Stadium Project) and \$183,610,000 Georgia Housing and Finance Authority Single Family Mortgage Revenue Bonds.

Georgia earned AAA credit ratings from Moody's, Standard & Poor's, and Fitch, as it has every year since 1997.

Georgia earned AAA credit ratings on its general obligation debt from the three major credit rating agencies - Moody's, Standard & Poor's, and Fitch - as it has every year since 1997. Georgia is one of only eight states with the coveted AAA rating from all three rating agencies; the other states with AAA ratings are Delaware, Iowa, Maryland, Missouri, North Carolina, Utah, and Virginia. The AAA rating allows the State to access the municipal bond market at the lowest possible interest rates for the State resulting in debt service savings for Georgia's taxpayers. The State's debt management plan, developed and executed by GSFIC, is a critical component of demonstrating Georgia's conservative fiscal management to the investment community.

A major accomplishment during Fiscal Year 2012 was converting a portion of the outstanding variable rate bonds to fixed rate bonds to reduce the State's exposure to interest rate risk and to take advantage of low short term interest rates; the balance of the variable rate bonds were replaced with floating rate notes, which reset on a weekly basis, for a term of three years at a fixed spread of 40 basis points to the Securities Industry and Financial Markets Association ("SIFMA") index of weekly reset variable rate bonds. The floating rate notes reflected the lowest cost and least risk to the State in a variable rate product.

Financing and Investment Division staff also instituted a formal post-issuance compliance function and significantly enhanced the Commission's written policies and procedures for the State's outstanding general obligation debt portfolio, which was approximately \$8.6 billion as of June 30, 2012. The internal compliance unit within the Financing and Investment Division is responsible for documenting compliance with federal tax regulations and GSFIC policy requirements, including compliance with ARRA-authorized bond program requirements, federal arbitrage rules and rebate requirements, the timely expenditure of bond proceeds (spend-down requirements), and post-issuance compliance related to the use of general obligation bond financed facilities. The Division also implemented an on-line reporting tool within GSFIC's eBonds system, where agencies provide information regarding their assets financed with general obligation bonds.

During Fiscal Year 2012, the eBonds system also added the following items: automation of the annual spend-down report for the Commission; a module to document vehicle asset tracking information; master project sub-allocations; rewriting of the debt service calculation process to apply debt service savings by refunding subseries; and the addition of numerous exports to provide access to additional information for agency users and GSFIC staff.

CONSTRUCTION DIVISION

Technology Highlights

GSFIC's team of information technology specialists and construction professionals is dedicated to leveraging today's technology to improve the state's construction program. A number of new initiatives were researched and launched during FY2012, all with the goal of improving GSFIC's procedures and processes with the end result enhancing the agency's ability to manage the state's construction projects.

Enterprise Project Management Solution

In order to improve efficiencies, drive productivity and deliver best in class customer service, GSFIC is developing and implementing a new Project Management Enterprise Solution. The new solution will be used to better manage the entire project management lifecycle. The real time data base captures, analyzes and compares data that enables staff to better manage projects.

The web-based system allows staff to access the application from anywhere and helps standardize the organization's processes. It improves delivery and collaboration of data between all stakeholders and reduces costs by allowing for real-time workflow, including required approvals, submittals and reviews. It should also improve efficiency, productivity and effective communication.

During the first half of FY2012, all internal processes were reviewed as the GSFIC-specific software is developed. The new enterprise management system is expected to be piloted and rolled out in early FY2013.

WebX Teleconferencing

GSFIC took advantage of the latest technology to reduce travel costs by investing in web conferencing software and web camera equipment. Project team members are able to participate in distant meetings by turning on a camera and logging into a website. The new teleconferencing technology was launched in early FY2012.

Field Tablets

With a team of 28 Contract Compliance Specialists on job sites throughout Georgia every day, it is imperative to keep them in touch with the home office in Atlanta. All CCSs have been equipped with 'virtual offices,' including smart phones, laptops and printers. Remote access allows them access to the GSFIC database, expediting project updates and reports. The IT Division researched the viability of transitioning the computer equipment from traditional laptop to the new digital tablets. This will make GSFIC's workforce more mobile and responsive. Tablets can be transported easily onto the jobsite allowing real time research, reporting and plan referencing.

Technology Outreach

The IT department continues to reach out to GSFIC staff to enhance the understanding and knowledge of the technology tools available to them.

In FY2012, The IT department implemented a Technology Support and Training Program focused on improving technology utilization throughout the agency. This program includes training, a hands-on lab, an IT Blog and working groups to focus on specific technologies, including the smart phones, teleconferencing and the new enterprise project management solution.

Building Information Modeling

GSFIC's construction division identified Building Information Modeling (BIM) as an emerging technology that can improve the construction process from early design work through facility operations.

BIM covers geometry, spatial relationships, light analysis, geographic information, quantities and properties of building components and can be used to demonstrate the entire building life cycle. The three-dimensional technology provides the potential for a virtual information model to be handed from the design team to the contractor and subcontractors and, at the end of the project, to the owner. The result greatly reduces the information loss that occurs when a new team takes "ownership" of the project, as well as delivering extensive information to owners of complex structures.

While the technology is still relatively new and the computer requirements to run the software very demanding, GSFIC is preparing itself for this next generation in construction management. BIM Guidelines were published in FY2011 and a pilot project to be managed with BIM was selected. The classroom building at Southern Crescent Technical College in McDonough is being designed by Lord, Aeck and Sargent, a design firm with experience in building modeling.

GSFIC is focused first on the architectural and structural elements of design and construction and then will phase in mechanical, electrical and plumbing elements.

Electronic Payment Program

As part of its financial initiatives for the year, GSFIC continued to enhance the electronic payment program to minimize GSFIC review/processing time. This was accomplished through standardization of the application and invoice format, protect contracted amounts/values and eliminate unauthorized charges, and reduce computation errors through automated calculations. This initiative reduces review time for multiple approvers by eliminating mail/transfer time, reduce paper waste and costs and improves archival records retention. This strategic goal was established in FY2011 and continued into FY2012 to reduce the average invoice processing time from 20 days to 16 days.

CONTRACT STANDARDIZATION

GSFIC and the Board of Regents are the two most likely agencies to contract for construction of State public construction. In response to construction industry requests, and because there was some confusion caused by differences between the contract forms used by GSFIC and those used by the Board of Regents, GSFIC began working with the Board of Regents to develop standard form contracts to be used by both agencies over a year ago. GSFIC and the Board of Regents have now jointly developed, and are using, a common Design Professional Contract for use with the CM/GC Delivery Method. Continuing the work to create standardized contract forms, GSFIC has developed a draft standardized Design Professional Contract for use with the Design-Bid-Build Delivery Method. This second standardized contract form awaits approval by the Board of Regents. Once approved, both agencies will utilize this second form contract. The next contract to be standardized is the Construction Contract for the Design-Bid-Build Delivery Method. As a result of the co-operative effort to standardize contracts, and to reinforce the work as it proceeds, GSFIC and the Board of Regents created a Contracts Alliance Committee to focus on improving the joint contract forms being used and revised by both agencies. The Contracts Alliance Committee is chaired by representatives from BOR and GSFIC and consists of members from the construction, architecture and engineering fields. The Contracts Alliance Committee advises GSFIC and BOR on contract matters to ensure that contracts fairly meet the needs of both the owner and the industry. The Contracts Alliance Committee also works closely with the State Construction Manual Editorial Review Board to suggest revisions and updates to the State Construction Manual.

Human Resources

Process Orientation

Whether a project is a \$100,000 renovation or a \$100 million state-of-the-art educational facility, it is important for the using agency to understand the process from design to construction to building operations. This year, Construction Services launched an orientation program offered to all agencies with GSFIC-managed projects.

The orientation, available both at GSFIC headquarters and via webinars, is designed to answer the many questions agencies have as they embark on a new project and to gain consensus on expectations. A team of GSFIC project managers developed the program and serve as instructors.

Contracts Training

With a goal of achieving consistency within the agency when administering contracts, the project management team developed training for all construction services personnel on the specifics of both design professional and construction services contracts.

The modules include Calculation of Permissible Weather

Delay Days, Off-Site Materials Storage, Special Inspections, Commissioning, Fire Marshal Permitting and Inspections, Change Orders, Force Accounts, Project Closeout and Quality Assurance/Warranty Enforcement. Classes take place at the twice-monthly training for project managers and two comprehensive training days for Contract Compliance Specialists (CCSs), who are located throughout the State. Additionally, the project managers training is video-taped and available via webcasts for the field staff.

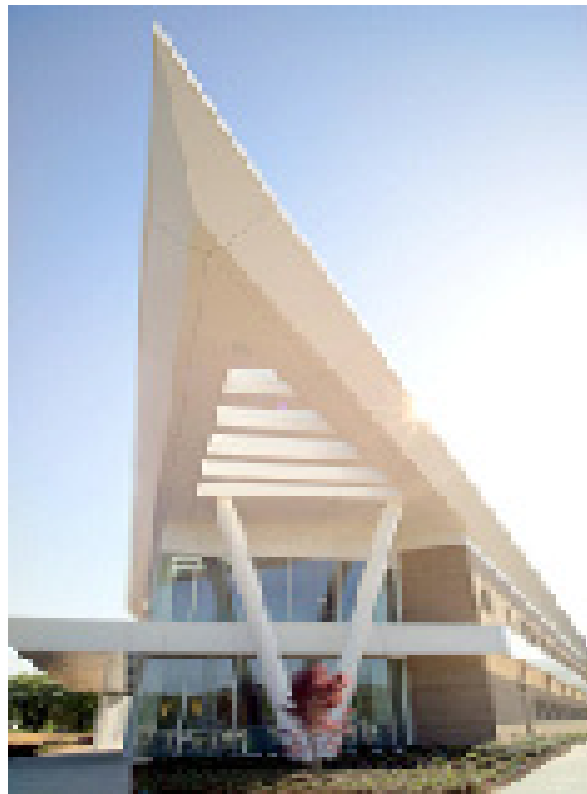
Career Management Institute

Phase IV of the Career Management Institute was launched in FY2012 and includes the configuration and implementation of 300 e-learning modules into the Learning Management System. These courses have been carefully selected to support the competencies identified for maximum success in 29 positions at

GSFIC. Following the pilot of these performance solutions in both the personal development and job specific skills, the competencies and learning methods for the remaining positions at GSFIC will be identified and learning modules developed in FY2013.

Leadership Training

In addition to monthly training modules for leadership, Human Resources designed a multi-faceted Leadership Development Program. The structure of this program includes individual needs analyses, a mentoring program and blended learning opportunities.



Academic Sciences Building, Atlanta Metropolitan College

Project Recognition

GSFIC, again in FY2012, received fourteen awards for GSFIC-managed projects from industry associations as well as from commissioning agencies. Receiving top honors in the category of Best Higher Education/Research Building was Georgia State University's Parker H. Petit Science Center. The Petit Science Building also received the 2011 Build Georgia Award, given by the Georgia Branch of Associated General Contractors of America for outstanding performance on one of Georgia's most remarkable construction projects.

Kennesaw State University Health Sciences Building received three awards: Outstanding Achievement Award from American Concrete Institute (ACI); Achievement Award from Construction Management Association of America (CMAA); and, Best Project Overall Winner Award (Best Project) from CMAA.

The Southern Polytechnic State University Design Studio II received the Gold Award for Design Excellence by the Brick Industry Association; Award of Excellence for ACI (Georgia Chapter); and a National Certificate of Recognition from The American Institute of Steel Construction's Innovative Design in Engineering and Architectural Steel (IDEAS) building award program for structural steel. The Engineering Technology Center received an Award of Excellence from the Georgia Chapter of the ACI.

Thirteen GSFIC managed projects received awards from Industry Associations in FY2012.

Customer Service

Exceeding customer expectations when it comes to customer service remains a top priority for GSFIC. During FY2012, the Customer Service Committee continued the "E" Award for Excellence in Exceeding Expectations. The committee sponsors quarterly meetings for the entire staff, including those working in the field. The meetings include training opportunities for staff as well as an awards ceremony. Staff members and teams can be nominated by anyone in the organization. Recipients, selected by executive committee, are recognized for outstanding customer service to both internal and external customers.

The committee also assisted with several employee engagement projects, including Employee Appreciation Week, the "12 Days of GSFIC" holiday celebration and an "Adopt-a-Family" gift and clothing drive during the holiday season.

State Construction Manual

In 2007, in coordination with the Board of Regents, GSFIC published the State Construction Manual (SCM), the primary resource guide for vertical construction for the State. An Executive Order called for the publication of the SCM and OCGA requires all state agencies to follow it. The SCM provides detailed information and procedures for project development leading to project approval and funding and project implementation, including design and construction.

In FY2012, the SCM Editorial Review Board and its committees began a thorough review of the document and revisions were approved for Chapters 2, and 3 by the Editorial Review Board in the second quarter of FY2012. The updated edition was published to the SCM website in March 2012.

The SCM hosted a roundtable meeting for industry partners to select 12 members to serve on the Contracts Alliance Committee (CAC). During the SCM review process of the Working Committees, it was determined that most industry partners were seeking standardized contracts for all agencies. The CAC was formed in late FY2012 and began the process to review contracts used by GSFIC and Board of Regents. There are four contracts that will be reviewed and standardized. The CAC reports their progress to the SCM Editorial Review Board to ensure the contracts and the SCM are mutually supportive of each other. The GSFIC and Board of Regents contracts represent the majority of construction contracts; however, once all four contracts are standardized, the CAC will invite other state entities to incorporate and standardize their contracts as well.



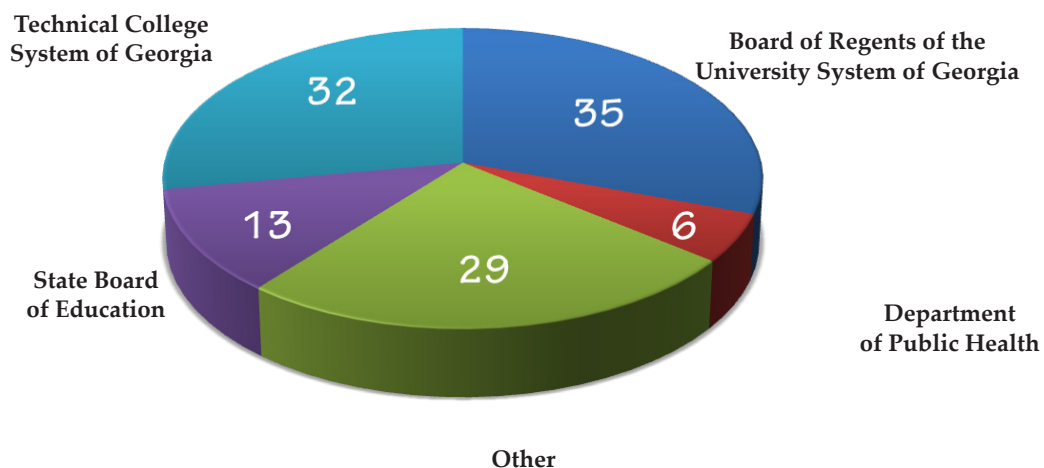
Special Collections Library - University of Georgia

CONSTRUCTION DIVISION FY₂₀₁₂ PROJECT OVERVIEW

DELIVERY METHOD	NO. PROJECTS	DESIGN CONTRACT	CONSTRUCTION CONTRACT	TOTAL BUDGET
CM/GC	43	\$65,720,006.43	\$481,987,248.21	\$674,768,179.81
Design-Bid-Build	64	\$23,887,375.81	\$158,930,718.95	\$240,099,063.35
Design-Build	4	\$1,533,380.93	\$25,736,639.60	\$28,532,800.33
Task Order Contract	4	\$127,305.00	\$1,521,361.00	\$2,366,767.00
Project Totals	115	\$91,268,068.17	\$668,175,967.76	\$945,766,810.49

PROJECT PHASE	NO. PROJECTS
Planning, Programming, Pre-Design	16
Design	30
Construction	20
Close-out	49
Project Phase Total	115

GSFIC MANAGED PROJECTS



October 2012

GSFIC MANAGED CONSTRUCTION PROJECTS COMPLETED IN FY2012

The Construction Division completed 36 projects in FY2011, including a state-of-the-art allied health building, classrooms and auditoriums, training facilities, public libraries, college libraries and livestock facilities. The total budget for these 36 completed projects was nearly \$500 million.

PROJECT		DESCRIPTION	SIZE	COST
DOL-020 Cave Spring Rehabilitation Center of Labor	Department	The Cave Spring Rehabilitation Center, administered by the GDOL's Vocational Rehabilitation Services Division, is a comprehensive residential facility serving a variety of disability populations 18 years of age or older with primary emphasis on services to people who are deaf or hard of hearing.	35,000 sq ft	\$1.000M
DTAE-203 Phase 2 Classroom Building Technical College System of Georgia		Construction of a 54,000 sq ft... Allied Health Education Building serving 750 students enrolling in Allied Health programs including: Associate Degree Nursing; Practical Nursing, Gerontology, Medication Aide, and Biomedical Electronics Tech. Additionally, it provides classrooms and labs for students enrolling in Natural Science classes including Anatomy & Physiology, Biology, Microbiology, Chemistry, and Physics. The Natural Science classes are requirements within the Allied Health programs. Additional services are veterinarian services. This building is a Type 3 facility with an improved entrance from Highway 82.	52,150 sq ft	\$9.882M
GAE-016B Horse Barn Roof and Structural Remediation Georgia Agricultural Exposition Authority		The overall Development Plan includes a new Horse Barn; a total of (3) Practice Rings; a Covered Arena, a Conditioned Arena, extensive East Gate Improvements; Covered Walks; and improvements to the Existing Horse Barn. GAE-016 includes the new Horse Barn, One (1) Practice Ring and covered walks.	113,016 sq ft	\$766K
GBA-144B #2 Peachtree Reroof & Structural Frame Repairs Georgia Building Authority		Roof Replacement and structural repairs at the #2 Peachtree Building.	n/a	\$808K
GBA-174 #2 Peachtree Building Curtain Wall Repairs Georgia Building Authority		Remediation of existing curtain wall anchorage system	n/a	\$1.554M
GBA-175A #2 Peachtree Structural Frame Repairs Georgia Building Authority		Structural repairs to existing cooling tower steel framing consisting of replacing various steel members. Sandblasting	n/a	\$755K
GRTA-003 Hamilton Mill Xpress Station Georgia Regional Transportation Authority		Construction of an Xpress Station in the Hamilton Mill area of Gwinnett County is proposed in order to provide Xpress Service in closer proximity to area residents. The proposed project will provide public infrastructure designed specifically for the needs of Xpress customers and carpool/vanpool users. The facility will provide quick interstate access for transit vehicles and shall meet all ADA requirements. The project will construct approximately 900 parking spaces and a transit platform with 3 architectural passenger pavilions, 1 architectural systems building and capacity for 4 Xpress coaches. Overhead lighting for parking lot safety and security is also part of the project. GSFIC managed the construction of new express station. GRTA held contracts and disbursed funds	n/a	\$5.730M
I-093 Special Collections Library University of Georgia Campus Board of Regents		The Special Collections Library Building is sited in the NW precinct of the University of Georgia Campus. It is a two-story, approximately 140,000 SF building situated above a storage vault with service dock, processing facilities and entry pavilion located on grade. The building is a reinforced concrete framed structure with a steel framed roof structure housing the mechanical mezzanine. The storage vault, located below grade, also consists of a reinforced concrete frame with cast-in-place concrete retaining walls. The exterior detailing of the building is reminiscent of other buildings on campus and will consist of brick veneer, precast concrete, limestone veneer and painted aluminum glazing systems.	170,172 sq ft	\$37.860M
J-145 Academic Facility Board of Regents		A new Academic Facility on the Gainesville Campus of Gainesville State College directly supports the University System of Georgia's strategic goal of "creating a more educated Georgia". In order to continue its mission as an access institution and to serve its growing student population, Gainesville State College has identified the new Academic Building as its top priority. Institutionally, figures indicate that the College has grown from a Fall 1999 total enrollment of 3,037 to a Fall 2007 total enrollment of 6,721. This represents an increase in total enrollment of over 100%. Because of its location in the high growth region north of Atlanta, this remarkable trend in enrollment is expected to continue in the future.	134,053 sq ft	\$37.160M
J-155 RZ Historic Renovations Fort Valley State University Board of Regents		The renovation of Ohio Hall contributed to restoring the historic area of the Fort Valley State University Campus. It set an example for further reuse of historic structures on the campus. As an "Honors" dorm it has an air of prestige that will make a unique housing opportunity for up to fifty-six FVSU students. The renovation of Miller Hall brings new life to the 1960's building and creates vibrant new teaching and learning environments for FVSU students using current technology.	15,507 sq ft	\$11.500M

PROJECT	DESCRIPTION	SIZE	COST
J-167 RZ Academic Sciences Building Atlanta Metropolitan College Board of Regents	The new Academic Building consists of classrooms, general and computer lab space, offices, student gathering/study space and general use space. It is located on the Gainesville campus on a site identified by the College.	55,767 sq ft	\$14.850M
J-168 Health & Human Sciences Building Georgia Southwestern State University Board of Regents	Health and Human Sciences Classroom Building provide nursing classrooms, trauma labs, pediatrics and an interdisciplinary instructional auditorium.	46,091 sq ft	\$12.856M
SBE-015A GAB Decorative and Security Fencing Georgia Academy for the Blind Campus State Board of Education	Construction of masonry ornamental fencing on the entrance face of the campus consisting of brick veneered columns with lightweight steel fencing distributed between columns and chain link fence installing along perimeter.	n/a	\$492K
SBE-020B GAB Macon Renovations Department of Education	Re-roof of cottages #1,2,3,4,7 and 8, resurface walking track, and electrical improvements in the lower gymnasium at Georgia Academy for the Blind in Macon.	n/a	\$1.025M
SBE-021A Atlanta Area School for the Deaf Facility Improvements State Board of Education	Electrical upgrade, canopy walkway, new storage building (2,000 SF) and 34 new parking spaces.	2,000 sq ft	\$993K
TCSG-231A Library Renovation Task Order Technical College System of Georgia	Remedial work to correct high moisture level in concert floors.	26,100	\$650K
TCSG-235 Life Sciences Building Technical College System of Georgia	New Life Sciences Building houses programs in Radiologic Tech, Surgical Tech, Clinical Research Professional, Bioscience Tech, Regulatory Affairs, Laboratory Animal Tech, Water and Wastewater Lab Tech, Associate Degree Nursing.	80,211 sq ft	\$17.232M
TCSG-243 Hoyt Coe Building Renovation North Georgia Technical College Systems of Georgia	The Hoyt Coe Classroom Building is a two-story structure of approximately 23,500 SF located in the central part of the North Georgia Technical College (NGTC) campus. It was originally constructed in the 1920s but has had several additions and interior renovations since that time.	23,500 sq ft	\$6.220M
GDC-82E Headquarters Relocation to Tift College Campus Department of Corrections	New Fleet Maintenance Building, Storage Building and parking for DOC FLEET relocated to Forsyth GA	15,000 sq ft	\$3.200M
GAE-18 Horse Barn Renovation Georgia National Fairgrounds & Agri-Center Georgia Agricultural Exposition Authority	Complete renovation of Horse Barn Facility at Georgia National Fairgrounds and Agri-Center in Perry GA. Including new concrete slab, new stalls, upgraded electrical and plumbing, and paint.	84,480 sq ft	\$1.100M
GWCC-30 Stucco Ceiling Repairs Georgia World Congress Center	Repairs to exterior stucco ceiling support bracing at Building A of GWCC. New stucco finish and painting.	8,000 sq ft	\$100K
J-159 Historic Renovation & Additions North Georgia College & State University Board of Regents	Preservation/Renovation of two existing 3 story buildings (Stewart Hall - 31,988 SF and Young Hall - 26,125 SF) consisting of large classrooms, prometric testing lab, private offices, and conference rooms.	26,125 sq ft	\$8.906M

THE RICHARD B. RUSSELL SPECIAL COLLECTIONS LIBRARY UNIVERSITY OF GEORGIA



© 2012 Collins Cooper Carusi Architects, Inc.

The newest University of Georgia library building, named in honor of Richard B. Russell, Jr. houses three special collection libraries; the Hargrett Rare Book and Manuscript Library, the Richard B. Russell Library for Political Research and Studies, and the Walter J. Brown Media Archives and Peabody Awards Collection.

Each of these library collections housed within the 115,000 square foot building is comprised of three major components: staff & preservation labs, exhibit galleries, and reading / study rooms. Additionally, each library shares exhibit preparation spaces, conservation labs and photo labs. With a new 28,000 sf. archival vault, all of the collections are now stored beneath the exhibit level in a state of the art subterranean environmental chamber. This climate-controlled environment has ample storage for an estimated 40+ years of archives.

Additional program spaces for the library include a 200 seat multi-media lecture hall, large multi-function Great Hall, symbolic central building rotunda, and spacious lobby; spaces perfectly suited for holding colloquia, collegiate meetings, and other community events.

The Special Collections Library building was conceived to be a 100-year+ building. The exterior design is Traditional Georgian architecture, featuring large columns, copper, brick and precast stone. Materials and style which blend suitably with the architectural fabric of the University of Georgia campus.

The Richard B. Russell Special Collections Library Building project has been a tremendous success for all parties involved, and GSFIC was a large contributor to that success. As with any project, there are a multitude of companies, people,

and skills involved, and GSFIC was instrumental in harnessing these strengths to keep the project moving forward to enable these successes:

- Bids were nearly 30% less than initial estimated project budget.
- The timing of the schedule enabled the project to take advantage of market conditions.

GSFIC utilized a Best Value Design - Bid - Build procurement approach for selecting the General Contractor. Five out of sixteen General Contractors were short listed based off of a two-step process using criteria based on value and schedule. The approved ones were then allowed to bid on the project. Subcontractors were also evaluated with the General Contractors proposal to save time. Once a General Contractor was approved, GSFIC conducted a pre-construction meeting to set expectations and goals of the team. Bi-weekly OAC team meetings were held on-site. Schedule review, quality concerns, and conflicts were discussed during the meetings in a constructive manner. The General Contractor used great judgment in heading off potential problems, allowing the project to stay on schedule.

Due to extensive rain fall, the water table had risen higher than initial reports. In order to keep on schedule, the Team designed a temporary dewatering system which included pump alarms tied to the control panel to ensure proper operation. During its evolution, the project had changes due to Fire Marshal concerns and code interpretations. The team utilized great time management planning in implementing the requested changes without a large disruption in the project schedule. This project is on track to achieve LEED Gold Certification. The project coordination was a key factor in achieving ownership satisfaction.

GWINNETT TECHNICAL COLLEGE LIFE SCIENCES BUILDING



Gwinnett Technical College's new Life Sciences Center offers students, faculty, and business and healthcare partners an interactive learning facility that features the most advanced laboratory, classroom and clinical simulation centers—all within a LEED constructed building as eco-friendly as it is aesthetically inviting. The three-story, 78,000 square foot center has 12 classrooms and 17 bioscience labs, plus student study and gathering areas, computer labs, faculty offices, conference rooms and lounge areas. Constructed to meet the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) standards, the center has achieved LEED-NC Gold certification.

The Life Sciences Building's includes:

- A Bioscience Lab Suite that includes a DNA lab, a protein analysis lab and several other lab and prep areas.
- T.E.A.L (Technology-Enhanced Active Learning) Classrooms which integrate technology and teaching to enhance student participation and collaborative learning. Round tables, multiple "white boards" and projection options, and power clusters for student laptop use enable group computer-based learning.
- Two lecture rooms that feature theater seating, white board and projection technology, and individual lap stations can accommodate 90 students when necessary.

- A Medical Assisting Suite that replicates today's medical offices, including exam rooms and electronic records stations.
- Multiple anatomy and physiology, chemistry and microbiology labs.

Cooper Carry provided architecture (schematic design through construction administration) and interior design services. The client desired a high impact design that reflected the quality of the life sciences programs of the institution. The primary challenge was enforcing the contract documents and achieving final completion. The Total Project Value is \$14,680,693. Of that, fifty-seven (57) change orders directed by owner as a result of scope modifications totalled \$3,282,693. The Initial Schedule remained on target with the Actual Schedule completing August 2011.



CAVE SPRINGS REHABILITATION CENTER

GEORGIA DEPARTMENT OF LABOR



Operating as the Cave Spring Rehabilitation Center for the last 10 years on the former campus of the Georgia School for the Deaf in Cave Spring, Georgia, this comprehensive residential facility run by the GDOL Vocational Rehabilitation Services Division serves primarily those who are deaf and hard of hearing, deaf-blind, and blind. Beck was hired in June 2010 as Construction Manager/General Contractor to demolish the existing outdated buildings making up the campus and in turn build a new state of the art campus. Demolition began for this ARRA funded project in September 2010 with Construction starting in February 2011 and completed in November 2011.

With project architect HKS, Inc. released on the design, only days ahead of Beck, immediate collaboration began during preconstruction. Beck participated in all design charrettes in an effort to guide the design process from a cost and logistics standpoint. With a set project budget to work from the task of fitting as much program that the budget would allow became a team effort as many different design options were discussed and vetted. During this process, Beck used its dProfiler Macro BIM software to run multiple scope-of-work scenarios while providing immediate real time costing information from dProfiler. Seeking to make this new state of the art facility ADA Plus, which puts increased emphasis on accessibility and the technology that meets the needs of the end users with disabilities, Cave Spring Rehabilitation Center staff will be able to expand services to a wider spectrum of disabled clients.

The end product of the project produced a 17,690 SF classroom & administration building and a 19,690 SF two-story dormitory building with 52 beds. Within the classroom & administration building is a full-service kitchen (capable of serving up to 3500 people) and a laundry room (equipped with "hotel-level" equipment) to train students in the food service and hotel fields. The six classrooms each contain the latest in smart board technology which allows for enhanced learning. The dormitory building features residential laundry facilities as well as common kitchen and lounge areas to create a home-like environment for the residents. Both buildings are equipped with a message board and visual convenience & emergency notifier system specially tailored to those with hearing impairments. Two modern greenhouses were also built on the property to be used as a teachable environment in addition to providing income for residents of the facility. An outdoor amphitheater is located at the rear of the classroom & administration building for gathering and other outdoor learning functions. Additional outdoor amenities include a basketball court, dog walk park, and nature trails; all provided to enhance the resident's quality of life while at the facility.

This unique project completed on budget, by the defined material completion date, and with no lost time accidents of any type. The measurable success on this rewarding project has made for an ecstatic client with a new state-of-the-art ADA facility plus enriching the lives of Georgia citizens with disabilities and providing opportunities that may not have been there without it.

FINANCING AND INVESTMENT DIVISION

ANNUAL OPERATIONS SUMMARY

During 2012, the Commission closed on several general obligation bond issues totaling \$1,523,080,000 as shown in the chart below. All were sold competitively except for the 2011G bonds; the low interest rates received as a result of the competitive sales resulted in annual debt service savings of \$3.94 million as compared to the budgeted maximum annual debt service amounts. The 2011D bonds were designated as taxable Qualified School Construction Bonds ("QSCBs") and pursuant to the American Recovery and Reinvestment Act, the United States Treasury will remit to the State, on or before each interest payment date, an interest rate subsidy payment of 100 percent of the interest owed on these bonds. The State will receive approximately \$36.25 million in interest rate subsidies from the U.S. Treasury over the 16 year life of the QSCBs.

The 2011E bonds were an advance refunding which resulted in present value debt service savings of approximately \$18.8 million. The 2011F bonds and 2011G bonds refunded all of the outstanding 2006H Variable Rate Demand Bonds (VRDBs). A portion of the outstanding 2006H VRDBs were replaced with fixed rate bonds (2011F) which reduced the State's exposure to interest rate risk and took advantage of low short-term interest rates; also, the premium on the 2011F refunding bonds was used to retire a portion of the 2006H VRDBs and reduce the total amount of outstanding bonds. The balance of the 2006H VRDBs were replaced with floating rate notes which reset on a weekly basis (2011G) for a term of three years at a fixed spread of 40 basis points to the Securities Industry and Financial Markets Association ("SIFMA") index of weekly reset variable rate bonds. The 2011J bonds were an advance refunding which resulted in present value savings of approximately \$11.2 million.

GENERAL OBLIGATION BOND ISSUANCES - \$1,523,080,00

DATE SOLD	SERIES	FINAL MATURITY	TRUE INTEREST COST	ISSUE AMOUNT	WINNING BID
6/21/2011	2011A	7/1/2016	0.925494%	\$39,105,000	Citigroup Global Markets
6/21/2011	2011B	7/1/2021	1.965958	28,000,000	Citigroup Global Markets
6/21/2011	2011C	7/1/2031	3.434792	412,510,000	Citigroup Global Markets
6/21/2011	2011D	7/1/2027	3.958534	77,000,000	Citigroup Global Markets
11/1/2011	2011H	11/1/2016	0.852518	38,800,000	J.P. Morgan Securities, LLC
11/1/2011	2011I	11/1/2031	3.130810	208,200,000	J.P. Morgan Securities, LLC
Total "New Money" Bonds Issued in Fiscal Year 2012				\$803,615,000	

6/21/2011	2011E-1	7/1/2020	1.716720	69,440,000	Bank of America Merrill Lynch
6/21/2011	2011E-2	9/1/2021	2.027843	244,715,000	Bank of America Merrill Lynch
6/21/2011	2011F	12/1/2020	1.879472	125,750,000	Bank of America Merrill Lynch
6/21/2011	2011G	12/1/2026	N/A- variable	127,305,000	J.P. Morgan Securities, LLC*
11/1/2011	2011J-1	7/1/2023	2.486630	63,985,000	Bank of America Merrill Lynch
11/1/2011	2011J-2	11/1/2022	2.230767	88,270,000	Bank of America Merrill Lynch
Total Refunding Bonds Issued in Fiscal Year 2012				\$719,465,000	

*Private placement transaction; J.P. Morgan was selected via a Request for Proposals process.

STATE OF GEORGIA GENERAL OBLIGATION BONDS
FISCAL YEAR 2012

AGENCY	2011 A/B/C/D AMOUNTS	2011 H/I AMOUNTS
Board of Regents, University System of Georgia	Amounts	\$51,000,000
Department of Administrative Services	2,000,000	
Department of Agriculture	1,100,000	2,500,000
Department of Behavioral Health and Development Disabilities		4,100,000
Department of Corrections	8,000,000	18,750,000
Department of Defense	3,830,000	500,000
Department of Economic Development		1,265,000
Department of Juvenile Justice	2,000,000	8,820,000
Department of Natural Resources	3,140,000	8,000,000
Department of Public Health		500,000
Department of Public Safety	5,000,000	
Department of Revenue	6,750,000	3,800,000
Department of Transportation	110,500,000	
Department of Veterans Services	500,000	
Georgia Bureau of Investigations	2,065,000	
Soil and Water Conservation Commission	5,000,000	
Georgia Environmental Finance Authority		35,000,000
Georgia Ports Authority		27,000,000
Georgia Public Safety Training Center	2,250,000	500,000
State Board of Education	217,600,000	47,000,000
State Forestry Commission	3,700,000	3,010,000
Technical College System of Georgia	46,130,000	35,255,000

AUTHORITY FINANCINGS

During FY 2012, the Commission assisted and approved the following transactions for authority bond issuance:

AUTHORITY	AMOUNT	DESCRIPTION
Georgia World Congress Center Authority	\$112,600,000	Refunding of the Series 2000 Revenue Bonds (Domed Stadium Project) (Series 2011)
Georgia Housing and Finance Authority	\$83,000,000	Single Family Mortgage Revenue Bonds (2011C)
Georgia Housing and Finance Authority	\$100,610,000	Single Family Mortgage Revenue Bonds (2012A)
Total	\$ 296,210,000	

GUARANTEED REVENUE DEBT

Both the State Road and Tollway Authority and the Georgia Environmental Facilities Authority retired outstanding series of Guaranteed Revenue bonds in FY 2011 returning over \$16 million in debt services reserves to the Treasury.

GEORGIA HIGHER EDUCATION FACILITIES AUTHORITY

The Georgia Higher Education Facilities Authority (“GHEFA”), which was created in 2006 by Senate Bill 562 and is administratively attached to GSFIC, was initially authorized to issue and have outstanding at any one point in time \$300 million in revenue bonds to finance capital projects for units of the University System of Georgia and the Technical College System of Georgia. In the 2012 Session of the General Assembly, Senate Bill 302, which increased the limit by \$200 million to a total of \$500 million outstanding at any time, was passed and signed into law by the Governor. As of June 30, 2012, GHEFA had issued \$294,915,000 of revenue bonds in three series to finance a total of 19 projects at 15 institutions, all for the University System of Georgia. All projects have been completed and are in operation. GHEFA

GHEFA REVENUE BONDS (USG REAL ESTATE FOUNDATION I, LLC PROJECTS), SERIES 2008

PROJECTS	BUDGETED AMOUNTS
College of Coastal Georgia - Student Housing	\$ 15,590,000
College of Coastal Georgia - Student Center	13,365,000
East Georgia College - Student Housing	8,910,000
Georgia College & State University - Wellness & Recreation Center	31,400,000
Savannah State University - Stadium & Student Center	18,930,000
University of West Georgia - Bookstore	6,015,000
Total	\$ 94,210,000

GHEFA REVENUE BONDS (USG REAL ESTATE FOUNDATION II, LLC PROJECTS), SERIES 2009A

PROJECTS	BUDGETED AMOUNT
Bainbridge College - Student Center	\$ 21,265,000
Columbus State University - Student Center	34,095,000
Southern Polytechnic State University - Student Housing and Dining Facility	45,490,000
Total	\$100,850,000

GHEFA REVENUE BONDS (USG REAL ESTATE FOUNDATION III, LLC PROJECTS), SERIES 2010A

PROJECTS	BUDGETED AMOUNTS
College of Coastal Georgia - Student Housing	\$15,590,000
College of Coastal Georgia - Student Center	13,365,000
East Georgia College - Student Housing	8,910,000
Georgia College & State University - Wellness & Recreation Center	31,400,000
Savannah State University - Stadium and Student Center	18,930,000
University of West Georgia - Bookstore	6,015,000
Total	\$94,210,000

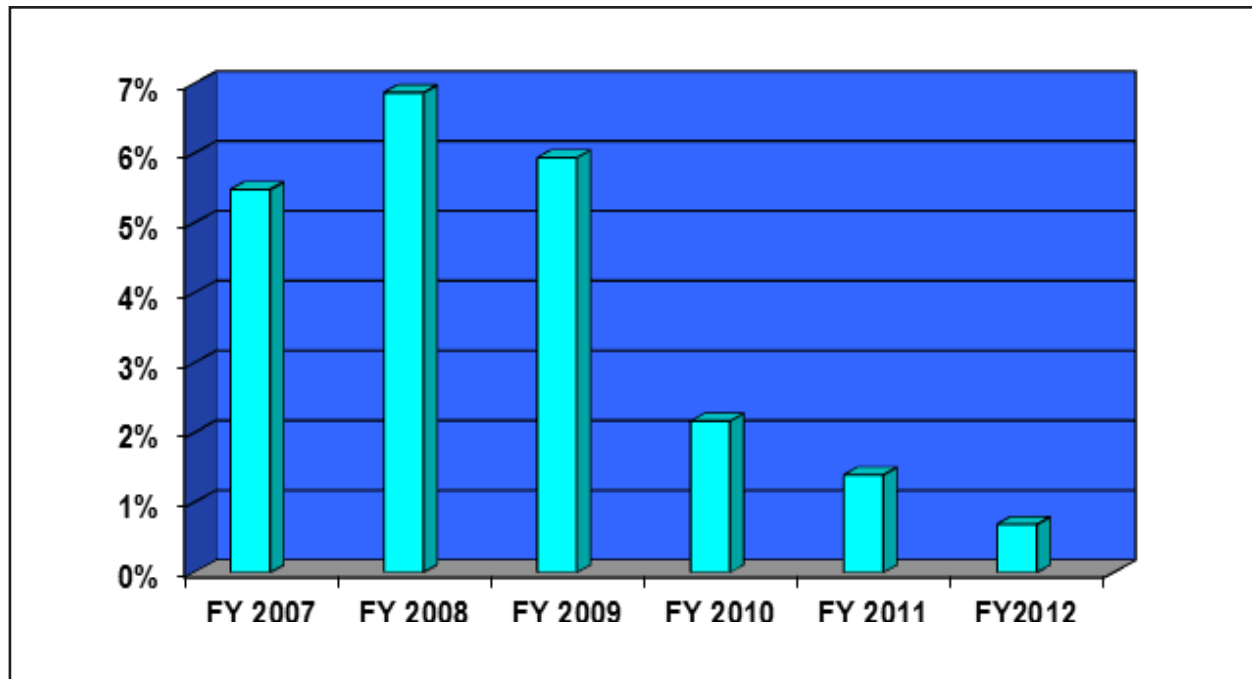
EARNINGS

Fiscal Year 2012 proved to be challenging for all investors seeking yield while maintaining a low risk investment strategy. The Office of the State Treasurer continues to focus on managing the GSFIC portfolios with a very conservative investment strategy that emphasizes preservation of principal while meeting GSFIC's income and liquidity needs. With interest rates near zero, portfolio investments were structured to provide yield while protecting principal from loss due to any near increase in market interest rates. Interest earnings from the investment of bond proceeds during Fiscal Year 2012 were slightly over \$10 million. As of June 30, 2012, the Commission had the following deposits and investments:

DEPOSITS AND INVESTMENTS	FAIR MARKET VALUE
Pooled portfolio managed by the Office of State Treasurer:	
Cash held for investment settlements	\$ 95,570,076
U.S. Government Agency Obligations	875,085,701
NOW Account (Negotiable Order of Withdrawal)	42,391,253
Total	\$1,013,047,030

The portfolio, which had a total investment rate of return of 0.69 percent, consisted of fixed income securities comprised of Agencies of the United States Government and repurchase agreements.

TOTAL RETURNS CAPITAL PROJECTS FUND INVESTMENT PORTFOLIO



FY2012 CURRENT REFUNDINGS

During Fiscal Year 2012, the Commission utilized premium received from the tax-exempt bond sales to execute several current refundings. The bonds issued in July 2011 refunded \$55 million outstanding general obligation bonds and the bonds issued in November 2011 refunded \$24 million outstanding general obligation bonds. These refundings provided debt service savings for Fiscal Year 2012.

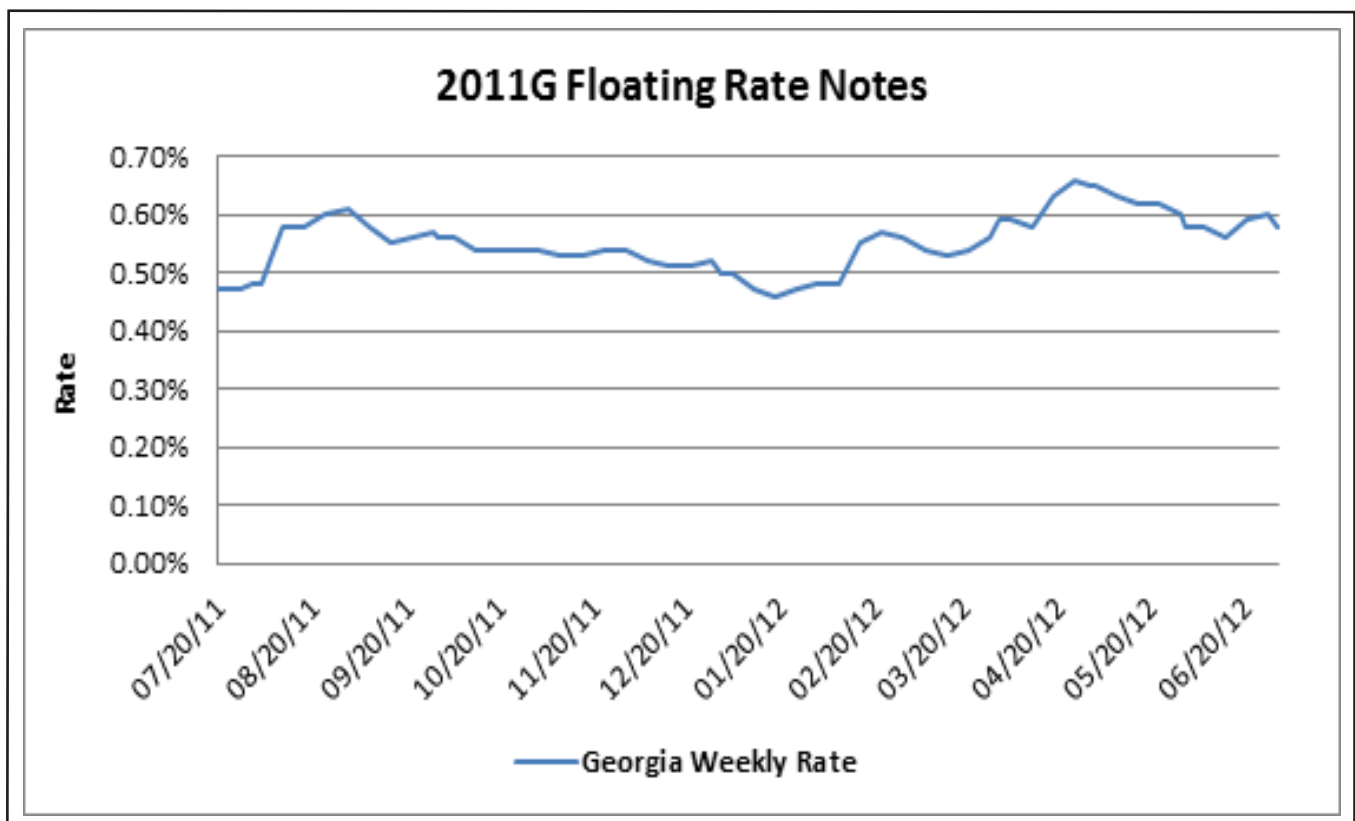
AUTHORIZED INDEBTEDNESS

AS OF JUNE 30, 2012

AGENCY NAME	OUTSTANDING BONDS	AUTHORIZED BUT NOT ISSUED	TOTAL
Department of Administrative Services	\$ 1,415,856		\$ 1,415,856
Department of Agriculture	53,954,784		53,954,784
Georgia Agricultural Exposition Authority	7,531,086		7,531,086
Georgia Aviation Authority	200,000		200,000
Department of Behavioral Health & Developmental Disabilities	36,915,643		36,915,643
Georgia Building Authority	113,216,032	\$ 2,230,000	115,446,032
Department of Community Affairs	367,821	25,000,000	25,367,821
Georgia Regional Transportation Authority	3,961,362		3,961,362
Department of Community Health	5,949,353	10,000,000	15,949,353
Department of Corrections	207,340,061	3,500,000	210,840,061
Department of Defense	16,810,560	3,665,000	20,475,560
Department of Economic Development	116,546,890		116,546,890
Georgia Golf Hall of Fame	1,336,657		1,336,657
Georgia World Congress Center Authority	164,022,322	15,000,000	179,022,322
Department of Education	2,385,326,370	168,695,000	2,554,021,370
Georgia State Financing and Investment Commission	2,339,167		2,339,167
Georgia Forestry Commission	19,680,801		19,680,801
Georgia Emergency Management Agency	53,920		53,920
Georgia Environmental Finance Authority	374,159,313	20,750,000	394,909,313
Georgia International and Maritime Trade Center Authority	3,735,390		3,735,390
Herty Advanced Materials Development Center	499,660		499,660
Department of Human Resources	64,791,489		64,791,489
Georgia Bureau of Investigations	29,585,922		29,585,922
Jekyll Island Authority	49,014,769		49,014,769
Department of Juvenile Justice	117,941,819	3,250,000	121,191,819
Department of Labor	13,528,671		13,528,671
Department of Natural Resources	235,643,649	3,800,000	239,443,649
Georgia Ports Authority	171,442,537	103,350,000	274,792,537
Department of Public Health	500,000		500,000
Georgia Public Safety Training Center	7,874,618		7,874,618
Department of Public Safety	8,819,709		8,819,709
Board of Regents	2,092,070,068	22,800,000	2,114,870,068
Department of Revenue	27,519,386		27,519,386
Soil and Water Conservation Commission	8,734,163	6,000,000	14,734,163
State Accounting Office	1,697,000		1,697,000
Technical College System of Georgia	695,597,723	1,740,000	697,337,723
Department of Transportation	1,538,143,893	146,305,000	1,684,448,893
Department of Veterans Services	6,676,536		6,676,536
Total General Obligation Bonds	8,584,945,000	536,085,000	9,121,030,000
Guaranteed Revenue Bonds - State Road and Tollway Authority	403,450,000		403,450,000
Total General Obligation Bonds and Guaranteed Revenue Bonds*	\$ 8,988,395,000	\$536,085,000	\$9,524,480,000

2011G GENERAL OBLIGATION BONDS FLOATING RATE NOTES

During FY2012, the 2006 VRDBs were refunded to convert a portion of those bonds to fixed rate bonds to reduce the State's exposure to interest rate risk and to take advantage of low short term interest rates. The premium on the fixed rate 2011F refunding bonds was used to retire a portion of the 2006 VRDBs and reduce the total amount of outstanding bonds. The balance (\$127,305,000) of the 2006 VRDBs were replaced with floating rate notes (2011G) in a private placement transaction for a term of three years at a fixed spread of 40 basis points to the Securities Industry and Financial Markets Association ("SIFMA") index of weekly reset variable rate bonds. Unlike variable rate bonds which usually must have liquidity support from a highly rated commercial bank at a cost in excess of 50 basis points, and which also must have a remarketing agent at a cost in excess of 10 basis points, the State's floating rate notes do not have any such add-on costs, resulting in the lowest cost option to the State. The authorized maximum interest rate on the floating rate bonds is 9%, just as it was on the 2006 VRDBs.



EXPENDITURE OF BOND PROCEEDS

Federal arbitrage regulations require that the State “reasonably expect” to spend down proceeds of each tax-exempt bond issue as follows:

- Five percent within six months of issuance,
- Eighty-five percent within three years of issuance; and,
- One hundred percent at the fifth anniversary of issuance.

These regulations are in place to: 1) minimize the benefits to the issuer of investing the proceeds of tax-exempt bond proceeds at taxable rates, 2) remove the incentive to issue more bonds than required for the projects, and 3) remove the incentive to issue bonds earlier than necessary to carry out the governmental purpose of the bond issue.

During Fiscal Year 2012, all outstanding bond issues in aggregate were in compliance with the federal expenditure guidelines, although several individual projects did not meet those key guidelines. In order to ensure overall compliance for each bond issue, GSFIC’s General Obligation Bond Proceeds Expenditure Policy applies these expenditure requirements to each project on an individual basis. GSFIC policy also requires that bond proceeds be spent within five years.

GSFIC, in coordination with state agencies and authorities, has procedures in place to monitor if these guidelines are met at both the issue and project levels. GSFIC works with the respective agencies to either spend down balances or return unspent bond proceeds for the purpose of retiring debt.

SUMMARY OF AGENCY SPEND DOWN COMPLIANCE

	NUMBER OF AGENCIES	NUMBER OF PROJECTS	AMOUNT OF BOND PROCEEDS REMAINING
Agency bond proceeds remaining after 5 years	0	0	\$ 0
15% or more of bond proceeds remaining after 3 years	13	45	\$ 111,208,158
95% or more of bond proceeds remaining after 6 months	9	31	\$ 123,477,435
Total not in compliance with expenditure milestones	14	72	\$ 234,685,593
Total number in compliance with all milestones	33	369	\$ 668,596,072

STRATEGIC INITIATIVES

GSFIC will continue to leverage the latest technology to improve its operations in the next fiscal year, as well as focus on training and education for both staff and customers.

Career Management Institute

Phase IV of the Career Management Institute was launched in FY2012 and includes the configuration and implementation of 300 e-learning modules into the Learning Management System. These courses have been carefully selected to support the competencies identified for maximum success in 29 positions at GSFIC. Following the pilot of these performance solutions in both the personal development and job specific skills, the competencies and learning methods for the remaining positions at GSFIC will be identified and learning modules developed in FY2013.

FY2013 will target Phase IV to finalize the competency models and establish multi-media learning modules for the remaining 22 positions at GSFIC. Reporting and administration are also an integral part of the LMS, as it will allow HR to perform tasks such as: uploading content, organizing content, viewing and running reports, and monitoring student progress. In addition, we will maximize the purchase of multi-media learning modules in a prioritized manner for the 29 previously identified positions. Phase V will be the purchase of the remaining multi-media learning modules for the outstanding positions as well as any module not previously purchased for the first 51 positions in Phase III.

Design Professional Workshops

The Construction Division's Design/Review Group will develop a workshop for design professionals that will describe and explain the various aspects of GSFIC, including the roles and responsibilities of GSFIC, its processes and its expectations of design professionals engaged to provide services to the State.

The modules will include Procurement and Contracting for Services, Design Review, Special Inspections and Construction Materials Testing, Commissioning, Fire Marshal Permitting, National Pollutant Discharge Elimination System (NPDES) permitting and Construction Contract Administration. Longterm, the group hopes to expand the workshops to include Project Management, Project Closeout & Turn-over and Quality Assurance/Warranty.

GSFIC expects the educational workshops to reduce delays during design and construction caused by incomplete programming, inadequate design documents, budget overruns, inadequate construction contract administration, and other issues that could be remedied by setting clear expectations and providing a mechanism to explain how to meet those expectations.

Technology

Without a doubt, the speed of change has become a defining characteristic of the information age. The way we conduct business has dramatically changed in just the past five years. The GSFIC staff is online, connected, communicating and sharing information in a way not imaginable 10 years ago. GSFIC will continue to research and invest in new technologies that will allow the organization to more efficiently and effectively serve the citizens of the State of Georgia.

Enterprise Project Management Solution

In order to improve efficiencies, drive productivity and deliver best in class customer service, GSFIC will implement a new Project Management Enterprise Solution. The new solution will be used to better manage the entire project management lifecycle. The real time data base will capture, analyze and compare data that will enable staff to better manage projects.

The web-based system will allow staff to access the application from anywhere and will help standardize the organization's processes. It will improve delivery and collaboration of data between all stakeholders and will reduce costs by allowing for real-time workflow, including required approvals, submittals and reviews. It should also improve efficiency, productivity and effective communication.

During the first half of FY2012, all internal processes were reviewed as the GSFIC-specific software was developed. The new enterprise management system is expected to be launched in early FY2013.

Electronic Payment Program

As part of its financial initiatives for the year, GSFIC will continue to increase participation of construction vendors - both private contractors and public systems receiving reimbursement - in its electronic payment program. GSFIC established a strategic goal for FY2013 to have increase the current Automated Clearinghouse (ACH) participation from 56 to 70 private contractors receiving payment through ACH, an electronic network for paperless financial transactions. ACH transfer is less costly to process than paper check, and ensures more timely payment as well.

Building Information Modeling

GSFIC's construction division identified Building Information Modeling (BIM) as an emerging technology that can improve the construction process from early design work through facility operations.

BIM covers geometry, spatial relationships, light analysis, geographic information, quantities and properties of building components and can be used to demonstrate the entire building life cycle. The three-dimensional technology provides the potential for a virtual information model to be handed from the design team to the contractor and subcontractors and, at the end of the project, to the owner. The result greatly reduces the information loss that occurs when a new team takes “ownership” of the project, as well as delivering extensive information to owners of complex structures.

While the technology is still relatively new and the computer requirements to run the software very demanding, GSFIC is preparing itself for this next generation in construction management. BIM Guidelines were published in FY2011 and a pilot project to be managed with BIM was selected. The classroom building at Southern Crescent Technical College in McDonough is being designed by Lord, Aeck and Sargent, a design firm with experience in building modeling.

GSFIC is focused first on the architectural and structural elements of design and construction and then will phase in mechanical, electrical and plumbing elements.

Design Review Group will lead the implementation of Building Information Modeling (BIM) technology on state construction projects. GSFIC BIM Design Standards were developed and requirements for Architects & Structural Engineers were introduced to the procurement process, contracts and early design process in FY12. During FY13 Civil, Mechanical, Electrical, and Plumbing requirements will be integrated in the procurement process and GSFIC BIM Construction Standards will be developed. The long-term goal is for Building Information Modeling to be used as a project coordination process and for communication via the GSFIC enterprise solutions platform. The final goal remains to offer BIM as a basic service in project collaboration.

Contract Standardization with Board of Regents

GSFIC and the Board of Regents are the two most likely agencies to contract for construction of State public construction. In response to construction industry requests, and because there was some confusion caused by differences between the contract forms used by GSFIC and those used by the Board of Regents, GSFIC began working with the Board of Regents to develop standard form contracts to be used by both agencies over a year ago. GSFIC and the Board of Regents have now jointly developed, and are using, a common Design Professional Contract for use with the CM/GC Delivery Method. Continuing the work to create standardized contract forms, GSFIC has developed a draft standardized Design Professional Contract for use with the Design-Bid-Build Delivery Method. This second standardized contract form awaits approval by the Board of Regents. Once approved, both agencies will utilize this second form contract. The next contract to be standardized is the Construction Contract for the Design-Bid-Build Delivery Method. As a result of the cooperative effort to standardize contracts, and

to reinforce the work as it proceeds, GSFIC and the Board of Regents created a Contracts Alliance Committee to focus on improving the joint contract forms being used and revised by both agencies. The Contracts Alliance Committee is chaired by representatives from BOR and GSFIC and consists of members from the construction, architecture and engineering fields. The Contracts Alliance Committee advises GSFIC and BOR on contract matters to ensure that contracts fairly meet the needs of both the owner and the industry. The Contracts Alliance Committee also works closely with the State Construction Manual Editorial Review Board to suggest revisions and updates to the State Construction Manual.

FINANCE AND INVESTMENT

The Financing and Investment Division continues to add improvements and modules to its eBonds application. (eBonds is the web-based bond and debt management system that was initiated in Fiscal Year 2009.) Several of the accomplishments during Fiscal Year 2012 are listed under the YEAR IN REVIEW section of this report. As of the publication date of this Annual Report, a process has been developed to assist the Office of Planning and Budget to obtain comprehensive encumbrance data for all bond-funded projects with an outstanding project balance. Some of the items to be worked on in Fiscal Year 2013 are the continued testing and completion of the construction-in-progress reporting module, addition of projects funded by bonds issued between 1992 and 1998, general ledger activities and reporting, and arbitrage investment activities and reporting.

During Fiscal Year 2012, GSFIC staff worked with staff of the Department of Transportation, Department of Revenue, and the Office of the State Treasurer to prepare for the implementation of the special district sales and use tax authorized by the Transportation Investment Act of 2010 (“TIA”). The staff of the Financing and Investment Division has assumed the responsibility for developing a system similar to GSFIC’s eBonds system to account and report the activities of the TIA program, which include: the receipt of tax proceeds collected by the Georgia Department of Revenue, the investment of those proceeds, the distribution of a portion of the proceeds to local governments, and the distribution of project funding to the Department of Transportation, which will be responsible for the management of the projects. Three districts approved the TIA tax on July 31, 2012. A total of \$1.8 billion of TIA tax proceeds is projected to be received in the three approving districts over the ten-year period, which begins on January 1, 2013. Seventy-five percent (\$1.375 billion) of this total is projected to fund 873 regional projects. Twenty-five percent (\$458.5) of this total is projected to be distributed to 188 local government entities, based on the distribution procedure established by TIA.

GEORGIA STATE FINANCING & INVESTMENT COMMISSION

270 WASHINGTON STREET, ATLANTA, GEORGIA 30334

404-463-5600 • FAX 404-463-5611

www.gsfc.georgia.gov

OCTOBER 2012