AN INDEPENDENT POLICY REVIEW

A Bounty on Overruns

Why Bedford County's Percentage-Based Pay for Its Owner's Representative Is Costing Taxpayers Money, and What Should Replace It

THE FINDING IN ONE SENTENCE

Bedford County pays its Owner's Representative 0.85% of the total cost of every construction project it builds. It is an uncapped, escalation-linked fee that federal procurement law has prohibited for nearly a century precisely because it pays the overseer more when the project costs more.

Subject: Compensation of the Owner's Representative / Director of Construction, Bedford County, Tennessee

Incumbent: Jeff Sweeney

Prepared for: The taxpayers of Bedford County, the Board of Commissioners, and the press

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Classification: Public. For distribution and citation

This is an advocacy document. It argues a position: that the percentage-of-project-cost compensation structure used in Bedford County is unsound public finance and should be replaced. Every factual assertion in it is sourced to a public record: county commission and committee minutes, Tennessee Comptroller audits, published county financial reports, federal procurement regulation, and industry fee surveys. Where the evidence cuts against the argument, that is stated plainly rather than omitted. Nothing here alleges that any individual has committed a crime. The subject of this report is a contract structure, not a person's character.

Contents

Executive Summary **4**

I. Scope, Method, and Evidentiary Standard 7

II. What Bedford County Actually Agreed To 9

III. Finding One: This Is the One Contract Structure Public Procurement Law Forbids 11

IV. Finding Two: The Formula Pays a Bounty on Cost Growth 13

V. Finding Three: The 5% Defense Compares the Wrong Two Things 16

VI. Finding Four: The "Value Engineering" Savings Will Not Bear the Weight Placed on Them 18

VII. Finding Five: The Contract Survived Because Nobody Was Allowed to Debate It 21

VIII. Finding Six: The Structural Conflicts Are Not Being Managed 23

IX. Finding Seven: The Uncapped Exposure Ahead 25

X. The Alternative: What Bedford County Should Do Instead 27

XI. Conclusion 31

Appendix A: Calculations and Methodology 32

Appendix B: Sources 35

TABLES

Table 1. The compensation structure as described in the public record
Table 2. Fee outcomes under the 0.85% formula
Table 3. Benchmark comparison against regional and market salaries
Table 4. The FEMA four-part cost-plus-percentage-of-cost test, applied
Table 5. The fee-to-cost exchange rate
Table 6. Juvenile Justice Facility cost history and corresponding fee movement
Table 7. Annual cost of oversight by capital volume
Table 8. Implied hourly rate
Table 9. What a 5% construction management fee buys that 0.85% does not
Table 10. Industry percentage fees decline with project size; Bedford County's does not
Table 11. Components of the reported Cartwright Elementary savings
Table 12. The fee as a share of the savings used to justify it
Table 13. Bedford County audit history, FY2019 to FY2025
Table 14. Concurrent and prior roles held by the incumbent
Table 15. Fee outcomes on future projects under the unmodified formula
Table 16. Proposed salaried structure and maximum annual cost
Table 17. Option A against the current model across capital volumes
Table 18. Effect of an annual aggregate cap
Table 19. Sequenced implementation path

Table A1. All derived figures, with their inputs
Table A2. Source figures and their originating records

Executive Summary

Bedford County is in the middle of the largest building program in its history. A new elementary school, a juvenile justice facility, school additions, a judicial center, and a long queue of smaller projects together represent a commitment of well over one hundred million dollars of public money. Overseeing that program is a single official whose title is Owner's Representative, and who is paid in a way no other employee of Bedford County is paid, and in a way that almost no comparable public body in the United States pays anyone.

He is paid a percentage of what the county spends.

The arrangement, as described in county records and reported at the November 14 meeting of the Board of Commissioners, consists of a $24,000 annual retainer covering all projects under $100,000, plus a fee of 0.85% of the total cost of every project above that threshold. There is no cap. There is no taper for large projects. There is no reconciliation against hours worked. The larger the number at the bottom of the invoice, the larger the check.

This report examines that structure and reaches seven conclusions.

1. The structure is the one form of contract public procurement law specifically forbids.

A fee calculated as a fixed percentage of costs that are not yet known is the textbook definition of a "cost-plus-a-percentage-of-cost" arrangement. Federal acquisition regulation flatly bans it (FAR 16.102(c)). Federal grant regulation bans it again, and bans "percentage of construction cost" methods by name (2 CFR 200.324). FEMA's own grants training lists four identifying characteristics of a prohibited CPPC contract. The Bedford County arrangement matches all four.

2. The math pays a bounty on cost growth.

Every additional $1,000,000 added to a Bedford County project, whether by inflation, by scope creep, by a change order or by a redesign, increases the Owner's Representative's fee by $8,500. On the Juvenile Justice Facility, the estimate grew from roughly $5 million in 2021 to $7.344 million. That growth alone increased the fee from $42,500 to $62,424: an additional $19,924 earned on a project that went nearly 47% over its original estimate.

3. The "we'd otherwise pay 5%" defense compares the wrong two things.

County officials have defended the 0.85% rate by noting that an outside construction management firm would charge roughly 5%. That is true and irrelevant. A 5% firm supplies a staffed team, professional liability insurance, errors-and-omissions coverage, corporate overhead, and a contractual counterparty the county can sue. An employee supplies none of those. The correct comparison for an employee is a salary. Measured against a salary, 0.85% is not a discount. It is a very large premium in exactly the years when the county builds the most.

4. Against every available benchmark, the model overpays in peak years.

Williamson County, a far larger and wealthier jurisdiction, pays its Owner's Representative a flat $175,000 a year, a figure cited on the floor of the Bedford County Commission. The median construction project manager salary in Tennessee is $110,864; the 90th percentile is $131,744. Bedford County's fee on the Cartwright Elementary project alone, approximately $238,000 and billed against a negotiated $28 million base rather than the project's $39 million budget, exceeded Williamson County's entire annual salary by $63,000, on one building.

5. The break-even point has already been crossed, and the county is on the wrong side of it.

The 0.85%-plus-retainer model costs the county more than a $175,000 flat salary at any annual capital volume above approximately $17.8 million. Bedford County's own FY2024 Annual Comprehensive Financial Report shows $36,916,141 in education capital outlay in a single fiscal year, more than double the break-even. Applied to that year alone, the fee formula yields approximately $313,787 in project fees, or $337,787 once the retainer is added.

6. The reported "value engineering" savings do not carry the weight placed on them.

The largest single component of the widely-reported "over $1 million saved" at Cartwright Elementary was a $1,036,000 reduction in the project's contingency fund: budgeted money that was not spent. Releasing an unspent contingency is good housekeeping. It is not engineering, and it is not the same thing as reducing what the building cost. Meanwhile the fee charged against that project consumed roughly 19% of the total claimed savings.

7. The contract was executed and funds were obligated outside the ordinary approval process.

Commissioners reported at the November 14 meeting that the agreement was signed by the County Mayor alone, that its percentage terms were not disclosed to the full body until members demanded a copy, and that funds had already been obligated for consultant work at Thomas Magnet School before the commission was asked to ratify the expenditure. Those procedural facts are not incidental to the compensation question. A structure this unusual survived precisely because the body that should have debated it never got the chance.

What our report recommends

The Bedford County government should terminate the percentage-of-project-cost formula and replace it with a salaried, capped, and audited structure. Specifically:

1. **Convert the position to a salaried Director of Capital Projects.** A base of approximately $150,000, fully loaded to roughly $198,000 with benefits, placed on the county's published pay scale and subject to the same disclosure as every other department head.
2. **Add a hard, audited performance incentive, and cap it.** No more than 10% of base salary, payable only on savings independently verified against a commission-approved baseline, and never payable on a project that exceeded its approved budget.
3. **If the commission will not fund a full-time position, cap the existing fee immediately.** A hard per-project ceiling and a hard annual aggregate ceiling can be adopted at the next meeting. An annual cap of $175,000 applied to an FY2024-scale year would have saved the county approximately $162,787 without changing anything else.
4. **Procure the role properly.** Tennessee law requires professional services to be awarded on recognized competence and integrity, and architectural and engineering services through a request-for-qualifications process. The Owner's Representative role should be advertised and competitively evaluated.

5. **Restore the Audit Committee and require commission ratification of unconventional contracts.** The Tennessee Comptroller found Bedford County's Audit Committee non-functional. No employment or consulting agreement using a percentage-of-cost formula should be executable on a single signature.

THE BOTTOM LINE

Bedford County does not have a Jeff Sweeney problem. It has a contract problem. The county has attached the compensation of the one official whose entire job is to hold down construction costs to the size of those construction costs. Whatever anyone thinks of the incumbent's competence, and this report does not dispute it, that is a structure no responsible public body should have signed, and no responsible public body should leave in place.

I. Scope, Method, and Evidentiary Standard

1.1 What this report examines

This report evaluates one question: whether the compensation structure Bedford County uses to pay its Owner's Representative is a sound method of buying construction oversight, or a costly and structurally unsafe one. It does not evaluate the incumbent's technical skill, his professional record, or his motives. Those are separate questions, and on the first two the public record is largely favorable.

The distinction matters, because the defense of the current arrangement almost always changes the subject. When commissioners raise the fee formula, the answer comes back in terms of the incumbent's experience, his hours, and his savings. Those answers may all be true and still leave the actual question untouched. A skilled professional paid under a defective formula is still paid under a defective formula, and the better he is, the more expensive the defect becomes, because the county builds more.

1.2 Sources relied upon

The factual record in this report is drawn from the following categories of public source:

- Minutes and contemporaneous reporting from Bedford County Board of Commissioners meetings, including the November 14 meeting at which the compensation structure was debated, and the Courthouse and Property Committee meeting of February 18, 2025.
- Bedford County's Annual Comprehensive Financial Reports for fiscal years 2019, 2020, 2022, and 2024, and the Tennessee Comptroller's FY2025 audit summary.
- Reporting by the Shelbyville Times-Gazette and Shelbyville Now on the Cartwright Elementary and Juvenile Justice Facility projects.
- Federal procurement regulation: FAR 16.102(c) and 2 CFR 200.324, together with FEMA grants-management guidance on prohibited contract types.
- Tennessee statutory and advisory material on county purchasing, professional services contracts, and conflicts of interest, including guidance published by the University of Tennessee County Technical Assistance Service and the Tennessee Advisory Commission on Intergovernmental Relations.
- Published 2026 industry fee surveys for owner's representative services, and Tennessee salary benchmarks for construction project management roles.

1.3 Evidentiary standard

Three rules govern what appears in this report.

First, no dollar figure appears that is not either taken directly from a public record or derived by arithmetic from figures that are. Every derived figure is shown with its inputs, and the full calculation set is reproduced in Appendix A so that any reader can check it.

Second, where the evidence is favorable to the current arrangement, it is stated. There are two such places in this report, and both are flagged in the text rather than buried. A reader who finishes this document should be able to make the strongest case for the status quo as well as against it.

Third, this report distinguishes rigorously between three different things that are frequently blurred together in this debate: a structural incentive, a documented outcome, and an allegation of misconduct. The core argument here concerns the first. It draws on the second. It makes none of the third.

> **A NOTE ON WHAT A PERVERSE INCENTIVE IS AND IS NOT**
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> To say that a contract creates a perverse incentive is not to say that anyone has acted on it. Public finance is built on the opposite assumption: that incentives are removed in advance so that no one has to be trusted to resist them, and so that no honest official ever has to defend himself against the appearance created by his own pay formula. The current structure fails that test whether or not a single dollar has ever been misdirected under it. It also does the incumbent no favors: it guarantees that every cost increase on every project he oversees will be met with the question of whether he benefited from it.

II. What Bedford County Actually Agreed To

2.1 The terms

The compensation arrangement for the Owner's Representative, as described in county records and in the discussion at the November 14 commission meeting, has two components.

Component	Trigger	Amount
Annual base retainer	All county and school projects under $100,000	$24,000 per year
Project fee	Any single project exceeding $100,000	0.85% of total project cost
Cap	None in the record	None
Volume taper for large projects	None in the record	None
Reconciliation against hours worked	None in the record	None
Reduction if project exceeds budget	None in the record	None

Table 1. The compensation structure as described in the public record. The retainer is reported as split between the county and the school board.

The four "none" entries in that table are the report. Everything that follows is an elaboration of what it means to buy oversight with a formula that has no ceiling, no taper, no timesheet, and no penalty.

2.2 What the fee produces in practice

Applied to the projects that appear in Bedford County's public record, the formula generates the following:

Project	Value used	Fee at 0.85%
Cartwright Elementary (negotiated base)	$28,000,000	$238,000
Cartwright Elementary (full budget as reported)	$39,000,000	$331,500
Juvenile Justice Facility (2021 estimate)	$5,000,000	$42,500
Juvenile Justice Facility (current estimate)	$7,344,000	$62,424
School wing addition (FY2024 loan issuance)	$3,570,000	$30,345
FY2024 education capital outlay (per ACFR)	$36,916,141	$313,787

Table 2. Fee outcomes under the 0.85% formula. Cartwright was billed against a reduced $28 million base after negotiation; the $39 million line shows what the unmodified formula would have produced. The FY2024 line applies the formula to a single fiscal year's reported education capital outlay and excludes the retainer.

Two figures on that table deserve to be sat with. The first is $238,000, what one building generated for one official after a voluntary reduction in the calculation base. The second is $313,787, what the formula generates from one ordinary fiscal year of Bedford County's current building program, before the retainer is added.

2.3 The comparison the county has never been shown

Bedford County has a population of roughly 53,055 and outstanding debt of $126,031,726 as of June 30, 2024, or approximately $2,399 for every resident. The county's entire building program is being financed on that debt. The following table places the oversight fee against the salaries the county and the region actually pay.

Benchmark	Annual figure	Multiple of Bedford fee*
Bedford County OR: Cartwright + Juvenile Justice + retainer	$324,424	1.00×
Williamson County Owner's Representative (flat salary)	$175,000	0.54×
Tennessee construction project manager, 90th percentile	$131,744	0.41×
Tennessee construction project manager, median	$110,864	0.34×

*Table 3. *The multiple column expresses each benchmark as a fraction of the Bedford County figure. Salary benchmarks are Salary.com Tennessee data as of August 1, 2026. The Williamson County figure was cited on the floor of the Bedford County Commission by Commissioner Diane Neeley.*

The Bedford County Owner's Representative earned, from two projects and a retainer, approximately 1.85 times the annual salary of the same official in Williamson County, a jurisdiction with several times Bedford's population, several times its budget, and a construction program that dwarfs it.

III. Finding One: This Is the One Contract Structure Public Procurement Law Forbids

The most serious problem with the Bedford County arrangement is not that it is expensive. It is that it belongs to a category of contract that American public procurement law identified as dangerous a century ago and has prohibited ever since.

3.1 The prohibition

The Federal Acquisition Regulation, which governs the largest procurement system on earth, contains a one-line rule at FAR 16.102(c): the cost-plus-a-percentage-of-cost system of contracting shall not be used. There are no exceptions, no thresholds, and no waiver procedure. It is one of the shortest and most absolute provisions in the entire regulation.

The same prohibition is repeated in the rules that govern how state and local governments spend federal grant money. Title 2 of the Code of Federal Regulations, section 200.324, directs that recipients and subrecipients "must not use the 'cost plus a percentage of cost'" method, and then adds a second prohibition that is remarkable for how specifically it describes what Bedford County is doing: the "percentage of construction cost" method must not be used either.

> **2 CFR 200.324**
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> "The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used." Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

3.2 Why the prohibition exists

FEMA's grants-management training explains the reasoning in plain language: a cost-plus-percentage arrangement means "there is no incentive for the contractor to control costs," because "the contractor benefits financially when project costs rise, encouraging wasteful spending."

That is not a theoretical concern raised by regulators with too much time. It is the accumulated lesson of a century of public construction. Percentage-of-cost fees were common in early twentieth-century government contracting and were abolished after they produced exactly the outcome the arithmetic predicts. The rule survives because the failure mode is structural rather than personal: it does not require a dishonest contractor, only a human one.

3.3 The four-part test, applied

FEMA's guidance lists four identifying characteristics of a prohibited cost-plus-percentage-of-cost arrangement. The Bedford County structure is measured against each below.

FEMA identifying characteristic	Bedford County arrangement	Match?
"Payment is at a predetermined rate"	0.85%, fixed in the agreement	Yes
"Rate is applied to actual performance costs"	Applied to total project cost as built	Yes

FEMA identifying characteristic	Bedford County arrangement	Match?
"Contractor's entitlement is uncertain at the time of contracting"	No project values known when signed; no cap	Yes
"Rate increases with increased performance"	Fee rises $8,500 per $1,000,000 of cost	Yes

Table 4. The Bedford County structure satisfies all four of FEMA's identifying characteristics of a prohibited cost-plus-a-percentage-of-cost contract.

Four out of four. There is no partial score here and no interpretive difficulty. Whatever the county chooses to call this agreement, whether an employment contract, a retainer or a professional services arrangement, its economic substance is the specific structure that federal law names and forbids.

3.4 The practical exposure

Two qualifications are owed to the reader, and both are stated here rather than left for an opponent to raise.

First, FAR 16.102(c) governs federal agency procurement directly and does not, by its own force, bind a Tennessee county spending county money. Second, 2 CFR 200.324 attaches to federal award funds; it binds Bedford County to the extent that federally-sourced dollars, including grant funds, pass-through state administration of federal programs, and disaster or infrastructure awards, touch a project on which the percentage fee is charged.

Those qualifications narrow the legal exposure. They do not touch the argument. The reason every serious procurement regime in the country bans this structure is not jurisdictional bookkeeping. It is that the structure does not work. A county is free to adopt a contract form that the federal government, the states, and the model procurement codes have all rejected. It is not free to adopt it and simultaneously claim to be practicing careful stewardship.

And the narrower exposure is real. Bedford County's building program is not hermetically sealed from federal money. School construction, public safety facilities, and infrastructure work routinely draw on federal and federally-derived funding streams. Any project that does, and against which a 0.85% percentage-of-construction-cost fee has been charged, is a live audit question. The prudent course is not to litigate which projects are exposed. It is to stop generating the exposure.

IV. Finding Two: The Formula Pays a Bounty on Cost Growth

Strip away the language of stewardship and the arithmetic is simple. Under the Bedford County formula, the compensation of the official responsible for controlling construction costs moves in the same direction as construction costs, always, automatically, and without limit.

4.1 The exchange rate

If a Bedford County project cost increases by…	The Owner's Representative fee increases by…
$100,000	$850
$500,000	$4,250
$1,000,000	$8,500
$2,344,000 (the Juvenile Justice overrun)	$19,924
$5,000,000	$42,500
$11,000,000 (Cartwright, $28M base to $39M budget)	$93,500

Table 5. The fee-to-cost exchange rate under a 0.85% formula. These are not hypothetical increments; the bottom three rows correspond to cost movements documented in Bedford County's own record.

4.2 The Juvenile Justice Facility: the case in miniature

The Juvenile Justice Facility is the cleanest available illustration, because its full cost history sits in the county's own committee minutes.

In 2021, the facility was estimated at approximately $5 million. By the February 18, 2025 meeting of the Courthouse and Property Committee, the Owner's Representative and architect Bart Kline of Kline-Swinney reported a current estimate of $7.344 million. They attributed the increase to roughly 40% construction inflation since 2021 and to state code changes that added 800 square feet to the building. They also reported that a four-month redesign of roofing, plumbing, electrical, and security systems had cut approximately $2 million from projections.

Juvenile Justice Facility	Amount
2021 estimate	$5,000,000
Current estimate (Feb. 2025)	$7,344,000
Cost growth	$2,344,000
Cost growth as % of original estimate	46.9%
Fee at 0.85% on the 2021 estimate	$42,500
Fee at 0.85% on the current estimate	$62,424

Juvenile Justice Facility	Amount
Additional fee generated by the cost growth	**$19,924**

Table 6. Cost history and corresponding fee movement, Juvenile Justice Facility. Cost figures per Courthouse and Property Committee minutes, February 18, 2025; fee figures derived by applying the 0.85% formula.

Read the last three rows together. The project ran 46.9% over its original estimate. The official charged with preventing that outcome was paid $19,924 more than he would have been paid had the outcome been prevented.

The obvious rejoinder is that the overrun was not his fault: that inflation and a state code mandate drove it, and that without his redesign the number would have been higher still. Both points are probably correct, and the second is made explicitly in the county's own materials. Grant them entirely. The problem is not that he caused the overrun. The problem is that the county built a payment system in which it makes no difference whether he caused it. The formula does not ask. It reads the final number and multiplies.

> **THE ASYMMETRY AT THE HEART OF THE CONTRACT**
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> Under the Bedford County formula, cost increases are shared. The taxpayer pays 100% of them and the Owner's Representative collects 0.85% of them. Cost decreases are not shared in the other direction. There is no clawback, no reduced fee for exceeding an approved budget, and no penalty of any kind. The county has written a contract in which one party carries every dollar of downside and pays a commission on it.

4.3 The break-even, and which side of it Bedford County is on

At what volume of construction does a percentage fee become more expensive than simply hiring someone? The arithmetic is straightforward. A $175,000 flat salary equals $24,000 in retainer plus 0.85% of X, where X is $17,764,706.

Annual capital volume	Cost under 0.85% + retainer	Cost under $175,000 flat salary	Difference
$5,000,000	$66,500	$175,000	($108,500)
$10,000,000	$109,000	$175,000	($66,000)
$15,000,000	$151,500	$175,000	($23,500)
$17,764,706 (break-even)	$175,000	$175,000	$0
$25,000,000	$236,500	$175,000	+$61,500
$36,916,141 (Bedford FY2024)	$337,787	$175,000	+$162,787
$50,000,000	$449,000	$175,000	+$274,000

Table 7. Annual cost of oversight by capital volume. Figures with a plus sign show the amount by which the percentage model exceeds a flat salary; figures in parentheses show the amount by which it is cheaper. The FY2024 row uses Bedford County's own reported education capital outlay.

Bedford County is not near the break-even. Its FY2024 education capital outlay alone was more than double it. And the direction of travel is one-way: the county is growing, the pipeline is expanding, the state has earmarked further capital funds, and every project added to the queue pushes the county further onto the expensive side of the line.

This is the point at which the structure stops being merely unorthodox and becomes actively costly. In a small county with a modest building program, a 0.85% fee would be cheap. Bedford County stopped being that county some time ago. The formula was not revisited when the facts changed.

4.4 What the fee works out to per hour

One further way to test whether a fee is proportionate is to convert it into an hourly rate and compare it with what the market charges for the same work.

Assumed annual hours devoted to the role	Implied hourly rate*
2,080 (full-time, every working hour)	$156
1,500	$216
1,040 (half-time)	$312
520 (quarter-time)	$624

*Table 8. *Based on $324,424: the Cartwright fee, the Juvenile Justice fee, and the retainer combined. Published 2026 industry rates for owner's representative services run $75 to $150 per hour for standard work, $150 to $250 for senior or specialty work, and $150 to $300 for targeted advisory engagements, all quoted by firms carrying overhead, staff, and insurance that an employee does not.*

Even on the most generous assumption, that the role consumes every working hour of a full-time year, the implied rate of $156 an hour sits at the top of the range that staffed firms charge. On any assumption short of full-time, it exceeds the market substantially. And the incumbent is, by the county's own description of his background, simultaneously the owner of an active private construction business and the chairman of the county Planning Commission. The full-time assumption is the one least likely to be true.

V. Finding Three: The 5% Defense Compares the Wrong Two Things

The central public defense of the 0.85% fee, offered by County Finance Director Robert Daniel, is that an outside construction management firm would charge approximately 5% of total project cost. On a $28 million school that would be $1.4 million. Against that number, $238,000 looks like a bargain: a discount of more than 80%.

It is the most effective argument the county has made, and it does not survive examination.

5.1 What the 5% actually buys

A construction management fee is not a payment to a person. It is a payment to an enterprise, and the fee covers a bundle of things that an individual employee does not and cannot supply.

Included in a 5% CM firm fee	Included in an employee's 0.85%
A staffed project team, typically several full-time professionals	One individual
Professional liability and errors-and-omissions insurance	None
Corporate overhead, back-office, scheduling, and cost systems	None
A solvent contractual counterparty the county can sue	None. An employee
Bonding capacity and firm-level financial responsibility	None
Surge capacity when several projects run at once	None
Indemnification of the county against professional error	None

Table 9. What the 5% construction management benchmark includes, compared with what the county receives under the current arrangement.

The 5% figure is a price for risk transfer. When a construction management firm signs, the county acquires a defendant. If the oversight fails, whether a defect goes uncaught, a contract term goes unenforced or a bond goes unrequired, there is a corporate balance sheet and a professional liability policy standing behind the mistake.

Under the current arrangement, the county pays a fee derived from that risk-transfer market and receives no risk transfer. If oversight fails, the loss lands on the taxpayer. The county has purchased the price tag of a firm and the protection of an employee.

5.2 The relevance of the Cascade High School litigation

This is not an abstract distinction. Bedford County is currently in litigation over improperly installed flooring at Cascade High School, a project overseen during the incumbent's tenure as a county commissioner. The county's position has reportedly been helped by its ability to prove the defect within the first year of completion.

Set aside fault entirely. Ask only who pays. Under a construction management contract, a firm that missed a defect of that kind is a party with insurance. Under the current arrangement, the county's only recourse runs against the contractor, and every dollar of legal cost, delay, and remediation that the contractor does not cover is a dollar the county eats. That gap is precisely what the difference between 5% and 0.85% is supposed to represent, and Bedford County has not banked the difference. It has spent a comparable amount on a salary-equivalent basis while retaining all the risk.

5.3 The correct benchmark for an employee is a salary

Commissioners made this point on the floor. The Owner's Representative is a county employee, not a third-party consultant. Employees in Bedford County are paid on published salary scales, disclosed to the commission and to the public, budgeted as fixed line items, and subject to the same personnel rules as everyone else.

The county cannot have this both ways. If the role is an employee, it should be paid like one, and the 5% consultancy market is irrelevant. If the role is genuinely a third-party professional services engagement, then it should have been procured like one: advertised, competitively evaluated on qualifications under Tennessee's professional services rules, contracted with an entity carrying insurance and indemnification obligations, and approved by the commission. The current arrangement takes the compensation logic of the consultant and the accountability structure of the employee, and it is the only combination of the two that costs the county money on both ends.

5.4 The market itself does not use flat percentages

There is a further problem with the 5% comparison: it misrepresents how percentage fees actually work in the industry the county is citing.

Published 2026 fee surveys for owner's representative services describe a declining scale. Small and complex projects carry 3% to 5%. Mid-size projects around $5 million carry 2% to 4%. Projects around $20 million carry 1% to 2.5%. Programs above $50 million carry under 1.5%. The rate declines because oversight hours do not scale in proportion to construction cost. A $40 million school does not require eight times the supervision of a $5 million facility.

Project size	Industry fee range (2026 surveys)	Bedford County rate
About $1,000,000	$20,000 to $50,000 (2% to 5%)	0.85%
About $5,000,000	2% to 4%	0.85%
About $20,000,000	1% to 2.5%	0.85%
$50,000,000+	under 1.5%	0.85%

Table 10. Industry percentage fees decline as project size rises. Bedford County applies a single flat rate at every scale. Ranges from published 2026 owner's representative fee surveys.

Bedford County applies 0.85% to a $200,000 renovation and to a $39 million school alike. On the small project, the county is getting a genuinely good rate. On the large one, which is where nearly all the money is, it is paying a flat rate on a base that the market would have discounted. The structure is generous exactly where the dollars are small and unforgiving exactly where they are large.

VI. Finding Four: The "Value Engineering" Savings Will Not Bear the Weight Placed on Them

Every defense of the current fee eventually arrives at the same place: the Owner's Representative saves the county more than he costs. The savings are real, the argument runs, they are documented, and they dwarf the fee. If that is true, the fee is self-financing and the structural objections are academic.

It deserves a serious answer, because it is a serious argument. Here is the answer: the savings figures reported to the county are not what they are being taken to mean.

6.1 What "over $1 million saved" at Cartwright Elementary consisted of

The Cartwright Elementary savings, as reported, break down as follows.

Component of reported Cartwright savings	Amount	What it actually is
Contingency fund reduction	$1,036,000	Budgeted money released unspent
Bell Construction shared-savings renegotiation	$150,000	Negotiated contract term
Kline-Swinney design contingency release	$80,000	Budgeted money released unspent
TOTAL REPORTED	**$1,266,000**	

Table 11. Components of the reported Cartwright Elementary savings, per Shelbyville Times-Gazette reporting on the project.

Of $1,266,000 in reported savings, $1,116,000, or 88% of the total, consists of contingency funds that were budgeted and not spent.

Releasing an unspent contingency is a good thing. It is also not what the word "savings" implies to a taxpayer reading a headline, and it is emphatically not "value engineering." A contingency is a deliberate over-budget: money set aside against risks that may not materialize. When the risks do not materialize, the money comes back. That happens on well-run projects and on indifferently-run ones. It reflects, in large part, that the contingency was set conservatively in the first place.

The genuine value-engineering items in the Cartwright record, namely repricing products, renegotiating steel, and using on-site soil in place of purchased stone fill, are real professional work and are worth something. They are simply not $1 million of something, and the reported total does not separate them out.

THE CIRCULARITY PROBLEM

If a project is budgeted at $39 million and delivered at $38 million, the county reports $1 million in savings and pays a fee on $38 million. If the same project had been budgeted at $36 million and delivered at $38 million, the county would report a $2 million overrun, and pay exactly the same fee. The savings figure depends entirely on the estimate it is measured against, and no independent party sets that estimate. A metric that can be improved by raising the baseline is not a control. It is a presentation choice.

6.2 The fee consumes a large share of the savings it is justified by

Project	Reported savings	Fee charged	Fee as % of savings
Cartwright Elementary ($28M base)	$1,266,000	$238,000	18.8%
Cartwright at unmodified formula ($39M)	$1,266,000	$331,500	26.2%
Juvenile Justice Facility	$2,000,000	$62,424	3.1%

Table 12. The oversight fee expressed as a share of the savings used to justify it.

On Cartwright, nearly one dollar in five of the reported savings went straight back out as the fee for reporting them. Had the formula been applied to the project's actual $39 million budget rather than the negotiated $28 million base, it would have been better than one dollar in four.

Commissioner Drew Hooker put the point on the record more economically than this report can: the cost-saving "doesn't mean anything if we are turning around and paying it out as a salary to somebody."

6.3 Nobody independently checks the number

The most serious weakness in the savings case is procedural. The savings figures presented to the Financial Management Committee are reported by the person whose compensation the savings are being used to justify. There is no independent verification, no agreed baseline set in advance by a party other than the project team, and no audit of the claimed reductions.

This is not a suggestion that the numbers are wrong. It is an observation that no one has checked, and that Bedford County has had the mechanism for checking sitting broken for years. The Tennessee Comptroller's FY2022 audit found that the county's Audit Committee was not a functioning committee. The body whose job is to independently test management's financial representations was not operating during the period in which management's financial representations became the sole justification for the county's most unusual compensation arrangement.

6.4 The honest counterargument, stated fairly

There is a real case on the other side and it should be on record.

First, the county has documented real gains that a less capable overseer might not have achieved. The Bell Construction shared-savings renegotiation reduced the contractor's share from $420,000 to $270,000 and returned $150,000 to the county, a clear, verifiable hard-dollar result. The steel repricing and on-site soil substitution are precisely the kinds of issues an experienced builder catches, and a general-purpose administrator may miss. Cartwright was also reportedly turned over to the school system a month ahead of schedule. These are meaningful accomplishments.

Second, and more awkwardly, for this report: in years when Bedford County's capital volume is low, the percentage model is genuinely cheaper than a salary. At $10 million of annual capital work, the formula costs $109,000 against $175,000 for a flat-salaried position. A county that builds sporadically would be right to prefer it.

Both points are conceded. Neither rescues the structure, for two reasons. Bedford County does not build sporadically. It recorded nearly $37 million in education capital outlay in a single recent fiscal year, and the pipeline ahead of it is longer than the one behind. And the savings, however real, were produced by a person's skill, not by the formula. Nothing in the record suggests that a competent Owner's Representative on a fixed salary would have missed the steel repricing or waved through Bell's shared-savings claim. The county did not buy those results with the percentage. It bought them with the hire, and it is paying for them with a formula that has nothing to do with them.

VII. Finding Five: The Contract Survived Because Nobody Was Allowed to Debate It

A compensation structure this unusual would not normally survive a public debate on the floor of a county commission. The Bedford County structure survived because, on the account of the commissioners themselves, it never had one.

7.1 One signature

At the November 14 commission meeting, members reported that the Owner's Representative agreement had been signed by the County Mayor alone, and that its terms had not been shared with the full body. Commissioner Diane Neeley noted that the commission is ordinarily aware of what every other county employee earns. Commissioner Eric Maddox described the situation as a source of "heartburn." The commission ultimately had to demand that a copy of the contract be emailed to its members.

Consider what that means. The single most expensive compensation arrangement in Bedford County government, one that has produced payments exceeding those of the County Mayor and every department head, was executed on one signature and was not visible to the legislative body that appropriates the money, until that body went looking for it.

7.2 Funds obligated before approval

The November 14 debate was triggered by a budget amendment moving $12,000 in retainer fees and $17,000 for work at Thomas Magnet School out of a "furniture and fixtures" line item and into a "consultant" line item. The work had already been committed. The commission was being asked to ratify a decision, not to make one.

Commissioner Neeley's question on the floor, how an employee could "obligate us for this type of expenditure" without the commission's prior knowledge or approval, goes to the heart of the County Financial Management System of 1981, which Bedford County adopted to impose exactly this kind of discipline. A financial management system in which the executive commits funds and the legislature is presented with the bill afterward is not a financial management system. It is a formality.

7.3 The broken safeguard

The Tennessee Comptroller's audits document the mechanism by which this became possible.

Fiscal year	Result	Findings
2019	Perfect Audit award	None
2020	Unmodified, clean	None
2022	Findings	Audit Committee not functioning; building permit voided transactions not reviewed
2023	Significant deficiencies	Motorola procurement deficiencies; zoning fund issues; bank reconciliation failures

Fiscal year	Result	Findings
2024	Unmodified, no findings	None
2025	Unmodified, two findings	Contractors on concession stand projects used the county's tax-exempt status for supplies; sheriff's office accounting deficiencies

Table 13. Bedford County audit history, Tennessee Comptroller of the Treasury. The FY2024 clean result is included because it is favorable to the county and belongs in an honest record.

Two things in that table matter for this report.

The first is FY2022. When the Comptroller found that the Audit Committee was not functioning, the county lost the one body institutionally designed to ask hard questions about management's financial arrangements. An unconventional percentage-of-cost compensation contract, executed on a single signature and not disclosed to the commission, is precisely the kind of item an Audit Committee exists to surface. There was no Audit Committee to surface it.

The second is FY2025. The county's two findings that year were not obscure. One of them was that contractors on concession stand projects used supplies and materials purchased under the county's tax-exempt status. That is a construction-project procurement failure, in the fiscal year in question, in a category of work the Owner's Representative's reports to the Financial Management Committee describe as within his purview.

7.4 The Motorola contract and what it says about oversight quality

The FY2023 audit identified a $5.26 million proposal from Motorola Solutions for a communications network upgrade that lacked detailed pricing, included site preparation not covered by the contract, and, most seriously, did not require a performance bond, which Tennessee law mandates. The Comptroller attributed the failures to a lack of management oversight.

A performance bond is not a technicality. It is the instrument that guarantees a public project gets finished without a second bill to the taxpayer if the vendor fails. Letting a $5.26 million acquisition proceed without one converts a procurement into a wager.

The Motorola contract was not a construction contract and was not, so far as the record shows, within the Owner's Representative's direct scope. It is cited here for a narrower and more defensible point: the county's claim that the percentage fee is justified by superior management oversight is being made by an administration that a state auditor found, in the same period, deficient in management oversight of a multi-million-dollar procurement. The county is asking taxpayers to accept an extraordinary compensation structure on the strength of a quality it has been formally cited for lacking.

VIII. Finding Six: The Structural Conflicts Are Not Being Managed

This section addresses conflicts of interest. It does so carefully, because the subject invites overreach and overreach is the fastest way to lose an argument that does not need it.

No allegation of self-dealing is made here. What follows is a description of overlapping roles that create a structural conflict, and an observation that the public record does not show them being managed with the formality the situation requires.

8.1 The overlap

Role	Nature of the interest
Owner's Representative / Director of Construction	Compensation varies directly with the county's total construction spending
Chairman, Bedford County Planning Commission	Authority over land use and development matters in the county
Owner, Sweeney Construction	Private commercial interest in the regional construction market
Former Bedford County Commissioner	Prior legislative role overseeing projects now under his administration

Table 14. Concurrent and prior roles as described in the public record and in the incumbent's published professional biography.

Each of these, standing alone, is unremarkable. Small counties draw on the people they have, and a county fortunate enough to have an experienced builder willing to serve is right to use him. The difficulty is the combination, and specifically the combination of the first and third rows: an official whose public compensation scales with county construction volume, who also owns a private construction business operating in the same market.

This is not a claim that the private business has received county work. It is the observation that a structure of this kind requires active, documented management: written recusal protocols, disclosed relationships, a conflicts register, and an independent review of any transaction touching the private firm or its suppliers. Nothing in the public record indicates any of that exists.

8.2 The relevant Tennessee framework

Tennessee's general conflict of interest law, at Tennessee Code Annotated §§ 12-4-101 and 12-4-102, prohibits public officers from being directly interested in contracts they have authority to make or administer, and requires public disclosure of indirect interests. Guidance published by the University of Tennessee's County Technical Assistance Service and analysis by the Tennessee Advisory Commission on Intergovernmental Relations describe a direct interest as one involving the official personally or a business in which the official is the owner, a partner, or the largest shareholder, and treat indirect interests as permissible only where publicly disclosed.

The point for present purposes is not that a violation has occurred. It is that the framework exists because Tennessee has decided these overlaps must be handled on the record, in public, in writing. A compensation contract executed on a single signature and withheld from the commission until members demanded it is the opposite of that. The transparency failure documented in Section VII and the conflict structure documented here are the same problem viewed from two angles: arrangements that require sunlight to be safe have been kept out of it.

8.3 The reputational cost to the incumbent

It is worth stating that the current structure is bad for the Owner's Representative as well as for the county.

Under a flat salary, an official who reports that a project has gone over budget because of inflation and a state code change is simply reporting a fact. Under the current formula, the same official reporting the same fact is also reporting that he has been paid more. He cannot escape that, and no amount of personal integrity dissolves it. Every future cost increase on every project he touches will carry the same shadow.

A compensation structure that makes an honest official look interested every time he delivers bad news is a badly designed structure, independent of everything else in this report.

IX. Finding Seven: The Uncapped Exposure Ahead

Everything to this point has concerned money already committed. The larger problem is prospective, because the formula has no ceiling and Bedford County's building program is accelerating.

9.1 The pipeline

The public record identifies, among others: Cartwright Elementary; the Juvenile Justice Facility and morgue addition; additions at Liberty and Thomas schools, reportedly to be bid together; completed work at Shelbyville High School; Ag Center bathroom facilities; concession stands; and LED lighting installations. The state has earmarked further capital funds. Bedford County is one of Tennessee's fast-growing jurisdictions, and it is not close to finished building.

9.2 What the next big building costs in fees

Hypothetical future project	Single-project fee at 0.85%
$25,000,000 middle school	$212,500
$40,000,000 elementary school	$340,000
$50,000,000 facility	$425,000
$75,000,000 high school	$637,500
$100,000,000 high school	$850,000

Table 15. Fee outcomes on future projects under the unmodified formula. These are single-project figures; the annual retainer and any concurrent projects are additional.

A new high school is not a far-fetched hypothetical for a growing county of 53,000 people with $126 million already on the books. Under the current agreement, a single such project would generate a payment to one individual larger than the combined annual salaries of several county departments' leadership. It would do so automatically, with no further commission vote, because the formula was agreed years earlier and has no cap.

9.3 The compounding problem

Construction inflation makes this worse in a way that is easy to miss. The county's own architect reported roughly 40% construction inflation since 2021. Inflation of that magnitude does not merely raise project costs. Under a percentage formula it raises the oversight fee by the identical proportion, for identical work.

A building that would have cost $10 million in 2021 and generated an $85,000 fee costs $14 million in current dollars and generates a $119,000 fee. The scope has not changed. The supervision required has not changed. The number of site visits, change orders, and punch-list items has not changed. The fee rose 40% because prices rose 40%.

THE CORE DEFECT, STATED ONCE MORE

> A percentage-of-cost fee automatically indexes the overseer's pay to the very cost escalation he is employed to resist. It is not a stewardship arrangement with an unfortunate side effect. It is an arrangement whose central mechanism runs against its stated purpose.

X. The Alternative: What Bedford County Should Do Instead

Criticism without a replacement is worth little. This section sets out a specific, costed alternative that can be adopted by the Board of Commissioners, together with a fallback that requires no new position and could be voted at the next meeting.

10.1 Option A, the recommended model: a salaried Director of Capital Projects

Convert the role into a conventional, salaried, senior county position, published on the county pay scale and governed by the same rules as every other department head.

Component	Amount	Notes
Base salary	$150,000	Above the Tennessee 90th percentile for construction PMs ($131,744); competitive for a senior, high-volume county program
Benefits, retirement, insurance (~32%)	$48,000	Standard county employer loading
Fully loaded annual cost	$198,000	Fixed and knowable at budget time
Audited performance incentive, hard cap 10% of base	$15,000	Payable only on independently verified savings
MAXIMUM ANNUAL EXPOSURE	**$213,000**	**The county's worst case, known in advance**

Table 16. Proposed salaried structure and its maximum annual cost.

Why $150,000 and not $175,000

The Williamson County figure of $175,000 has been the reference point in the Bedford debate, and adopting it outright would be defensible. This report proposes $150,000 because Williamson County is a substantially larger jurisdiction with a larger program, and because $150,000 already sits comfortably above the Tennessee 90th percentile for construction project management. The commission may reasonably set the figure anywhere in the $145,000 to $175,000 band. The number is negotiable. The structure is not.

How the incentive must be built

If the county wants to reward genuine savings, and it should, the incentive must be constructed so that it cannot repeat the defect it replaces. Four rules:

6. **The baseline is set by the commission, not the project team.** Savings are measured against a budget the legislative body approved in advance, in public.
7. **Savings must be independently verified.** By the Finance Director, the reinstated Audit Committee, or an external reviewer, never by the person whose bonus depends on the number.
8. **Released contingency does not count.** Unspent contingency returns to the county as a matter of course. It is not a saving produced by anyone's effort and must be excluded from the incentive calculation.
9. **No incentive is payable on a project that exceeded its approved budget.** This is the provision that inverts the current formula's logic and it is the most important one on the list.

What the county gains

- A fixed, budgetable line item that does not move when construction costs move.
- An incentive structure that pays for cost control instead of cost volume.
- Full coverage of the sub-$100,000 work that the $24,000 retainer currently covers only nominally.
- Dedicated capacity for warranty enforcement and defect claims. The Cascade High School flooring litigation is a standing demonstration of what that is worth.
- Elimination of the federal-grant compliance exposure created by a percentage-of-construction-cost fee.
- A compensation figure that appears on the county salary schedule, visible to every commissioner and every taxpayer, requiring no one to demand a copy of anything.

The honest accounting

In a low-volume year, this model costs more in raw dollars than the percentage formula. At $10 million of annual capital work it costs $213,000 against $109,000. That is the trade, and it is stated plainly here because a proposal that hides its own cost deserves to fail.

What the county buys for that difference is a fixed ceiling, an aligned incentive, a defensible procurement posture, and the elimination of a structure that pays more when projects cost more. And in a high-volume year, an FY2024-scale year of nearly $37 million in capital outlay, the model is not more expensive at all. It is approximately $124,787 cheaper.

Annual capital volume	Current model	Option A (max exposure)	Difference
$10,000,000	$109,000	$213,000	+$104,000
$20,000,000	$194,000	$213,000	+$19,000
$25,000,000	$236,500	$213,000	($23,500)
$36,916,141 (FY2024 scale)	$337,787	$213,000	($124,787)
$50,000,000	$449,000	$213,000	($236,000)

Table 17. Option A against the current model across capital volumes. Figures in parentheses represent savings to the county under the proposed structure.

10.2 Option B, the immediate fallback: cap the existing fee

If the commission will not create a salaried position, it can eliminate the worst of the exposure at the next meeting without restructuring anything. Two amendments do most of the work.

1. **A hard per-project fee ceiling.** No single project may generate a fee above a stated dollar figure. $125,000 is a defensible number, comfortably above what the formula produces on any project under $14.7 million.
2. **A hard annual aggregate ceiling.** Total compensation from all sources, including the retainer, may not exceed a stated annual figure regardless of capital volume.

Annual aggregate cap adopted	Cost in an FY2024-scale year	Saved versus uncapped
No cap (status quo)	$337,787	n/a
$200,000	$200,000	$137,787
$175,000	$175,000	$162,787
$150,000	$150,000	$187,787

Table 18. Effect of an annual aggregate cap applied to a fiscal year at the scale of Bedford County's FY2024 education capital outlay.

A cap is a partial fix. It leaves the perverse incentive intact below the ceiling and it leaves the county holding a percentage-of-construction-cost structure with all the compliance exposure that entails. It is offered here as a floor, not as a solution: the minimum a commission should accept if it declines to do the thing that actually works.

10.3 The governance reforms that must accompany either option

1. **Reinstate a functioning Audit Committee immediately.** The Tennessee Comptroller found it non-functional. Populate it, charge it, and give it standing authority to review every contract using a non-standard compensation formula.
2. **Require full commission ratification of any contract with a percentage-based or otherwise unconventional payment formula,** and of any employment agreement exceeding the highest published department-head salary. One signature should never again be sufficient.
3. **Prohibit obligation of funds in advance of appropriation.** The Thomas Magnet School consultant fees were committed before the commission was asked. Under the County Financial Management System of 1981 that sequence should be impossible, and the county's policies should say so in terms.
4. **Procure the role under Tennessee's professional services rules.** State law requires award on recognized competence and integrity, and a request-for-qualifications process for architectural and engineering services. Advertise the position, evaluate candidates on the record, and document the selection.
5. **Adopt a written conflicts protocol for the position.** Standing disclosure of outside business interests, a public conflicts register, written recusal rules, and independent review of any county transaction touching a firm in which the officeholder has an interest.
6. **Publish every fee payment.** Post to the county website, quarterly: each project, its approved budget, its current cost, the fee charged, and the cumulative total paid to date. This costs nothing and would have prevented the entire controversy.

10.4 What implementation looks like

Timeframe	Action
Next commission meeting	Adopt Option B caps as an interim measure; direct staff to publish all fee payments to date

Timeframe	Action
Within 30 days	Reinstate and charge the Audit Committee; adopt the advance-obligation prohibition
Within 60 days	Adopt the Director of Capital Projects job description, salary band, and audited incentive rules
Within 90 days	Advertise and competitively evaluate the position under professional services procedures
At contract renewal	Retire the 0.85% formula entirely; transition to the salaried structure

Table 19. A sequenced implementation path that stops the bleeding immediately and completes the restructuring within one budget cycle.

XI. Conclusion

Bedford County has done something that reads, on paper, as prudent. Facing a construction program larger than anything in its history, it hired someone who knows how buildings get built. That was the right instinct, and the record suggests the county got a capable person.

Then it paid him in a way that undoes the point of hiring him.

The 0.85% formula takes the one official whose entire function is to hold construction costs down and ties his income to how high those costs go. It does so with no ceiling, no taper for large projects, no reconciliation against hours, and no reduction when a project blows through its budget. It is the exact structure that federal procurement regulation prohibits, that federal grant rules prohibit by name, and that a century of public construction experience identified as unworkable. Bedford County adopted it on one signature, without disclosing it to the commission, and has defended it since with savings figures that no independent party has ever verified and that consist, in the flagship case, mostly of contingency money that was budgeted and simply not spent.

The cost is not hypothetical. On two projects and a retainer, the arrangement produced approximately $324,424, nearly twice the annual salary Williamson County pays for the same role, and close to three times the median salary for a construction project manager in Tennessee. Applied to a single fiscal year at the scale Bedford County actually builds, the formula generates well over $300,000. The county crossed the break-even point against a flat salary some time ago and has been on the wrong side of it ever since, without anyone recalculating.

And the exposure ahead is larger than the exposure behind. A county of 53,000 people carrying $126 million in debt and a growing capital queue has a fee formula with no upper limit attached to it. One new high school would generate a payment to a single individual in the hundreds of thousands of dollars, automatically, without a further vote.

None of this requires anyone to have done anything wrong. That is the point most often missed in this debate, and it is the reason the argument does not depend on any allegation. Public finance does not run on the assumption that officials are dishonest. It runs on the discipline of removing temptations before anyone has to be trusted to resist them, so that an honest official is never put in the position of announcing a cost overrun that happens to increase his own pay, and never has to prove a negative to a skeptical public.

Bedford County has put its Owner's Representative in exactly that position and put its taxpayers on the other side of it. The remedy is not complicated, not novel, and not expensive: pay the man a salary, cap the exposure, verify the savings independently, and let the commission see the contract. Every other county in Tennessee manages it.

> **THE QUESTION FOR THE BOARD OF COMMISSIONERS**
> Not whether the Owner's Representative is good at his job. Assume that he is. The question is why Bedford County continues to pay for construction oversight with a formula that grows when

> construction costs grow, and what it will cost the taxpayers of this county if the formula is still in place when the next school is built.

Appendix A: Calculations and Methodology

A.1 Base assumptions

- Percentage fee rate: 0.85% of total project cost, applied to any project exceeding $100,000.
- Annual base retainer: $24,000, covering projects under $100,000, reported as split between the county and the school board.
- Benefits loading for the proposed salaried position: 32% of base salary, a standard public-employer figure covering retirement, health insurance, and payroll taxes.
- No cap, taper, or hours reconciliation is assumed, because none appears in the public record.

A.2 Principal derivations

Figure	Calculation	Result
Cartwright fee (negotiated base)	$28,000,000 × 0.0085	$238,000
Cartwright fee (full budget)	$39,000,000 × 0.0085	$331,500
Juvenile Justice fee (2021 est.)	$5,000,000 × 0.0085	$42,500
Juvenile Justice fee (current est.)	$7,344,000 × 0.0085	$62,424
Fee generated by JJ overrun	$2,344,000 × 0.0085	$19,924
Fee per $1M of cost growth	$1,000,000 × 0.0085	$8,500
Two-project + retainer total	$238,000 + $62,424 + $24,000	$324,424
Break-even vs. $175,000 salary	($175,000 less $24,000) ÷ 0.0085	$17,764,706
FY2024 education capital fee	$36,916,141 × 0.0085	$313,787
FY2024 total incl. retainer	$313,787 + $24,000	$337,787
Cartwright fee as % of savings	$238,000 ÷ $1,266,000	18.8%
Option A fully loaded	$150,000 × 1.32	$198,000
Option A maximum exposure	$198,000 + (10% × $150,000)	$213,000
FY2024-scale saving under Option A	$337,787 less $213,000	$124,787

Table A1. All derived figures used in this report, with their inputs.

A.3 Figures taken directly from public records

Figure	Value	Source
Bedford County population	53,055	FY2024 Annual Comprehensive Financial Report
Total county debt (6/30/2024)	$126,031,726	FY2024 ACFR
Debt per capita	$2,399	Comptroller FY2025 audit summary
FY2024 education capital outlay	$36,916,141	FY2024 ACFR
Cartwright Elementary project budget	$39,000,000	Shelbyville Times-Gazette
Cartwright contingency reduction	$1,036,000	Shelbyville Times-Gazette
Bell Construction shared savings returned	$150,000	Shelbyville Times-Gazette
Kline-Swinney design contingency released	$80,000	Shelbyville Times-Gazette
Juvenile Justice 2021 estimate	$5,000,000	Courthouse & Property Cttee, 2/18/25
Juvenile Justice current estimate	$7,344,000	Courthouse & Property Cttee, 2/18/25
Construction inflation since 2021	~40%	Courthouse & Property Cttee, 2/18/25
Motorola Solutions proposal	$5,260,000	Comptroller FY2023 audit
Williamson County OR salary	$175,000	Cited by Commissioner Neeley, 11/14 meeting
TN construction PM median salary	$110,864	Salary.com, August 1, 2026
TN construction PM 90th percentile	$131,744	Salary.com, August 1, 2026

Table A2. Source figures. No value in this report originates anywhere other than these records or arithmetic performed on them.

A.4 Limitations

Four limitations should be understood by any reader relying on this document.

First, the full text of the Owner's Representative agreement is not publicly posted. The terms described here are drawn from their characterization in commission proceedings and contemporaneous reporting. If the executed contract contains a cap, a taper, or an hours reconciliation that has not been reported, the quantitative sections of this report would require revision, and the county could resolve the question immediately by publishing the document.

Second, actual amounts paid to date are not published. This report models what the disclosed formula produces when applied to disclosed project values. It does not purport to state what has in fact been disbursed.

Third, the capital-volume projections in Sections IV and IX are scenario analysis, not forecasts. They show what the formula does at various volumes. They do not predict which volumes Bedford County will reach.

Fourth, the $36,916,141 figure used throughout as a proxy for a single year's capital volume is drawn from the FY2024 Annual Comprehensive Financial Report and comprises loan issuance for new elementary school construction ($33,346,141) together with a school wing addition ($3,570,000). It is used here as a measure of the scale at which Bedford County builds in an active year, not as a claim about the precise base against which any fee was in fact charged.

All four limitations point the same direction: the county holds the documents that would settle them.

Appendix B: Sources

Bedford County records and local reporting

- Bedford County Board of Commissioners, November 14 meeting, reported by Shelbyville Now: https://www.shelbyvillenow.com/november-14th-commission-meeting
- Bedford County Board of Commissioners, Courthouse and Property Committee Minutes, February 18, 2025: https://cms5.revize.com/revize/bedfordtn/Courthouse%20and%20Property%20Minutes%202-18-25.pdf
- Bedford County Financial Management Committee Minutes, September 24, 2024: https://cms5.revize.com/revize/bedfordtn/Finance%20Minutes%209-24-24.pdf
- "Saving Tax Dollars," Shelbyville Times-Gazette: https://www.t-g.com/stories/saving-tax-dollars-feature,121301
- Finance Committee Report, Shelbyville Now: https://www.shelbyvillenow.com/finance-committee-report
- Jeff Sweeney professional biography, Sweeney Construction: https://sweeneyconstructiontn.com/jeff-sweeney/
- Bedford County Board of Commissioners: https://www.bedfordcountytn.gov/government/board_of_commissioners.php

Audits and county financial reports

- Bedford County Annual Comprehensive Financial Report, FY2024: https://cms5.revize.com/revize/bedfordtn/FY24BedfordACFR.pdf
- Bedford County Annual Comprehensive Financial Report, FY2022, Tennessee Comptroller: https://comptroller.tn.gov/content/dam/cot/la/documents/county/2022/FY22BedfordACFR.pdf
- Bedford County Comprehensive Annual Financial Report, FY2019: https://comptroller.tn.gov/content/dam/cot/la/advanced-search/2019/county/FY19BedfordCAFR.pdf
- Bedford County Comprehensive Annual Financial Report, FY2020: https://comptroller.tn.gov/content/dam/cot/la/advanced-search/2020/county/FY20BedfordCAFR.pdf
- Bedford County FY2025 audit summary, Tennessee Comptroller: https://comptroller.tn.gov/content/dam/cot/la/advanced-search/2025/county/FY25BedfordHotSheet.pdf
- Tennessee Comptroller of the Treasury, County Audit Reports: https://comptroller.tn.gov/office-functions/la/reports/audit-reports.html

Federal procurement law and guidance

- 2 CFR § 200.324, Contract cost and price (prohibition on cost-plus-percentage-of-cost and percentage-of-construction-cost methods): https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.324
- FAR 16.102, Policies (48 CFR 16.102): https://www.ecfr.gov/current/title-48/chapter-1/subchapter-C/part-16/subpart-16.1/section-16.102

- FEMA Grants Management, "Cost Plus a Percentage of Cost Contracts Are Prohibited": https://emilms.fema.gov/grantsmanagement/post-award/lessons/topmistakestoavoid/groups/52.html

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