STATE BOARD OF HIGHER EDUCATION
MINUTES OF SPECIAL MEETING HELD AT
BENSON HOTEL, PORTLAND, OREGON
AUGUST 13, 1952
4:00 P.M.

MEETING #214

Upon written request of five Board members filed with the Secretary, the State Board of Higher Education convened in a special meeting at the Benson Hotel, Portland, Oregon, on August 13, 1952.

ROLL CALL

The meeting was called to order at 4:00 p.m. by the vice-president of the Board, Dr. R. E. Kleinsorge, and on roll call, the following answered present:

Henry F. Cabell                Dr. R. E. Kleinsorge
George F. Chambers             Cheryl S. MacNaughton
Leif S. Finseth                Frank J. Van Dyke
A. S. Grant

Absent: Edgar W. Smith, Herman Oliver

There was also present: Dr. Charles D. Byrne, Chancellor

RE ABBSENCES

Mr. Smith and Mr. Oliver were absent because of pressure of personal business.

APPOINTMENT

FRANK B.
BENNETT, EOCE

Upon receipt of the letter of resignation of Dr. R. G. Langston, the Chancellor compiled and sent to all Board members a list of fifteen possible nominees for the position, together with the academic and experiential biographies of each. The qualifications of these nominees were discussed at an informal meeting of Board members at Ashland on Sunday, August 3, and two nominees were selected for interviews with Board members, the interviews to be held following the hospital bid opening on August 13. Following approximately a one-hour interview with each nominee, members of the Board discussed the respective merits of the two candidates interviewed. It was the consensus of those present that Frank B. Bennett, Superintendent of Schools, Salem, possessed the necessary qualifications for the presidency at Eastern Oregon College of Education, and all Board members present indicated the feeling that the Board should be convened immediately in a special meeting to elect Dr. Bennett.

On motion by Mr. Cabell and second by Mr. Chambers, the Board voted unanimously to appoint Frank B. Bennett as President of Eastern Oregon College of Education with indefinite tenure, 12-months service, at a total annual compensation of $9,500, including a $9,000 salary and an allowance of $500 in lieu of required expenditures in connection with the position.

BUILDING
COMMITTEE
REPORT

Dr. Kleinsorge, Chairman of the Building Committee, then made the following report on the bid opening of the Teaching Hospital:

Teaching Hospital Bids Rejected

"Bids were opened beginning at 10:00 a.m. this morning, with all members of the Building Committee present and with other Board members present. Bids were taken on five separate contracts. There were four bids on the general contract, five on the mechanical contract, four on the electrical contract, three on the
elevator contract, and five on the heating plant contract. The low basic bids on the several contracts were as follows:

<table>
<thead>
<tr>
<th>Contract</th>
<th>Contractor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Work</td>
<td>Donald M. Drake Co.</td>
<td>$4,287,669.00</td>
</tr>
<tr>
<td>Mechanical Work</td>
<td>Urban Plumbing &amp; Heating Co.</td>
<td>1,232,263.00</td>
</tr>
<tr>
<td>Heating Plant</td>
<td>Widmer Plumbing Co.</td>
<td>363,793.00</td>
</tr>
<tr>
<td>Electrical Work</td>
<td>Dimitre Electric Co.</td>
<td>1,354,000.00</td>
</tr>
<tr>
<td>Elevators</td>
<td>Otis Elevator Co.</td>
<td>359,159.00</td>
</tr>
</tbody>
</table>

Total of Basic Bids  $6,676,884.00

"With all alternate deductions eliminated, totaling $610,739, the construction contract for the hospital would be $6,066,145. To this low bid for construction contracts there would have to be added the following:

Construction Contingency Fund (5 per cent)  $333,814.00
Architects' and Engineer's Fees  $324,750.00
Equipment  $324,950.00
Roads, walks, parking areas, and landscaping  $81,000.00
Utilities  $49,000.00
Clerk-of-the-Works and Miscellaneous  $30,500.00

Total indirect costs & contingency  $1,169,044.00

"The total of the construction cost with all alternates deducted, plus the contingency fund and indirect costs, amounted to $7,235,189.00.

"Funds available for the project as compiled by the Chancellor's Office were as follows:

State Appropriations  $5,816,018.00
Weeks Gift Fund for Ophthalmology  $207,202.00
Cancer Society Gift  $50,000.00
Sundry Gift Funds  $224,904.00
Estates now being settled  $158,000.00
Dornbecher Memorial Hospital Building  $25,000.00
Hill-Burton Funds  $128,000.00

Total Estimated Funds Available  $6,642,154.00

"Obviously, the funds available fell short of the total project costs by approximately $593,000. Furthermore, exercising all the alternates would strip the hospital of many of its most vital services and require funds to be provided at a future date to complete unfinished areas.

"The overrun of the bids above the estimates and the resources can probably be attributed to the following:

1. The size and character of the building was determined more than a year ago, and since then building construction costs have increased at least ten per cent."
2. Fear among the contractors of a further rise in building costs due to the upward adjustments in steel costs and in wages.

3. It had been contemplated that the building would go to bid in the spring of 1952; but the completion of the plans were delayed. It is probable that this delay was a significant factor in the higher prices submitted on the several contracts.

"Following a complete discussion of the problem by the Building Committee with other Board members present, it was determined by the Committee that it was not advisable to seek additional funds from the Legislature; therefore, it was imperative that all bids be rejected and that the hospital project be replanned to bring it within the funds available.

"The Committee is, therefore, making the following recommendations to the Board:

1. That all bids be rejected.

2. That the architects and the Medical School officials be instructed to revise the plans of the hospital in such a manner that the costs will come within the funds available.

3. That the Board's office negotiate with the architects and the engineer of the heating plant for a basis for future payment of fees for the required replanning.

4. That a revised project budget for the hospital be worked out by the Board's office, utilizing as resources the State appropriations, the Weeks Gift Fund, and the Cancer Society Gift Fund; and that the Medical School officials and the architects be notified of the amount available for the construction contracts.

5. That the Medical School officials and the architects report back to the Board at the September meeting with the proposed revisions in the plans and the basis for fee payments to the architects and the engineer."

The Board adopted the report of the Building Committee and approved the recommendations contained therein.

**ADJOURNMENT**

Meeting adjourned at 4:45 p.m.

EDGAR W. SMITH, President

CHARLES D. BYRNE, Secretary