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Austin, Texas
 August 6, 1956
 Meeting No. 555

Pursuant to the call of Chairman Sealy, made in accordance with Part I, Chapter I, Section 2 of the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Sixth Edition, the Board met in Special Session on Monday, August 6, at 10:30 a. m., in the Office of the President, with the following attendance:

<u>Present</u>	<u>Absent</u>
Chairman Sealy	Regent (Mrs.) Devall (Excused)
Vice-Chairman Voyles	Regent Johnson (Excused)
Regent Jeffers	Regent Minter (Excused)
Regent Lockwood	Regent Oates (Excused)
Regent Sorrell	

Also in attendance were Vice-President Boner, Vice-President Dolley, Vice-President Casberg, Comptroller Sparenberg, all of Central Administration, and Director Clark and Business Manager Boyd of M. D. Anderson Hospital and Tumor Institute.

MAIN UNIVERSITY

TRANSFER OF LEGISLATIVE APPROPRIATIONS FROM THE GENERAL REVENUE FUND. -- Vice-President Dolley read a memorandum from Comptroller Sparenberg pointing out that according to information received in his office from the Auditor of the Main University and the business managers of the other component units of The University of Texas it appears that transfers of legislative appropriations from the General Revenue Fund during the balance of the 1955-56 fiscal year will not be necessary except for the Main University and recommending the following resolution:

Pursuant to the provisions of Article V, Section 18, subsection j, House Bill 140, 54th Legislature, Regular Session, it is hereby resolved that the State Comptroller be requested to make the following transfers between the Legislative appropriations from the General Revenue Fund for the Main University for the fiscal year 1955-1956:

Transfer the free and unencumbered balance in Appropriation No. U-1731 - All Other General Administrative Salaries, estimated at \$12,000.00, to Appropriation No. U-1732 - Teaching Salaries Only.

Transfer the free and unencumbered balance in Appropriation No. U-1733 - Vocational Teacher Training Supplement, estimated at \$2,829.08, to Appropriation No. U-1732 - Teaching Salaries Only.

Upon motion of Mr. Sorrell, duly seconded, the Board approved the foregoing resolution.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE

REPORT OF EXECUTIVE COMMITTEE, AUGUST 6, 1956. --Vice Chairman Voyles submitted the following report of the Executive Committee which had been approved at its meeting of even date:

Appropriations for Additions and Alterations to M. D. Anderson Hospital and Tumor Institute Building; Rejection of Bids, July 31, 1956; Authorization for Bids, September, 1956. --In accordance with authority granted by the Board of Regents at its June 1, 1956 meeting, the Executive Committee of the Board of Regents approved the final plans and specifications for the proposed Additions and Alterations to the M. D. Anderson Hospital and Tumor Institute Building on June 23, 1956, and Comptroller Sparenberg started advertising for bids on July 1, 1956. The bids were opened and tabulated on July 31, 1956; see Page 5 for the details of the bids.

As shown by the bid tabulation, the lowest base bid was \$788,000.00 and the lowest amount of any base bid less all three alternates was \$684,900.00. Each of these amounts is larger than the \$667,000.00 appropriation approved by the Board of Regents June 1, 1956, which was to cover the construction contract or contracts and architect's fees, but not movable furniture and equipment.

The Executive Committee of the Board of Regents at its meeting June 23, 1956 adopted a resolution ratifying and confirming the action of President Logan Wilson in signing a project construction application to the U. S. Public Health Service (through the Texas State Board of Health), under the Federal Hospital Survey and Construction Act (commonly known as the Hill-Burton Act), for a grant to be used in connection with this project. This application was approved, partly on June 26, 1956, and the balance on June 27, 1956, by the Regional Medical Director, Region VII, Dallas, Texas, for the Surgeon General, U. S. Public Health Service.

The completed and approved project application shows total estimated funds required of \$777,000.00, of which \$388,500.00 constitutes the federal share of estimated costs and \$388,500.00 constitutes the applicant's share of estimated costs. In accordance with the standard requirements and classifications of the U. S. Public Health Service, the project application includes, as a part of the total of \$777,000.00, an estimated allotment of \$75,000.00 for "Group I equipment not in construction contracts" and \$33,898.00 for "Group II and III Equipment". The project construction application also includes allotments for "construction contracts and contingency" and "architect's fees".

The bids received, the uncertainties relating thereto such as the steel strike and the nature of the project, and various problems and possibilities in connection with the bids received have been very carefully considered by Dr. Clark and Mr. Boyd of the M. D. Anderson Hospital and Tumor Institute, Mr. Sparenberg and Mr. Saunders of the Comptroller's Office, Vice-President Dolley, and Mr. Fred J. MacKie of MacKie and Kamrath, Architects. Dr. Clark, Mr. Boyd, Mr. Sparenberg, and Mr. Saunders also discussed the bids received and the problems involved with Dr. Dean F. Winn, Director, and Mr. Herman Bohn, Engineer, both of the Hospital Survey and Construction Division of the State Department of Health. It is the considered opinion of all concerned that the bids received should be rejected; that certain relatively minor changes should be made in

the plans, specifications, and proposal forms by the architects and approved by Mr. Boyd and Comptroller Sparenberg; and that the Comptroller should be authorized to advertise again for bids, to be received and opened approximately one week before the meeting of the Board of Regents in September, 1956. It is hereby requested that the Board of Regents approve this recommendation.

It is further recommended that the amount of \$334,051.00 be set up in the Plant Funds Section as Accounts Receivable - Due from U. S. Public Health Service, and that the same amount be credited to the allotment account for this project; this is the amount allotted by the U. S. Public Health Service for "construction contracts and contingency" and "architect's fees". It is further recommended that the appropriation of \$548,956.00 from Unappropriated Surplus (Current General Funds) approved by the Board of Regents June 1, 1956 for this project be reduced by the amount of \$135,254.00. The total appropriation for construction contracts, the contingency reserve required by the U. S. Public Health Service (included herein at 3% of construction contracts), and architect's fees, if these recommendations are approved, would be \$865,797.00, of which \$334,051.00 would be the estimated amount to come from the U. S. Public Health Service and \$531,746.00 would come from Plant Funds, General Funds, and Trust Funds of M. D. Anderson Hospital and Tumor Institute. The amount of \$865,797.00 is arrived at as follows:

Estimated Amount of Construction Contracts	\$793,000.00
Add 3% for "Contingency"	<u>23,790.00</u>
	\$816,790.00
Add 6% for Architect's Fees	<u>49,007.00</u>
	<u><u>\$865,797.00</u></u>

According to information received from Dr. Winn of the Texas State Department of Health, there is a possibility that federal funds allotted to this project by the U. S. Public Health Service may be increased to full fifty per cent of the total cost of the project as revised; such an increase, if eventually approved, would cut down by the same amount the funds appropriated to this project from Unappropriated Surplus (Current General Funds). Dr. Winn has assured us that, in any event, the federal contribution will be not less than the figure of \$334,051.00 above quoted.

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In order to account properly for the equipment items included in the project application, it is further recommended that the accounts listed below also be set up in the Plant Funds Section:

Accounts Receivable - Due from
U. S. Public Health Service \$ 54,449.00

Due from Current Restricted Funds -
Account No. 6810 - "Various Donors
for Building and Equipment" 54,449.00

\$108,898.00

Plant Funds Appropriations:
Group I equipment not in
construction contracts \$ 75,000.00

Group II and III Equipment 33,898.00

\$108,898.00

Adoption of Report. -- Upon motion of Mr. Jeffers, seconded by Mr. Lockwood, the Board unanimously adopted the foregoing report and the recommendations contained therein.

CENTRAL ADMINISTRATION

SPECIAL COMMITTEE FOR UNIVERSITY PARTICIPATION IN DROUTH RELIEF PROGRAM. -- Chairman Sealy named Mr. J. R. Sorrell, Chairman, Mr. Claude W. Voyles, and Mr. Leroy Jeffers as members of a special committee to report recommendations at the meeting of the Board September 21-22, 1956, on the use of University facilities toward possible relief from drouth conditions in Texas. He asked the committee to study all possibilities, including rain-making techniques, for the University's participation in a program--jointly with the Texas Water Resources Commission and other agencies of the State if that is indicated--which may be of benefit to Texas in this devastating drouth.

ADJOURNMENT. -- The Board adjourned at 12:05 p. m.

Betty Anne Thedford
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Secretary

TABULATION OF BIDS FOR THE UNIVERSITY OF TEXAS
"ADDITIONS TO THE M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE"

Tabulated July 31, 1956 at 10:00 a. m.

General Contractors & Sub-Contractors***	Base Bid	Alt. Bid No. 1	Alt. Bid No. 2	Alt. Bid No. 3
1. Candoo Construction Co., Inc. P* Humphrey Plumbing Co. E* Murray Electric Co. AC* Gregory-Edwards Co. C* Jamestown Mfg. Co. **	\$870,000	-\$45,000	-\$16,000	-\$44,000
2. Dederick Construction Co. P Humphrey Plumbing Co. E Murray Electric Co. AC Gregory-Edwards Co. C Henry Garrett (Jamestown)	803,700	- 40,000	- 17,000	- 43,000
3. Farnsworth & Chambers, Inc. P Gregory-Edwards Co. E Murray Electric Co. AC Gregory-Edwards Co. C Jamestown Metal Products**	812,000	- 40,000	- 13,000	- 41,000
4. Le Blanc Construction Co.	799,800	- 41,000	- 14,000	- 44,000
5. Albert Meyerson Co. P Humphrey Plumbing Co. (Pfeiffer Alt. No. 1) E Murray Electric Co. (B. B. and Alt. No. 2 & 3) AC Gregory-Edwards Co. C Jamestown Metal Products**	788,000	- 42,000	- 16,200	- 44,900
6. Spaw-Glass, Inc. P Gregory-Edwards Co. E Murray Electric Co. AC Gregory Edwards Co. C Henry W. Garrett (Jamestown)	836,900	- 39,900	- 16,050	- 44,250
7. Southwestern Construction Co. P Gregory-Edwards Co. E Murray Electric Co. AC Gregory-Edwards Co. C Jamestown Metal Products**	793,000	- 45,000	- 15,000	- 42,000

All Bids - 5% Bond Except No. 2 (5% or \$1,000,000)

- * P-Plumbing, E-Electrical, AC-Air Conditioning, C-Cas work
** Jamestown, New York
*** All of Houston unless otherwise indicated by two asterisks (**).