

**MINUTES OF FINANCE COMMITTEE MEETING
OCTOBER 8, 1992**

A meeting of the University of Southern Indiana Finance Committee was held at 3:30 p.m. on October 8, 1992 in the USI Business Office conference room. A conference call was placed to Larry Phelps of Odle, McGuire, & Shook. The following members of the finance committee were present:

Bruce H. Baker
Joseph E. O'Daniel
Robert W. Swan, Acting Chairman

Members not present were:

J. David Huber
Charles S. Combs

Other individuals present were:

David L. Rice
Richard W. Schmidt
Stephen P. Helfrich

Mr. Larry Phelps reviewed the analysis of the bids received for the Health Professions building. He stated that because there were two general contractors that were very close, negotiations were held with each of these contractors to determine any additional reductions in their original bids. These changes might be made through alteration of the specifications or other voluntary price reductions offered by the contractors. Both contractors, Traylor Brothers and Peyronnin offered substantial reductions which could be made by change orders after the original contracts were signed. After reviewing these negotiated changes, the architects and the university recommended that the finance committee approve the issuance of a letter of intent to accept the combined bid of Peyronnin for the general construction and equipment contracts. Peyronnin's original combined bid for the general construction and equipment was \$7,300,000, while Traylor Brothers bid for these two contracts was \$7,343,000. The difference of \$43,000, plus the additional negotiated reductions, appeared to produce the most advantageous cost alternative. This recommendation was followed by discussion of the finance committee members.

Mr. Phelps then explained that negotiations were also held with Harrell Mechanical and Leverenz Electric, the low mechanical and electrical contractors. Negotiated savings were identified during this process, however the recommendation of the architects and the university is that the most cost savings for these two contracts might be reached by making significant changes in the specifications and rebidding. Specifically, changes would be made in separating out the addition to the chiller and encouraging bids on alternate HVAC control systems. These changes would encourage more competition and could result in significantly

lower bids. It was recommended that the return date for the new bids be before the expiration date of the original bids to allow maximum flexibility in making the contract award. Once again discussion by the committee members followed.

A motion was made by Joe O'Daniel and seconded by Robert Swan that a letter of intent to accept the combined bid for the general construction and the equipment contracts be issued to Peyronnin and that the Mechanical and Electrical contracts be rebid. The motion was passed by unanimous vote of the finance committee.