

Des Moines Area Community College

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Board of Directors Meeting Minutes

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8-11-1969

### Board of Directors Meeting Minutes (August 11, 1969)

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DES MOINES AREA COMMUNITY COLLEGE  
2006 Ankeny Boulevard  
Ankeny, Iowa 50021

SPECIAL HEARING

August 11, 1969

A continuation of the Special Hearing held on July 28, 1969, and adjourned to August 4, 1969, and further adjourned to August 11, 1969, regarding receiving of bids for the leasing of demountable type buildings, Nos. 13 and 14, was held in the Phasing Campus Library, 2006 Ankeny Boulevard, Ankeny, Iowa, at 8:00 P.M. on August 11, 1969.

ROLL CALL

Members Present: Rolland Grefe  
Dwight Mater  
William Price  
Ross Cramlet  
Harry Bloomquist  
Robert Lounsberry  
Harold Welin

Members Absent: James Maggert  
Max Kreager

Others Present: Paul Lowery, Superintendent  
Jack Asby, Asst. Supt., Administrative Services  
Don Zuck, Director, Plant Services  
Lyle Middleton, ABM Leasing Company  
Norman W. Ackerman, ABM Leasing Company  
L. H. Wagener, Term Leasing Corporation  
Bud Wiuff, ElView Construction Company  
Bill Ludwig, ElView Construction Company  
Amos Emery, Emery-Prall and Associates  
Omer Roth, Roth Associates

APPOINTMENT  
OF ACTING  
SECRETARY

In the absence of Irv Steinberg, the official Des Moines Area Community College Board Secretary, a motion was made by R. Cramlet, seconded by R. Lounsberry, that Jack Asby serve as Acting Board Secretary. Motion passed.

DISCUSSION  
CONCERNING  
ADEQUATE  
FINANCING  
OF LOW BID

The Board Chairman stated that Term Leasing Corporation, the apparent low bidder for the leasing of demountable type buildings to serve as Phasing Campus Buildings Nos. 13 and 14, had been requested to present written evidence of its financial ability to complete the construction and delivery of the buildings under consideration. He explained that information available to the Board indicated that Term Leasing Corporation was a new Iowa corporation formed to bid on this project and that it was apparently organized and controlled by Mr. and Mrs. Lyle Wagener of Storm Lake, Iowa. He stated that it had further come to the attention of the Board that there was a substantial record of pending litigation and unsatisfied judgments in Buena Vista County involving Mr. and Mrs. Wagener and other corporations controlled by them. Mr. Wagener objected to such comments and requested a private or executive session of the Board for the purpose of explaining an alternative financial proposal which he was prepared to make. He acknowledged that Term Leasing Corporation had been asked to present a firm financing commitment in writing as evidence of its ability to finance the construction of the

buildings under consideration and that it had not been able to obtain such a written commitment. The Chairman explained that this was a public hearing and that in fairness to the other bidders and the Board, it would be necessary that Mr. Wagener present any proposals that he might have in public and at this time, if they were to receive any consideration from the Board. Mr. Wagener then introduced Mr. Roth of Roth Associates and then stated that if the Board would accept the bid of Term Leasing Corporation that he and Mr. Roth were prepared to work out whichever of the following proposals would be acceptable to the Board:

1. Roth Associates would purchase Term Leasing Corporation and furnish a performance bond as evidence of Roth Associates' ability to adequately finance the construction of the two buildings under consideration.
2. Roth Associates would guarantee the adequate financing of Term Leasing Corporation by furnishing a performance bond in the name of Roth Associates.

Mr. Roth then rose to confirm his discussions with Mr. Wagener and offered to present a letter attesting to the ability of Roth Associates to adequately finance the project. Both Mr. Wagener and Mr. Roth acknowledged that they had only agreed in principal on the two alternative proposals and that they had not agreed upon all of the details of a binding agreement with respect to either. They indicated that they would not be able to do this during the meeting but that this would take a few days of additional time. The Chairman stated that the Board could not grant any further extensions of time without the consent of the other bidders. Thereupon Lyle Middleton, representing ABM Leasing Company, the second low bidder, indicated that his company would not give its consent and that he would like to pick up his company's bid security check and it would withdraw from the bidding if there was to be any further delay. Raymur Schools Corporation, the third bidder, was not represented at the meeting. The Chairman repeated that this was the last day for action by the Board with respect to the bids that had been received and that it appeared that since it would be impossible to obtain consents of the other bidders to further adjournment of the hearing, that the Board nevertheless had the following additional options at this time, namely:

1. Accept the bid of Term Leasing Corporation and take a chance on its ability to secure adequate financing, but if this option is elected, the Board must recognize that the project will have to be readvertised with attendant possibilities of legal involvement, delay and additional expense if Term Leasing Corporation should be unable to secure adequate financing.
2. Reject all bids and readvertise for new bids at a later date.
3. Accept the bid of ABM Leasing Company, the bidder having presented satisfactory evidence of its financial ability to complete the project.

AWARDING  
OF BIDS

Director Welin introduced the Resolution next hereinafter set out and moved its adoption. Director Bloomquist seconded the motion to adopt. The roll was called and the following directors voted:

AYES: Rolland Grefe  
Dwight Mater  
William Price  
Ross Cramlet  
Harry Bloomquist  
Robert Lounsberry  
Harold Welin

NAYS: None

Whereupon, the President of the Board declared said Resolution adopted as follows:

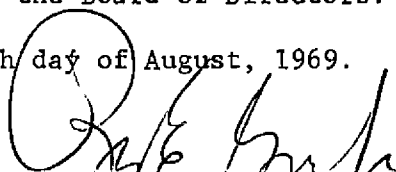
## RESOLUTION MAKING AWARD OF LEASE

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AREA COMMUNITY COLLEGE MERGED AREA (EDUCATION) XI IN THE COUNTIES OF BOONE, DALLAS, JASPER, MADISON, MARION, POLK, STORY AND WARREN, STATE OF IOWA, TOGETHER WITH THE COUNTY SCHOOL SYSTEM OF GUTHRIE COUNTY, STATE OF IOWA, WITH THE EXCLUSION OF THE BAYARD COMMUNITY SCHOOL DISTRICT, STATE OF IOWA:


That the bid of ABM Leasing Company, in the amount of \$119,232.00 annually, for the leasing of demountable type buildings to Area XI Community College to serve as its Phasing Campus Buildings Nos. 13 and 14 at Ankeny, Iowa, as described in the plans and specifications heretofore adopted by this Board and is hereby accepted, the same being the lowest responsible bid, that it is in the best interest of said School District to accept this lease.

The President and Secretary of the Board of Directors of said School District are hereby directed to execute a lease with the said ABM Leasing Company of Des Moines, Iowa, for the leasing of such facilities at such annual rental amount for the period of ten years, said lease to be in the form previously approved by this Board, such lease not to be binding on said School District until approved by the Board of Directors.

PASSED AND APPROVED this 11th day of August, 1969.

  
\_\_\_\_\_  
President of said Board of Directors of said  
School District

ATTEST:

  
\_\_\_\_\_  
Secretary of said Board of Directors  
of said School District

A motion was made by R. Lounsberry, seconded by D. Mater, to amend above Resolution to include the following. The roll was called and the following directors voted:

AYES: Rolland Grefe  
Dwight Mater  
William Price  
Ross Cramlet  
Harry Bloomquist  
Robert Lounsberry  
Harold Welin

NAYS: None

Whereupon, the President of the Board declared said Amendment to Resolution adopted as follows:

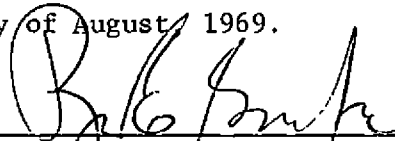
AMENDMENT TO RESOLUTION MAKING AWARD OF LEASE

That the awarding of the bid to the second lowest bidder was due to the following reasons:

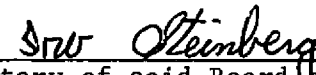
1. Evidence available to the Board that Term Leasing Corporation is a new corporation formed by Mr. and Mrs. L. H. Wagener for the purpose of bidding on this project, and a report from the Buena Vista County Recorder as to unsatisfied judgments and actions pending involving Mr. and Mrs. L. H. Wagener and other corporations apparently controlled by them.
2. Apparent inability of the low bidder to furnish satisfactory written evidence of his being able to adequately finance the construction of the two buildings under consideration.
3. That the low bidder had been given a weeks extension of time to provide written evidence of adequate financing but had not done so.
4. Opinion of counsel, on the basis of the records heretofore submitted, that the Des Moines Area Community College Board would be unable to adequately determine that the low bidder was qualified to complete the contract, if awarded.
5. According to the terms of the contract, an additional extension of time could not be granted without the expressed approval of the other bidders and this had not been granted.
6. Unfavorable publicity relative to the low bidders past financial endeavors, as evidence in the front page article of the August 7, 1969 edition of the Storm Lake Pilot Tribune.

By reason of the above, the Board finds that the bid of the second lowest bidder is the lowest responsible bid.

PASSED AND APPROVED this 11th day of August, 1969.

  
\_\_\_\_\_  
President of said Board of Directors of said  
School District

ATTEST:

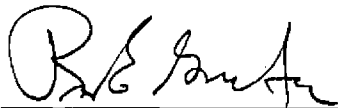
  
\_\_\_\_\_  
Secretary of said Board of Directors  
of said School District

RETURN OF  
SECURITY  
CHECKS

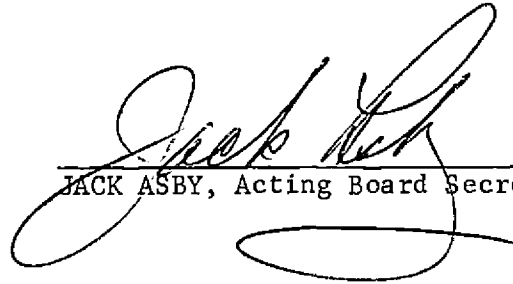
A motion was made by R. Lounsberry, seconded by R. Cramlet, that the \$35,000.00 security checks received be returned to all bidders. Motion passed.

ADJOURNMENT

A motion was made by R. Lounsberry, seconded by R. Cramlet, that the hearing on the awarding of the lease be adjourned. Motion passed.



ROLLAND E. GREFFE, President



JACK ASBY, Acting Board Secretary