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LB 587

the Appropriations Committee has investigated with a great deal of thoroughness, I don't believe it's all that wise. I would ask Senator Warner a question if he would yield. Senator Warner, when you went through the appropriations for the University system, did you visit with the Administration about this contract that they agreed to as far as the chiller is concerned?

SENATOR WARNER: Yes, Senator Koch. The University... representatives of the University came to the Committee early in the session indicating that such a contract had been signed, indicating that it could be canceled prior to February 1 at no loss. As I recall it could be canceled on March 1, and I believe it was a ten thousand dollar penalty, thereabouts. The Appropriations Committee as...as a group at least was not in concurrence with their original request which was to have it a part of the deficiency bill. The Committee, however, did agree to introduce a separate bill which was done, and there was considerable discussion about that. We held a hearing on it...on the subject matter. I suggested to the Committee we ought to act on it, or if we weren't going to why then we ought to assume the penalty loss, or the state should, because certainly the University had given us ample opportunity to specifically tell them no, and for this body to specifically tell them no, and that was...as it worked out didn't happen. I think there was reasonable justification perhaps too on the Committee's majority's position not knowing for sure where we were with funds, and a lot of things occur as you well can realize, but to say the whole fault was that of the Board of Regents is not correct. Now I do not disagree in any respect that it was poor judgment on the part of the Regents to do what they did.

SPEAKER MARVEL: Senator Koch, you have minute left.

SENATOR KOCH: I'll allow Senator Warner to continue.

SENATOR WARNER: But in this case the particular project is one that pays for itself in reduced cost, the estimate at least within eleven years, you're talking about thirteen or fourteen year old equipment. The normal life span is from fifteen to twenty years. You know you're going to replace in a short period anyway. There was no question but what the bid was a very good bid. The next highest bid was 287,000 dollars more, just from the chiller itself, and it was my own judgment at least that...while I didn't appreciate the process, I've never noticed vindictiveness