

EXECUTIVE DIRECTOR
Edward L. Johnson



CHAIR
Betty Reinbeck

COMMISSIONERS
Malcolm E. Beckendorff
James S. Duncan
Virginia Hermosa
Victor E. Leal
Barkley J. Stuart

Texas Facilities Commission

Minutes No. 11 Minutes of the August 20, 2008, Public Meeting of the Texas Facilities Commission in Austin, Travis County, Texas.

After providing notice as required by the Texas Open Meetings Act, the Texas Facilities Commission held an open meeting at the Central Services Building, 1711 San Jacinto Boulevard, in Conference Room 402, Austin, Texas, on Wednesday, August 20, 2008, commencing at 10:03 a.m. The following were present, and Chair Reinbeck presided:

Members Present

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| Betty Reinbeck | Chair |
| Malcolm E. Beckendorff | Commissioner |
| James S. Duncan | Commissioner |
| Victor Leal | Commissioner |
| Virginia Hermosa | Commissioner |

Members Absent

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| Barkley Stuart | Commissioner |
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Staff Present

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| Edward Johnson | Executive Director |
| Kay Molina | General Counsel |
| Mark Scott | Director, Internal Audit |
| Stephen Thomas | Deputy Executive Director, Administration |
| Luis Arellano | Chief Financial Officer |
| Kristy Fierro | Internal Audit |
| Trish Perme | Internal Audit |
| Gregg Werkenthin | Deputy Executive Director for Space Management |
| James Barrington | Director, Facilities Management Division |
| Richard Ehlert | Procurement Manager/HUB Coordinator |
| Bill Bonham | Deputy Executive Director, Facilities Design & Construction |
| Susan Maldonado | Legal Services Division |
| Tiffany Harry | Legal Services Division |
| Mike Blackwell | Marketing & Communications |
| Jorge Ramirez | Energy Director |
| Mark Trott | Facilities Design & Construction |
| John Goodrich | Internal Procurement |
| Marti Walsh | Facilities Design & Construction |
| Thursten Simonsen | Facilities Design & Construction |
| John Raff | Facilities Design & Construction |
| Ashley Holt | Leasing Division |
| Lisa Hardin | Executive Administration |

Guests

| | |
|--------------------|--|
| Bill Daugherty | Texas School for the Blind & Visually Impaired |
| John Daude | Texas School for the Blind & Visually Impaired |
| Beth Guillot | Graeber, Simmons & Cowan |
| Bonny Gray | Graeber, Simmons & Cowan |
| Dennett Wenske | Harvey Cleary |
| Mehrdad Namvar | Harvey Cleary |
| Kirby Keahey | WHR Architects |
| Curtis Cline | Chasco Constructors |
| Bill Bambrick | Chasco Constructors |
| Scott Badgett | Chasco Constructors |
| Jessica Gomez | Lopez Garcia Group |
| Pat Williams | Spaw Glass |
| Don Bulloch | Spaw Glass |
| Bill Harris | HMG |
| David Remerscheid | HMG |
| David McDonald | HMG |
| Mitch Ortego | SCI |
| Randy Schrecengost | SCI |
| Tom Green | Tom Green & Company Engineers, Inc. |
| Cameron Labunski | Tom Green & Company Engineers, Inc. |
| Donna Carter | Carter Design Associates |
| Abby Lawson | Carter Design Associates |
| Steve Gazlay | Johnson Controls |
| JD Elkins | Johnson Controls |
| Gary Cram | Cram Roofing |
| George Carroll | Cram Roofing |
| Christian Ninaud | Sunset Commission |
| Erick Fiajadro | Sunset Commission |

I. Call to Order. Chair Reinbeck called the meeting to order.

II. Approval of the Minutes from the July 16, 2008 Open Meeting.

The Commission voted unanimously to approve the minutes from the previous meeting with a modification to Agenda Item XIII to note that Commissioner Beckendorff was present when Chair Reinbeck approved the four (4) agency contracts on June 20, 2008 due to the cancellation of the June 18, 2008 Commission meeting, with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Leal.

III. Public Comment. There were no public comments.

IV. Award of Lease Recommendations and Summaries.

Renewals

1. #6645 – Health and Human Services Commission/Department of Family and Protective Services: Hamilton, TX.
2. #9814 – Department of Family and Protective Services: Belton, TX.
3. #7735 – Health and Human Services Commission: Crosby, TX.
4. #1168 – Department of Family and Protective Services/Department of Assistive and Rehabilitative Services: Weatherford, TX.
5. #7728 – Health and Human Services Commission/Department of Family and Protective Services: Clute, TX.

6. #6907 – Health and Human Services Commission/Department of Family and Protective Services/Department of Assistive and Rehabilitative Services: Gonzales, TX.
7. #6119 – Office of the Attorney General: Houston, TX.

Add Space

8. #20188 – Texas Department of Criminal Justice: Conroe, TX.
9. #20175 – Office of the Attorney General/Texas Department of Agriculture/Texas Department of Licensing and Regulation: Austin, TX.
10. #303-6-10143 – Department of Family and Protective Services/Health and Human Services Commission: Kaufman, TX.
11. #303-7-10493 – Department of Family and Protective Services: Laredo, TX.
12. #7984 – Health and Human Services Commission/Department of State Health Services/Department of Family and Protective Services: Denton, TX.

New Leases

13. #20204 – Department of Banking/Office of the Consumer Credit Commissioner: Austin, TX.
14. #303-8-11379 – Health and Human Services Commission: Austin, TX.
15. #303-8-11122 – Department of Assistive Rehabilitative Services: North Richland Hills, TX.
16. #303-8-11642 – Health and Human Services Commission: Georgetown, TX
17. #303-8-11705 – Health and Human Services Commission/Department of Assistive Rehabilitative Services: Round Rock, TX.
18. #20145 – Department of Family and Protective Services: Watauga, TX.

(2) Leases and/or Amendments Pending Execution with Commencement Date before August 20, 2008:

Renewals

1. #1346 – Texas Parks and Wildlife Department/Texas Department of Insurance: Beaumont, TX.
2. #1643 – Texas Department of Criminal Justice: Plainview, TX.

Add Space

3. #6366 – Health and Human Services Commission/Department of State Health Services: Austin, TX.

The Commission unanimously voted to approve the above leases and/or amendments with the motion to approve made by Commissioner Leal and a second to approve the motion made by Commissioner Beckendorff.

V. Consideration and possible action to approve a construction contract award for the Texas School for the Blind and Visually Impaired Early Parking Construction Package, Project No. 06-006G-0771, Austin, Texas. The Commission unanimously voted to approve the award of a construction contract to J.D. Ramming Paving Company in the amount of \$405,895 for the Texas School for the Blind and Visually Impaired (TSBVI) Early Parking Construction Package, Project No. 06-006G-0771, Austin, Texas, with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Duncan.

VI. Consideration and possible action to approve a construction manager-at-risk contract award for the Texas Department of Public Safety Austin Crime Laboratory Expansion, Project No. 08-002-0405, Austin, Texas. The Commission unanimously voted to approve a construction manager-at-risk contract award to Harvey Cleary Builders in the Texas Facilities Commission Meeting Minutes

amount of \$1,169,251 for the Texas Department of Public Safety Crime Laboratory Expansion, Project No. 08-002-0405, Austin, Texas, with a motion made by Commissioner Hermosa and a second to approve the motion made by Commissioner Beckendorff.

VII. Consideration and possible action to approve a construction manager-at-risk contract award for the Texas Department of Public Safety Emergency Vehicle Operations Course, Project No. 08-006A-0405, Florence, Texas. The Commission unanimously voted to approve a construction manager-at-risk contract award to Chasco Constructors in the amount of \$1,140,870 for the Texas Department of Public Safety Emergency Vehicle Operations Course, Project No. 08-006A-0405, Florence, Texas with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Duncan.

VIII. Consideration and possible action to approve a professional services contract award for architectural and engineering design services for the Texas School for the Blind and Visually Impaired Campus Renovations Stage II, Project No. 08-013-0771, Austin, Texas. The Commission unanimously voted to approve a professional services contract award to Graeber Simmons & Cowan in the amount of \$2,351,480 for architectural and engineering design services for the Texas School for the Blind and Visually Impaired Campus Renovations Stage II, Project No. 08-013-0771, Austin, Texas with a motion made by Commissioner Duncan and a second to approve the motion made by Commissioner Leal.

IX. Consideration and possible action to approve a construction manager-at-risk contract award for the Texas Facilities Commission 2008-2009 Deferred Maintenance Program in multiple facilities located in Austin, El Paso, Fort Worth, Houston, and San Antonio, Texas. The Commissioner unanimously voted to approve a construction manager-at-risk contract award to SpawGlass Contractors, Inc. with an amount not-to-exceed \$48,000,000, inclusive of a \$110,000 pre-construction management fee for the Texas Facilities Commission 2008-2009 Deferred Maintenance Program in multiple facilities located in Austin, El Paso, Fort Worth, Houston, and San Antonio, Texas with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Duncan.

X. Consideration and possible action to approve a professional services contract amendment for architectural and engineering services, including design and construction administration, for the Texas Facilities Commission 2008-2009 Deferred Maintenance Program in multiple facilities located in Austin and Fort Worth, Texas. The Commission unanimously voted to approve a professional services contract amendment to HMG & Associates, Inc. for architectural and engineering services, including design and construction administration, with an amount not-to-exceed \$721,678 for the Texas Facilities Commission 2008-2009 Deferred Maintenance Program in multiple facilities located in Austin and Fort Worth, Texas with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Hermosa.

XI. Consideration and possible action to approve a professional services contract amendment for architectural and engineering services, including design and construction administration, for the Texas Facilities Commission 2008-2009 Deferred Maintenance Program in multiple facilities Austin, Houston, and San Antonio, Texas. The Commission unanimously voted to approve a professional services contract amendment to Stanley Consultants, Inc. for architectural and engineering services, including design and construction administration, with an amount not-to-exceed \$1,473,300 for the Texas Facilities Commission 2008-2009 Deferred Maintenance Program in multiple facilities located in Austin, Houston, and San Antonio, Texas with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Leal.

XII. Consideration and possible action to approve a professional services contract amendment for architectural and engineering services, including design and construction administration, for the Texas Facilities Commission 2008-2009 Deferred Maintenance Program at multiple facilities located in Austin and El Paso, Texas. The Commission voted to approve a professional services contract amendment to Tom Green & Company Engineers, Inc. for architectural and engineering services, including design and construction administration, with an amount not-to-exceed \$818,000 for the Texas Facilities Commission 2008-2009 Deferred Maintenance Program at multiple facilities located in Austin and El Paso, Texas with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Leal. Chair Reinbeck and Commissioners Beckendorff, Leal and Hermosa voted yes. Commissioner Duncan abstained from the vote.

XIII. Consideration and possible action to approve a construction manager-at-risk contract award for the Texas Comptroller of Public Accounts Lyndon B. Johnson Building Data Center Relocation, Project No. 08-077-7086, Austin, Texas. The Commission unanimously voted to approve a construction manager-at-risk contract award to Johnson Controls, Inc. for a guaranteed maximum price of \$5, 664,759, including pre-construction services of \$93,000, for the Texas Comptroller of Public Accounts Lyndon B. Johnson Building Data Center Relocation, Project No. 08-077-7086, Austin, Texas with a motion made by Commissioner Hermosa and a second to approve the motion made by Commissioner Leal.

XIV. Consideration and possible action to approve a competitive sealed proposal contract award for the Texas Facilities Commission William B. Travis Building Emergency Roof Replacement, Project No. 08-081-6214, Austin, Texas. The Commission unanimously voted to approve a competitive sealed proposal contract award to Cram Roofing Company, Inc. in the amount of \$571,485 for the Texas Facilities Commission William B. Travis Building Emergency Roof Replacement, Project No. 08-081-6214, Austin, Texas with a motion made by Commissioner Duncan and a second to approve the motion made by Commissioner Leal.

XV. Consideration and possible action to approve commencement of a statutory 4-year rule review related to Texas Administrative Code, Title 1, Part 5, Chapter 126, entitled Surplus and Salvage Property Programs and publication of required notice of the proposed rule review in the Texas Register. The Commission unanimously voted to approve commencement of a statutory 4-year rule review related to Texas Administrative Code, Title 1, Part 5, Chapter 126, entitled Surplus and Salvage Property Programs and publication in the Texas Register with a motion made by Commissioner Leal and a second to approve the motion made by Commissioner Beckendorff.

XVI. Consideration and possible action to adopt administrative policies for the Texas Facilities Commission. The Commission discussed and voted on each administrative policy concerning *Commission Meetings* and *Contract Procedures and Approvals* as presented by staff:

I.a. Procedure For Date And Time Of Meetings. The policy was unanimously approved with no changes with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Duncan.

I.b. Procedure for Agenda Items. The policy was unanimously approved with no changes with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Leal.

I.c. Procedure for Appointment of a Vice Chairman. The policy was approved with no changes with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Duncan. Chair Reinbeck and Commissioners Beckendorff and Duncan voted yes, Commissioner Leal voted no and Commissioner Hermosa abstained.

III.a. Process for Construction Project Contract Approvals. The policy was unanimously approved with changes to the construction contract dollar amounts with a motion made by Commissioner Leal and a second to approve the motion made by Commissioner Beckendorff.

III.b. Approval of Professional Services and Consultant Contracts. The policy was unanimously approved with changes to include a monthly reporting requirement with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Leal.

III.c. Approval of Construction Contracts and Change Orders. The policy was unanimously approved with changes to the construction contract dollar amounts, the addition of a monthly reporting requirement, and the addition of temporary delegation authority by the Executive Director, with a motion made by Commissioner Leal and a second to approve the motion made by Commissioner Beckendorff.

III.d. Approval of Interagency and Interlocal Agreements. The policy was unanimously approved with changes to include a monthly reporting requirement with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Leal.

III.e. Approval of Maintenance, Grounds, Utility and Service Contracts. The policy was unanimously approved with no changes with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Hermosa.

XVII. Consideration and possible action to approve the FY 2009 Operating Budget.

The Commission unanimously voted to approve the FY 2009 Operating Budget in the amount of \$49,506,829 with a motion made by Commissioner Duncan and a second to approve the motion made by Commissioner Leal. Commissioner Beckendorff was absent for the vote.

XVIII. Consideration and possible action to approve the FY 2010/2011 Legislative Appropriations Request (LAR).

Executive Director Edward Johnson discussed the LAR and highlighted the following 6 Exceptional Items included in the Commission submission:

1. Facilities Management Operations
2. Accounting System Migration (GFAS)
3. DIR/IBM Data Center
4. Utilities
5. State Cemetery Operations
6. Capital Improvement Program

The Commission unanimously voted to approve the FY 2010/2011 Legislative Appropriations Request (LAR) with a motion made by Commissioner Duncan and a second to approve the motion made by Commissioner Beckendorff. Mr. Johnson stated that although the LAR will be adopted as of August 20, 2008, it can be amended by December, if necessary, to update and reflect the Capital Improvement Program budget. Chair Reinbeck stated that Commissioners Hermosa and Leal would be working with her and TFC staff on the final Capital Improvement Program budget number.

XIX. Report from the Executive Director and executive staff on facilities design and projects, facilities leasing, and facilities operations and maintenance.

Commissioner Duncan was absent for this agenda item.

Facilities Design & Construction (FDC): Bill Bonham informed the Commission that FDC continues to make structural changes in order to accommodate increased workload. Mr. Bonham updated the Commission on the implementation of a program that will provide on-site and real time construction pictures from various project sites and FDC continues to work with Information Systems (IS) in order to put such a program in place. Mr. Bonham also stated that FDC and Edward Johnson continue to advertise Commission projects in an effort to generate interest in the construction community.

Leasing: Gregg Werkenthin informed the Commission that the leasing portfolio continues to grow and will do so for the next 2 years. Mr. Werkenthin mentioned that Leasing staff continue to secure rents below current market rates. In addition, Mr. Werkenthin and Leasing staff

continue to look for ways to consolidate and accommodate tenant needs. In response to a question from Commissioner Leal concerning renewals, Mr. Werkenthin explained that in many cases Leasing staff attempts to negotiate renewals 1-2 years early in order to lock in better rates.

Facilities Management Division(FMD): Jamie Barrington informed the Commission that over half of the work orders received by FMD involve HVAC or electrical maintenance.

XX. Report from the Chief Financial Officer on the monthly financial report update.

Luis Arellano gave the Commission a monthly financial report including the agency forecast, monthly operating expenditures, year-to-date budget adjustments, cost recovery program results, revenue forecast, and financial transactions that are not included in the operating budget. Mr. Arellano also informed the Commission that utility costs remain to be at an all time high due to the heat. Commissioner Duncan was absent for this agenda item.

XXI. Monthly Status Report from Internal Auditor, Mark Scott. Mark Scott gave the Commission a brief overview of the most recent Sources & Uses of Funds Audit that took place reflecting TFC's sources of funds including general revenue, appropriated receipts, interagency contracts, and bond proceeds. Mr. Scott reported that the Audit Division is currently completing a contract audit and is on schedule to complete the FY 2008 Audit Plan. The Audit Plan FY 2009 will be completed by November and presented to the Commission at the October or November meeting. Finally, TFC received an external audit notification from the Internal Revenue Service relating to 2006 1099 forms.

XXII. Discussion regarding the purchase, exchange, lease and value of real property located in Austin, Travis County, listed on the real property inventory of the Commission. There was no discussion.

XXIII. Recess into CLOSED session, if necessary, pursuant to the Texas Government Code under Chapter 551 for the following purposes:

A. Pending and potential litigation, Section 551.071.

B. The Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of the Executive Director and Executive Management Staff, Section 551.074.

C. The duties, roles, and responsibilities as Commissioners of the Texas Facilities Commission, Section 551.074.

D. The deliberation regarding purchase, exchange, lease, or value of real property, Section 551.072

E. All matters identified in this agenda where the commission votes unanimously that deliberation in an open meeting of business and financial issues relating to a contract being negotiated would have a detrimental effect of the position of the State in negotiations with a third person and in which the General Counsel has issued a determination in writing, Section 551.0726.

F. Any matters identified in this agenda where the Commissioners seek the advice of their attorney, Section 551.071.

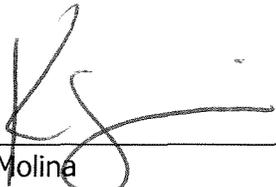
Chair Reinbeck recessed the meeting at 12:40 p.m. for the Commissioners to convene in Executive Session.

XXIV. Reconvene in open meeting and consider action on matters discussed in Executive Session. Chair Reinbeck reconvened the meeting at 2:05 PM.

XXV. Consideration and possible action, if necessary, on any issue discussed during Executive Session. No action was taken.

XXVI. Adjournment. Chair Reinbeck adjourned the meeting at 2:20 p.m.

Reviewed and
Submitted by:



Kay Molina
General Counsel

Approved by the Commission on the 15th day of October, 2008.

By:



Betty Reinbeck
Chair