

CHAIR
Robert D. Thomas

COMMISSIONERS
William D. Darby
Patti Jones
Mike Novak
Jack W. Perry
Betty Reinbeck



EXECUTIVE DIRECTOR
Harvey Hilderbran

TEXAS FACILITIES COMMISSION

Minutes No. 84: Minutes of the June 15, 2016 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, June 15, 2016, commencing at 10:00 a.m. Chairman Thomas presided, and Commissioners Novak, Reinbeck, Jones, and Perry were also present. Commissioner Darby was absent.

I. Call to Order.

Chair Thomas called the meeting to order at 10:00 a.m.

II. Service Awards

The following employee was recognized for his state service by the Commission.

Morris Miller Twenty years (Program Specialist Facilities Design and Construction).

III. Approval of the minutes from the May 18, 2016 Open Meeting.

The Commission voted unanimously to approve the minutes from the previous meetings with a motion made by Commissioner Perry and a second to approve the motion made by Commissioner Jones.

IV. Public Comment.

There was no public comment.

V. Consent Agenda for Award of Lease Recommendations and Summaries.

Leases and/or Amendments Pending Execution with Commencement Date on or after June 15, 2016.

New Leases:

1. **Lease #303-6-20549 - Department of Public Safety: Midland, TX.**

Replacements:

2. **Lease #20559 – Office of the Attorney General: El Paso, TX.**
3. **Lease #303-6-20553 – Texas Department of Criminal Justice: Huntsville, TX.**
4. **Lease #20495 – Office of State Federal Relations: Washington, DC.**

Renewals:

5. **Lease #7257 - Health and Human Services Commission; Department of Aging and Disability Services: Lubbock, TX.**
6. **Lease #20132 – Department of Family and Protective Services: Georgetown, TX.**
7. **Lease #10355 – Department of Family and Protective Services; Health and Human Services Commission; Department of Aging and Disability Services: Brady, TX.**

The Commission voted unanimously to approve the above Consent Agenda for Award of Lease Recommendations and Summaries with a motion to approve made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Novak.

VI. Contract Consent Agenda.

1. **Consideration and possible action to approve the award of an architectural/engineering professional services contract amendment for the Austin State Hospital Feasibility Study, Project No. 16-028-6082 in Austin, Texas.**
2. **Consideration and possible action to approve an architectural/engineering professional services contract amendment for the Texas Department of Public Safety's 2014-15 deferred maintenance program, Project No. 14-031P-6047 in Midland, Texas.**
3. **Consideration and possible action to award an architectural/engineering professional services contract for commissioning for TFC's 2016-17 deferred maintenance on the William B. Travis State Office Building, Project No. 16-004-5180 and the Stephen F. Austin State Office Building, Project No. 16-005-5130 in Austin, Texas.**
4. **Consideration and possible action to approve a construction manager-at-risk contract amendment for TFC's 2016-17 deferred maintenance on the William P. Hobby Towers I, II and III, Project No. 16-010-5880 in Austin, Texas.**

The Commission voted unanimously to approve the above Contract Consent Agenda, with a motion to approve made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Perry.

VII. Consideration and possible action to award an architectural/engineering professional services contract for the TFC Portfolio Wide Facility Condition Assessment, Project No. 16-026-3402.

The Commission voted unanimously to approve an architectural/engineering professional services contract to Heery International, Inc. in the amount of \$2,131,832.00 for the TFC Portfolio Wide Facility Condition Assessment, Project No. 16-026-3402, with a motion made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Novak.

VIII. Consideration and possible action to award a construction manager-at-risk contract for TFC's 2016-17 deferred maintenance on the John H. Winters Complex, Project No. 16-009-5580 in Austin, Texas.

The Commission voted unanimously to approve a construction manager-at-risk contract to Flintco, LLC. in an amount not to exceed \$12,394,685.00 for TFC's 2016-17 deferred maintenance on the John H. Winters Complex, Project No. 16-009-5580 in Austin, Texas, with a motion made by Commissioner Novak and a second to approve the motion made by Commissioner Jones.

IX. Consideration and possible action to award an architectural/engineering professional services contract for master architectural services for the Capitol Complex New Buildings and Utility Infrastructure Project, Project No. 16-018-8001 in Austin, Texas.

The Commission voted unanimously to approve an architectural/engineering professional services contract to Page Southerland Page, Inc. in the amount of \$1,551,750.00 for the Capitol Complex New Buildings and Utility

Infrastructure Project, Project No. 16-018-8001 in Austin, Texas with a motion made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Jones.

- X. Consideration and possible action to award a construction manager agent professional services contract for the Capitol Complex New Buildings and Utility Infrastructure Project, Project No. 16-018-8001 in Austin, Texas.**

The Commission voted unanimously to approve a construction manager agent professional services contract to Balfour Beatty Construction, LLC in the amount of \$811,897.00 for the Capitol Complex New Buildings and Utility Infrastructure Project, Project No. 16-018-8001 in Austin, Texas, with a motion made by Commissioner Novak and a second to approve the motion made by Commissioner Perry.

- XI. Consideration and possible action to approve a State Energy Conservation Office LoanSTAR loan agreement to fund a utility conservation performance contract for conservation measures in the Brown Heatly Building, the Central Services Building, the Thomas J. Rusk State Office Building and the William P Hobby Complex, Project No. 15-020-0802 in Austin, Texas.**

Agenda Item XI was pulled.

- XII. Consideration and possible action to award a utility conservation performance contract for conservation measures in the Brown Heatly Building, the Central Services Building, the Thomas J. Rusk State Office Building and the William P Hobby Complex, Project No. 15-020-0802 in Austin, Texas.**

Agenda Item XII was pulled.

- XIII. Consideration and possible action to approve requested sliding-scale tuition increase for the Capitol Complex Child Care Center, TFC Contract No. 15-052.**

The Commission voted unanimously to approve the sliding-scale tuition increase as requested by the University of Texas at Austin for a term ending August 31, 2017, with a motion made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Jones.

- XIV. Consideration and possible action to adopt amendments to Texas Administrative Code, Title 1, Part 5, Chapter 111, Administration, and publication of the adopted rules in the Texas Register.**

The Commission voted unanimously to approve the staff recommendation to adopt the proposed rule amendments to Texas Administrative Code, Title 1, Part 5, Chapter 111, Administration, and to publish notice of the publication of the adopted rules in the Texas Register, with a motion made by Commissioner Novak and a second to approve the motion made by Commissioner Perry.

- XV. Consideration and possible action to adopt amendments to Texas Administrative Code, Title 1, Part 5, Chapter 126, State Surplus and Salvage Property, and publication of the adopted rules in the Texas Register.**

Agenda Item XV was pulled.

- XVI. Consideration and possible action to approve the Agency Strategic Plan Fiscal Years 2017-2021.**

The Commission voted unanimously to approve the Agency Strategic Plan Fiscal Years 2017-2021 and to allow the staff to make non-substantive edits, as necessary, before final printing and submittal, with a motion made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Jones.

XVII. Consideration and possible action to approve the FY17 TFC Operating Budget.

The FY17 Operating Budget was presented by Mr. Rob Ries, Manager of Budget. Thereafter, the Commission voted unanimously to approve the FY17 Operating Budget with a motion to approve made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Perry.

XVIII. Program Presentations.

There were no program presentations.

XIX. Report from the Executive Director on facilities design, construction projects, facilities leasing, facilities operations, maintenance, energy management, HUB and legislation.

Mr. Harvey Hilderbran, Executive Director, reminded the Commission that it's been one year since the Commission contracted with the University of Texas to operate the Child Care Center and since that time both the facility and operations have improved. Mr. Hilderbran informed the Commission that after the May Commission meeting the Bond Review Board held its hearing and approved TFC's revenue bonds. Mr. Hilderbran told the Commission that TFC held its Employees Appreciation Luncheon on the 1st of June, and at the luncheon he presented his Executive Director Mission/Vision Statement and read such statement to the Commission. In addition, Mr. Hilderbran informed the Commission that Mr. Gerard Edimo, Director of Program Operations, is hoping to have an operational plan for the agency completed on or about September 1, 2016 and will make a presentation to the Commission once the plan is completed. Mr. Hilderbran then informed the Commission that the Strategic Planning and Organizational Workgroup will have its first meeting on June 30th to discuss the LAR and the Strategic Fiscal Review and that the group will have a second workgroup meeting before the July 20th Commission meeting. Mr. Hilderbran also informed the Commission that TFC will be hosting the HUB Construction Expo in conjunction with the Texas Association of African American Chamber of Commerce and Texas Association of Mexican American Chamber of Commerce on June the 30th.

Thereafter, Mr. Hilderbran informed the Commission that the House Appropriations Committee will have a hearing on their interim charge to evaluate deferred maintenance, which is similar to the Senate Committee Joint Oversight Committee on Government Facilities. In addition, Mr. Hilderbran gave an update on the Austin Energy rate review hearing and informed the Commission that the final recommendation is expected in mid-July. Lastly, Mr. Hilderbran provided an update on the Sutton Building issues and informed the Commission that the Mayor of San Antonio sent a support letter regarding the Sutton building and the possible issuance of a request for information to seek interest in a P3 or mixed used development on the site. Chair Thomas requested that an outline for the next steps regarding the Sutton Building be sent to the Commission Work Group.

XX. Report from the divisions on facilities design and construction, leasing, facilities operations, maintenance and surplus property.

There were no division reports.

XXI. Report from the Commission Work Groups.

1. Energy Workgroup.

Commissioner Novak informed the other Commissioners that the work group had not met this month, but provided brief comments on the agenda items involving the energy performance savings contract that were pulled from the June agenda and the need for staff to take the time to review the contract provisions to ensure that the return on investment is right. Commissioner Novak also pointed out that with utilities representing the largest expense in our budget, that deferred maintenance projects that address issues with mechanical rooms and antiquated systems are vital.

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

Mr. Bill Monroe, Chief Financial Officer, made a presentation on the monthly financial report including the agency forecast, operating expense report, year to date budget adjustments, cost recovery programs results of operations, the

revenue forecast, and the financial transactions and appropriations not included in the operating budget. During his presentation, Mr. Monroe discussed the continuing issues with funding the recycling program as it is a cost recovery program that is not generating enough income to pay for itself. In response, Chair Thomas asked that staff provide a recommendation on a new business model or some other measure to assist with funding the program.

XXIII. Monthly Status Report from the Director of Internal Audit.

- a. **Review and discussion of the Internal Audit Activities Report for the quarter ended May 31, 2016.**

Ms. Amanda Jenami, Director of Internal Audit, provided a report and discussion of the Internal Audit Activities Report for the quarter ended May 31, 2016. In addition, Ms. Jenami informed the Commissioners that she has started the risk assessment process for the next audit plan and was hoping to get any feedback necessary from the Commission.

XXV. Recess into CLOSED session, if necessary, pursuant to Texas Government Code 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 The duties, roles, and responsibilities as Commissioners of the Texas Facilities Commission, Section 551.074.**
- c. **The deliberation regarding purchase, exchange, lease, or value of real property, Section 551.072.**
- d. **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.**
- e. **Any matters identified in this agenda where the Commissioners seek the advice of their attorney, Section 551.071.**
- f. **The deliberation regarding a security audit, Section 551.076.**

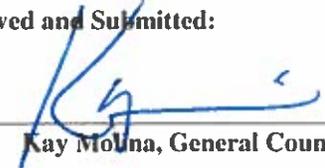
XXVI. Reconvene in open meeting and consider action on matters discussed in Executive Session.

There was no Executive Session.

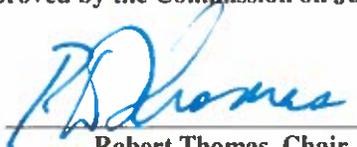
XXVII. Adjournment.

Chair Thomas adjourned the meeting at 12:13 p.m.

Reviewed and Submitted:

By: 
Kay Molina, General Counsel

Approved by the Commission on July 20, 2016.

By: 
Robert Thomas, Chair