

Chair
William Allensworth

Commissioners
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Brian Bailey
Patti C. Jones
Rigoberto "Rigo" Villarreal
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TEXAS FACILITIES COMMISSION

Minutes No. 109: Minutes of the April 18, 2019, 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 Thursday April 18, 2019, commencing at 9:00 a.m. Chair Allensworth called the meeting to order, and Commissioners Alvis, Jones, and Wagner were all present. Commissioner Brian Bailey was present and introduced at the meeting but did not vote on any agenda items, as he awaits his confirmation as Commissioner. Commissioner Villarreal was absent.

I. Call to Order.

Chair Allensworth called the meeting to order at 9:00 a.m.

II. Approval of the minutes from the February 21, 2019, Open Meeting.

The Commission voted unanimously to approve the February 21, 2019, minutes with a motion made by Commissioner Jones and a second to approve the motion made by Commissioner Wagner.

III. Public Comment.

There was no public comment.

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

Leases and/or Amendments Pending Execution with Commencement Date on or after April 18, 2019.

New:

1. Lease #20623-A – Comptroller of Public Accounts: Austin, TX.
2. Lease #20636 – Department of State Health Services: Austin, Tx.

Replacements:

1. Lease #20633 – Office of the Attorney General – Child Support: Austin, TX.
2. Lease #20655 – Comptroller of Public Accounts – Audit: New York, NY.
3. Lease #20376-A – Department of Family and Protective Services: Granbury, TX.
4. Lease #20637 – Health and Human Services Commission; Department of State Health Services: Midland, TX.

Renewals:

1. Lease # 20071– Texas Department of Criminal Justice: Angleton, TX.
2. Lease #10298 – Texas Department of Criminal Justice: Haltom City, TX.
3. Lease #303-8-11128 – Health and Human Services Commission: Houston, TX.
4. Lease #7089 – Texas Commission on Environmental Quality: Beaumont, TX.
5. Lease #8617 – Office of the Attorney General: Uvalde, TX.
6. Lease #10640 – Health and Human Services Commission; Department of Family and Protective Services: Dallas, TX.

Texas Facilities Commission

Physical address: 1711 San Jacinto Blvd, Austin, Texas 78701

✦ * Planning and administering facilities in service to the State of Texas * ✦

Add Space & Renewal:

1. Lease #1775 – Office of the Attorney General; Comptroller of Public Accounts - Enforcement: Dallas, TX.
2. Lease #8583 – Office of the Attorney General: Nacogdoches, TX.

Term & Space Reduction:

1. Lease #20615 – Comptroller of Public Accounts - Audit: Houston, TX.

Ms. Gayla Davis, Ms. Amanda Brainard, and Mr. John Conant, of TFC's State Leasing Services Program, discussed the challenges their program faces in lease solicitations and negotiations, as well as the bids and competitive rates. Commission Alvis made inquiry into the options of flex-space buildings, agency budget considerations, and geographic locations during the planning process and negotiations for space acquisition for state agencies.

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 Alvis and a second to approve the motion made by Commissioner Wagner.

V. Consideration and possible action to award an architectural and engineering professional services contract for the construction materials testing for the George H.W. Bush Building, 1801 Congress, in the Capitol Complex Phase 1 Development (Package 4), Project No. 17-016-8002.

The Commission voted unanimously for award of the contract to Raba Kistner, with a motion made by Commissioner Wagner and a second to approve the motion made by Commissioner Alvis.

VI. Consideration and possible action to award a construction contract for the G.J. Sutton Complex Demolition, Project No. 18-009-8455, in San Antonio, Texas

Mr. John Raff, TFC's Director of Facilities Design & Construction, provided a brief history on the G.J. Sutton Building, and discussed its proposed demolition to mitigate ongoing costs of maintaining the building.

The Commission voted unanimously for award of the contract to Veit & Company, with a motion made by Commissioner Wagner and a second to approve the motion made by Commissioner Alvis.

VII. Consideration and possible action to award a construction manager-at-risk contract for the Texas Department of Agriculture Giddings Lab Renovations, Project No. 18-005-6099, in Giddings, Texas.

Mr. John Raff, TFC's Director of Facilities Design & Construction, gave a summary of the project, which is funded through an interagency contract, to remediate a number of deficiencies in this existing metrology laboratory, which provides measurement, calibration and certifications for weights and volumes, to maintain its certifications and accreditations. Mr. Doug Gaeke was in attendance at this meeting.

The Commission voted unanimously for award of the contract to Gaeke Construction, with a motion made by Commissioner Wagner and a second to approve the motion made by Commissioner Alvis.

VIII. Consideration and possible action to award a construction manager-at-risk contract for TFC's 2018-2019 deferred maintenance on the Texas Commission on Environmental Quality (TCEQ) Park 35 Campus, Project No. 18-019-5740, in Austin, Texas.

Mr. John Raff, TFC's Director of Facilities Design & Construction, spoke about TFC's deferred maintenance on the Park 35 campus, which houses TCEQ, includes repairs/upgrades to building central plant chilled and hot water systems.

After receiving three responses to the solicitation for construction management services, Kitchell Contractors, Inc. was interviewed, and the contract was successfully negotiated for the best value to the state.

George Zakar, Operations Manager for Kitchell Contractors, was in attendance at this meeting, and spoke briefly on the planned replacement of the chiller, cooling tower, and upgrading the piping systems at Park 35, as well as the interior upgrades to air power systems.

The Commission voted unanimously for award of the contract to Kitchell Contractors with a motion made by Commissioner Jones and a second to approve the motion made by Commissioner Alvis.

IX. Consideration and possible action to approve an amendment to the architectural and engineering professional services contract for the Capitol Complex Phase I Development Central Utility Plant (Package 3), Project No. 17-008A-8040 in Austin, Texas.

Mr. John Raff, TFC's Director of Facilities Design & Construction, introduced Mr. Keith Hall, TFC Project Manager, and Mr. Curtis Williams from Jacobs Engineering. Mr. Hall and Mr. Williams discussed the unexpected changes to the plans after the hire of Jacobs as the engineer of record for the Central Utility Plant. The location has changed from the Sam Houston Building site to just south of the Stephen F. Austin Building, as this will offer adequate power for future expansion. Additionally, the planned utility tunnel will no longer be required. Mr. Williams also informed the Commission that Austin Energy is providing a service extension and vault equipment upgrade at the Stephen F. Austin Building to increase the reliability of service to the building and to provide power for future development of the Central Utility Plant. These measures will mean a significant cost savings to the state.

The Commission voted unanimously to approve an amendment to the architectural and engineering professional services contract for the Capitol Complex Phase I Development Central Utility Plant (Package 3), with the motion made by Commissioner Alvis and a second to approve the motion made by Commissioner Jones.

X. Consideration and possible action to approve an amendment to the outside counsel contract with Winstead, PC.

Ms. Naomi Gonzalez, TFC's Acting General Counsel, spoke about the original contract in the amount of \$400,000, and the option to renew for another two years. Winstead was originally hired to assist with G.J. Sutton Building issues, as well as other real estate matters. There is approximately \$255,000 remaining on the contract and additional funds will not be added to the contract at this time. Office of the Attorney General approval would be required to amend the outside counsel contract.

The Commission voted unanimously to approve amending the contract for outside counsel with Winstead, PC, with the motion made by Commissioner Jones, and a second to approve the motion made by Commissioner Wagner.

XI. Consideration and possible action to approve an amendment to the outside counsel contract with Coats Rose, P.C.

Ms. Naomi Gonzalez, TFC's Acting General Counsel, discussed the request to amend the outside counsel contract with Coats Rose. Coats Rose was initially brought in to assist TFC with the contracts pertaining to the Capitol Complex Phase 1 projects. The original contract was for \$700,000.00 and \$162,000.00 remains on the contract. No increase in the funds is requested for this amendment to the contract, only to extend the contract. Office of the Attorney General approval would be required to amend the outside counsel contract.

The Commission voted unanimously to approve amending the contract for outside counsel with Coats Rose, P.C., with the motion made by Commissioner Alvis, and a second to approve the motion made by Commissioner Jones.

XII. Consideration and possible action to solicit a service requirements contract to perform security consultant services for state agencies outside the Capitol Complex, not to exceed \$750,000.00, contingent on review and approval from the Office of the Governor.

Mr. Richard Ehlert, TFC's Director of Procurement, discussed the need to solicit a service requirements contract to perform security consultant services for properties located outside the Capitol Complex, which would require the approval of the Office of the Governor. Mr. Ehlert indicates agencies are requesting assessments to ensure, improve, and solidify a safe work environment. Mr. Ehlert, in response to Chairman Allensworth's inquiry, states he has received such requests from TCEQ at Park 35, agencies in the Hobby Building, and from HHSC. Commissioner Jones asked about the budgetary allowances for security consultant services; and if the agencies that requested these services are aware of the associated costs. Mr. Ehlert confirmed the receiving agencies would reimburse TFC for the cost of the service.

The Commission voted unanimously to approve the option to solicit for these security consultant services, contingent on the Governor's approval, with the motion made by Commissioner Jones, and a second to approve the motion made by Commissioner Wagner.

XIII. Discussion of the redevelopment of the G.J. Sutton State Office Building site in San Antonio, Texas; fiscal note update.

Mr. Daniel Benjamin, TFC's Acting Chief Financial Officer, gave an update on the maintenance support costs for the site. With the expenses for demolition and bat removal, the expenditures to date are \$2.5 million. TFC's Executive Director, Mike Novak, proffered the average monthly expenses are \$30,000.00 per month to maintain G.J. Sutton site status quo.

XIV. Discussion of Major Projects.

1. Capitol Complex.

Mr. Lou Saksen, Project Executive for Balfour Beatty, gave a summary report on the budget, schedule and how the project is going for the Capitol Complex Phase 1.

2. North Austin Complex.

Mr. Mark Diaz, TFC Project Manager, provided the update and informed the Commission that the project is on schedule and on budget.

3. Texas School for the Deaf.

Mr. Prince Chavis, TFC Project Manager, provided the update and informed the Commission that the project is on schedule and on budget.

Chair Allensworth declared a short recess of the open meeting at 10:50 a.m. Meeting was reconvened at 11:00 a.m.

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

Mr. Mike Novak, TFC's Executive Director, spoke briefly about TFC's HUB Program, and how we are actively seeking to partner with HUB startups and established HUB businesses to cultivate them as viable partners for our projects. Mr. Novak spoke of Senator Royce West's support and his recent visits to the Central Services Building to meet with our HUB Team. Mr. Novak reiterated the importance of TFC's HUB Programs and the relationships TFC is developing with HUB vendors; Mr. Novak reaffirmed TFC's commitment to the development of a model HUB program.

Mr. Novak then introduced Mr. Rick Glancey, TFC's Legislative Affairs/External Communications, who gave updates on HB 2944, SB 1349, HB 3653, as well as HB 4541.

Mr. Novak then introduced Mr. Daniel Benjamin, TFC's Acting Chief Financial Officer, for the present status of TFC's Legislative Appropriations Requests, Exceptional Item Requests, and the funding amounts that have received legislative approval. Mr. Benjamin reported on TFC's request for \$769 million, of which the Senate has approved \$589 million, and the House approved \$763 million.

XVI. Report from the Internal Auditor

Ms. Sonya Etheridge, TFC's Director of Internal Audit, discussed the status of TFC's audit plan, which is on schedule and on track to complete this fiscal year. Ms. Etheridge also sought approval of the updated FY19 internal audit plans, which will be submitted to the State Auditor's Office.

The Commission voted unanimously to approve the updated FY19 internal audit plans, with the motion made by Commissioner Alvis, and a second to approve the motion made by Chair Allensworth.

XVII. Report from the Commission Work Groups.

1. Construction Work Group.

Chair Allensworth informed the Commission of the Work Group's extended meeting on April 17, 2019. Chair Allensworth stated the information imparted for the meeting's Agenda Item XIV adequately covered the Work Group's discussions.

2. Child Care Work Group.

Commissioner Jones asked Ms. Laura Hall, TFC's Contract Manager for the Child Care Center, to give a brief report on the Child Care Work Group. Ms. Hall discussed the possibility of a tuition increase. Ms. Hall also discussed the design plans and moving the Center, as well as an increase in capacity.

3. Surplus Work Group.

Commissioner Jones introduced Ms. Kristy Fierro, TFC's Director of Surplus Property Program, who discussed HB 3760 and had been called on as a resource witness. Ms. Fierro discussed the challenges of providing temporary tags for vehicles sold at Surplus and the E-Tag system, which is DMV's system. Ms. Fierro also discussed the challenges purchasers of the surplus vehicles faced in obtaining inspections and tags for the vehicles, which the proposed legislation should make less cumbersome for purchasers.

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

Mr. Daniel Benjamin, TFC's Acting Chief Financial Officer, provided the monthly financial report including the agency forecast, operating expense report, year to date budget adjustments, cost recovery programs result of operations, the revenue forecast, and the financial transactions and appropriations not included in the operating budget.

XIX. 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.

Chair Allensworth recessed the open meeting to convene in Executive Session at 12:02 p.m.

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

Chair Allensworth reconvened the open meeting at 12:46 p.m. and no action was taken.

XXI. Adjournment.


Chair Allensworth adjourned the meeting at 12:47 p.m.

Reviewed and Submitted:

By: 

Naomi R. Gonzalez, Acting General Counsel

Approved by the Commission on June 20, 2019.

By: 

William Allensworth, Chair