

**CHAIR**  
Robert D. Thomas

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



**EXECUTIVE DIRECTOR**  
Harvey Hilderbran

## **TEXAS FACILITIES COMMISSION**

Minutes No. 87: Minutes of the September 21, 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, September 21, 2016, commencing at 10:00 a.m. Chairman Thomas presided, and Commissioners Novak, Reinbeck and Slovacek were also present. Commissioner Jones arrived at 10:05 a.m. and Commissioners Darby and Perry were absent.

### **I. Call to Order.**

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

Chair Thomas introduced the new Commissioner Mr. Joseph Solvacek.

### **II. Approval of the minutes from the August 17, 2016 Open Meeting.**

The Commission voted unanimously to approve the minutes from the previous meeting with a motion made by Commissioner Novak and a second to approve the motion made by Commissioner Slovacek. Commissioner Reinbeck abstained.

### **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 September 21, 2016.**

#### **REPLACEMENTS:**

- 1. Lease #303-8-20569 – Health and Human Services Commission; Department of State Health Services: Anson, TX.**
- 2. Lease #303-8-20567 – Office of the Attorney General: Lubbock, TX.**

#### **RENEWALS:**

- 3. Lease #10337 – Comptroller of Public Accounts; Office of the Attorney General: Austin, TX.**
- 4. Lease #9192 – Office of the Attorney General: Austin, TX.**

#### **ADD SPACE:**

- 5. Lease #303-2-20294 – Department of Assistive and Rehabilitative Services: Austin, 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.

**V. Contract Consent Agenda.**

1. **Consideration and possible action to approve a construction manager-at-risk contract amendment for the DSHS A400 & A500 Demolition and A600 Walkway Enclosure, Project No. 13-010-6040 in Austin, Texas.**
2. **Consideration and possible action to award an architectural/engineering professional services contract for TFC's 2016-17 Deferred Maintenance at the John H. Winters Complex, Project No. 16-009-5580 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 Jones.

**VI. Consideration and possible action to award a construction manager-at-risk contract for TFC's 2016-17 deferred maintenance on five buildings including the Insurance Building, Price Daniel Sr. Building, Supreme Court Building, Sam Houston Building, and the Tom C. Clark Building, Project No. 16-021-5051 in Austin, Texas.**

The Commission voted unanimously to approve a construction manager-at-risk contract to Balfour Beatty Construction, LLC in an amount of \$12,610,000.00 for TFC's 2016-17 deferred maintenance on five buildings including the Insurance Building, Price Daniel Sr. Building, Supreme Court Building, Sam Houston Building, and the Tom C. Clark Building, Project No. 16-021-5051 in Austin, Texas, with a motion made by Commissioner Novak and a second to approve the motion made by Commissioner Reinbeck.

**VII. Consideration and possible action to award a construction manager-at-risk contract for the Teacher Retirement System Air Handling Unit Replacements and Renovations, Project No. 15-015-6071 in Austin, Texas**

The Commission voted unanimously to approve a construction manager-at-risk contract to American Construction, Inc., in an amount of \$4,428,929.00 for the Teacher Retirement System Air Handling Unit Replacements and Renovations, Project No. 15-015-6071 in Austin, Texas, with a motion made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Jones.

**VIII. Program Presentations.**

1. **Report by divisions on audit implementation status.**
  - a. **Security and Safety Program.**

Mr. Tommy Oates, Director of Security and Safety, provided a brief update on the previous security audit and will continue to work diligently on implementing the audit findings and reaching all of the SMART goals outlined. Mr. Harvey Hilderbran, Executive Director, informed the Commission that he is going to work with DPS Executive Management on the suggested MOU between TFC and DPS.

- b. **Plant Operations.**

Mrs. Terri Rodgers, Director of Property Management Services, provided an update on the implementation on the audit of Plant Operations and Building Automation. Mrs. Rodgers informed the Commission that staff continues to work on staffing the Operations Department and has established three new supervisory roles in that program area. In addition, staff continues to work with Mr. Gerard Edimo, Director of Program Operations, to develop SMART goals and KPI's that will be presented to the Commission at a future date. Finally, Mrs. Rodgers informed the Commission

that staff will continue to work with the Office of Energy Management to address specific energy initiatives and with FDC to improve the Central Plant.

**IX. 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, made brief comments regarding the TFC Preventative Maintenance Program and the need to continue the program and to educate law makers on the importance of the program. Mr. Hilderbran informed the Commission that TFC staff had met with LBB and leadership staff on Monday on the TFC Legislative Appropriation Request (LAR) and discussed the preventative maintenance issue. In addition to discussing the preventative maintenance issue and others, staff laid out the salary equity request included in the LAR and explained its importance in being able to recruit and obtain trade staff in a very competitive market. Next, Mr. Hilderbran informed the Commission that the Austin Energy rate case is concluded and a settlement was reached that includes rate cuts in every class. Staff is waiting to hear from Austin Energy on how this will effect State accounts. Mr. Hilderbran gave a brief update on the cultural initiatives at the agency including the new Employee of the Month, Quote of the Month and the Agency Newsletter. Finally, Mr. Hilderbran gave a time line for action items and contracts that will be presented at future Commission meetings.

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

**1. Austin State Hospital and State Supportive Living Center**

Mr. Peter Maass, Deputy Executive Director of Planning and Real Estate Management, gave an overview on the Austin State Hospital and State Supportive Living Center. He informed the Commission that the Health and Human Services Sunset bill included TFC in the evaluation process of what to do with the two facilities. Mr. Maass outlined the TFC role in the process and the six options for the properties.

**2. North Austin Complex Phase 1**

Mr. John Raff, Deputy Executive Director of Facilities Design and Construction introduce Mark Diaz, Project Manager, who gave an overview on the North Austin Complex Phase One, additional phases, and the necessary contracts and scheduling.

**XI. Report from the Commission Work Groups.**

**1. Energy Work Group**

Commissioner Novak gave brief comments regarding the Energy Workgroup meeting held on September 15<sup>th</sup>, and stated that staff continues to make good progress, and that TFC is also making great progress with the LED lighting in the garages.

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

Mr. Bill Monroe, Chief Financial Officer, provided 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.

**XIII. Monthly Status Report from the Director of Internal Audit.**

**a. Consideration and possible action to approve the OIA's proposal on the approach to adopt for the upcoming External Quality Assurance Review.**

The Commission voted unanimously to approve the Office of Internal Audit's recommendation to utilize an independent team or consultant for the external quality assurance review of the program, with a motion made by Commissioner Jones and a second to approve the motion made by Commissioner Reinbeck.

- b. **Review and discussion of the Internal Audit Activities Report for the quarter ending August 31, 2016.**

Ms. Amanda Jenami, Director of Internal Audit, provided the Internal Audit Activities Report for the quarter ending August 31, 2016.

**XIV. Discussion of Commission organization, policies, procedures and new initiatives.**

There was no discussion on this item.

**XV. 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.**

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

There was no Executive Session.

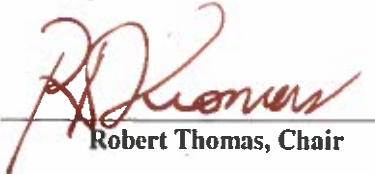
**XVII Adjournment.**

Chair Thomas adjourned the meeting at 12:26 p.m.

**Reviewed and Submitted:**

By:   
Kay Molina, General Counsel

Approved by the Commission on October 19, 2016.

By:   
Robert Thomas, Chair