

CHAIR
Robert Thomas

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



EXECUTIVE DIRECTOR
Harvey Hilderbran

TEXAS FACILITIES COMMISSION

Minutes No. 76: Minutes of the October 21, 2015 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 16, 2015, commencing at 10:00 a.m. Chair Thomas presided, and Commissioners Novak, Reinbeck, Darby, Jones and Perry were also present.

I. Call to Order.

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

II. Introduction of the new Commissioners.

Mr. Harvey Hilderbran, Executive Director, introduced the 2 new Commissioners, Chair Robert Thomas and Commissioner Patti Jones. Chair Thomas recognized Commissioner Reinbeck and thanked her for serving as chair.

III. Approval of the minutes from the September 16, 2015 Open Meeting.

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

IV. Public Comment.

There was no public comment.

V. Award of Lease Recommendations and Summaries.

Leases and/or Amendments Pending Execution with Commencement Date on or After October 21, 2015.

Replacement Leases

- 1. #303-7-20509 – Department of State Health Services; Department of Family and Protective Services; Health and Human Services Commission: Marfa, TX.**
- 2. #303-7-20514 – Department of Family and Protective Services; Health and Human Services Commission; Department of Assisitve and Rehabilitative Services; Department of Aging and Disability Services: Gonzales, TX.**

Extensions

3. **#303-5-10925 – Department of Family and Protective Services; State Securities Board; Texas Lottery Commission: Dallas, TX.**

Renewals

4. **#1274 – Texas Department of Criminal Justice: San Antonio, TX.**
5. **#8706 – Health and Human Services Commission; Department of Family and Protective Services; Department of Assitive and Rehabilitative Services; Department of State Health Services: El Paso, TX.**

The Commission voted unanimously to approve the above leases with a motion to approve made by Commissioner Darby and a second to approve the motion made by Commissioner Perry.

- VI. **Consideration and possible action to approve the award of an architectural/engineering professional services contract for the 2016-17 Campus Wide Improvements at the Texas School for the Deaf and the Texas School for the Blind and Visually Impaired, Project No. 16-001-8801 in Austin, Texas.**

The Commission voted unanimously to approve an architectural/engineering professional services contract amendment with Parkhill, Smith & Cooper, Inc., in an amount not to exceed \$4,124,500.00 for the 2016-17 Campus Wide Improvements at the Texas School for the Deaf and the Texas School for the Blind and Visually Impaired, Project No. 16-001-8801 in Austin, Texas, with a motion made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Perry.

- VII. **Consideration and possible action to approve a construction manager-at-risk contract amendment for 2014-15 deferred maintenance on the William P. Hobby Towers I, II & III, Project No. 14-010-6460 in Austin, Texas.**

The Commission voted unanimously to approve a construction manager-at-risk contract amendment to Balfour Beatty Construction, LLC in the amount of \$1,670,844.00 for 2014-15 deferred maintenance on the William P. Hobby Towers I, II & III, Project No. 14-010-6460 in Austin, Texas, with a motion made by Commissioner Novak and a second to approve the motion made by Commissioner Jones.

- VIII. **Consideration and possible action to approve an architectural/engineering professional services contract amendment for 2016-17 deferred maintenance on the Brown Heatly Building, Project No. 16-010-5880 in Austin, Texas.**

The Commission voted unanimously to approve an architectural/engineering professional services contract amendment with Jacobs Engineering Group, Inc., in an amount of \$97,252.00 for 2016-17 deferred maintenance on the Brown Heatly Building, Project No. 16-010-5880 in Austin, Texas, with a motion made by Commissioner Perry and a second to approve the motion made by Commissioner Darby.

- IX. **Consideration and possible action to approve an architectural/engineering professional services contract amendment for 2014-15 deferred maintenance and mechanical system improvements for the Robert E. Johnson Building, Project No. 14-004-6454; E.O. Thompson Building, Project No. 14-005-6455; William P Clements, Jr. Building, Project No. 14-006-6456; DSHS Old Plant, Project No. 14-008-6458; and the Robert D. Moreton Building, Project No. 14-019-4107, all in Austin, Texas.**

The Commission voted unanimously to approve an architectural/engineering professional services contract amendment with Tom Green and Company Engineers in an amount not to exceed \$575,098.00 for 2014-15 deferred maintenance and mechanical system improvements for the Robert E. Johnson Building, Project No. 14-004-6454; E.O. Thompson Building, Project No. 14-005-6455; William P Clements, Jr. Building, Project No. 14-006-6456; DSHS Old Plant, Project No. 14-008-6458; and the Robert D. Moreton Building, Project No. 14-019-4107, all in

Austin, Texas, with a motion made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Novak.

- X. Consideration and possible action to approve a construction manager-at-risk contract amendment for 2014-15 deferred maintenance and mechanical system improvements for the Robert E. Johnson Building, Project No. 14-004-6454; William P Clements, Jr. Building, Project No. 14-006-6456; DSHS Old Plant, Project No. 14-008-6458; and the Robert D. Moreton Building, Project No. 14-019-4107, all in Austin, Texas.**

The Commission voted unanimously to approve a construction manager-at-risk contract amendment to Balfour Beauty Construction, LLC in the amount of \$1,555,158.00 for mechanical system improvements, repairs and retrofits to the Robert E. Johnson Building, Project No. 14-004-6454; William P Clements, Jr. Building, Project No. 14-006-6456; DSHS Old Plant, Project No. 14-008-6458; and the Robert D. Moreton Building, Project No. 14-019-4107, all in Austin, Texas, with a motion made by Commissioner Darby and a second to approve the motion made by Commissioner Reinbeck. Commissioner Novak asked staff to provide a further breakdown of CMR GMP amendments in the future to show the allocations to Cost of Work, Fees and General Conditions.

- XI. Consideration and possible action to adopt a resolution declaring the expectation to reimburse expenditures with proceeds of future debt issued by the Texas Public Finance Authority.**

The Commission voted unanimously to adopt the resolution declaring the expectation to be reimbursed with future debt issued by the Texas Public Finance Authority ("TPFA") up to a maximum of \$5,000,000.00, with a motion made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Darby. There was discussion on how staff arrived at the \$5,000,000.00 figure and that TPFA had worked with staff to arrive at the number.

- XII. Report from the Executive Director and executive staff on facilities design, construction projects, facilities leasing, facilities operations, maintenance, energy management and legislation.**

Mr. Harvey Hilderbran, Executive Director, gave general comments regarding the ongoing elevator maintenance issues in many of the buildings on TFC's inventory and the issue of the limited numbers of qualified elevator contractors available to TFC. He gave a brief overview of legislative bills and appropriations affecting TFC from last session and informed the Commission that staff was currently interviewing the leading candidates for the P3 Director. In addition, the following reports were provided by staff:

1. Report of the Capitol Complex Master Plan.

Mr. Peter Maass, Deputy Executive Director of Planning and Real Estate Management, gave the Commission a report on the status of the Capitol Complex Master Plan. Mr. Maass informed the Commission that TFC has formally submitted the 2016 Texas Capitol Master Complex Plan to the Partnership Advisory Commission who is tentatively scheduled to meet to review the plan on November 10, 2015. Thereafter, the plan would be submitted to the State Preservation Board and General Land Office and finally to the Commission for final approval in March. Further discussion was had regarding posting the current plan on the TFC website and contacting leadership to ensure coordination regarding implementation and providing information on the plan.

2. Report of the TFC Deferred Maintenance Program.

Mr. John Raff, Deputy Executive Director of Facilities Design and Construction, gave the Commission a report on the TFC Deferred Maintenance Program and upcoming projects. Mr. Raff informed the Commission that TFC will have 10 projects started by December of this year. Chair Thomas asked staff to provide the Commission with a more detailed report that would show project timelines and milestones. In addition, Chair Thomas requested some indication on the status of projects in terms of if they are 1) progressing as planned, 2) have minor issues that are in the process of being resolved, or 3) have substantial obstacles to completion.

3. Report of the TFC P3 Guidelines.

Mr. Steve Halpin of the Planning and Real Estate Management Division gave the Commission an update on the TFC P3 Guidelines and that the guideline would be submitted to the Partnership Advisory Commission for review at the November meeting. In addition, Mr. Halpin informed the Commission due to the revisions to the P3 statutes adopted by the legislature in House Bill 2475, a few minor changes were made to the guidelines to be submitted and previously reviewed by the Commission. After review and comment by the Partnership Advisory Commission, the guidelines will be presented to the Commission for final approval.

4. Update by the Human Resources Division on audit implementation and staffing.

Mr. Harvey Hilderbran, Executive Director, informed the Commission that 86% of the recommendations that had been included in the Audit of the Human Resources Division earlier this year have been fully and or partially implemented. Thereafter Ms. Catherine Camp, Director of Human Resources, gave the Commission an update on the audit implementation and staffing. Chair Thomas asked that the Commission be continually updated on the audit implementation and staffing. Chair Thomas asked that the Commission have a standing agenda item to be continually updated on the status and progress of the audit implementation, as well as meeting the process of hiring the new staff.

XIII. Report on the Energy Management and Water Conservation Program.

Mr. John Raff, Deputy Executive Director of Facilities Design and Construction, informed the Commission that the energy management program continues to focus on the review of utility bills to verify their accuracy and to identify anomalies and to collaborate with FDC project management staff on energy efficiencies to be gained from deferred maintenance projects. In addition, Mr. Raff gave an update on the progress of the energy performance savings contract in development. Commissioner Novak discussed the integration of new energy efficient technologies into the deferred maintenance process and the process for the energy performance savings contract. The Energy Work Group met on October 20th.

At this time, the Chair took a short 15 minute recess at 12:33p.m.

The meeting was called back to order at 12:43p.m.

XIV. 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. In addition, he gave a detailed explanation of the materials provided to the Commission for his report for the benefit of the new Commissioners.

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

1. Consideration and possible action to approve the Internal Audit Annual Report for Fiscal Year 2015.

The Commission voted unanimously to approve the Internal Audit Annual Report for Fiscal Year 2015, with a motion made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Darby.

2. Review and discuss the status of the Audit Improvement Plan.

Ms. Amanda Jenami, Director of Internal Audit, provided an update on the Audit Improvement Plan presented to the Commission earlier this year. The update provided recommendations and planned as well as actual implementation dates for different issues outlined in the plan.

XVI. Discussion of Commission organization, policies, procedures and new initiatives.

The Chair discussed the importance of transparency and directed staff to gather information on televising/webcasting Commission meetings in the future. In addition, the Commission discussed the current work groups and the membership of each group and revised the work groups and membership as follows: Audit - Chair Thomas and Commissioner Perry; Commission Policy - Commissioners Darby and Jones; Energy - Chair Thomas and Commissioner Novak; Evaluation of Direct Reports - Chair Thomas and Commissioners Reinbeck and Perry; Legislative - Commissioners Darby and Novak; P3 - Chair Thomas and Commissioners Darby and Novak; and Strategic Planning and Organization - Chair Thomas and Commissioners Reinbeck and Novak. Finally, Chair Thomas directed the Director of Internal Audit to provide the Chart on Operational Health of an Organization to all members of the Commission.

XVII. Recess into CLOSED session, if necessary, on posted addenda items, pursuant to Texas Government Code Chapter 551 for the following purposes:

1. **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.**
None.
2. **To seek the advice of its attorney about pending or contemplated litigation or a settlement offer pursuant to Section 551.071(1)**
None.
3. **Any matters identified in this agenda where the Commissioners seek the advice of its attorney pursuant to Section 551.071(2).**
 - a. **Any posted agenda item.**
4. **The deliberation regarding purchase, exchange, lease, or value of real property, Section 551.072.**
None.
5. **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.**
None.

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

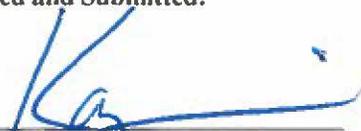
There was no executive session.

XIX. Adjournment.

Chair Thomas adjourned the meeting at 1:26 p.m.

Reviewed and Submitted:

By: _____


Kay Molina, General Counsel

Approved by the Commission on November 18, 2015.

By: _____


Robert Thomas, Chair