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William Allensworth

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

Minutes No. 110: Minutes of the June 20, 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 June 20, 2019, commencing at 9:00 a.m. Commissioner Allensworth called the meeting to order, and Commissioners Alvis, Jones, Villarreal, Bailey and Wagner were all present.

I. Call to Order.

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

II. Approval of the minutes from the April 18, 2019, Open Meeting.

The Commission voted unanimously to approve the April 18, 2019 minutes with a motion made by Commissioner Alvis and a second to approve the motion made by Commissioner Wagner.

III. Public Comment.

There was no public comment.

IV. Election of Vice-Chair.

Chairman Allensworth requested nominations. Commissioner Alvis nominated Commissioner Bailey. A second to the motion made by Commissioner Jones with all commissioners voting in the affirmative. Commissioner Bailey accepted.

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

Chairman Allensworth pulled one item from this Consent Agenda, which was Lease #20637 – Health and Human Services Commission; Department of State Health Services: Midland, TX. For the remaining items on the Consent Agenda, Commissioner Jones made the motion to approve the rest of the items (excepting the aforementioned Midland Lease for HHSC, Number 2 of “Replacements”). Commissioner Alvis seconded the motion, and all Commissioners voting in favor of approval.

Mr. John Conant (TFC/Leasing) spoke on the lease replacement for Lease Number 20637, stating an RFP was put out in October of 2018; no responses received. Jones Lang LaSalle did a survey and subsequently developed three options from two different developers.

One proposal was then withdrawn and TFC selected Carlos Villarreal. The space will be built to our specifications with a ten (10) year lease. Commissioner Villarreal questioned the increase in price per square foot; Mr. Conant explained the two primary factors were the age of the previous facility, which is priced significantly below market, and the amortization of the new building over the ten (10) year lease term. Commissioner Villarreal asked about the need for zoning change, to which Mr. Conant explained Mr. Carlos Villarreal did his due diligence, worked with the city, which approved his plans.

Commissioner Wagner made the motion to approve the lease, and Commissioner Alvis seconded the motion. The Commissioners voted unanimously to approve the Midland HHSC.

VI. Consent Agenda for Award of PREM Proposed Service Contract Renewals for the period September 1, 2019 through August 31, 2021.

After review, Commissioner Alvis made the motion to approve, and Commissioner Wagner seconded the motion. All Commissioners voted to approve.

VII. Consideration and possible action to award three Custodial Services Contracts for Austin, Texas resulting from RFP No. 303-9-00942, with the option for two (2) two-year renewals.

TFC Executive Director, Mike Novak, asked Richard Ehlert (TFC's Director of Procurement) to conceptually address these contract renewals. Commissioner Alvis' request for the price per square foot for full service custodial services. Mr. Ehlert informed the Commissioners that procuring custodial services is one of the most complicated processes for Procurement. Mr. Ehlert explained the buildings to receive these services are put into groupings, in an effort to get smaller businesses interested as subcontractors or contractors. Mr. Ehlert discussed Villeda, one of the present contract holders, whose original contract, four years ago was for \$97,751.20. Since then, the buildings were shuffled within their groupings due to terminations of another vendor. Villeda's current proposal is for \$102,700.00, for an increase of about \$5,700.00, which Mr. Ehlert indicates is an acceptable increase. This is about \$0.055 per square foot. American Facilities Services is another incumbent, whose original contract four years ago was \$104,340.00; their current award is \$129,218.00. American's cost is approximately \$0.051 per square foot. Workquest, a non-profit, is a statutorily mandated set-aside vendor whose workforce is 75% persons with disabilities. Workquest's charges are about \$0.0846 per square foot.

Commissioner Wagner and Commissioner Bailey expressed some concern over the price increases and building in these increases in to future budgets. Mr. Ehlert did explain that TFC caps the cost increases between 2-4%.

For this Agenda Item, Commissioner Wagner made the motion to approve, Commissioner Bailey seconded the motion; the award was approved unanimously by the Commissioners.

VIII. Consideration and possible action to award the Elevator Maintenance Services contract resulting from RFP No. 303-9-00842. EMR Elevator, Inc., Elevator Maintenance, \$1,951,584.00.

John Raff (TFC's Director of FDC) noted that Messrs Frank Boyer, Jim Hudson and Stoney Wright from EMR were in attendance today. Commissioner Bailey requested information on the previous contract cost versus the new contract.

Mr. Ehlert pulled the cost data from the solicitations, and subsequently explained that the larger elevator contractors are not interested in working with TFC on the types of elevators currently in place. Mr. Ehlert stated that the contract four years ago was for \$1.5 million between two vendors; one vendor was terminated so EMR took on the other vendors' grouping of elevators, with an 8.3% increase at the renewal period and the contract for consideration today includes an additional 8% increase from the previous period.

Mr. Ehlert confirmed this was a full-service contract for approximately 180 elevators. Commissioner Bailey made the motion to approve this contract, and Commissioner Alvis seconded the motion and with the unanimous vote of the Commissioners, this award was approved.

IX. Consideration and possible action to award the Fire Alarm Inspection and Maintenance contract resulting from RFP 303-9-01164. Beckwith Electronic Services, Fire Alarm Inspection and Maintenance, \$452,033.34.

Commissioner Jones asked for the cost/tabulation information on Agenda Item IX. Mr. Ehlert reported the contract was approximately \$550,000.00 approximately four years ago. There's been negligible increase on renewal, which is about \$552,000.00. Mr. John Raff took a moment to introduce Messrs. Sean Chandler and Mark Lynch from Beckwith, who were in attendance at the meeting.

Commissioner Bailey made the motion to approve; Commissioner Wagner seconded the motion. All Commissioners voted in the affirmative for the award of this contract.

X. Consideration and possible action to award the Fire Alarm Inspection and Maintenance contract resulting from RFP 303-9-01164. Koetter Fire Protection, Fire Alarm Maintenance, \$100,000.00.

Commissioner Alvis moved to approve, with Commissioner Wagner seconding the motion. All Commissioners voted in the affirmative for this contract award.

XI. Consideration and possible action to approve an amendment to the Carrier Corporation Contract No. 18-022-000 to add an additional \$150,000.00 for anticipated Chiller Repairs required before the end of the contract term August 31, 2019.

Mr. Will Jones (TFC/PREM) addressed the Commissioners to explain the criticality of this amendment to increase funding for chiller repairs, specifically for the building housing the data center. Mr. Jones states the chiller was replaced ten years ago but there are currently mechanical issues that need to be addressed before fiscal year-end. Commissioner Alvis moved to approve this amendment; Commissioner Wagner seconded this motion. The Commissioners voted unanimously to approve the amendment.

XII. Consideration and possible action to approve an interagency contract with the State Energy Conservation Office, a LoanSTAR loan, for the Energy Savings Performance Contract Phase II, Project No. 18-023-3407 in Austin, Texas.

Commissioner Alvis made a motion to approve, Commissioner Bailey seconded the motion; by unanimous vote, this interagency contract was approved. Mr. Raff acknowledged Mr. Doug Kirkley with E3, who was in attendance at the meeting.

XIII. Consideration and possible action to award an energy savings performance contract for utility consumption reduction measures in nine state office buildings, the Energy Savings Performance Contract Phase II, Project No. 18-023-3407 in Austin, Texas.

Commissioner Alvis made a motion to approve, Commissioner Bailey seconded the motion; with the Commissioners' unanimous vote, this contract was approved.

XIV. Consideration and possible action to approve an amendment to an architectural and engineering professional services contract for TFC's 2018-19 deferred maintenance for Mechanical Repairs in Capitol Complex Buildings, Project No. 18-010-5193 in Austin, Texas.

Mr. John Raff (TFC/FDC) spoke about this request to amend Tom Green & Company's contract for MEP design services. Commissioner Alvis made the motion to approve, Commissioner Wagner seconded the motion; approved by the Commissioners' unanimous vote. Chairman Allensworth acknowledged Mr. Cameron Labunski from Tom Green & Company, who was in attendance.

XV. Consideration and possible action to award an architectural and engineering professional services contract for test and balance services to support TFC's 2018-19 deferred maintenance for Mechanical Repairs in Capitol Complex Buildings, Project No. 18-010-5193 in Austin, Texas.

Mr. Raff spoke about testing and balance services contract, which will support the deferred maintenance project for the Capitol Complex buildings. Mr. Raff spoke of TAB Technologies and their long history as a service provider for these services. He introduced Messrs Tyler Lewis and Glenn See of TAB Technologies, who attended this meeting. Commissioner Wagner made the motion to approve this award, and Commissioner Alvis seconded the motion. The Commissioners voted unanimously to approve.

XVI. Consideration and possible action to approve requested tuition increase for the Capitol Complex Child Care Center, TFC Contract No. 15-052-000.

Ms. Laura Hall (TFC's Program Supervisor, Parking and Special Events) spoke on the requested \$15/month tuition increase for the Capitol Complex Child Center. For the benefit of the new commissioners, Ms. Hall explained that the Capitol Complex Child Center currently has 121 children, at least half of whom are the children of UT faculty and the others are children of regular state employees. The tuition increase is to cover the annual salary increases of the staff at the child care center, as mandated by UT.

Ms. Naomi Gonzalez discussed, at Chairman Allensworth's request, TFC's contract with UT, which outlines the duties and the responsibilities of UT and of TFC.

Commissioner Jones interjected that the parents of the Capitol Complex Child Center enrollees have met and are fully supportive of the increase in tuition, particularly when comparing to other privately-run child care programs. Commissioner Jones also stated there is a waiting list for the center of over 600 presently.

XVII. Consideration and possible action to approve new TFC logo.

Agenda Item Number 17 was pulled to allow the Commissioners time to review, with possible consideration at the August Commission Meeting.

XVIII. Discussion of Major Projects.

1. Capitol Complex. Mr. Lou Saksen, Project Executive with Balfour Beatty, gave an update.
2. North Austin Complex.
3. Texas School for the Deaf.

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

Mr. Novak asked Mr. Richard Glancey, TFC's Director of External and Legislative Affairs, to give a summary of the recent legislative session. Mr. Glancey discussed the Hobby Building bill, which Senator Kirk Watson carried and was instrumental in getting passed. Mr. Glancey also expressed TFC's appreciation to Sandy Guzman of Senator Watson's staff, and to Representative Gina Hinojosa and staff member, Chelsea O'Hara, for all their hard work and extraordinary efforts to get the bill passed.

Mr. Glancey spoke briefly about the TFC DMV bill, which enables the Surplus team to properly auction off surplus vehicles. Mr. Glancey expressed appreciation to Representative Charlie Geren, his staff member, Cory Techner, as well as Senator Judith Zaffirini. Mr. Glancey offered thanks to Senator Watson and his staff member, Sandy Guzman, for their assistance with this bill.

Mr. Glancey reported on the Sutton Building bill, for which TFC thanks Barbara Gervin-Hawkins and her staff member, JD Pedraza, as well as Senator Pete Flores.

Chairman Allensworth expressed his appreciation for the work that was done to get these bills passed, and then asked Mr. Glancey to speak about the global bill, which gives TFC the ability to declare a property as an under-performing asset and move its disposition through the legislative processes much more quickly, without the need for separate bills for each building or property. Mr. Glancey states it gives TFC a much broader "authority" and that the Commission greatly appreciates the trust the Legislature has placed in us.

Mr. Novak asked Mr. Daniel Benjamin, TFC's Acting CFO, to speak about the funds requested and appropriations received from this legislative session. Mr. Benjamin stated that, overall, TFC received about 80% of the requested funds and addressed the main points briefly. Mr. Benjamin noted the request to increase the TFC Executive Director salary to \$190,000 was approved but not funded. A portion of the funds for deferred maintenance and additional full-time employee positions were approved, as was a portion of funding for the finishing out of the LBJ Building. Mr. Benjamin reports that the Capitol Complex Phase 1 and Phase 2 were fully funded, as requested. Funding to replace TFC's old fleet vehicles was partially funded, for approximately 27 new vehicles.

Discussion of the need for a July meeting ensued, with Commissioner Jones expressing concern that, if a budget is to be approved at the August meeting (without having a July meeting,) there may not be time for the Commissioners to receive the budget data, review, and approve before the end of the fiscal year. Mr. Novak assured the Commissioners the budget information would be disseminated to them prior to the August meeting, to ensure they have time to review and request information/ask questions before voting on the budget.

Mr. Novak called Mr. Richard Ehlert back up to the podium to briefly discuss the efficacious visit from the Brazilian Delegation, who have visited under the auspices of the US Trade Development Agency and the Business Council for International Understanding. This being the third delegation received by TFC, Mr. Ehlert described the mutual benefits of assisting other governments worldwide on the fundamentals and guidelines of the State of Texas' procurement and contracting processes.

XX. Report from Internal Auditor.

Sonya Etheridge, TFC's Chief Internal Auditor, gave a brief review of TFC's risk assessment process, which is on schedule, and will be used to drive the audit plan for Fiscal Year 2020. Ms. Etheridge discussed the software currently in use by the Office of Internal Audit (OIA) and consideration of a different system that would better suit the needs of OIA. Ms. Etheridge addressed the consulting engagement, for which the report is not ready but will be in time for the August Commission meeting.

For a status report on the construction contracts for deferred maintenance, Ms. Etheridge introduced Mr. David Ramos (TFC/Office of Internal Audit) to provide the results of that report.

Mr. Ramos discussed the deferred maintenance backlogs, which could be considered a risk due to lack of funding. Referencing Mr. Benjamin's earlier presentation on funding, Mr. Ramos again confirmed the fact that costs for repairs/renovations aren't being fully funded, referencing the biennium of 2018 to 2019 was only 30% funded. Each year, with inflation, the costs are compounded. Mr. Novak stated the tenants in the Capitol Complex complain they have suffered the ill-effects of TFC's underfunding.

Mr. Raff interjected that TFC is functioning on an emergency repair basis. Mr. Raff states that our tenant agencies ask for carpet cleaning or replacement and new paint but, with limited funds, TFC cannot work towards renewal of finishes, as urgent/emergency repairs take precedence.

Chairman Allensworth suggested to Mr. Novak developing a wallet-size card with talking points on it so that, when the Chair or Commissioners bump into a legislator, they can use that to bring up the funding issue. Mr. Novak indicated Mr. Glancey may have something similar to that but to have a wallet-size card was agreed to be most convenient.

Mr. Ramos continued on that the audit of this area is generally favorable and stressed the need for being proactive in submitting budget requests, as well as increase insurance monitoring (workers' compensation and liability insurance) for subcontractors to limit liability.

XXI. 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.

XXII. Report from Commission Work Groups.

1. Construction Work Group.

Chairman Allensworth spoke briefly on the Capitol Complex, which Mr. Saksen (Balfour Beatty) addressed earlier. The North Austin Complex, with Mr. Mark Diaz as project manager, is on time, on budget. The School for the Deaf project hasn't broken ground but is slated to commence by September, 2019.

2. Childcare Work Group.

Commissioner Jones reiterated the tuition increase and spoke about the plans for the childcare center, with focus on the square footage for the older children. From the Work Group discussion, Commissioner Jones mentioned Ms. Bailey Gonzalez (TFC) had noted there is only one elevator, which is an ingress/egress issue. Commissioner Jones indicated TFC's Ms. Cheryl Taylor will be addressing this issue during regular meetings with the architects. Ms. Taylor spoke briefly to the Commissioners regarding increased costs and special considerations for adding an elevator over a parking garage.

3. Surplus Work Group.

Commissioner Jones spoke about Surplus' possible receipt and sale of two ferries.

4. Energy Work Group.

Mr. Farshad Shahsavary (TFC/FDC) gave an update on the recent energy savings rebates, changes and upgrades that are planned for at least four buildings.

5. Audit Work Group.

Chairman Allensworth discussed the postponement of the Sunset Commission review, as well as tasking Ms. Sonya Etheridge (TFC/OIA) with heading up our self-evaluation report. Commissioner Villarreal stated there should be some sort of analysis on contract renewals currently and over the past five to seven years.

Ms. Etheridge stated OIA has collected and will tabulate a cross-section of that data for the Commissioners, which will show the percentage increases.

XXIII. 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.

Vice Chairman Allensworth recessed the open meeting to convene in Executive Session at 11:00 a.m.

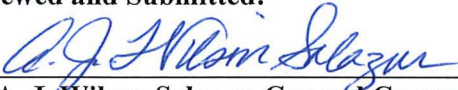
XIII. Reconvene in open meeting and consider action on matters discussed in Executive Session.


Vice Chair Allensworth reconvened the open meeting at 11:56 a.m. and no action was taken.

XIV. Adjournment.

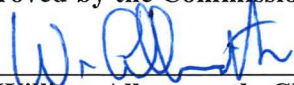
Vice Chair Allensworth adjourned the meeting at 11:56 a.m.

Reviewed and Submitted:

By: 
A. J. Wilson Salazar, General Counsel

By: 
Naomi R. Gonzalez, Assistant General Counsel
Former Acting General Counsel

Approved by the Commission on August 15, 2019.

By: 
William Allensworth, Chair