

EXECUTIVE DIRECTOR
Edward L. Johnson



CHAIR
Betty Reinbeck

COMMISSIONERS
Malcolm E. Beckendorff
William D. Darby
Virginia Hermosa
Barkley J. Stuart

Texas Facilities Commission

Minutes No. 15 Minutes of the March 18, 2009, 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, March 18, 2009, commencing at 10:00 a.m. The following were present, and Chair Reinbeck presided:

Members Present

Betty Reinbeck	Chair
Malcolm E. Beckendorff	Commissioner
Derek Darby	Commissioner
Virginia Hermosa	Commissioner
Barkley Stuart	Commissioner

Staff Present

Edward Johnson	Executive Director
Kay Molina	General Counsel
Mark Scott	Director, Internal Audit
Stephen Thomas	Deputy Executive Director, Administration
Luis Arellano	Chief Financial Officer
Gregg Werkenthin	Deputy Executive Director, Space Management & State Leasing Services
Richard Ehlert	Internal Procurement
John Goodrich	Internal Procurement
Jamie Barrington	Director, Facilities Management Division
Bill Bonham	Deputy Executive Director, Facilities Design & Construction
Jorge Ramirez	Energy Management
Tiffany Harry	Legal Services Division
Susan Maldonado	Legal Services Division
Crystal Nelson	Legal Services Division
Kristy Fierro	Internal Audit
Trish Perme	Internal Audit
Mike Blackwell	Publications & Media
Jorge Ramirez	Director, Energy Management & Plant Operations
Mark Trott	Facilities Design & Construction
Mary Jo Ingram	Facilities Design & Construction

Sarah English	Facilities Design & Construction
John Raff	Facilities Design & Construction
Michael Phillips	Chief Information Officer
Crissy Cargill	Facilities Design & Construction
Mike Holeman	Facilities Design & Construction
Tom Forrest	Facilities Design & Construction
David Carlton	Facilities Design & Construction
Mike Holeman	Director of A/E Tech Support
Kelsey Peeler	Executive Administration
Ashley Holt	Space Management & State Leasing Services
Lisa Hardin	Executive Administration

Guests

Kay McAllister	
Jeff Bricker	Page Southerland Page
Robert Owens	Page Southerland Page
Marty Massey	Skanska
David Ancira	Texas Comptroller of Public Accounts (CPA)
Wendy Hernandez	TIBH Industries

- I. Call to Order.** Chair Reinbeck called the meeting to order.
- II. Approval of the Minutes from the January 21, 2008 Open Meeting.**
The Commission voted unanimously to approve the minutes from the previous meeting with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Stuart.
- III. Election of Vice Chair.** Commissioner Beckendorff made a motion to elect Commission Stuart as Vice Chair by acclamation with a second to approve the motion made by Commissioner Hermosa.
- IV. Public Comment.** Kay McAllister addressed the Commission regarding sound proofing the chillers at the Department of State Health Services (DSHS) main campus in Austin, Texas because it was not a posted agenda item, there was no discussion on this topic by the Commission.
- V. Award of Lease Recommendations and Summaries.**
 - A. Leases and/or Amendments Pending Execution with Commencement Date on or after March 18, 2009.**

Renewals

- 1. #20049 – Comptroller of Public Accounts/Department of Assistive and Rehabilitative Services/Department of Family and Protective Services/Health and Human Services Commission: Wichita Falls, TX.
- 2. #10640 – Department of Family and Protective Services/Health and Human Services Commission: Dallas, TX.

Add Space

- 3. #20157 – Office of Rural Community Affairs: Austin, TX.
- 4. #7320 – Health and Human Services Commission: Edinburg, TX.

New Leases

- 5. #303-9-10104 – Department of Assistive and Rehabilitative Services: Fort Worth, TX.
 - 6. #303-9-10688 – Health and Human Services Commission: Dallas, TX.
 - 7. #303-9-10512– Office of the Attorney General: San Antonio, TX.
 - 8. #303-9-10513 – Office of the Attorney General: San Antonio, TX.
- B. Leases and/or Amendments Pending Execution with Commencement Date before March 18, 2009.

New Lease

- 1. #303-8-10514 – Health and Human Services Commission: Waco, TX.

Item 5, new lease transaction #303-9-10104 was pulled from the agenda at the request of the Department of Assistive and Rehabilitative Services (DARS). The Commission unanimously voted to approve the above leases and/or amendments with the motion to approve made by Commissioner Stuart and a second to approve the motion made by Commissioner Darby.

VI. Consideration and possible action to approve a Construction Manager-At-Risk contract award for the Texas Department of Public Safety, Weslaco Regional Office, Project No. 08-011-0405, Weslaco, Texas. The Commission unanimously voted to award a construction manager-at-risk contract to Skanska in the amount of \$1,786,466 for the Texas Department of Public Safety (DPS) new Weslaco Regional Office, Project No. 08-011-0405, Weslaco, Texas. The actual construction cost, including the construction manager-at-risk fee, construction general conditions, pre-construction management fee, and contingency for the contract will not exceed \$25,595,628.

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

A. Update and discussion on small contractor participation assistance program

B. Legislative Update

Bill Bonham gave a brief presentation to the Commission highlighting current and ongoing projects for the Facilities Design & Construction Division. Gregg Werkenthin also presented a brief update and a slide presentation on the new Health and Human Services Commission (HHSC) Statewide Call Center located in San Antonio, Texas.

Edward Johnson gave the Commission a legislative update and a brief summary of the Senate Finance Hearing that he attended in February. Mr. Johnson updated the Commission on Senate Bill 704 passed last session that amended the Small Contractor Participation Assistance Program.

VIII. Report from the Chief Financial Officer on the monthly financial report update. Luis Arellano provided the monthly financial report including the agency forecast, monthly operating expenditures, year-to-date budgeted adjustments, cost recovery program results, revenue forecast, and a list of financial transactions that are not included in the operating budget. There were 4 budget adjustments made throughout the month for additional revenue from the cost recovery programs and additional services provided to tenants. Projected balances show shortfall but mainly due to utility cost. TFC showed 323 FTEs as of the end of February 2009.

- IX. Monthly Status Report from Internal Auditor, Mark Scott.**
- A. Report - A Limited Review of General Controls over TFC's Information Systems**
 - B. Management Letter - Review of the impact of HB 1516 on TFC's Information Resources**

Mark Scott gave the commissioners a brief update on "A Limited Review of General Controls over TFC's Information Systems," issued February 9, 2009. This audit found that the IT division has established, and is operating, general controls to help ensure the integrity of TFC's information resources systems and data. Mr. Scott also informed the Commission about the management letter issued February 13, 2009 as a result of HB 1516 that covered service levels and roles and responsibilities over all electronic systems used at TFC.

Mr. Scott stated that the State Auditor's Office recently completed a classification audits that included a review of 42 TFC positions. Mr. Scott and his staff are currently wrapping up a follow-up review of the 2007 warehouse audit that addressed the risks associated with materials and supplies purchased and routed through TFC's warehouse operations.

- X. Litigation Report**
- A. Carolyn Reininger v. TFC, Tex. Sup. Ct., Case No. 08-686 [Third Court of Appeals, Austin; Case No. 03-06-00363-CV];**
 - B. Goodwin Engineering v. TFC, Tex. Gov't Code, Ch. 2260 claim.**

General Counsel Kay Molina informed the Commission that these agenda items will be discussed in Executive Session under Texas Government Code, Section 555.071.

- X. Recess into CLOSED session, if necessary, pursuant to the Texas Government Code under 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.**
 - C. The duties, roles, and responsibilities as Commissioners of the Texas Facilities Commission, Section 551.074.**
 - D. The deliberation regarding purchase, exchange, lease, or value of real property, Section 551.072.**
 - E. 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**

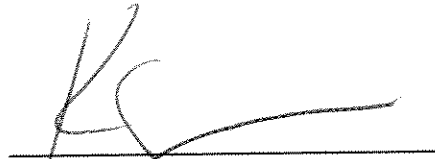
third person and in which the General Counsel has issued a determination in writing, Section 551.0726.

- F. Any matters identified in this agenda where the Commissioners seek the advice of their attorney, Section 551.071.**

Chair Reinbeck recessed the meeting at 11:14 AM to convene in Executive Session.

- XI. Reconvene in open meeting and consider action on matters discussed in Executive Session.** Chair Reinbeck reconvened the open meeting at 11:34 AM.
- XII. Consideration and possible action, if necessary, on any issue discussed during Executive Session.** No action was taken as a result of Executive Session.
- XIII. Adjournment.** Chair Reinbeck adjourned the meeting at 11:35 a.m.

Reviewed and
Submitted by:



Kay Molina
General Counsel

Approved by the Commission on the 15th day of April, 2009.

By:



Betty Reinbeck
Chair